



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

# **2025 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 7, 2026

### 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**

Name of spokesperson : Hung Yu-Fang  
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Name of acting  
spokesperson : Chen Chia-Hua  
Position : Manager of Finance Department  
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Address of Factory : No. 6, Xinjian S. Rd., Nanzi Dist., Kaohsiung City  
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## **III. Stock Transfer Agent**

Name : Registrar of President Securities Corporation  
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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>8</b>
2.1 Information of Directors, President, Vice President, Associate Vice President, and Heads of Various Departments and Branches .....	8
2.2 Remuneration Paid to Directors, President and Vice President for the Most Recent Fiscal Year.....	15
2.3 Implementation of Corporate Governance .....	20
2.4 Information on CPAs' professional fee .....	90
2.5 Information on Replacement of CPAs.....	91
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 .....	91
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 .....	91
2.8 Relationship among the Top Ten Shareholders .....	93
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.....	95
<b>III. Capital Overview</b> .....	<b>96</b>
3.1 Capital and Shares .....	96
3.2 Corporate Bonds .....	102
3.3 Preferred Shares .....	102
3.4 Global Depositary Receipt .....	102
3.5 Status of Employee Share Options.....	102
3.6 Status of New Restricted Employee Shares .....	102
3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions.....	102
3.8 Financing Plans and Implementation.....	102
<b>IV. Operational Highlights</b> .....	<b>103</b>
4.1 Business Activities .....	103
4.2 Overview of Market, Production, and Sales .....	110
4.3 Human Resources.....	116
4.4 Environmental Protection Expenditure.....	116
4.5 Labor Relations .....	117
4.6 Cyber Security Management .....	120
4.7 Material Contracts .....	122

**V. Review and Analysis of Financial Conditions, Operating Results, and Risk Management..... 123**

5.1 Review and Analysis of Financial Status..... 123

5.2 Review and Analysis of Operating Results..... 123

5.3 Review and Analysis of Cash Flow ..... 124

5.4 Impacts of Major Capital Expenditure for the Most Recent Fiscal Year on Financial Operation ..... 125

5.5 Investment Policy for the Most Recent Fiscal Year, Reasons for Profit (Loss), Improvement Plan and the Investment Plan for the Coming Year ..... 125

5.6 Review and Analysis of Risk Management ..... 125

5.7 Other Material Items ..... 128

**VI. Special Disclosure ..... 129**

6.1 Summary of Affiliated Companies ..... 129

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..... 138

6.3 Other Matters Requiring Supplementary Information..... 138

**VII. Matters with Important Impacts on Shareholders' Equity or Prices of Securities 139**

# 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\$8,034,659 thousand, 6.85% increase from the previous year; the consolidated net profit after tax was NT\$1,491,487 thousand, 2.71% decrease from the previous year, and the earnings per share (EPS) was NT\$11.76.

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

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

Unit: NT\$ Thousand

Item		Year	
		2025	2024
Financial receipts and expenditures	Operating revenue, net	8,034,659	7,519,697
	Gross profit	3,226,257	2,979,747
	Current net profit	1,491,487	1,532,973
Profitability	ROA	9.32%	10.54%
	ROE	13.56%	15.20%
	Operating income to paid-in capital ratio	157.07%	138.45%
	EBT to paid-in capital ratio	168.08%	161.20%
	Net profit margin	18.56%	20.38%
	EPS after tax (NT\$)	11.76	12.10

iv. Research and development:

The Company has long been dedicated to the manufacture of protection components for overcurrent, overvoltage, and temperature control. These products are widely used in 3C products, communications components, and home appliances. In recent years, the Company has been actively expanding into the automotive industry, energy storage systems, new energy, industrial equipment, biotech and medical, and AI application sectors, which now carry significant weight in revenue composition. The Company's long-standing cultivation of core technologies in component and material design and automation equipment R&D has been applied to miniaturized components and designs with high temperature and high voltage tolerance to meet the industry's demand for protection components. Furthermore, the Company has developed corresponding technical strategies to address sustainability goals such as environmental protection and energy conservation and carbon reduction. In recent years, continued advances in slurry engineering processes and breakthroughs in dispersion technology have enabled the widespread application of nanomaterials across the Company's various component product lines. In the area of negative temperature coefficient (NTC) thermistors, the development of crystal rod process products to enhance the high-temperature stability of sensors has been completed, with product temperature tolerance increasing from 150°C to 350°C as application fields expand. To address silver metal migration in harsh automotive-grade environments, the Company plans to launch copper electrode products. Development of low-B (2240) high-resistance, high-temperature-tolerant products is also underway to meet the increasing temperature tolerance requirements of the automotive market. In response to environmental degradation and the push for energy-saving, low-carbon manufacturing processes, chip-type components are transitioning from alcohol solvent-based processes to water-based processes. Additionally, amid surging silver prices, the Company is launching a copper electrode product series to respond to market demand. In the area of zinc oxide varistors, the high surge current series of multilayer varistors has fully transitioned to pure silver electrodes, eliminating the use of palladium-containing electrodes. Furthermore, in the anti-ESD (electrostatic discharge) protection series, enhancing voltage tolerance and reducing the use of palladium-containing electrodes will be a key R&D focus this year. Beyond performance improvements, ongoing R&D directions for varistors include miniaturization and the replacement of silver electrodes with copper electrodes. Regarding environmental compliance, the EU has imposed restrictions on antimony-containing products; the Company is currently supplying small quantities to customers and proceeding with the development of a full product series. In lightning protection product development, the focus on material design and slurry engineering aims to enhance 10-350 surge current tolerance and expand the lineup of low-clamping-voltage products to increase market share. In

the area of positive temperature coefficient (PTC) thermistors, the 1,400V high-voltage CPTC product is designed for automotive-grade applications, while the high-voltage series is applied in AI thermal management modules. In chip-type PTC products, a 0805 soft-cut SMD 4.7-ohm ultra-low-resistance product has been developed. In other protection components, the development of an automotive-grade PPTC 125°C product series and low-resistance series products are also key R&D priorities. Additionally, diversified new product design is a major focus for the Company, with pressure sensors being the flagship new product for the current year.

## 1.2 Summary of business plan:

### i. Business policy

- (1) Continue applying the philosophy of "New Concept, New Management, New Technology and New Market," and remaining committed to cultivating new markets such as electric vehicles, new energy, AI, industrial control, communications, and healthcare.
- (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; refine backup personnel mechanisms to strengthen operational stability and achieve the goal of sustainable business operations.

### ii. Expected sales volume and basis thereof

The rapid advancement of AI has become the primary growth driver for the electronics industry and represents a key new market in which the Company is investing heavily. While the macro trend of automotive powertrain electrification and electronic control systems has seen slowing growth, the Company's long-term commitment to this market means the accumulated results remain one of the primary engines of revenue growth. Global climate change and energy concerns continue to drive rising market demand for renewable energy and energy storage. Combined with automation and smart industrial applications, these are all sources of growth momentum for the Company. However, reciprocal tariffs, international conflicts, and soaring raw material prices have intensified market competition and created headwinds for stable global economic growth. Taking all factors into consideration, after integrating major customers' operational forecasts for the new year and combining these with foreseeable budgets for new customers and products, the Company's sales revenue in 2026 will see visible growth, maintaining a trajectory of steady upward development.

### iii. Key production and sales policies

#### (1) Production policy:

##### A. Supply management:

(a) In response to the restructuring of global supply chains and heightened geopolitical risks, the Company continues to deepen its market positioning for products across diversified application markets including automotive, communications, industrial, and medical. It is also building a multi-site, diversified supply chain system. Through the full utilization of multi-source production configurations across five locations on both sides of the Taiwan Strait, and by actively promoting the diversification of manufacturing sites, including new facilities in Kaohsiung and Guangdong that have been completed and are in commercial operation, as well as a new factory in Vietnam currently under construction, the Company aims to mitigate the risk of supply disruptions arising from geopolitical factors for its customers and to be closer to key delivery markets. The overall strategy is centered on enhancing delivery flexibility and customer service efficiency.

(b) In terms of inventory management, the Company prudently adjusts inventory levels at each plant based on changes in market demand and order status, continuously rationalizing inventory structure to improve inventory turnover rate, reduce capital tied up in inventory, and ensure efficient use of working capital.

##### B. Production management:

###### (a) People:

The Company continues to strengthen talent training and professional specialization, promoting professional development of personnel and ensuring the stability of key process personnel to reinforce the foundation of production technology and quality.

###### (b) Machine:

The Company continues to promote automation and smart upgrades of production equipment, progressively phasing out high-energy-consumption and low-efficiency equipment to improve overall production efficiency and reduce per-unit manufacturing costs.

###### (c) Materials:

The Company implements a multi-source material qualification mechanism to reduce the risks and supply stability impacts associated with single-source dependency. Strategic procurement is conducted for key raw materials to effectively manage cost fluctuations, in accordance with the quality management principle of "strict incoming materials, strict outgoing products."

(d) Methods:

d-1 Systematizing management, standardizing systems through forms, and digitizing forms, hence comprehensively promoting the digitization and systematization of operational management.

d-2 Continuing to promote lean production, reducing or eliminating low-value-added activities, and focusing resources on high-output and high-impact key actions.

d-3 Strengthening departmental operational efficiency management, with all plants and units across the Group simultaneously setting and implementing key performance indicator (KPI) initiatives to ensure strategy execution.

(e) Environment:

e-1 Advancing energy conservation projects by conducting comprehensive energy consumption audits and diagnostics of equipment, and launching energy-saving improvement plans based on the findings.

e-2 Promoting water resource reuse by installing process wastewater recovery systems to improve water use efficiency and achieve the goal of multiple-use water cycles.

e-3 Designing and planning new facilities based on green building principles, pursuing environmentally friendly and sustainable operations, and fulfilling ESG corporate responsibilities.

C. Overview of Production and Marketing:

Facing rapidly changing market demand, the Company maintains a high degree of flexibility and resilience in its production-sales system through the continuous operation and optimization of production-sales coordination mechanisms, balancing production-sales variances and dynamically adjusting production scale to optimal economic efficiency levels to address the challenges and pressures of market volatility.

(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 clients, hence adding to the revenue streams and enhancing global reputation.

C. Develop new AI-related markets while deepening penetration in markets such as electric vehicle ecosystems, energy storage and renewable energy, industrial, and communication markets.

D. Increase sales of niche thermal, pressure-sensitive, and new-type sensor 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

March 28, 2026

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							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 76-80	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, 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 Associate Vice President 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	-	-	-	-	-	-	-	-	EMBA, National Sun Yat-sen University 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, Independent Director and member of the Audit Committee of Wellell Inc.

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 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., Independent Director and member of the Compensation and Remuneration Committee and member of the Audit Committee of Golden Insurance Brokers CO.,Ltd., Independent Director and member of the Compensation and Remuneration Committee and member of the Audit Committee 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., Independent Director and member of the Compensation and Remuneration Committee and member of the Audit Committee of G&E Herbal Biotechnology 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: Supervisor of Kaifa Industry 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

March 28, 2026

Name of institutional shareholder	Major Shareholders
Boh Chin Investment Co., Ltd.	Sui Chieh-Heng (39.20%), Sui Wan-Ni (28.35%), Chen Su-Ai (39.20%).

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

Name	Criteria	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. 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. 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.		2
Huang Cheng-Nan		Currently practicing lawyer at Dinghe United Law Offices, providing diverse legal advice to companies.		2
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.

## E. Board Succession Planning and Operation

Since 2022, the Company has been implementing succession planning for the Chairman. The senior management team has jointly identified high-potential executives and arranged for them to attend or participate in relevant Board meetings and operational processes. This allows them to become familiar with the Company's governance structure and decision-making mechanism.

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

March 28, 2026

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/ Manager at the branch office in Nanzi	R.O.C.	Sui Tai-Chung	Male	7/1/2024 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 Associate Vice President 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 Sales & Marketing Department	R.O.C.	Hou Te-Hsin	Male	7/4/2014	1,000	0.001%	-	-	-	-	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 Sales & Marketing 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, 2025 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.																									
	Representative of Boh Chin: Sui Tai-Chung	-	-	-	-	24,218	24,218	-	-	24,218	24,218	1.61%	1.61%	9,054	9,054	-	-	7,668	-	7,668	-	40,940	40,940	2.72%	2.72%	None
	Representative of Boh Chin: Chen Su-Ai																									
	Chang Shan-Hui																									
Independent Director	Chen Yen-Hui																									
	Chou Pao-Heng																									
	Huang Cheng-Nan	-	-	-	-	1,370	1,370	-	-	1,370	1,370	0.09%	0.09%	-	-	-	-	-	-	-	-	1,370	1,370	0.09%	0.09%	None
	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 of the Company's directors is determined based on the Company's overall operating performance and future development trends. It also takes into consideration the directors' advice and contributions across various professional areas, such as business, legal, and financial matters; their attendance and participation rates at meetings; their annual continuing education in relevant professional fields; and recommendations from external performance evaluation reports. Such remuneration is subject to review and approval by the 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, Chen Yen-Hui, Chou Pao-Heng, Huang Cheng-Nan, Chou Chi-Wen, Su Ping-Chang	Chang Shan-Hui, Chen Yen-Hui, Chou Pao-Heng, Huang Cheng-Nan, Chou Chi-Wen, Su Ping-Chang	Chang Shan-Hui, Chen Yen-Hui, Chou Pao-Heng, Huang Cheng-Nan, Chou Chi-Wen, Su Ping-Chang	Chang Shan-Hui, Chen Yen-Hui, Chou Pao-Heng, Huang Cheng-Nan, Chou Chi-Wen, 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				
NT\$10,000,000 ~ NT\$14,999,999			Sui Tai-Chung	Sui Tai-Chung
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 2025.

ii. Remuneration Paid to President and Vice President

December 31, 2025 Unit: NTD thousands

Title	Name	Salary(A)		Pension (B)		Bonuses and Allowances (C)		Employee Compensation (D) (Note)				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	6,836	6,836	-	-	5,251	5,251	9,038	-	9,038	-	21,125 1.40%	21,125 1.40%	None
Vice President	Hou Te-Hsin													
Vice President	Shih Shao-Liang													
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	Sung Hsing-Jang	Sung Hsing-Jang
NT\$1,000,000 ~ NT\$1,999,999		
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999	Hou Te-Hsin, Shih Shao-Liang	Hou Te-Hsin, Shih Shao-Liang
NT\$5,000,000 ~ NT\$9,999,999		
NT\$10,000,000 ~ NT\$14,999,999	Sui Tai-Chung	Sui Tai-Chung
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	4	4

Note 1 : The employee bonus approved by the Board of Directors prior to the shareholders' meeting as part of the Earnings Distribution Proposal for 2025.

Note 2 : Mr. Sung Hsing-Jang, Vice President, resigned on March 17, 2025.

iii. Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2025 Unit: NTD thousands

Title		Name	Stock	Cash	Total	Ratio of Total Amount to Net Profit (%)
Manager	Chairman and President/ Manager at the branch office in Nanzi	Sui Tai-Chung	-	13,977	13,977	0.93%
	Associate Vice President at the Main Management Department	Chen Su-Ai				
	Vice President at the Sales & Marketing Department	Hou Te-Hsin				
	Vice President at the Quality Assurance Department	Shih Shao-Liang				
	Associate Vice President at the Domestic Market Division of the Sales & Marketing Department	Su Shu-Li				
	Associate Vice President at the Second Division of R&D Department	Chiu Chung-Chi				
	Corporate Governance Officer	Hung Yu-Fang				
	Manager of Finance Department	Chen Chia-Hua				

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	2025		2024	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	1.70%	1.70%	1.67%	1.67%
President and Vice President	1.40%	1.40%	0.74%	0.74%

The difference in the ratio of total remuneration for the President and Vice President to the Company's after-tax net income in the parent-only financial statements over the two periods was 0.66%, primarily due to the promotion of two Vice Presidents in 2025.

(2) The remuneration of the Company's directors is determined based on the Company's overall operating performance and future development trends. It also takes into consideration the directors' advice and contributions across various professional areas, such as business, legal, and financial matters; their attendance and participation rates at meetings; their annual continuing education in relevant professional fields; and recommendations from external performance evaluation reports. Such remuneration is subject to review and approval by the Remuneration Committee and the Board of Directors. 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. To implement the Company's sustainable development philosophy and to strengthen senior executives' focus on long-term value and overall performance, beginning in 2025, the Company has incorporated material topic management policies into the design of short-term and long-term incentive compensation for the President and senior executives, serving as a key basis for performance evaluation and remuneration decisions.

## 2.3 Implementation of Corporate Governance

### i. Operations of the Board of Directors

A total of 5 meetings of the Board of Directors were held in 2025. The attendances of directors were as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (Note)	Remarks
Chairman	Boh Chin Investment Co., Ltd. Representative: Sui Tai-Chung	5	-	100%	
Director	Boh Chin Investment Co., Ltd. Representative: Chen Su-Ai	5	-	100%	
Director	Chang Shan-Hui	5	-	100%	
Director	Chen Yen-Hui	5	-	100%	
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	5	-	100%	

Note : 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.

Other details to be documented:

- I.(I) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has 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 15, 2025:

1. Deliberated the issuance of year-end bonus 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.
2. Deliberated the monthly salary structure, the amount paid, and the expected amount to be set aside for the pension for managers for 2025. 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 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.

### (II) August 7, 2025:

1. Deliberated distribution of remuneration to directors for 2024. 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 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.
3. 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.

### (III) November 6, 2025:

1. Deliberated the remuneration to members of the Compensation and Remuneration Committee for 2025. 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.
2. 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.

III. Implementation Status of Board Evaluations:

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Evaluation Content
<p>An internal performance evaluation of the Board of Directors is conducted annually, and an evaluation by an external independent professional institution or a team of external experts and scholars is conducted once every three years.</p>	<p>Internal: 1/1/2025-12/31/2025 External: 1/1/2023-9/30/2025</p>	<p>Internal performance evaluation includes the Board of Directors, individual directors, and functional committees. The scope of evaluation conducted by external independent professional institutions is limited to the Board of Directors.</p>	<p>Self-evaluations of the Board of Directors, individual directors, and functional committees, along with the engagement of external independent professional institutions.</p>	<p>(I) Measures for the self-performance evaluation of the Board of Directors cover the following dimensions:</p> <ol style="list-style-type: none"> <li>1. Involvement in corporate operations</li> <li>2. Improved decision-making quality of the Board of Directors</li> <li>3. Composition and structure of the Board of Directors</li> <li>4. Election of directors and continuing education for directors</li> <li>5. Internal control</li> <li>6. Sustainable Development</li> <li>7. Value Creation</li> </ol> <p>(II) Measures for the self-performance evaluation of the board directors cover the following dimensions:</p> <ol style="list-style-type: none"> <li>1. Keeping track of corporate goals and missions.</li> <li>2. Awareness of the duties of a director.</li> <li>3. Involvement in corporate operations</li> <li>4. Management of internal relations and communication</li> <li>5. Director's professionalism and continuing education</li> <li>6. Internal control</li> </ol> <p>(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:</p> <ol style="list-style-type: none"> <li>1. Involvement in corporate operations</li> <li>2. Perception of functional committees' responsibilities</li> <li>3. Improvement in the quality of functional committees' decision-making</li> <li>4. Composition and member election/appointment of functional committees</li> <li>5. Internal control</li> </ol>

- (I) The Company has completed the internal self-evaluation of the performance of the Board of Directors for 2025, and the evaluation results were submitted to the Board of Directors for review and improvement on March 5, 2026. The overall average score of the internal self-evaluation of the board of directors' performance is 94.44 (out of 100); the overall average score of the self-evaluation of individual board members' performance is 98.23 (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 96.05 (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.
- (II) The Company engaged the Taiwan Association for Board Governance to conduct an external evaluation of Board effectiveness (covering the period from January 1, 2023 to September 30, 2025). The institution and its evaluators have no business dealings with the Company and are therefore independent. The evaluation was conducted through questionnaires and virtual interviews, covering seven key dimensions with a total of 40 indicators: (1) Board composition and structure; (2) Director selection and continuing education; (3) Degree of participation in Company operations; (4) Enhancement of Board decision-making quality; (5) Internal controls; (6) Sustainable development; and (7) Value creation.

**Overall Conclusion:**

Overall, the governance and operation of the Company's Board of Directors are in compliance with the relevant corporate governance practices and Board performance evaluation requirements set forth by the Taiwan Stock Exchange, including the following:

1. The Company maintains a sound shareholding structure. The Board comprises eight directors, four of whom are independent directors, representing 50% of the Board, which demonstrates strong independence. The independent directors possess professional backgrounds in accounting, law, and finance, enabling them to provide objective and professional input, strengthen oversight, and enhance decision-making quality and corporate governance effectiveness.
2. Directors demonstrate a high level of self-discipline and actively pursue continuing education. Over the past three years, several directors have exceeded the annual training hour requirements set by the competent authority, enhancing their professional expertise and strengthening the Board's decision-making capabilities.

3. The Board convenes meetings regularly, with a very high attendance rate. Directors actively contribute professional opinions and recommendations during meetings, demonstrating strong engagement and accountability, effectively building consensus and improving decision-making quality.
4. The Board demonstrates a high degree of self-discipline. In addition to conducting annual self-evaluations of the Board and its functional committees, the Company commissioned an external independent professional institution for a Board performance evaluation for the first time in 2025, further strengthening its self-assessment mechanism and underscoring its commitment to accountability.
5. The Company continues to prepare and disclose its Sustainability Report annually. The 2024 Sustainability Report was also assured by a third party, demonstrating the Company's strong commitment to sustainable development and continuous enhancement of its ESG performance.

**Recommendations:**

1. It is recommended that the Company establish a formal and comprehensive onboarding training program for newly appointed directors to help them quickly understand their duties and responsibilities, relevant securities regulations, the corporate governance framework, and industry developments, thereby accelerating their effectiveness.
2. It is recommended that the Company establish a mechanism enabling independent directors to simultaneously receive internal and external whistleblowing reports or related information, or consider appointing an independent and professional third-party organization as a reporting channel. This would enhance the independence and transparency of the whistleblowing system and further strengthen the Company's internal control and corporate governance framework.
3. It is recommended that the Company consider incorporating the Audit Committee's input into the performance evaluation of the head of internal audit, thereby strengthening the interaction and oversight between independent directors and the internal audit function.

**Future Improvement Plans:**

1. The Company plans to provide newly appointed directors with orientation sessions, including Company overviews and industry updates, to help them quickly familiarize themselves with their responsibilities, the corporate governance structure, and the Company's operations.
2. The Company will review its existing whistleblowing mechanism and plans to adjust the handling units based on the nature and severity of reported cases to enhance independence.
3. To further strengthen the independence and professionalism of internal audit, the Company plans to incorporate the Audit Committee's input, where appropriate, into the performance evaluation process of the head of internal audit.

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 2025. The attendances of the independent directors were as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (Note)	Remarks
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	5	-	100%	

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

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 2025 1/15/2025	First meeting of 2025 1/15/2025	1. Appointment of Manager of Finance Department
		2. Donation to the Thinking Education Foundation
		3. Proposal for investment quota
Second meeting of 2025 2/20/2025	Second meeting of 2025 2/20/2025	1. 2024 Internal Control System Declaration
		2. 2024 Financial Statements
		3. 2024 Business Report
		4. Earnings distribution proposal for 2024
		5. Evaluation of the independence and competency of the CPAs, and their appointment and compensation for 2025
		6. List of non-assurance services expected to be provided by Deloitte & Touche
		7. Revision of the Company's Articles of Incorporation
Third meeting of 2025 5/7/2025	Third meeting of 2025 5/7/2025	1. Consolidated financial statements of the first quarter of 2025 and CPAs' Review Report
Fourth meeting of 2025 8/7/2025	Fourth meeting of 2025 8/7/2025	1. Consolidated financial statements of the second quarter of 2025 and CPAs' Review Report
		2. Revision of the Company's Internal Control System and its audit regulations
Fifth meeting of 2025 11/6/2025	Fifth meeting of 2025 11/6/2025	1. Consolidated financial statements of the third quarter of 2025 and CPAs' Review Report
		2. Financial Derivatives Transaction Quotas
		3. 2026 Audit Plan
<p>Independent directors' objections, reservations or major suggestions: None.</p> <p>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.</p>		

(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 2025.

- 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 2025:

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

Date	Communication points
1/15/2025	Internal audit execution status for October-December 2024.
2/20/2025	2024 Internal Control System Declaration
5/7/2025	Internal audit execution status for January-March 2025.
8/7/2025	1. Internal audit execution status for April-June 2025. 2. Revision of the Company's Internal Control System and its audit regulations
11/6/2025	1. Internal audit execution status for July-September 2025. 2. 2026 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 2025:

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

Date	Communication points
2/20/2025	<ol style="list-style-type: none"> <li>1. Audit results of the 2024 financial statements</li> <li>2. Group audit</li> <li>3. Significant operating results and financial ratios</li> <li>4. Management override of control risk review and key audit matters</li> <li>5. Audit recommendations</li> <li>6. Follow-up actions</li> <li>7. Recently promulgated, amended, or applicable laws and regulations, and official rulings</li> </ol>
12/10/2025	<ol style="list-style-type: none"> <li>1. Audit scope and methods</li> <li>2. Group audit</li> <li>3. Significant accounting policies, significant accounting estimates, and significant events or transactions</li> <li>4. Significant risks and key audit matters (KAM)</li> <li>5. Internal control deficiencies identified during the audit and related recommendations</li> <li>6. Audit Quality Indicators (AQIs)</li> <li>7. Independence statement</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				
(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.	None
(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 and the Corporate Governance Best Practice Principles, which expressly prohibit insiders from trading securities based on non-public information. The Company has also implemented stock trading control measures from the date insiders become aware of the Company’s financial reports or related operating results. These measures include blackout periods during which directors are prohibited from trading their shares—30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of each quarterly financial report. Internal notifications are also sent to managers to reinforce regulations on insider trading, highlight common deficiencies, and remind them of blackout periods. In 2025, the Company arranged for directors and managers to attend external training programs, such as legal compliance for insider equity transactions and seminars on insider trading prevention. Internally, the Company also conducted training sessions titled “Insider Trading Course” and “Material Information Disclosure Briefing,” with a total of four sessions attended by 63 employees.	None
III. Composition and Responsibilities of the Board of Directors (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

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 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.
(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

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 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 March 5, 2026. 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
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)?	✓		On January 14, 2019, the Company's Board of Directors approved the establishment of a Corporate Governance Officer position to assist with corporate governance 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:	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>(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 Governance Best-Practice Principles.</li> <li>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.</li> <li>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.</li> </ol>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																
	Yes	No	Abstract Explanation																	
			<p>(III) Continuing education completed by the head of corporate governance this year is as follows:</p> <table border="1"> <thead> <tr> <th>Provider</th> <th>Course title</th> <th>Duration</th> <th>Hours involved</th> </tr> </thead> <tbody> <tr> <td>Taiwan Stock Exchange</td> <td>2025 Cathay Sustainable Finance and Climate Change Summit</td> <td>7/9/2025</td> <td>6.0</td> </tr> <tr> <td>Securities and Futures Institute</td> <td>2025 The Compliance of Insider Equity Trading Regulations Advocacy Meeting</td> <td>8/15/2025</td> <td>3.0</td> </tr> <tr> <td>Accounting Research and Development Foundation</td> <td>Sustainability Reporting and Filing Training Program</td> <td>12/31/2025</td> <td>6.0</td> </tr> </tbody> </table>	Provider	Course title	Duration	Hours involved	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	7/9/2025	6.0	Securities and Futures Institute	2025 The Compliance of Insider Equity Trading Regulations Advocacy Meeting	8/15/2025	3.0	Accounting Research and Development Foundation	Sustainability Reporting and Filing Training Program	12/31/2025	6.0	
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Accounting Research and Development Foundation	Sustainability Reporting and Filing Training Program	12/31/2025	6.0																	
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?	✓		<p>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 2025 was reported to the Board of Directors on January 21, 2026. 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>.</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	
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 (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?  (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)?	✓  ✓		(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> .  (II) Disclosure of information by the Company to the public: 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. 2. Setting up English and German websites, and having dedicated personnel responsible for collecting and disclosing the Company's information. 3. The spokesperson and acting spokesperson system is in place and a contact window is available on the Company's website. 4. The information on investor conference and related materials is available on the Company's website.	None

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 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) The Company’s monthly operations, quarterly and annual financial reports are announced and reported in advance of the specified deadline. For the relevant information, please visit the Market Observation Post System and the Company’s website.	
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 intellectual property management plan linked to operational objectives and its implementation status, please refer to the “Research and Development” section of this Annual Report.</p> <p>(IV) 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>	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>(V)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>(VI)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>(VII)Since 2019, the Company has purchased directors' liability insurance and reported the annual insurance situation to the Board of Directors on March 5, 2026.</p>	
<p>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.</p> <p>(I) The indicators that the Company has improved in 2025 are as follows:</p> <p style="padding-left: 40px;">On November 6, 2025, the Company’s Board of Directors resolved to approve amendments to the “Board of Directors' Performance Evaluation Measures,” stipulating that an external evaluation shall be conducted at least once every three years by an independent professional institution or a team of external experts and scholars. The Company conducted such an evaluation in 2025 and has disclosed the implementation status and evaluation results on its official website.</p> <p>(II) Future strengthening matters and measures are explained as follows:</p> <ol style="list-style-type: none"> <li>1. In accordance with the principle of gender equality, gradually increase the proportion of female director members.</li> <li>2. Continuous evaluation of potential improvement plans for items that have not received scores.</li> </ol>				

iv. Composition, Responsibilities and Operations of the Remuneration Committee  
 (1) Membership of Compensation and Remuneration Committee:

December 31, 2025

Title		Criteria	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
Name					
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."	2
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 2025. 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
Sixth meeting of the fifth intake 1/15/2025	<ol style="list-style-type: none"> <li>1. The amount of the year-end-bonus for managers for 2024</li> <li>2. Discussion of regulations relevant to the compensation and rewards policy, system, criteria, and structure of 2025</li> <li>3. 2025 Compensation and Rewards Proposal for managers</li> </ol>	It was approved as is all attending members.	It was submitted to the Board of Directors and was approved by all attending directors.
Seventh meeting of the fifth intake 2/20/2025	<ol style="list-style-type: none"> <li>1. 2024 remuneration to employees and directors</li> <li>2. Revision of the Company's Compensation Management Guidelines</li> <li>3. Remuneration proposal for newly appointed and promoted manager</li> </ol>	It was approved as is all attending members.	It was submitted to the Board of Directors and was approved by all attending directors.
Eighth meeting of the fifth intake 8/7/2025	<ol style="list-style-type: none"> <li>1. Distribution of the remuneration to directors for 2024</li> <li>2. Distribution of employee remuneration to managers for 2024</li> </ol>	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> <ol style="list-style-type: none"> <li>I. The Board of Directors does not adopt or modifies the advice provided by the Compensation and Remuneration Committee: None.</li> <li>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.</li> </ol>			

## 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 plant manager, 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 March 5, 2026, the Company reported the implementation status of 2025 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 2025 to December 2025. 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., Jiang Xi Thinking Electronic Co., Ltd., and the subsidiary newly added in 2025 (Welkin 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. Since obtaining the RBA Code of Conduct medal in 2019, the Company has continued to adhere to the RBA Code of Conduct Handbook and implement relevant management mechanisms and operational procedures. On January 13, 2026, the management review meeting was convened to review the implementation effectiveness for 2025.</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 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.</p> <p>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</p>	
<p>III. Environmental Issues</p> <p>(I) Does the company establish proper environmental management systems based on the characteristics of their industries?</p>	✓		<p>(I) Based on the characteristics of the networking industry and operational needs, the Company and its subsidiaries have established a comprehensive environmental management system and have obtained certifications including ISO 14001, ISO 50001, and IECQ QC 080000. In terms of greenhouse gas management, the Company conducts annual greenhouse gas inventories in accordance with ISO 14064-1. The 2025 inventory results were verified in February 2026. In addition, product carbon footprint calculations are conducted in accordance with ISO 14067, and the 2024 results were verified in April 2026.</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									
(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: center;">Unit: thousand degrees/year</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Total electricity consumption</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>104,650.10</td> </tr> <tr> <td>2024</td> <td>93,420.18</td> </tr> <tr> <td>2023</td> <td>82,866.37</td> </tr> </tbody> </table> <p>In 2025, the total electricity consumption of the Company and its subsidiaries increased by 11,229.92 thousand degrees compared to 2024, a growth of 12.02%. This was mainly due to a 6.44% increase in total production volume in 2025 compared to 2024, as well as the addition of a subsidiary (Welkin Electronic Co., Ltd.). When evaluating electricity consumption per unit of product, the emissions per unit increased by 0.3917 (thousand KWh/KKPCS) in 2025 compared to 2024. 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 2025, solar energy generation of the Company and its subsidiaries reached 3,670.21</p>	Year	Total electricity consumption	2025	104,650.10	2024	93,420.18	2023	82,866.37	None
Year	Total electricity consumption											
2025	104,650.10											
2024	93,420.18											
2023	82,866.37											

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>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. In 2025, 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 that is helpful to understand and promote the implementation of corporate sustainable development” 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																					
(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>(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., Jiang Xi Thinking Electronic Co., Ltd., and Welkin Electronics Co., Ltd. newly added in 2025 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 6.44% increase in total production in 2025 compared to 2024.</p> <p><b><u>Greenhouse gas emissions in the past 3 years:</u></b> 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>2025</td> <td>1,139.01</td> <td>54,222.76</td> <td>5,236.43</td> <td>60,598.20</td> </tr> <tr> <td>2024</td> <td>2,157.25</td> <td>49,115.80</td> <td>2,084.01</td> <td>53,357.06</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> </tbody> </table> <p>In 2025, the total greenhouse gas emission of the Company and its subsidiaries was 60,598.20 metric tons CO2e, which mainly came from the indirect use of electricity of Category 2, accounting for about 89.50% of</p>	Year	Category 1	Category 2	Category 3	Total emissions	2025	1,139.01	54,222.76	5,236.43	60,598.20	2024	2,157.25	49,115.80	2,084.01	53,357.06	2023	1,307.98	47,089.08	1,362.45	49,759.51	None
Year	Category 1	Category 2	Category 3	Total emissions																				
2025	1,139.01	54,222.76	5,236.43	60,598.20																				
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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 total emission. The total greenhouse gas emissions in 2025 increased by 7,241.14 metric tons CO2e compared to 2024, the increase was mainly due Due to the addition of a subsidiary (Welkin Electronic Co., Ltd.) in 2025, the total production volume in 2025 increased by 6.44% compared to 2024. When comparing emissions per unit of product, there was a increase of 0.286 (metric tons of CO2e/KKPCS) in 2025 compared to 2024. 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 goals, targeting a 4% reduction in 2026 compared to 2025. 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 plants' electricity consumption.”</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>Water consumption in the past 3 years:</u></b> Unit: metric ton/year</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>504,686</td> </tr> <tr> <td>2024</td> <td>435,922</td> </tr> <tr> <td>2023</td> <td>350,276</td> </tr> </tbody> </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 2025 was 504,686 metric tons, which increased by 68,764 metric ton compared to the previous year, a growth of 15.77%. The increase of 3.06 metric tons per KKPCS in unit water consumption was primarily due to the inclusion of a new subsidiary in 2025 (Welkin Electronic Co., Ltd.). To further improve efficiency, the Company adjusted the conductivity control threshold of cooling tower water from 1,500 <math>\mu\text{S}/\text{cm}</math> to 4,000 <math>\mu\text{S}/\text{cm}</math> for discharge. This adjustment is expected to achieve approximately 1.7% water savings while preventing scaling in chiller piping systems and optimizing operational control. Through systematic management and technological optimization, the Company</p>	Year	Total water consumption	2025	504,686	2024	435,922	2023	350,276	
Year	Total water consumption											
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Promotion items	Implementation status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																
	Yes	No	Abstract Explanation																	
			<p>demonstrates its commitment to the sustainable use of water resources and continues to promote energy conservation, carbon reduction, and environmental protection.</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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Hazardous waste</th> <th>Non-hazardous waste</th> <th>Total waste</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>324.69</td> <td>950.42</td> <td>1,275.11</td> </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> </tbody> </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 2025 was 1,275.11 metric tons, which decreased by 215.40 metric tons compared to 2024, a reduction of 14.45%. When comparing waste per unit of product, there was a decrease of 0.0234 (metric tons/KKPCS) in 2025 compared to 2024. This demonstrates continued improvement. 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</p>	Year	Hazardous waste	Non-hazardous waste	Total waste	2025	324.69	950.42	1,275.11	2024	391.46	1,099.05	1,490.51	2023	457.61	1,065.67	1,523.28	
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Promotion items	Implementation status			Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			recycling and reuse of general industrial waste, coordinating with suppliers to reduce the use of styrofoam in packaging materials and switch to recyclable alternatives to reduce waste. (3) Implementing a supplier return mechanism for empty containers to ensure their reuse; and (4) Promoting wood reuse to extend material lifespan and reduce waste generation. Through these initiatives, the Company continues to advance waste reduction, recycling, and reuse, demonstrating its commitment to environmental protection and sustainable development.	
<p>IV. Social Issues</p> <p>(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(I) The Company supports and respects international human rights standards, including the "Universal Declaration of Human Rights," the "UN Guiding Principles on Business and Human Rights," and the "International Labour Organization's Declaration on Fundamental Principles and Rights at Work." The Company also adheres to the Responsible Business Alliance (RBA) Code of Conduct, establishing policies on freedom of employment, prohibition of child labor, non-discrimination, freedom of association, and other human rights principles. Through annual internal audits and third-party verification, the Company reviews the implementation of its human rights policies and continuously pursues improvements to ensure effective protection of human rights. Since obtaining the RBA</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>Code of Conduct medal in 2019, the Company has continued to adhere to the RBA Code of Conduct Handbook and implement relevant management mechanisms and operational procedures. On January 13, 2026, the management review meeting was convened to review the implementation effectiveness for 2025. In addition, labor-management meetings are convened quarterly to ensure effective communication between employees and management. For further details and relevant certifications, please refer to the Company’s website.</p> <p>The Company's human rights management policy and specific plans are summarized as follows:</p> <table border="1"> <thead> <tr> <th>Human Rights Management Policy</th> <th>Specific Plans</th> </tr> </thead> <tbody> <tr> <td>Provide a safe and sound work environment.</td> <td>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.</td> </tr> <tr> <td>Implement the policy of high salary, high-speed development and delicate care.</td> <td>Reward and bonus system for employees Complete and smooth promotion channels</td> </tr> </tbody> </table>	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 Complete and smooth promotion channels	
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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?	✓		Human Rights Management Policy	Specific Plans
			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 2025 was up to 100%.
			(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.	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>Employees’ Remuneration:</u></b>  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> <p><b><u>Welfare Measures for Employees:</u></b>  The Company has set up an Employee Welfare Committee. The committee is responsible for planning, coordinating, and implementing various employee welfare programs, including employee travel, meal gathering subsidies, birthday gift vouchers, marriage allowances, and funeral subsidies. 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>	

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 provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p><b><u>Workplace Diversity and Equity:</u></b> 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 2025, the average proportion of female employees was approximately 52%, and that of female senior executives was 46%.</p> <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> 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 2025, the annual average salary adjustment rate of the Company's supervisory and non-supervisory positions in Taiwan was 3.70%.</p> <p>(III) <b><u>Work Environment:</u></b> 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.</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>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 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> <p><b><u>Occupational Safety and Health Policy:</u></b> The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations</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>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 2025.</p> <p><b><u>Labor Working Environment Monitoring:</u></b> 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>	

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?	✓		<p><b><u>Occupational safety and health training and promotion:</u></b> Occupational safety and health training and promotion in 2025:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Course Name</th> <th>Persons</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Internal Training</td> <td>Occupational safety and health training for new employees</td> <td>75</td> </tr> <tr> <td>AED first aid training</td> <td>312</td> </tr> <tr> <td rowspan="3">External Training</td> <td>Emergency personnel education and training</td> <td>4</td> </tr> <tr> <td>Energy management personnel training</td> <td>1</td> </tr> <tr> <td>Radiation protection training</td> <td>7</td> </tr> </tbody> </table> <p>(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 2025, a total of 4,283 employees completed the career training, with total training hours of 7,495.5.</p>	Category	Course Name	Persons	Internal Training	Occupational safety and health training for new employees	75	AED first aid training	312	External Training	Emergency personnel education and training	4	Energy management personnel training	1	Radiation protection training	7	None
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	Yes	No	Abstract Explanation	
(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 customer rights protection policies and complaint procedures?	✓		<p>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.</p> <p>(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 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.</p>	None
(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.	✓		<p>(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</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>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 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 2025. 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 2025.</p>	

Promotion items	Implementation status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons										
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Promotion items	Implementation status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
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 2025 was Crowe (TW) CPAs.	None
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? 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:  
 In addition to complying with international environmental standards and developing products that meet RoHS requirements, the Company also entrusts waste clearance and treatment operations to government-approved environmental protection agencies. It strictly adheres to relevant laws and regulations, including the Waste Disposal Act, Noise Control Act, and Air Pollution Control Act, and implements various pollution prevention and control measures to safeguard environmental quality and public health.

(II) Community involvement, contributions to society, community service, and public interest:  
 The Company established the Thinking Education Foundation with the mission of promoting balanced education, recognizing outstanding students, and supporting disadvantaged or remote-area students in their pursuit of learning, talent development, and the physical and mental well-being of children and youth. In recent years, the Foundation has focused on providing better learning environments for schools, sponsoring students in remote or disadvantaged areas to reduce educational inequality, and supporting academic visits and research projects. It also collaborates with civil social welfare organizations and educational institutions to continuously advance initiatives in disadvantaged assistance, education-to-employment linkage, moral education, and arts and cultural

heritage. Through these efforts, the Company aims to contribute positively to society and foster a sustainable ecosystem of shared prosperity between business and society.

2025 Thinking Education Foundation Public Welfare Activities:

1. Sponsored the Taiwan Soloists "2025 New Year Concert," ushering in a new year with outstanding musical performance.
2. Sponsored the recital of Jonas Kaufmann at the National Kaohsiung Center for the Arts (Weiwuying). Through the moving melodies of music, the event aims to inherit the strengths of the three legendary tenors of the 20th century and bring audiences a wonderful year.
3. Sponsored Kaohsiung Municipal Youchang Junior High School in purchasing a 65-inch interactive display to enhance teaching facilities and learning environments.
4. Sponsored Ming Hwa Yuan Arts and Culture Group to support the inheritance of Taiwanese traditional opera art.
5. Sponsored the Fongshan Genesis Charity Fair.
6. Sponsored the Tzu Chi Foundation beach cleanup activity.
7. Supported the "Creating a New Paradise by the Coast" tree-planting initiative, as well as beach cleanup and tree-planting activities, to promote environmental protection and sustainability.

(III) Consumer rights:

As a component supplier, the Company primarily sells its products to assembly manufacturers and does not directly engage in sales to end consumers. Nevertheless, to protect customer rights, the Company has established a dedicated unit and email channel to handle customer complaints and feedback related to customer rights and interests, ensuring smooth communication channels and timely, appropriate responses.

(IV) Human rights:

The Company supports and respects international human rights standards, including the "Universal Declaration of Human Rights," the "UN Guiding Principles on Business and Human Rights," and the "International Labour Organization's Declaration on Fundamental Principles and Rights at Work." The Company also adheres to the Responsible Business Alliance (RBA) Code of Conduct, establishing policies on freedom of employment, prohibition of child labor, non-discrimination, freedom of association, and other human rights principles. Through annual internal audits and third-party verification, the Company reviews the implementation of its human rights policies and continuously pursues improvements to ensure effective protection of human rights.

(V) Safety and health:

The Company complies with government occupational safety and health regulations and the ISO 45001:2018 standard to comprehensively promote occupational safety and health management. It applies ergonomics principles to review and improve working environments to ensure operational safety and comfort. In addition, the Company continues to promote health initiatives, care for employees' physical and mental well-being, and foster a friendly workplace culture, demonstrating its commitment to safety and sustainability.

(VI) Certification:

The Company has obtained multiple international certifications, including ISO 14001 Environmental Management, ISO 45001 Occupational Health and Safety, ISO 14064-1 Greenhouse Gas Inventory, ISO 50001:2018 Energy Management, ISO/TS 16949 Quality Management, and IECQ QC 080000 Hazardous Substance Process Management. Through a comprehensive management system and alignment with international standards, the Company demonstrates its commitment to environmental protection, energy efficiency, quality improvement, and workplace safety, continuously advancing sustainable development and corporate responsibility.

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

Climate risks	Potential financial impacts	Climate opportunities	Potential financial impacts	Response in 2025
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	<ol style="list-style-type: none"> <li>1. Adjust and reduce water pressure.</li> <li>2. Gradually replace high-energy-consuming production and office equipment with energy labeled equipment.</li> <li>3. Strengthen energy transition efforts by upgrading equipment, achieving electricity savings exceeding one million kWh, with an average annual energy-saving rate of 8.49%.</li> </ol>
		To improve water resource efficiency and utilization	To reinforce climate resilience and to reduce impacts of a disaster on the production	<ol style="list-style-type: none"> <li>1. Establishment of a pure water recycling machine.</li> </ol>
		Utilization and installation of renewable energy	Increased investment in solar energy equipment to reduce external electricity purchase costs	<ol style="list-style-type: none"> <li>1. Self-generated solar energy for self-use.</li> </ol>
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	<ol style="list-style-type: none"> <li>1. Adjusting equipment parameters to achieve water-saving efficiency.</li> <li>2. Monitoring of recycled pure water quality to achieve circulation and reuse.</li> <li>3. Improve wastewater recycling facilities, with a target recovery rate of 10%.</li> </ol>

Climate risks	Potential financial impacts	→	Climate opportunities	Potential financial impacts	→	Response in 2025
Typhoons, floods	Production suffering impacts to result in financial losses and a decline in revenue Production suffering impacts to result in financial losses and a decline in revenue	→	To improve resistance against natural disasters To improve resistance against natural disasters	To reinforce climate resilience and to reduce chances of interrupted operations and possible losses 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. 2. Insure against property loss to mitigate the risk of disaster damage.
Drought		→			→	1. Promotion of Water Conservation. 2. Increased water storage facilities to extend water usage periods. 3. Establish a channel for purchasing water resources. 4. Adjusted water equipment parameters to achieve recycling and reuse, enhancing water conservation efficiency.
Rising temperature	Increased electricity consumption, costs, and carbon emissions	→	Promoting green, energy conservation, and carbon reduction	To conserve electricity and reduce cost	→	1. Promote paperless workflows and reduce unnecessary document printing; Non-confidential documents printed on recycled paper. 2. Implementation of recyclable packaging material and economic waste recycling and reuse, increasing revenue while reducing incineration treatment. 3. Replace high-energy-consuming production and office equipment with energy labeled equipment. 4. Utilization of green energy. 5. Acquisition of energy-efficient equipment and implementation of energy conservation measures

(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. The Company implements a systemized management cycle and process safety management to continuously reduce pollutant emissions and minimize environmental impact.</li><li>2. It has obtained ISO 14001 Environmental Management System certification and has established annual verification plans to ensure all operational processes comply with relevant requirements and to maintain the validity of the certification.</li><li>3. A cross-functional climate risk identification process has been established. Through internal discussions, five risks and five opportunities have been identified, serving as key inputs for operational strategies and sustainability planning.</li><li>4. In accordance with ISO 14064-1, the Company regularly conducts greenhouse gas inventories, reviews material emission sources, and develops carbon reduction measures to effectively reduce Scope 1 direct emissions and Scope 2 indirect emissions from electricity consumption.</li><li>5. Waste management prioritizes recycling, reuse, and resource recovery to reduce incineration, minimize environmental impact, and enhance circular resource utilization.</li><li>6. Aligned with ISO 50001 Energy Management System requirements, the Company adopts a data-driven approach to improve energy efficiency, reduce energy costs and carbon emissions, and progress toward its net-zero target.</li><li>7. Comprehensive audits and verifications of environmental management systems are conducted to ensure compliance with all requirements and to strengthen continuous improvement in systemized management.</li><li>8. Overall, under the "Environment" major issue, the Company demonstrates its commitment to sustainability through risk identification, carbon inventory management, energy optimization, and waste management, effectively reducing environmental impact while maintaining a balance between operations and environmental responsibility.</li></ol>

Major issue	Risk assessment item	Explanation
Society	Occupational safety	<ol style="list-style-type: none"> <li>1. All manufacturing sites and subsidiaries have obtained ISO 45001 Occupational Health and Safety Management System certification and undergo regular audits to ensure continued validity of the certification.</li> <li>2. In accordance with ISO 45001 requirements, the Company has comprehensively reviewed and strengthened operational processes to ensure effective implementation of occupational health and safety management systems and reduce operational risks.</li> <li>3. Annual fire drills, occupational safety and health training, and traffic safety campaigns are conducted to enhance employees' emergency response capabilities and safety awareness, thereby strengthening overall protection levels.</li> <li>4. Health promotion programs are actively implemented, along with on-site physician services, to improve the working environment, support employees' physical and mental well-being, and foster a workplace culture that prioritizes both safety and health.</li> <li>5. Through systematic audits and continuous training, the Company enhances employees' safety awareness, reduces occupational hazards, and ensures stable operations.</li> <li>6. Overall, under the "Society" major issue, the Company actively implements occupational health and safety risk management, demonstrates its commitment to employee health and safety, and strives for sustainable operations to balance corporate responsibility and social value.</li> </ol>
	Product safety	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>

Major issue	Risk assessment item	Explanation
Corporate governance	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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Item</th> <th style="width: 15%;">Schedule</th> <th style="width: 35%;">Risk</th> <th style="width: 30%;">Opportunity</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">Business</td> <td style="text-align: center;">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 style="text-align: center;">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> </tbody> </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.											

Item	Implementation status			
	Item	Schedule	Risk	Opportunity
	Strategy	Short-term	After the government announced its net zero emissions target, it also faces the issue of carbon reduction.	Obtain carbon inventory certification and understand carbon reduction direction.
		Medium and long-term	Guiding operational direction with low-carbon transformation goals.	Enhancing competitiveness among peers and improving corporate image.
	Finance	Short-term	Increased procurement costs due to the transition to low-carbon raw materials.	Reduce operational management costs and minimize carbon emissions through energy saving and carbon reduction measures.
		Medium and long-term	The high uncertainty surrounding carbon tariffs between countries and domestic carbon rights adds to operational and investment costs unnecessarily.	Develop low-carbon energy-saving technologies and materials to reduce carbon emissions and lower expenses.
	<p>The Company has assessed the above-mentioned risks and identified climate-related risks and opportunities that may have significant financial impacts. The strategies to address these risks and opportunities please refer to (VII) Response to Climate-related Risks and Opportunities - “VII. Other Important Information that is helpful to understand and promote the implementation of corporate sustainable development” of this Annual Report.</p>			

Item	Implementation status
<p>3. Describe the financial impact of extreme climate events and transformational actions.</p>	<p><b><u>The financial impact of extreme climate events:</u></b>  The Company has assessed and identified potential risks to the production or transportation stages, including floods, droughts, changes in precipitation patterns, and extreme changes in climate patterns. The flooding caused by heavy rainfall can result in the suspension of operations at our facilities and damage to equipment, leading to temporary inability to ship products. On the other hand, drought and water shortages can affect the normal operation of our production lines. In addition, self-use solar energy is one of the renewable energy projects invested by the Company. Changes in weather conditions that result in changes in the amount of sunlight will affect the efficiency of renewable electricity generation.</p> <p><b><u>The financial impact of transformational actions:</u></b>  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>
<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<p>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.</p>

Item	Implementation status
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.
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.	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. 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.
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	<input type="checkbox"/> Parent company individual inventory	<input type="checkbox"/> Consolidated financial report subsidiary inventory
<input type="checkbox"/> Companies with capital of over NT\$ 5 billion but less than NT\$ 10 billion	<input type="checkbox"/> Parent company individual assurance	<input type="checkbox"/> Consolidated financial report subsidiary assurance
<input checked="" type="checkbox"/> Companies with capital less than NT\$ 5 billion		

Year	Scope 1 Total emissions (metric tons of CO2e)	Scope 2 Total emissions (metric tons of CO2e)	Scope 3 Total emissions (metric tons of CO2e)	Intensity (metric tons CO2e/NT\$million)
114	1,139.01	54,222.76	5,236.43	7.5421
113	2,157.25	49,115.80	2,084.01	7.0956

### Greenhouse Gas Assurance Information:

Provide a statement describing the assurance status for the most recent two fiscal years as of the annual report printing date, including the scope of assurance, the assurance provider, the assurance standards applied, and the assurance opinion.

For 2024, the greenhouse gas assurance was conducted by Crowe (TW) CPAs.

Complete assurance information for 2025 will be disclosed in the Sustainability Report.

## 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>(II) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities</p>	<p>✓</p> <p>✓</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> <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</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	
<p>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>(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?</p>			<p>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> <p>(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.</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	
<p>II. Fulfill operations integrity policy</p> <p>(I) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(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?</p> <p>(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(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.</p> <p>(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 2025 implementation status on March 5, 2026.</p> <p>(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</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) 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?	✓		<p>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.</p> <p>(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.</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	
(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, 9 sessions in total, in 2025 and 529 of its people attended self-organized or outsourced educational trainings totaling 1,110.5 hours.	
<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>✓</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</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	
(III) Does the company provide proper whistleblower protection?	✓		<p>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>	
<p>IV. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	✓		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
<p>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.</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	
<p>VI. Other important information to help understand the implementation of the ethical corporate management of the company:</p> <p>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.</p>				

- 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: March 5, 2026

For the Company's internal control system of 2025, 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, 2025 (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 March 5, 2026 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 2025 Regular Shareholders’ Meeting of the Company was held on June 17, 2025 at Conference Room II, Nanzih Export Processing Zone, No. 600-7, JiaChang Rd., Nanzi Dist., Kaohsiung City.

The resolutions and implementation status of the shareholders attending the meeting are as follows:

A. Adoption of 2024 Business Report and Financial Statements

B. Adoption of distribution of earnings for 2024

Implementation: August 30, 2025 was set to be the ex-dividend record date and September 19, 2025 the payment date. (NTD 6.1 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.

(2) Important decisions of the Board of Directors:

Item No.	Date	Important decision
1	1/15/2025	<ol style="list-style-type: none"> <li>1. The amount of the year-end-bonus for managers for 2024</li> <li>2. Discussion of regulations relevant to the compensation and rewards policy, system, criteria, and structure of 2025</li> <li>3. The Company’s Appointment of Manager of Finance Department</li> <li>4. Monthly salary structure, amount paid, and expected pension appropriation for managers for 2025</li> <li>5. Donation to the Thinking Education Foundation</li> <li>6. Proposal for investment quota</li> </ol>
2	2/20/2025	<ol style="list-style-type: none"> <li>1. 2024 Internal Control System Declaration</li> <li>2. 2024 remuneration to employees and directors</li> <li>3. 2024 Financial Statements</li> <li>4. 2024 Business Report</li> <li>5. Earnings distribution proposal for 2024</li> <li>6. 2025 Operational Plan</li> <li>7. Evaluation of the independence and competency of the CPAs, and their appointment and compensation for 2025</li> <li>8. Revision of the Company’s Compensation Management Guidelines</li> <li>9. Monthly salary structure, amount paid, and expected pension appropriation for newly appointed and promoted managers</li> </ol>

Item No.	Date	Important decision
		10. Revision of the Company's Articles of Incorporation
		11. Assignment of directors for the subsidiary, Yenyo Technology Co., Ltd.
		12. Convening of shareholders' meeting
3	5/7/2025	1. Consolidated financial statements of the first quarter of 2025 and CPAs' Review Report 2. Assignment of directors for the subsidiary, Thinking (Yichang) Electronic Co., Ltd.
4	8/7/2025	1. Distribution of dividends in cash 2. Distribution of remuneration to directors for 2024 3. Distribution of employee remuneration to managers for 2024 4. Consolidated financial statements of the second quarter of 2025 and CPAs' Review Report 5. 2024 Sustainability Report execution status 6. Revision of the Company's Corporate Governance Best Practice Principles 7. Donation to the Thinking Education Foundation 8. Revision of the Company's Internal Control System and its audit regulations
5	11/6/2025	1. Consolidated financial statements of the third quarter of 2025 and CPAs' Review Report 2. Remuneration to members of the Compensation and Remuneration Committee for 2025 3. Financial Derivatives Transaction Quotas 4. Financing Facilities Quotas 5. 2026 Audit Plan 6. Assignment of directors and supervisors for the subsidiary, Thinking (Changzhou) Electronic Co., Ltd. 7. Assignment of directors and supervisors for the subsidiary, Jiang Xi Thinking Electronic Co., Ltd. 8. Revision of the Company's Board of Directors' Performance Evaluation Measures 9. Amendment to the "Risk Management Policy" 10. Donation to the Thinking Education Foundation
6	1/21/2026	1. The amount of the year-end-bonus for managers for 2025 2. Discussion of regulations relevant to the compensation and rewards policy, system, criteria, and structure of 2026 3. Monthly salary structure, amount paid, and expected pension appropriation for managers for 2026 4. Revision of the Company's Internal Control System and its audit regulations 5. Proposal for investment quota
7	1/29/2026	1. Proposal for investment quota
8	3/5/2026	1. 2025 Internal Control System Declaration

Item No.	Date	Important decision
		2. 2025 remuneration to employees and directors
		3. 2025 Financial Statements
		4. 2025 Business Report
		5. Earnings distribution proposal for 2025
		6. 2026 Operational Plan
		7. Rotation of CPAs and evaluation of independence and suitability
		8. Appointment of CPAs and their remuneration for 2026
		9. Assignment of directors and supervisors for the subsidiary, Dong Guan Welkin Electronic Co., Ltd.
		10. Election of Directors
		11. Duration, number of open seats, and locations for nomination of directors (including independent directors) candidates
		12. Resolved to waive the non-compete restrictions for the newly elected directors of the Company.
		13. Convening of shareholders' meeting
9	4/7/2026	1. Revision of the Company's Internal Control System and its audit regulations
		2. Medium- and long-term guarantee facilities from financial institutions.
		3. The definition of "Entry -level Employees" of the Company
		4. Board review of shareholder-nominated director (including independent director) candidates

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	1/1/2025	4,170	601	4,771	Note
	Liu Yu-Hsiang	-12/31/2025				

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

- i. 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.
- ii. The audit public expenditure is reduced by more than 10% from the preceding year: None.

2.5 Information on Replacement of CPAs: 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	2025		2026 (as of March 28)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director Major Shareholders (Note 1)	Boh Chin Investment Co., Ltd. Representative: Sui Tai-Chung Chen Su-Ai	-	-	-	-
Representative of Director Chairman and President Manager at the branch office in Nanzi	Sui Tai-Chung	-	-	-	-
Representative of Director and Associate Vice President at the Main Management Department	Chen Su-Ai	-	-	-	-
Director	Chang Shan-Hui	-	-	-	-
Director	Chen Yen-Hui	-	-	-	-
Independent Director	Chou Pao-Heng	-	-	-	-
Independent Director	Huang Cheng-Nan	-	-	-	-
Independent Director	Chou Chi-Wen	-	-	-	-

Title	Name	2025		2026 (as of March 28)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Independent Director	Su Ping-Chang	-	-	-	-
Major Shareholders (Note 1)	Yih Chin Investment Co., Ltd.	307,000	-	-	-
Vice President at the Sales & Marketing Department	Sung Hsing-Jang (Note 2)	-	-	-	-
Vice President at the Quality Assurance Department	Shih Shao-Liang	-	-	-	-
Vice President at the Sales & Marketing Department	Hou Te-Hsin	1,000	-	-	-
Associate Vice President at the Domestic Market Division of the Sales & Marketing 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 3)	-	-	-	-
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. Sung Hsing-Jang resigned on March 17, 2025. His shareholding is no longer required to disclose.

Note 3: 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: None

iii. Information on Equity Pledge: None

## 2.8 Relationship among the Top Ten Shareholders

March 28, 2026

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. Representative: Sui Tai-Chung	27,178,247	21.21%	-	-	-	-	Yih Chin Investment Co., Ltd.	Relatives within second degree of kinship of the Chairman of Boh Chin Investment Co., Ltd.	
							Bibo Investment Co., Ltd.		
							Dachi Investment Co., Ltd.		
							Urban Investment Co., Ltd.		
							Pegasus Development Co., Ltd.		
							Sui Tai-Chung		
Sui Chung-Hua									
Yih Chin Investment Co., Ltd. Representative: Chen Su-Ai	16,578,153	12.94%	-	-	-	-	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.		
							Pegasus Development Co., Ltd.		
							Sui Tai-Chung		
Standard Chartered Bank Hosting the Fidelity Puritan Trust: Fidelity Low-Priced Stock Fund	4,124,000	3.22%	-	-	-	-	None	None	
Capital Taiwan Select Premium Active ETF	3,050,000	2.38%	-	-	-	-	None	None	
Bibo Investment Co., Ltd. Representative: 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.		
							Pegasus Development Co., Ltd.		
							Sui Tai-Chung		
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.		
							Pegasus Development Co., Ltd.		
							Sui Chung-Hua		

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	
Urben Investment Co., Ltd. Representative: Sui Wan-Ni	2,422,915	1.89%	-	-	-	-	Boh Chin Investment Co., Ltd.	Relatives within second degree of kinship of the Chairman of Urben Investment Co., Ltd.	
							Yih Chin Investment Co., Ltd.		
							Bibo Investment Co., Ltd.		
							Dachi Investment Co., Ltd.		
							Pegasus Development Co., Ltd.		
							Sui Tai-Chung		
Pegasus Development Co., Ltd Representative: Sui Wan-Ni	2,397,462	1.87%	-	-	-	-	Boh Chin Investment Co., Ltd.	Relatives within second degree of kinship of the Chairman of Pegasus Development Co., Ltd.	
							Yih Chin Investment Co., Ltd.		
							Bibo Investment Co., Ltd.		
							Dachi Investment Co., Ltd.		
							Urben Investment Co., Ltd.		
							Sui Tai-Chung		
Sui Chung-Hua	1,763,719	1.38%	-	-	-	-	Boh Chin Investment Co., Ltd.	Relatives within second degree of kinship	
							Sui Tai-Chung		
Dachi Investment Co., Ltd.. Representative: Chen Su-Ai	1,462,235	1.14%	-	-	-	-	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.		
							Urben Investment Co., Ltd.		
							Pegasus Development Co., Ltd.		
							Sui Tai-Chung		

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, 2025 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/ Year	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
7/1979	10,000	300	3,000,000	300	3,000,000	Establishment (cash)	None	
1/1986	10,000	600	6,000,000	600	6,000,000	Capital increase in cash NTD 3,000,000	None	
5/1989	10,000	2,600	26,000,000	2,600	26,000,000	Capital increase in cash NTD 20,000,000	None	
11/1994	10	12,600,000	126,000,000	12,600,000	126,000,000	Capital increase in cash NTD 50,000,000 Earnings transferred capital increase NTD 50,000,000	None	
5/1996	10	18,900,000	189,000,000	18,900,000	189,000,000	Capital increase in cash NTD 25,200,000 Earnings transferred capital increase NTD 37,800,000	None	
5/1997	10	30,240,000	302,400,000	30,240,000	302,400,000	Earnings transferred capital increase NTD 113,400,000	None	5/15/1997 (1997) Tai-Cai-Zheng (I) No. 39314
7/1998	10	43,848,000	438,480,000	43,848,000	438,480,000	Earnings transferred capital increase NTD 136,080,000	None	7/22/1998 (1998) Tai-Cai-Zheng (I) No. 59845
5/1999	10	90,000,000	900,000,000	57,602,400	576,024,000	Earnings transferred capital increase NTD 137,544,000	None	5/24/1999 (1999) Tai-Cai-Zheng (I) No. 48165
7/2000	10	90,000,000	900,000,000	69,362,640	693,626,400	Capital increase in cash NTD 50,000,000 Earnings transferred capital increase NTD 67,602,400	None	(1) 7/12/2000 (2000) Tai-Cai-Zheng (I) No. 58119 (2) 7/6/2000 (2000) Tai-Cai-Zheng (I) No. 58129
7/2001	10	90,000,000	900,000,000	75,707,951	757,079,510	Earnings transferred capital increase NTD 63,453,110	None	7/10/2001 (2001) Tai-Cai-Zheng (I) No. 144251
7/2002	10	120,000,000	1,200,000,000	82,075,000	820,745,000	Earnings transferred capital increase NTD 63,665,490	None	7/9/2002 Tai-Cai-Zheng (I) No. 0910137524
7/2003	10	120,000,000	1,200,000,000	87,568,977	875,689,770	Earnings transferred capital increase NTD 54,944,770	None	6/27/2003 Tai-Cai-Zheng (I) No. 0920128599
9/2004	10	120,000,000	1,200,000,000	95,399,495	953,994,950	Earnings transferred capital increase NTD 78,305,180	None	7/7/2004 SFB (I) No. 0930129935

Month/ Year	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 Tai-Cai-Zheng (I) 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 FSC (I) 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 Tai-Cai-Zheng (I) 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 FSC (III) No. 0970051455 11/26/2008 FSC (III) No. 0970064758

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

March 28, 2026

Name of Major Shareholders	Shareholding	
	Shares	Percentage (%)
Boh Chin Investment Co., Ltd.	27,178,247	21.21
Yih Chin Investment Co., Ltd.	16,578,153	12.94
Standard Chartered Bank Hosting the Fidelity Puritan. Trust: Fidelity Low-Priced Stocks Fund	4,124,000	3.22
CAPITAL TAIWAN SELECT PREMIUM ACTIVE EXCHANGE TRADED FUND	3,050,000	2.38
Bibo Investment Co., Ltd.	2,777,800	2.17
Sui Tai-Chung	2,777,795	2.17
Urban Investment Co., Ltd.	2,422,915	1.89
Pegasus Development Co., Ltd.	2,397,462	1.87
Sui Chung-Hua	1,763,719	1.38
Dachi Investment Co., Ltd.	1,462,235	1.14

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 755,865,084 is intended to be set aside as shareholder bonus from the distributable earnings of 2025, that is, NTD 5.90 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 no less than 2% thereof as remuneration to employees (of which the distribution of remuneration to entry-level employees shall not be less than 35% of the total employee remuneration amount). 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 provided by each director. As such, each director's attendance at organizational meetings, annual continuing education in their respective professional fields, and the recommendations and reports resulting from performance evaluations conducted by external institutions are also taken into consideration when determining reasonable remuneration for 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 2025 earnings are as follows:

(a) Distribution of the remuneration to employees in cash worth NTD 75,259 thousand.

(b) Distribution of the remuneration to directors worth NTD 25,588 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, 2025/NTD thousand		
Major Divisions	Total Sales in Year	(%) of Total Sales
Protection Element	7,825,047	97.39
Others	209,612	2.61
Total	8,034,659	100.00

(3) Main products:

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

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

The Company has long been dedicated to research and development in core technologies such as components, materials, and automation equipment. These efforts support industrial applications including the development of miniaturized components, high-temperature-resistant and high-voltage-resistant protection components, as well as sustainability strategies focused on environmental protection, energy efficiency, and carbon reduction. In NTC thermistor applications, to meet the demands of the automotive market, copper electrode products have been introduced to prevent silver migration. In terms of enhanced temperature resistance, low B-value (2240) high-resistance products have been developed. In addition, the manufacturing process

for NTC thermistor chip components is transitioning from alcohol-based solvent processes to water-based processes in response to increasingly stringent environmental requirements. For zinc oxide varistors, multilayer high-current surge protection components have fully adopted silver-only electrodes, eliminating the use of palladium-containing electrodes. Furthermore, improving voltage resistance and reducing palladium usage in the anti-ESD electrostatic protection series are key R&D priorities this year. Beyond performance enhancement, ongoing development also focuses on miniaturization and replacing silver electrodes with copper electrodes. Regarding environmental compliance, in response to EU regulations restricting antimony-free products, the Company has already developed certain specifications for customer supply and will continue expanding to full product series development. For lightning protection applications, varistor development primarily focuses on material design and paste engineering to improve performance in the 10-350 range and low residual voltage products, thereby expanding market share. In positive temperature coefficient (PTC) thermistor products, high-voltage 1400V CPTC products have been developed for automotive applications. Improvements in CPTC voltage resistance also enable applications in AI thermal management modules. For SMD PTC products, 0805 soft-termination ultra-low resistance 4.7-ohm products have been developed. In other protection components, development includes miniaturized high-precision NTC thermistors for medical applications, automotive-grade PPTC 125°C product series, and low-resistance product lines. In addition, the integration of new technologies for pressure sensors has also been introduced to the market this year.

## 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.

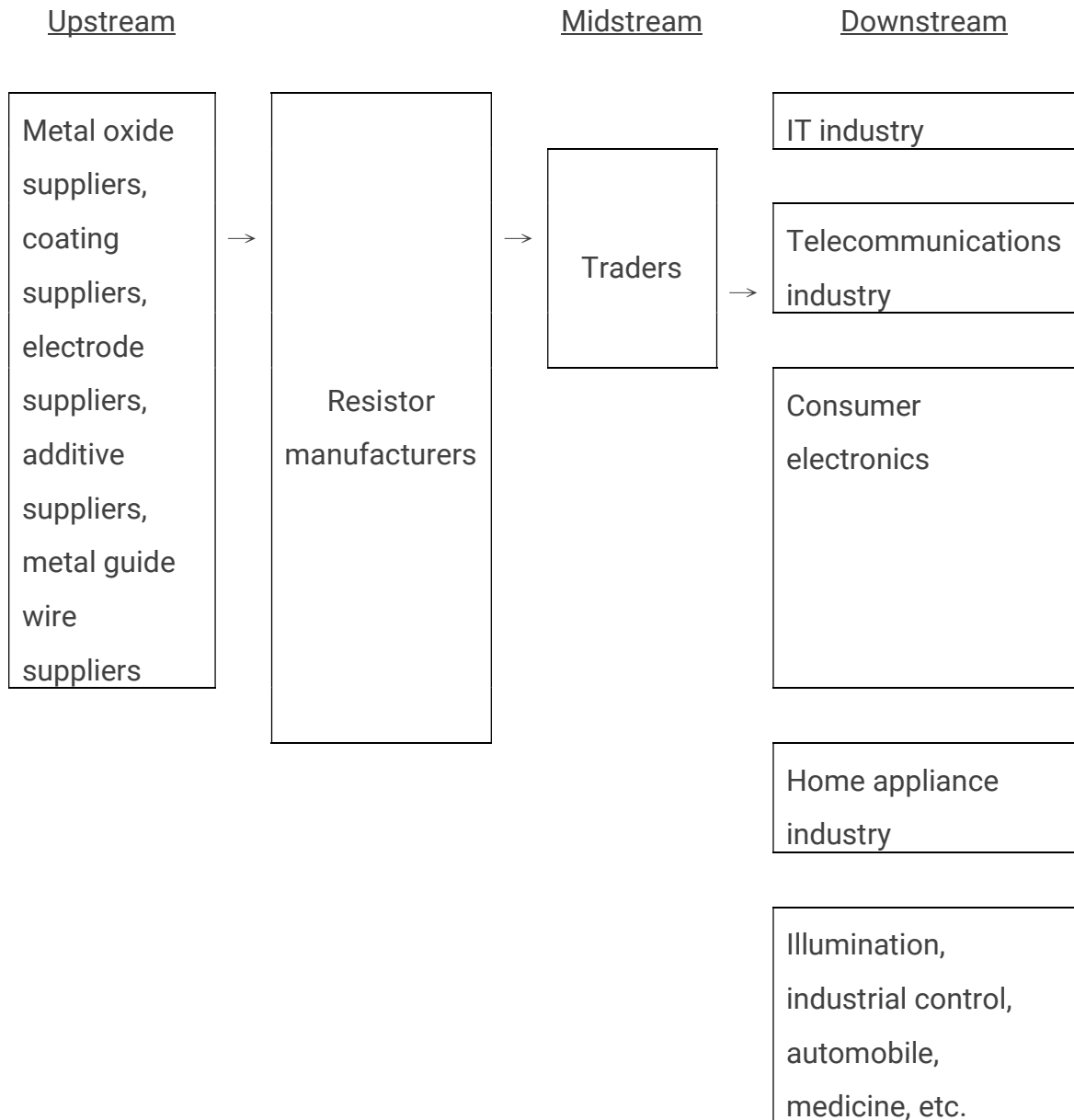
The Company’s products are quite widely applied in IT products (power supply devices, monitors, chargers, computer motherboards, notebook computers, netcom equipment, etc.), telecommunications equipment (telecommunication base stations, machine room equipment, optic fiber networks, mobile phones and 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.

In addition, building on existing temperature sensing-related products, the Company is progressively developing new types of sensors that integrate measurements of physical quantities beyond temperature and enable digital output. This represents an extension of the product development roadmap from circuit protection toward abnormal condition detection.

#### (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 2025: NTD 402,729 thousand.

R&D expenses spent as of the first quarter of 2026: NTD 101,648 thousand.

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

The Company has long focused on continuous optimization in material design and paste engineering. With the introduction of nanomaterial technologies and improvements in material dispersion processes, component miniaturization has been enabled while maintaining excellent electrical performance. Combined with automated manufacturing processes, the Company has developed a soft-termination TSM 01005 series of ultra-small NTC thermistor products (103/104 types) to meet the demands of the wearable device market. In addition, TPM 0201 PTC thermistor products (100Ω/170Ω) have been developed to support applications in the telecommunications and new energy industries. To meet automotive market requirements, TSM copper electrode product series have been developed to enhance resistance to sulfurization and metal migration. Low B-value (2240) high-resistance products have also been completed for high-temperature automotive applications. In response to rising silver prices, copper electrode versions of SCK and TVR components have also been developed. In zinc oxide varistors, materials designed for high surge energy (10-350) and low residual voltage have been developed to meet customer demand in lightning protection applications. For CPTC positive temperature coefficient thermistors, voltage resistance has been significantly improved from 800V to 1400V to meet design requirements in motor starters and AI thermal management modules. For surface-mount TPM PTC products, 0805 soft-termination ultra-low resistance 4.7-ohm products have also been developed to support automotive electronics applications. In other protection components,

automotive-grade PPTC 125°C product series and ultra-low resistance product lines have been continuously developed to meet the needs of the automotive market.

### (3) Intellectual Property Management Plan

In response to the competitive industrial environment and to ensure the integrity of the Company's R&D achievements and intangible assets, the Company has established an intellectual property management mechanism. The Company integrates its intellectual property management strategy with its business objectives and R&D resources, forming a sustainability-oriented operating model based on intellectual property rights. This approach enables effective protection and utilization of intellectual property, while safeguarding core technologies and strengthening market competitiveness.

#### A. Patent Protection Measures

The Company's intellectual property management strategy primarily focuses on the early-stage patent deployment and protection of R&D outcomes. This includes patent applications, trade secret protection, and trademark portfolio management. The Company also implements internal review mechanisms, incentive programs, awareness campaigns, and talent training to ensure effective intellectual property management and to safeguard the integrity and security of R&D results.

#### B. Trademark Protection

The Company has established a comprehensive trademark management system. It has filed trademark applications for multiple products in key markets under corresponding national jurisdictions and regularly reports actual usage status in accordance with regulations, ensuring compliance and strengthening risk control.

#### C. Implementation Status

The Company regularly reports and reviews intellectual property management performance at Board meetings and provides improvement directions. In the most recent session on November 6, 2025, the implementation status was presented to the Board, along with proposed improvement measures based on directors' recommendations.

#### D. Certifications and Results

As of the end of 2025, the Company's intellectual property portfolio and achievements are as follows:

Intellectual Property Categories	Approved Cases
Invention Patent	59
Utility Model Patent	150
Design Patent	1
Trademark	70

#### 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 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 markets such as AI

##### (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	2025	
	Net sales	%
Greater China (Include Taiwan)	6,201,913	77.19
Europe	1,011,397	12.59
Others	821,349	10.22
Total	8,034,659	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 competitors have been actively adjusting their pricing strategies in order to achieve greater economies of scale, which has created pricing pressure for the Company. In addition, aggressive market entry by peers in the Greater China region has also driven down the market prices of component products.

C. Countermeasures:

(a) Penetrate the markets of the US, Europe, Northeast Asia, and Southeast Asia, and develop international new customers based on their locations; leverage the Company's strong reputation in the electric vehicle market to expand into traditional automotive Tier 1 customers, thereby continuously enhancing brand awareness.

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

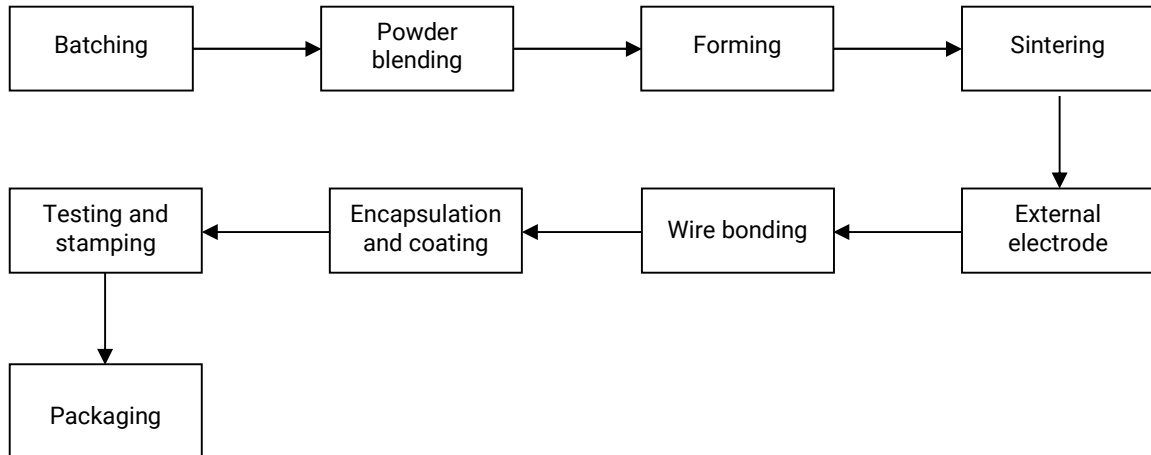
ii. Production Procedures of Main Products

(1) Major Products and Their Main Uses

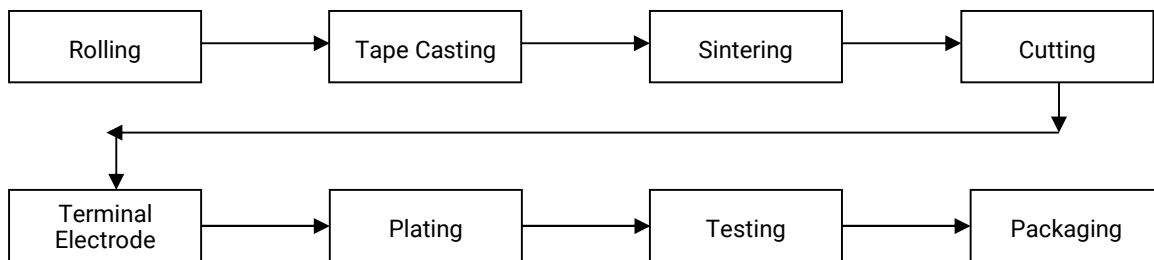
Main product	Item
Thermistor	<p>A. Surge inhibition: Switching power supply, electric motors, transformers, among other electric equipment, create short-circuit current (surge) at the instant they are turned on and an NTC thermistor can effectively inhibit it.</p> <p>B. Temperature detection: A thermistor, 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		2024	2025	2026 (as of March 31)
Number of Employees	Direct employees	2,443	2,528	2,871
	Indirect employees	1,744	1,686	1,683
	Total	4,187	4,214	4,554
Average Age		37.80	38.00	38.30
Average Years of Service		5.28	4.82	4.51
Education	Masters	2.41%	2.26%	2.00%
	University and College	27.94%	28.64%	26.86%
	Senior High School	26.44%	25.91%	25.12%
	Below Senior High School	43.21%	43.19%	46.02%

#### 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, outsourced 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 response to future energy resource and environmental issues, in 2026, the Company plans to continue improving pre-treatment of process wastewater discharge, enhance the efficiency of wastewater treatment equipment, and amend the water pollution prevention permit for the pollution control measures plan. The Company will also implement collection, recovery, and reuse of process-cutting wastewater to reduce tap water consumption, invest in improving renewable energy utilization efficiency and the development of energy-saving products, and optimize air pollution and wastewater treatment system engineering. In addition, the Company will implement third-party verification for environmental management systems, energy management systems, and greenhouse gas inventories, as well as upgrade equipment energy monitoring systems. The estimated budget for these initiatives is approximately NT\$12,000 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

To enhance employee well-being and create a positive work environment, the Company has planned and implemented a variety of employee welfare programs. The relevant details and implementation status are as follows:

- (1) Establish employee suggestion reward and patent incentive programs to encourage innovation and continuous improvement;
- (2) Provide holiday gift vouchers (for major festivals), birthday vouchers, wedding gifts, childbirth subsidies, and bereavement allowances;
- (3) Recognize outstanding employees and model workers on Labor Day to acknowledge exceptional performance;
- (4) Organize domestic and overseas employee trips, family days, and occasional gatherings to promote interaction among employees;
- (5) Host annual year-end parties and lucky draw events to strengthen team cohesion;
- (6) Annual free health check-ups for employees;
- (7) Arrange healthcare professionals to provide health consultation and management services, assisting employees in the prevention and improvement of chronic disease risks such as obesity, hypertension, hyperglycemia, and hyperlipidemia;
- (8) Adequate condolences upon occupational injuries or casualties and emergency aids;

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 support the Company's long-term development needs and enhance the professional capabilities of personnel engaged in quality-related functions, as well as to strengthen all employees' awareness of quality management and environmental safety, the Company continues to promote various training programs. These initiatives aim to reinforce employees' quality awareness, environmental responsibility, and professional skills, improve coordination and work efficiency, and ultimately achieve the Company's overall business objectives.

For the Company's educational training, depending on the organizer, there are internal and external ones. The main categories are 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. This enables new employees to quickly understand company policies and become familiar with their job responsibilities.

(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:

Departments may, based on business development and professional needs, assign employees to attend external professional courses or training programs to enhance their expertise, develop secondary skills, and obtain relevant certifications or qualifications.

(4) In-service training:

For employees whose fields of study are highly relevant to their current job responsibilities or the Company's future development, the Company may, upon approval, provide partial tuition subsidies based on years of service, thereby encouraging continuous learning and professional growth.

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. Employee pension benefits are provided in accordance with the provisions of the aforementioned Labor Pension Regulations.

In addition, since July 2005, in compliance with the Labor Pension Act, employees have been given the option to adopt the new pension scheme. For those who choose the new system, the Company contributes 6% of the employee's monthly insured salary to an individual pension account established with the Bureau of Labor Insurance, thereby ensuring financial security for employees in retirement.

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

In order to improve the behavior, attainment, and professional ethics of all employees, employees need to sign the "Employment Contract" and the "Ethical Corporate Management and Integrity Letter of Undertaking."

These provisions clearly stipulate that employees must comply with applicable laws, regulations, and company policies during their employment, and shall not engage in misappropriation, theft, or damage to company property, nor in any conduct that harms the Company's interests, including the disclosure of confidential information, improper handover of duties, acceptance of bribes, or other related actions. 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; employees are prohibited from privately accepting such gifts.
  - (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. Labor-management agreement:

The Company has always believed in “Labor and Management as One” and “Co-existence and Co-prosperity.” It is committed to fostering a positive and harmonious labor-management relationship. Through diverse communication channels, it promotes mutual trust and collaboration between both parties. The Company also cultivates employees’ alignment with and commitment to sustainable operations 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, the Company regularly holds labor-management meetings and collects employees’ opinions and suggestions at any time through channels such as email and employee suggestion boxes, thereby maintaining effective communication and interaction and fostering a stable and harmonious labor-management relationship.

- vii. 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) Privileged account management mechanism

Ensure the security of information systems by preventing the misuse or unauthorized use of privileged accounts, thereby reducing the risks of data leakage, data tampering, and system disruption.

(6) SOC management mechanism

Establish a SOC to provide real-time monitoring, analysis, and response to information security incidents, enabling the timely detection, assessment, and handling of cybersecurity threats to reduce risks and potential losses.

(7) Production line network isolation management

Separate production equipment networks from office information networks and external networks to prevent cyberattacks or malware infections from affecting production operations.

(8) Social engineering drills

Conduct simulated attack exercises such as phishing emails, fake executive messages, and fraudulent login webpages to test employees' information security awareness and defense capabilities. These exercises help identify risks, strengthen training, and reduce the likelihood of actual cyberattacks.

(9) 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, 274 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	8/1/2025-7/31/2035	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	2025	2024	Difference	
				Amount	%
Current asset		10,614,414	9,655,848	958,566	10
Property, plant and equipment		3,945,358	3,862,150	83,208	2
Other assets		2,017,141	2,274,531	(257,390)	(11)
Total assets		16,576,913	15,792,529	784,384	5
Current liabilities		2,870,001	2,524,716	345,285	14
Non-current liabilities		2,425,924	2,556,424	(130,500)	(5)
Total liabilities		5,295,925	5,081,140	214,785	4
Equity attributable owners of the company		11,174,059	10,589,950	584,109	6
Ordinary shares		1,281,127	1,281,127	-	-
Capital surplus		352,907	352,907	-	-
Retained earnings		9,553,162	8,824,580	728,582	8
Other equities		(13,137)	131,336	(144,473)	(110)
Non-controlling interest		106,929	121,439	(14,510)	(12)
Total shareholders' equities		11,280,988	10,711,389	569,599	5

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

Decrease 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	2025	2024	Difference	
				Amount	%
Operating revenue, net		8,034,659	7,519,697	514,962	7
Gross profit		3,226,257	2,979,747	246,510	8
Profit from operations		2,012,320	1,773,797	238,523	13
Non-operating income and expenses		141,048	291,463	(150,415)	(52)
Profit before income tax		2,153,368	2,065,260	88,108	4
Income tax expense		661,881	532,287	129,594	24
Net profit		1,491,487	1,532,973	(41,486)	(3)
Other comprehensive income (loss), net of tax		(140,400)	396,789	(537,189)	(135)

Total comprehensive income	1,351,087	1,929,762	(578,675)	(30)
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i. Analysis of increases/decreases over 20%:

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

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
3,069,921	2,033,263	(1,772,674)	3,330,510	-	-

(1) Analysis of change in cash flows of the current year:

- A. Operating activities: mainly the accounts receivable/payable, expenses on purchases of materials, and payment for income tax as part of normal operations, etc.
- B. Investing activities: mainly the expansion of production and net purchases of financial assets to meet operational demand.
- C. Financing activities: mainly increase of loans and distribution of cash dividends.

(2) Remedies in case of cash shortage: not applicable.

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
3,330,510	1,911,085	(1,623,402)	3,618,193	-	-
<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 2025 was NT 1,253,090 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	Year	NTD thousand; %
		2025
Net interest income (expenses)		95,817
Net (loss) profit from exchange		(51,502)
Ratio of net interest income/ expenses to net sales		1.19 %
Ratio of net interest income/ expenses to pre-tax net profit		4.45 %
Ratio of net loss/profit from exchange to net sales		(0.64)%
Ratio of net loss/profit from exchange to pre-tax net profit		(2.39)%

### Changes in interest rate:

The net interest income/expense of the Company for 2025 was NTD 95,817 thousand, accounting for only 1.19% 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 2025 were NTD 51,502 thousand, accounting for 0.64% 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% of the revenue and is expected to remain at a comparable level in 2026.

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 2025 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 2025 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:

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 not materially 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.

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.

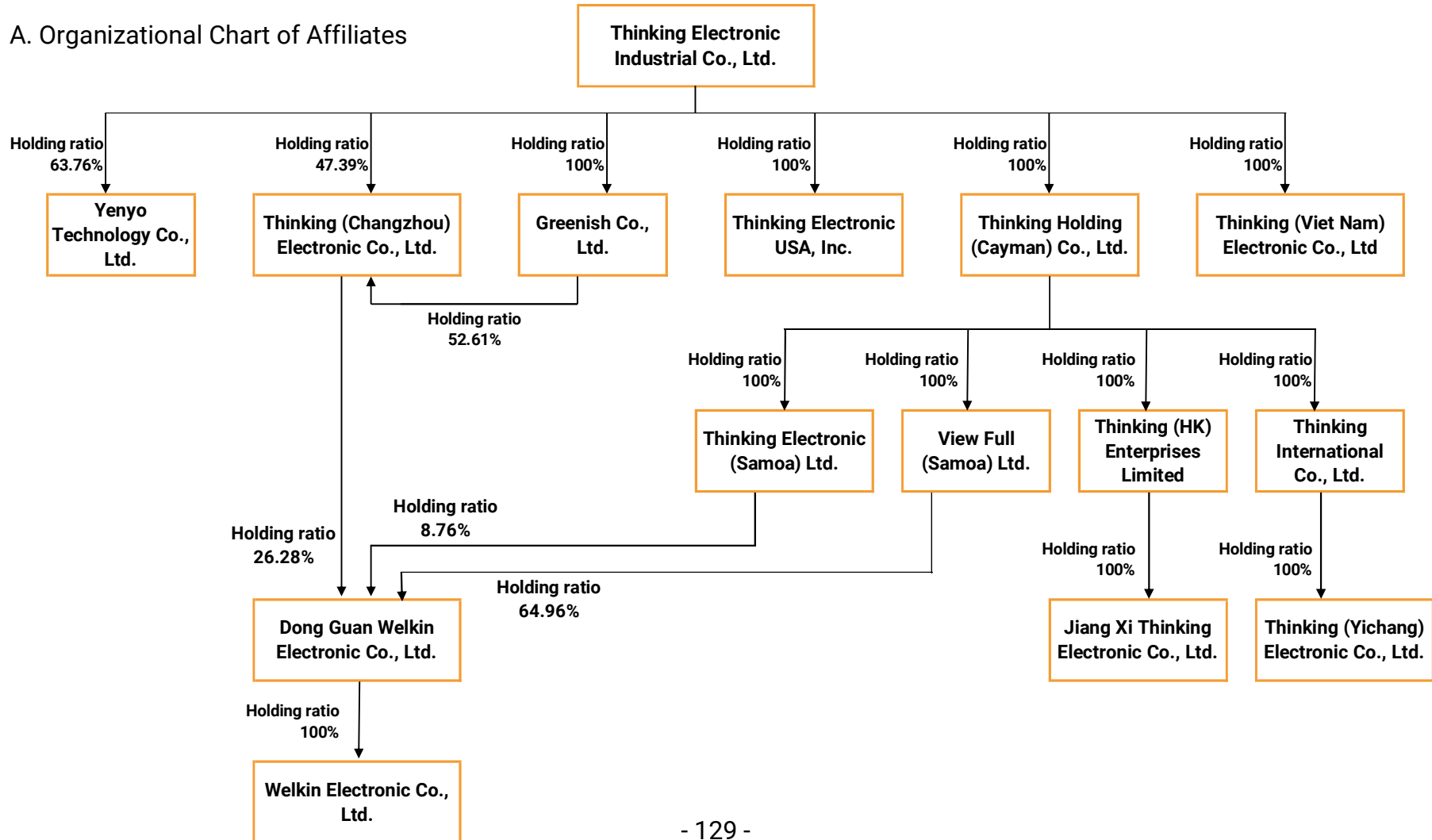
# VI. Special Disclosure

## 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, 2025; 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 5,000	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. Thinking (Changzhou) Electronic Co., Ltd.	Processing, selling and manufacturing diodes Manufacturing and selling thermistors, varistors and sensors	- 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	Chu Yu-Mei (Representative of Thinking)		25,732,508	63.76%
	Director	Cheng Chien-Ming		109,432	0.27%
	Director	Feng Chi-Wei		-	-
	Supervisor	Ting Si-Nan (Representative of Boh Chin)		958,345	2.37%
	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 Director	Sui Tai-Chung (Representative of Thinking Holding (Cayman)) Chen Su-Ai (Representative of Thinking Holding (Cayman))	USD	3,864,354	100.00%
Thinking (Yichang) Electronic Co., Ltd.	Chairman Director Director	Sui Tai-Chung (Representative of Thinking International) Sui Chung-Hua (Representative of Thinking International) Chen Su-Ai (Representative of Thinking International)	USD	6,300,000	100.00%
Jiang Xi Thinking Electronic Co., Ltd.	Chairman Director Director Supervisor	Sui Tai-Chung (Representative of Thinking (HK)) Chen Su-Ai (Representative of Thinking (HK)) Sui Wan-Ni (Representative of Thinking (HK)) Ting Si-Nan (Representative of Thinking (HK))	USD	10,000,000	100.00%
Dong Guan Welkin Electronic Co., Ltd.	Chairman Director Director Supervisor	Sui Tai-Chung (Representative of Thinking Changzhou and Thinking Samoa) Chen Su-Ai (Representative of Thinking Changzhou and Thinking Samoa) Sui Chieh-Heng (Representative of Thinking Changzhou and Thinking Samoa) Ting Si-Nan (Representative of Thinking Changzhou and Thinking Samoa)	CNY	194,781,918	100.00%
Welkin Electronic Co., Ltd.	Chairman Director Director Supervisor	Sui Tai-Chung (Representative of Dongguan Welkin) Chen Su-Ai (Representative of Dongguan Welkin) Sui Chieh-Heng (Representative of Dongguan Welkin) 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	5,000,000	100.00%

## (2) Operational overview of respective affiliates

December 31, 2025; 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	335,697	38,721	296,976	212,672	(39,179)	(38,410)	(0.95)
Thinking (Changzhou) Electronic Co., Ltd.	1,008,050	4,868,834	696,442	4,172,392	3,262,341	354,062	433,265	Note
Greenish Co., Ltd.	242,300	2,679,457	-	2,679,457	-	(123)	250,804	Note
Thinking Holding (Cayman) Co., Ltd.	792,506	5,676,042	-	5,676,042	-	(238)	846,595	Note
Thinking International Co., Ltd.	205,781	1,642,636	-	1,642,636	-	(141)	237,655	Note
Thinking (HK) Enterprises Limited	311,753	1,319,147	-	1,319,147	-	(105)	188,703	Note
View Full (Samoa) Ltd.	155,108	2,389,222	-	2,389,222	-	(22)	370,504	Note
Thinking Electronic (Samoa) Ltd.	112,518	322,522	-	322,522	-	(22)	49,952	Note
Thinking (Yichang) Electronic Co., Ltd.	203,439	1,931,592	289,964	1,641,628	1,587,202	193,623	237,788	Note
Jiang Xi Thinking Electronic Co., Ltd.	310,330	1,462,825	144,156	1,318,669	1,137,808	199,787	188,805	Note
Dong Guan Welkin Electronic Co., Ltd.	868,640	4,631,793	956,083	3,675,710	3,558,832	426,359	570,373	Note
Welkin Electronic Co., Ltd.	658,145	1,434,973	446,959	988,014	1,491,284	160,154	147,084	Note
Thinking Electronic USA, Inc.	30,715	1,014	127	887	-	(2,682)	(164)	Note
Thinking (Viet Nam) Electronic Co., Ltd	155,513	157,236	18,934	138,302	-	(1,025)	(1,039)	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, 2025, 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

March 5, 2026

### iii. Affiliation Report

## Declaration

The Affiliation Report of the Company for 2025 (from January 1 to December 31, 2025) 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

March 5, 2026

Thinking Electronic Industrial Co., Ltd.

Affiliation Report

2025

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 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 2025 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.