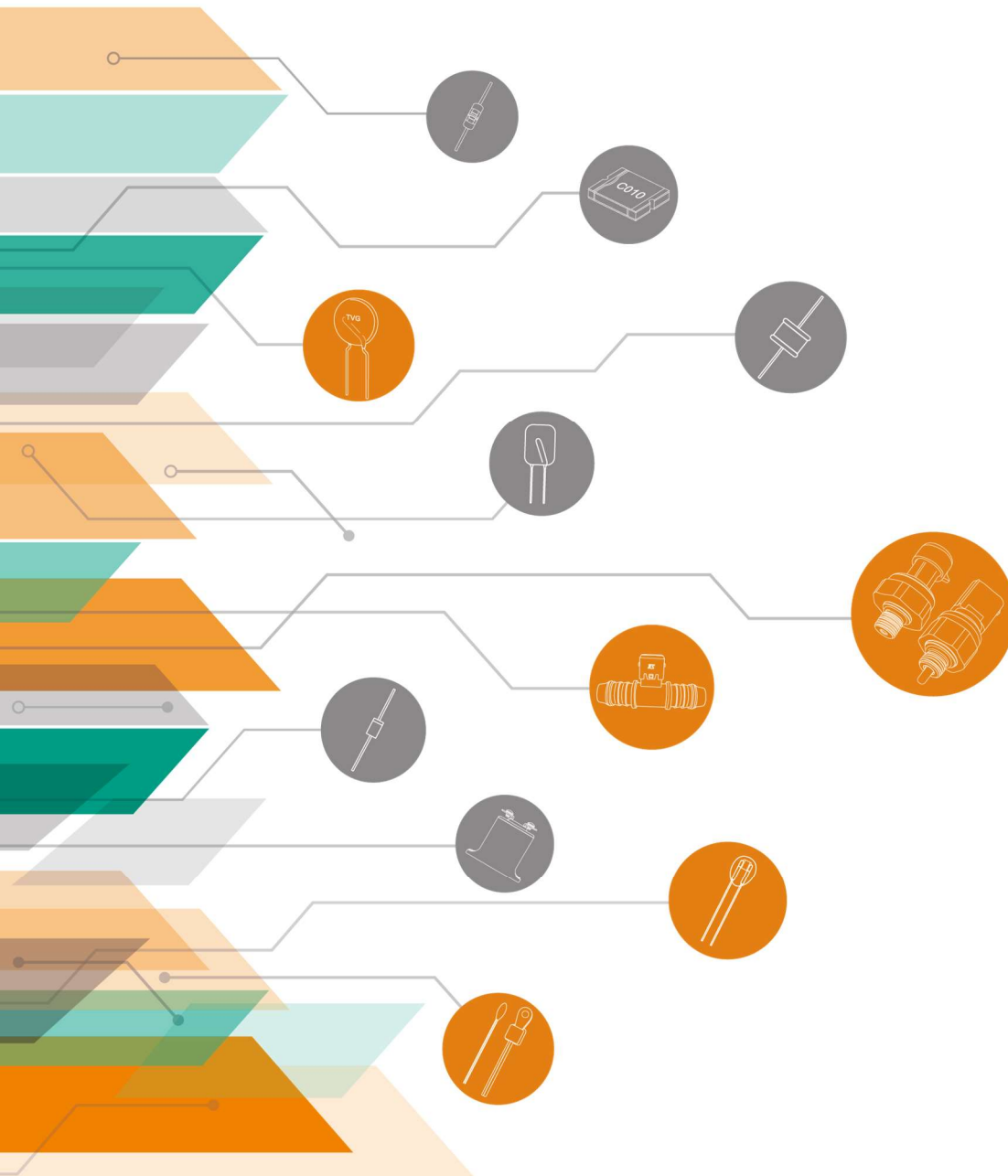




THINKING ELECTRONIC INDUSTRIAL CO., LTD.

2025 Annual Shareholders' Meeting Meeting Agenda



June 17, 2025

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Thinking Electronic Industrial Co., Ltd.
Meeting Procedure

- I. Report the number of shares in attendance
- II. Call Meeting to Order
- III. Chairman's Address
- IV. Report Items
- V. Proposal Items
- VI. Discussion Items
- VII. Questions and Motions
- VIII. Meeting Adjourned

Thinking Electronic Industrial Co., Ltd.
Meeting Agenda

- I. Time: June 17, 2025, 9:00 a.m.
- II. Method for convening the meeting: Physical shareholders' meeting
- III. Place: Conference Room II, Nan-Zih Export Processing Zone, No. 600-7, Chia-Chang Rd.,
Nan-Zih Dist., Kaohsiung City
- IV. Report the number of shares in attendance
- V. Call meeting to order
- VI. Chairman's Address
- VII. Report Items
 - (1) 2024 business report
 - (2) Audit Committee's review on the 2024 financial statements
 - (3) 2024 distribution of remuneration to employees and directors
- VIII. Proposal Items
 - (1) 2024 business report and financial statements
 - (2) 2024 earnings distribution
- IX. Discussion Items
 - (1) Revision of the Company's Articles of Incorporation
- X. Questions and Motions
- XI. Meeting Adjourned

Report Items

No. 1: 2024 business report

Explanation: The Company's 2024 business report (please refer to Attachment 1)

No. 2: Audit Committee's review on the 2024 financial statements

Explanation: Audit Committee's review report (please refer to Attachment 2)

No. 3: 2024 distribution of remuneration to employees and directors

Explanation: The Company's profit before tax was NT\$1,928,428,892 in 2024. According to the Article 19 of the Articles of Incorporation, 1.28% thereof was provided as the remuneration to directors and 3.76% thereof as the remuneration to employees. The remuneration to directors totaled NT\$25,991,000 and remuneration to employees NT\$76,450,000 in 2024, which are considered satisfying the Articles of Incorporation. Said remuneration was paid in cash in whole.

Proposal Items

No. 1: 2024 business report and financial statements

(Proposed by the Board of Directors)

Explanation:

1. The Company's and consolidated entities' 2024 financial statements have been audited and certified by CPA, Chen Chen-Li and CPA, Liu Yu-Hsiang of Deloitte & Touche, who considered that the same should comply with relevant statutes or regulations in all respects and also issued the audit report.
2. The business report, parent company only financial statements and consolidated financial statements have been approved by the Board of Directors, and audited by the Audit Committee (please refer to Attachment 1 and Attachment 3 for details).
3. Please resolve the motion accordingly.

Resolution:

No. 2: 2024 earnings distribution

(Proposed by the Board of Directors)

Explanation:

1. The following earnings distribution table is prepared in accordance with the Company act and the Company's Articles of Incorporation. The earnings 2024 shall be distributed as the first priority, and the earnings accumulated before 1997 (inclusive) will be distributed to make up the deficit, if any.
2. Please resolve the motion accordingly.

Thinking Electronic Industrial Co., Ltd.
2024 Earnings Distribution Table

Unit: NTD\$

Previous year's unappropriated earnings	5,424,655,550
Net profit for 2024	1,550,540,082
Plus: Remeasurement of defined benefit plans recognized into retained earnings	6,544,974
Retained earnings from adjustment of investment under equity method	1,703,636
Current net profit plus adjustment	1,558,788,692
Less: Provision of legal reserve	(155,878,869)
Plus: Reversal of special reserve	256,236,659
Cumulative earnings available for distribution	7,083,802,032
Dividends to shareholders - cash dividends	(781,487,629)
End of term unappropriated earnings	6,302,314,403

Notes:

1. The earnings 2024 shall be distributed as the first priority.
2. The cash dividends proposed to be distributed total NT\$781,487,629 to be distributed at NT\$6.1 per share subject to the outstanding stocks totaling 128,112,726 shares on February 19, 2025. In the event of any changes in the outstanding shares, the Board of Directors will be authorized by a shareholders' meeting to deal with them with full power. Once resolved at a shareholders' meeting, the Board of Directors is authorized to set the ex-dividend record date and date of distribution separately.
3. The cash dividends will be calculated and truncated to the nearest NTD. Fractions less than NT\$1 shall be summed up and adjusted based on the decimal points arranged from the large to the small in the order of the account number from the front to the back, until the total cash dividends to be distributed is met.
4. If it is necessary to change any requirements defined for the distribution of earnings upon authorization of the competent authority, or due to treasury shares or conversion of bonds, the Board of Directors is authorized to deal with it.

Chairman: Sui Tai-Chung

President: Sui Tai-Chung

Accounting Manager: Chen Chia-Hua

Resolution:

Discussion Items

No. 1: Revision of the Company's Articles of Incorporation
(Proposed by the Board of Directors)

Explanation:

1. Amend the "Articles of Incorporation" in response to the laws and practical needs.
2. Please refer to Attachment 4 for the comparison table before and after amendments.
3. Please resolve the motion accordingly.

Resolution:

Questions and Motions

Meeting Adjourned

Thinking Electronic Industrial Co., Ltd.

Business Report

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.

I. Business report:

(1) Results:

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

(2) Execution of budget: N/A.

(3) Analysis on financial receipts and expenditures, and profitability:

Unit: NT\$ Thousand

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

(4) Research and development :

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

II. Summary of business plan:

(1) Business policy

1. Continue applying the management philosophy, "New Concept, New Management, New Technology and New Market", and continue cultivating new markets in electric vehicles, renewable energy, AI, industrial control, communications and low-orbit satellites, healthcare and medical sectors, among others.
2. Leverage the economies of scale and competitive advantages of each manufacturing site, establish an internal support network within the Group, utilize the most suitable technological capabilities, and supply the most competitive products to achieve optimal business profits.
3. Enhance employee capabilities to handle more international large-scale clients, increase organizational connectivity to ensure operational continuity across departments; promote job rotation to strengthen operational stability and achieve the goal of sustainable business operations.

(2) Expected sales volume and basis thereof

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

(3) Key production and sales policies

1. Production policy:

A. Supply management:

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

B. Production management:

- (A) HR: Improve HR training and expertise & stabilization requirements toward key process personnel.
- (B) Machine: Continue to enhance production automation, smartization, and phase out high-energy-consuming and low-efficiency equipment.
- (C) Materials: Recognize multiple customer sources of materials to mitigate the effect to be posed by variation of related factors to the supply of goods; adopt strategic procurement policy toward major materials to control the fluctuation in costs effectively and input and output strictly.
- (D) Methods:
 - D-1 System-based management, form-based system, and computer-based form to make the IT-based management for the entire operation.
 - D-2 Continue to pursue lean production, minimize or eliminate low-value work, and focus on high-yield actions.
 - D-3 To exercise departments' operational effectiveness, the Group's factories and entities work together to set and promote the KPI project.

(E) Environment:

- E-1. Promote the energy conservation project, check overall energy consumed by equipment, diagnose energy consumption, and activate the energy conservation project.
- E-2. Promote reuse of water resources, and construct process waste water recycling system to achieve the feature for reuse of water resource.
- E-3. New plant is designed with green building in mind and is working towards ESG.

C. Overview of Production and Marketing:

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

2. Sales Policy:

- A. Expand existing customers' order proportion and revenue contribution through more flexible pricing strategies paired with high-quality product portfolios.
- B. Expand customer base to include more high-profile international clients, hence adding to the revenue streams and enhancing global reputation.
- C. Continue to deepen market cultivation in electric vehicle ecosystems, energy storage and renewable energy, industrial, communications, and other major growth drivers, while simultaneously exploring new niche markets such as AI and healthcare.
- D. Increase sales of niche thermal-sensitive and pressure-sensitive products to enhance product portfolio benefits.

III. Future development strategies:

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

IV. 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.

Chairman: Sui Tai-Chung

President: Sui Tai-Chung

Accounting Manager: Chen Chia-Hua

Thinking Electronic Industrial Co., Ltd. 【Attachment 2】
Audit Committee's Review Report

The Board of Directors was approved to prepare the Company's 2024 business report, financial statements (including parent company only and consolidated financial statements) and earnings distribution plan, in which the financial statements have been audited by CPA, Chen Chen-Li and CPA, Liu Yu-Hsiang of Deloitte & Touche, who also issued the audit report accordingly. After reviewing said business report, financial statements, and earnings distribution plan, we consider that they comply with relevant statutes or regulations in all respects. Therefore, we issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it accordingly.

To

General Annual Meeting 2025

Thinking Electronic Industrial Co., Ltd.

Convener of Audit Committee: Chou Pao-Heng

February 20, 2025

INDEPENDENT AUDITORS' REPORT (Parent Company Only Financial Statements)

【Attachment 3】

The Board of Directors and Stockholders
Thinking Electronic Industrial Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Thinking Electronic Industrial Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company’s financial statements for the year ended December 31, 2024 is described as follows:

Authenticity of sales revenue

The Company’s operating revenue for the year ended December 31, 2024 was \$3,562,236 thousand. Based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the authenticity of revenue from specific customers as a key audit matter. For the accounting policy on revenue recognition, refer to Note 4 (k) to the financial statements.

In addition to obtaining an understanding of the internal controls relevant to the recognition of operating revenue, we performed the following audit procedures:

1. We obtained an understanding of and tested the operating effectiveness of the internal controls relevant to the revenue recognition of the Company.
2. We obtained details on the sales revenues of specific customers, randomly selected an adequate number of samples and examined shipping documents and receipt vouchers. We also verified the amounts collected and confirmed that payers and sales customers were in agreement with one another regarding the authenticity of revenue.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Li Chen and Yu-Hsiang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,063,377	7	\$ 712,390	6
Notes receivable (Note 9)	2,315	-	2,288	-
Accounts receivable, net (Notes 4 and 9)	782,011	6	671,220	5
Accounts receivables from related parties (Notes 9 and 27)	222,057	2	171,023	2
Other receivables	2,415	-	3,019	-
Other receivables from related parties (Note 27)	-	-	54	-
Current tax assets (Notes 4 and 23)	3,075	-	4,086	-
Inventories (Notes 4 and 10)	337,081	2	279,573	2
Other financial assets - current (Notes 11 and 28)	38,526	-	28,800	-
Other current assets	<u>34,408</u>	<u>-</u>	<u>36,439</u>	<u>-</u>
Total current assets	<u>2,485,265</u>	<u>17</u>	<u>1,908,892</u>	<u>15</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	27,903	-	27,682	-
Investments accounted for using the equity method (Notes 4 and 12)	10,160,183	70	8,930,161	70
Property, plant and equipment (Notes 4, 13, 27 and 29)	1,698,690	12	1,709,060	13
Right-of-use assets (Notes 4 and 14)	42,377	-	49,065	-
Computer software, net (Note 4)	24,090	-	27,338	-
Deferred tax assets (Notes 4 and 23)	31,036	-	104,462	1
Prepayments for equipment (Note 27)	75,931	1	55,018	1
Net defined benefit assets - non-current (Notes 4 and 19)	42,479	-	32,966	-
Other financial assets - non-current (Notes 11 and 28)	3,321	-	2,807	-
Other non-current assets	<u>17,968</u>	<u>-</u>	<u>17,968</u>	<u>-</u>
Total non-current assets	<u>12,123,978</u>	<u>83</u>	<u>10,956,527</u>	<u>85</u>
TOTAL	<u>\$ 14,609,243</u>	<u>100</u>	<u>\$ 12,865,419</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	\$ 400,000	3	\$ 100,000	1
Financial liabilities at fair value through profit or loss- current (Notes 4,7 and 26)	4,212	-	629	-
Accounts payable (Note 16)	32,195	-	34,497	-
Accounts payable to related parties (Notes 16 and 27)	390,047	3	364,372	3
Other payables (Note 17)	365,947	3	356,427	3
Other payables to related parties (Note 27)	2,238	-	1,418	-
Current tax liabilities (Notes 4 and 23)	125,061	1	12,712	-
Lease liabilities - current (Notes 4 and 14)	1,851	-	1,508	-
Current portion of long-term borrowings (Notes 4 and 15)	178,612	1	131,589	1
Refund liabilities - current (Notes 4 and 18)	60,560	-	76,342	1
Other current liabilities (Note 4)	<u>33,808</u>	<u>-</u>	<u>12,101</u>	<u>-</u>
Total current liabilities	<u>1,594,531</u>	<u>11</u>	<u>1,091,595</u>	<u>9</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 15)	680,030	5	895,659	7
Deferred tax liabilities (Notes 4 and 23)	1,682,962	11	1,498,435	12
Lease liabilities - non-current (Notes 4 and 14)	44,140	-	50,727	-
Long-term deferred revenue (Note 4)	17,368	-	19,107	-
Guarantee deposits received	<u>262</u>	<u>-</u>	<u>120</u>	<u>-</u>
Total non-current liabilities	<u>2,424,762</u>	<u>16</u>	<u>2,464,048</u>	<u>19</u>
Total liabilities	<u>4,019,293</u>	<u>27</u>	<u>3,555,643</u>	<u>28</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 12 and 20)				
Ordinary shares	<u>1,281,127</u>	<u>9</u>	<u>1,281,127</u>	<u>10</u>
Capital surplus	<u>352,907</u>	<u>2</u>	<u>352,907</u>	<u>3</u>
Retained earnings				
Legal reserve	1,584,900	11	1,454,089	11
Special reserve	256,236	2	140,627	1
Unappropriated earnings	<u>6,983,444</u>	<u>48</u>	<u>6,337,262</u>	<u>49</u>
Total retained earnings	<u>8,824,580</u>	<u>61</u>	<u>7,931,978</u>	<u>61</u>
Other equity	<u>131,336</u>	<u>1</u>	<u>(256,236)</u>	<u>(2)</u>
Total equity	<u>10,589,950</u>	<u>73</u>	<u>9,309,776</u>	<u>72</u>
TOTAL	<u>\$ 14,609,243</u>	<u>100</u>	<u>\$ 12,865,419</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 27)	\$ 3,562,236	100	\$ 3,172,798	100
OPERATING COSTS (Notes 10, 22 and 27)	<u>2,309,633</u>	<u>65</u>	<u>2,022,702</u>	<u>64</u>
GROSS PROFIT	1,252,603	35	1,150,096	36
UNREALIZED GAINS FROM SALES (Notes 4 and 27)	(5,165)	-	(1,180)	-
REALIZED GAINS FROM SALES (Note 4)	<u>1,180</u>	<u>-</u>	<u>26,915</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>1,248,618</u>	<u>35</u>	<u>1,175,831</u>	<u>37</u>
OPERATING EXPENSES (Notes 4, 9, 22 and 27)				
Selling and marketing expenses	158,836	4	133,433	4
General and administrative expenses	198,074	6	199,956	6
Research and development expenses	188,210	5	145,843	5
Expected credit loss (gain)	<u>(1,520)</u>	<u>-</u>	<u>4,144</u>	<u>-</u>
Total operating expenses	<u>543,600</u>	<u>15</u>	<u>483,376</u>	<u>15</u>
PROFIT FROM OPERATIONS	<u>705,018</u>	<u>20</u>	<u>692,455</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES (Notes 12, 22 and 27)				
Interest income	37,276	1	16,117	1
Other income	5,764	-	4,015	-
Other gains and losses	28,280	1	(15,456)	-
Finance costs	(20,285)	(1)	(11,110)	-
Share of profit of subsidiaries	<u>1,172,376</u>	<u>33</u>	<u>937,247</u>	<u>30</u>
Total non-operating income and expenses	<u>1,223,411</u>	<u>34</u>	<u>930,813</u>	<u>31</u>
PROFIT BEFORE INCOME TAX	1,928,429	54	1,623,268	53
INCOME TAX EXPENSE (Notes 4 and 23)	<u>377,889</u>	<u>10</u>	<u>315,465</u>	<u>10</u>
NET PROFIT FOR THE YEAR	<u>1,550,540</u>	<u>44</u>	<u>1,307,803</u>	<u>43</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20 and 23)				

(Continued)

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 8,181	-	\$ (299)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	221	-	1,959	-
Share of the other comprehensive income of subsidiaries accounted for using the equity method	1,703	-	551	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(1,636)</u>	<u>-</u>	<u>60</u>	<u>-</u>
	<u>8,469</u>	<u>-</u>	<u>2,271</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	576,918	16	(59,119)	(2)
Share of the other comprehensive income of subsidiaries accounted for using the equity method	(92,729)	(2)	(87,841)	(3)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(96,838)</u>	<u>(3)</u>	<u>29,392</u>	<u>1</u>
	<u>387,351</u>	<u>11</u>	<u>(117,568)</u>	<u>(4)</u>
Other comprehensive income (loss) for the year, net	<u>395,820</u>	<u>11</u>	<u>(115,297)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,946,360</u>	<u>55</u>	<u>\$ 1,192,506</u>	<u>39</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 12.10</u>		<u>\$ 10.21</u>	
Diluted	<u>\$ 12.05</u>		<u>\$ 10.17</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings				
BALANCE, JANUARY 1, 2023	\$ 1,281,127	\$ 352,907	\$ 1,316,508	\$ 222,378	\$ 5,776,786	\$ 7,315,672	\$ (132,408)	\$ (8,219)	\$ (140,627)	\$ 8,809,079
Appropriation of 2022 earnings (Note 20)										
Legal reserve	-	-	137,581	-	(137,581)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(691,809)	(691,809)	-	-	-	(691,809)
Reversal of special reserve	-	-	-	(81,751)	81,751	-	-	-	-	-
	-	-	137,581	(81,751)	(747,639)	(691,809)	-	-	-	(691,809)
Net profit for the year ended December 31, 2023	-	-	-	-	1,307,803	1,307,803	-	-	-	1,307,803
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	312	312	(117,568)	1,959	(115,609)	(115,297)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,308,115	1,308,115	(117,568)	1,959	(115,609)	1,192,506
BALANCE AT DECEMBER 31, 2023	1,281,127	352,907	1,454,089	140,627	6,337,262	7,931,978	(249,976)	(6,260)	(256,236)	9,309,776
Appropriation of 2023 earnings (Note 20)										
Legal reserve	-	-	130,811	-	(130,811)	-	-	-	-	-
Special reserve	-	-	-	115,609	(115,609)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(666,186)	(666,186)	-	-	-	(666,186)
	-	-	130,811	115,609	(912,606)	(666,186)	-	-	-	(666,186)
Net profit for the year ended December 31, 2024	-	-	-	-	1,550,540	1,550,540	-	-	-	1,550,540
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	8,248	8,248	387,351	221	387,572	395,820
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,558,788	1,558,788	387,351	221	387,572	1,946,360
BALANCE AT DECEMBER 31, 2024	\$ 1,281,127	\$ 352,907	\$ 1,584,900	\$ 256,236	\$ 6,983,444	\$ 8,824,580	\$ 137,375	\$ (6,039)	\$ 131,336	\$ 10,589,950

The accompanying notes are an integral company only financial statements.

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,928,429	\$ 1,623,268
Adjustments for:		
Depreciation expense	117,868	81,802
Amortization expense	11,410	14,058
Expected credit loss (gain)	(1,520)	4,144
Net loss on financial assets or liabilities at fair value through profit or loss	51,322	33,242
Finance costs	20,285	11,110
Interest income	(37,276)	(16,117)
Dividend income	-	(763)
Share of profit of subsidiaries	(1,172,376)	(937,247)
Gain on disposal of property, plant and equipment	(12)	(305)
Reversal of write-down of inventories	(27,236)	(26,045)
Unrealized gain on transactions with subsidiaries	5,165	1,180
Realized gain on transactions with subsidiaries	(1,180)	(26,915)
Amortization of grants income	(2,084)	(746)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(47,739)	(32,703)
Notes receivable	(27)	269
Accounts receivable	(109,271)	158,188
Accounts receivables from related parties	(51,034)	8,770
Other receivables	332	(138)
Other receivables from related parties	54	1,004
Inventories	(30,272)	96,620
Prepayments	-	(17,968)
Other current assets	2,031	16,742
Net defined benefit assets	(1,332)	(19,751)
Accounts payable	(2,302)	7,523
Accounts payable to related parties	25,675	(14,605)
Other payables	41,706	14,845
Other payables to related parties	257	(3,674)
Other current liabilities	19,401	9,028
Other operating liabilities	(10,922)	(8,354)
Cash generated from operations	729,352	976,462
Interest received	37,548	19,058
Interest paid	(15,742)	(6,748)
Income taxes paid	(105,050)	(257,868)
Net cash generated from operating activities	646,108	730,904
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment accounted for using equity method	-	(158,581)
Acquisition of property, plant and equipment	(157,867)	(438,029)

(Continued)

THINKING ELECTRONIC INDUSTRIAL CO., LTD.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 12	\$ 305
Acquisition of intangible assets	(8,162)	(12,381)
Decrease (Increase) in other financial assets	(10,240)	122,408
Dividends received	<u>424,261</u>	<u>763</u>
Net cash generate from (used in) investing activities	<u>248,004</u>	<u>(485,515)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	2,085,140	325,000
Decrease in short-term borrowings	(1,785,140)	(903,000)
Proceeds from long-term borrowings	43,700	141,830
Repayments of long-term borrowings	(219,119)	(156,288)
Increase in guarantee deposits received	142	-
Repayments of the principal portion of lease	(1,662)	(1,465)
Cash dividends paid	<u>(666,186)</u>	<u>(691,809)</u>
Net cash used in financing activities	<u>(543,125)</u>	<u>(1,285,732)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	350,987	(1,040,343)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>712,390</u>	<u>1,752,733</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 1,063,377</u>	<u>\$ 712,390</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

(Consolidated Financial Statements)

The Board of Directors and Shareholders
Thinking Electronic Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Thinking Electronic Industrial Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is described as follows:

Authenticity of sales revenue

The Group's operating revenue for the year ended December 31, 2024 was \$7,519,697 thousand. Based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the authenticity of revenue from specific customers as a key audit matter. For the accounting policy on revenue recognition, refer to Note 4 (I) to the financial statements.

In addition to obtaining an understanding of the internal controls relevant to the recognition of operating revenue, we performed the following audit procedures:

1. We obtained an understanding of and tested the operating effectiveness of the internal controls relevant to the revenue recognition of the Group.
2. We obtained details on the sales revenues of specific customers, randomly selected an adequate number of samples and examined shipping documents and receipt vouchers. We also verified the amounts collected and confirmed that payers and sales customers were in agreement with one another regarding the authenticity of revenue.

Other Matter

We have also audited the parent company only financial statements of Thinking Electronic Industrial Co., Ltd. as of and for the years ended December 31, 2024 and 2023, respectively, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Li Chen and Yu-Hsiang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,069,921	20	\$ 2,599,316	19
Financial assets at fair value through profit or loss - current (Notes 4 , 7 and 28)	1,142,471	7	1,127,549	8
Financial assets at amortized cost - current (Notes 4 and 8)	480,242	3	302,843	2
Notes receivable (Notes 10 and 30)	658,417	4	432,050	3
Accounts receivable, net (Notes 4 and 10)	2,349,081	15	1,930,604	14
Accounts receivables from related parties (Notes 10 and 29)	271	-	620	-
Other receivables	63,152	-	66,081	1
Current tax assets (Notes 4 and 25)	5,247	-	27,192	-
Inventories (Notes 4 and 11)	1,455,448	9	1,236,708	9
Other financial assets - current (Notes 12 and 30)	200,389	1	95,120	1
Other current assets	<u>231,209</u>	<u>2</u>	<u>170,893</u>	<u>1</u>
Total current assets	<u>9,655,848</u>	<u>61</u>	<u>7,988,976</u>	<u>58</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	27,903	-	27,682	-
Financial assets at amortized cost - non-current (Notes 4 and 8)	1,356,518	9	986,429	7
Property, plant and equipment (Notes 4, 14, 30 and 31)	3,862,150	25	3,693,813	27
Right-of-use assets (Notes 4 and 15)	516,616	3	372,854	3
Investment property, net (Notes 4 and 16)	28,692	-	33,375	1
Computer software, net (Note 4)	34,987	-	39,913	1
Deferred tax assets (Notes 4 and 25)	93,473	1	163,861	1
Prepayments for equipment	113,616	1	142,079	1
Net defined benefit assets - non-current (Notes 4 and 21)	44,292	-	31,036	-
Other financial assets - non-current (Notes 12 and 30)	14,759	-	23,584	-
Other non-current assets	<u>43,675</u>	<u>-</u>	<u>146,227</u>	<u>1</u>
Total non-current assets	<u>6,136,681</u>	<u>39</u>	<u>5,660,853</u>	<u>42</u>
TOTAL	<u>\$ 15,792,529</u>	<u>100</u>	<u>\$ 13,649,829</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 17)	\$ 415,000	3	\$ 135,000	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 28)	4,212	-	629	-
Notes payable (Note 18)	394,126	2	65,390	1
Accounts payable (Note 18)	446,649	3	407,028	3
Accounts payable to related parties (Note 29)	1,515	-	820	-
Other payables (Note 19)	702,275	5	721,868	5
Other payables to related parties (Note 29)	883	-	1,357	-
Current tax liabilities (Notes 4 and 25)	147,836	1	27,267	-
Lease liabilities - current (Notes 4 and 15)	30,592	-	44,994	-
Current portion of long-term borrowings (Notes 4 and 17)	178,612	1	131,589	1
Refund liabilities - current (Notes 4 and 20)	156,608	1	76,342	1
Other current liabilities (Notes 4 and 17)	<u>46,408</u>	<u>-</u>	<u>26,564</u>	<u>-</u>
Total current liabilities	<u>2,524,716</u>	<u>16</u>	<u>1,638,848</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 17)	680,030	4	895,659	7
Deferred tax liabilities (Notes 4 and 25)	1,744,198	11	1,547,020	11
Lease liabilities - non-current (Notes 4 and 15)	90,056	1	81,328	1
Long-term deferred revenue (Notes 4 and 17)	30,482	-	31,902	-
Guarantee deposits received	6,483	-	2,084	-
Other non-current liabilities	<u>5,175</u>	<u>-</u>	<u>5,175</u>	<u>-</u>
Total non-current liabilities	<u>2,556,424</u>	<u>16</u>	<u>2,563,168</u>	<u>19</u>
Total liabilities	<u>5,081,140</u>	<u>32</u>	<u>4,202,016</u>	<u>31</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 13 and 22)				
Ordinary shares	<u>1,281,127</u>	<u>8</u>	<u>1,281,127</u>	<u>9</u>
Capital surplus	<u>352,907</u>	<u>2</u>	<u>352,907</u>	<u>3</u>
Retained earnings				
Legal reserve	1,584,900	10	1,454,089	11
Special reserve	256,236	2	140,627	1
Unappropriated earnings	<u>6,983,444</u>	<u>44</u>	<u>6,337,262</u>	<u>46</u>
Total retained earnings	<u>8,824,580</u>	<u>56</u>	<u>7,931,978</u>	<u>58</u>
Other equity	<u>131,336</u>	<u>1</u>	<u>(256,236)</u>	<u>(2)</u>
Total equity attributable owners of the Company	10,589,950	67	9,309,776	68
NON-CONTROLLING INTERESTS (Notes 4, 13 and 22)	<u>121,439</u>	<u>1</u>	<u>138,037</u>	<u>1</u>
Total equity	<u>10,711,389</u>	<u>68</u>	<u>9,447,813</u>	<u>69</u>
TOTAL	<u>\$ 15,792,529</u>	<u>100</u>	<u>\$ 13,649,829</u>	<u>100</u>

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

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 29)	\$ 7,519,697	100	\$ 7,077,136	100
OPERATING COSTS (Notes 11, 24 and 29)	<u>4,539,950</u>	<u>61</u>	<u>4,333,369</u>	<u>61</u>
GROSS PROFIT	<u>2,979,747</u>	<u>39</u>	<u>2,743,767</u>	<u>39</u>
OPERATING EXPENSES (Notes 4, 10, 24 and 29)				
Selling and marketing expenses	363,037	5	338,346	5
General and administrative expenses	434,539	6	445,347	6
Research and development expenses	409,964	5	360,706	5
Expected credit loss (gain)	<u>(1,590)</u>	<u>-</u>	<u>6,923</u>	<u>-</u>
Total operating expenses	<u>1,205,950</u>	<u>16</u>	<u>1,151,322</u>	<u>16</u>
PROFIT FROM OPERATIONS	<u>1,773,797</u>	<u>23</u>	<u>1,592,445</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Interest income	139,203	2	118,743	1
Other income	104,246	1	57,048	1
Other gains and losses	71,890	1	(28,851)	-
Finance costs	<u>(23,876)</u>	<u>-</u>	<u>(16,838)</u>	<u>-</u>
Total non-operating income and expenses	<u>291,463</u>	<u>4</u>	<u>130,102</u>	<u>2</u>
CONSOLIDATED PROFIT BEFORE INCOME TAX	2,065,260	27	1,722,547	25
INCOME TAX EXPENSE (Notes 4 and 25)	<u>532,287</u>	<u>7</u>	<u>411,388</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>1,532,973</u>	<u>20</u>	<u>1,311,159</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	11,521	-	781	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	221	-	1,959	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(2,304)</u>	<u>-</u>	<u>(156)</u>	<u>-</u>

(Continued)

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
	\$ 9,438	-	\$ 2,584	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	484,189	6	(146,960)	(2)
Income tax related to items that may be reclassified subsequently to profit or loss	(96,838)	(1)	29,392	-
	<u>387,351</u>	<u>5</u>	<u>(117,568)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net	<u>396,789</u>	<u>5</u>	<u>(114,984)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,929,762</u>	<u>25</u>	<u>\$ 1,196,175</u>	<u>17</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,550,540	20	\$ 1,307,803	19
Non-controlling interests	<u>(17,567)</u>	<u>-</u>	<u>3,356</u>	<u>-</u>
	<u>\$ 1,532,973</u>	<u>20</u>	<u>\$ 1,311,159</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,946,360	25	\$ 1,192,506	17
Non-controlling interests	<u>(16,598)</u>	<u>-</u>	<u>3,669</u>	<u>-</u>
	<u>\$ 1,929,762</u>	<u>25</u>	<u>\$ 1,196,175</u>	<u>17</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 12.10</u>		<u>\$ 10.21</u>	
Diluted	<u>\$ 12.05</u>		<u>\$ 10.17</u>	

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

(Concluded)

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity	Total Other Equity	Total	Non-Controlling Interests	
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE, JANUARY 1, 2023	\$ 1,281,127	\$ 352,907	\$ 1,316,508	\$ 222,378	\$ 5,776,786	\$ 7,315,672	\$ (132,408)	\$ (8,219)	\$ (140,627)	\$ 8,809,079	\$ 134,368	\$ 8,943,447
Appropriation of 2022 earnings (Note 22)												
Legal reserve	-	-	137,581	-	(137,581)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(691,809)	(691,809)	-	-	-	(691,809)	-	(691,809)
Reversal of special reserve	-	-	-	(81,751)	81,751	-	-	-	-	-	-	-
	-	-	137,581	(81,751)	(747,639)	(691,809)	-	-	-	(691,809)	-	(691,809)
Net profit for the year ended December 31, 2023	-	-	-	-	1,307,803	1,307,803	-	-	-	1,307,803	3,356	1,311,159
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	312	312	(117,568)	1,959	(115,609)	(115,297)	313	(114,984)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,308,115	1,308,115	(117,568)	1,959	(115,609)	1,192,506	3,669	1,196,175
BALANCE AT DECEMBER 31, 2023	1,281,127	352,907	1,454,089	140,627	6,337,262	7,931,978	(249,976)	(6,260)	(256,236)	9,309,776	138,037	9,447,813
Appropriation of 2023 earnings (Note 22)												
Legal reserve	-	-	130,811	-	(130,811)	-	-	-	-	-	-	-
Special reserve	-	-	-	115,609	(115,609)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(666,186)	(666,186)	-	-	-	(666,186)	-	(666,186)
	-	-	130,811	115,609	(912,606)	(666,186)	-	-	-	(666,186)	-	(666,186)
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	1,550,540	1,550,540	-	-	-	1,550,540	(17,567)	1,532,973
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	8,248	8,248	387,351	221	387,572	395,820	969	396,789
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,558,788	1,558,788	387,351	221	387,572	1,946,360	(16,598)	1,929,762
BALANCE AT DECEMBER 31, 2024	\$ 1,281,127	\$ 352,907	\$ 1,584,900	\$ 256,236	\$ 6,983,444	\$ 8,824,580	\$ 137,375	\$ (6,039)	\$ 131,336	\$ 10,589,950	\$ 121,439	\$ 10,711,389

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

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income before income tax	\$ 2,065,260	\$ 1,722,547
Adjustments for:		
Depreciation expense	408,666	373,241
Amortization expense	14,579	17,822
Expected credit loss (gain) recognized	(1,590)	6,923
Net loss on financial assets or liabilities at fair value through profit or loss	16,702	33,242
Finance costs	23,876	16,838
Interest income	(139,203)	(118,743)
Dividend income	-	(763)
Loss on disposal of property, plant and equipment	6,458	16,529
Reversal of write-down of inventories	(86,771)	(88,622)
Recognition of provisions	94,743	-
Amortization of grants income	(2,421)	(1,079)
Other non-cash items	(2,360)	(697)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(47,739)	(32,703)
Notes receivable	(226,367)	(108,311)
Accounts receivable	(417,589)	(13,160)
Accounts receivables from related parties	349	(620)
Other receivables	4,286	6,222
Inventories	(143,479)	516,706
Prepayments	-	(17,968)
Other current assets	(60,316)	34,574
Net defined benefit asset	(1,735)	(20,725)
Notes payable	328,736	(4,437)
Accounts payable	39,621	22,221
Accounts payable to related parties	695	819
Other payables	18,616	10,830
Other payables to related parties	(474)	(2,756)
Other current liabilities	17,521	6,712
Other operating liabilities	(10,922)	(8,354)
Cash generated from operations	1,899,142	2,366,288
Interest received	130,420	102,355
Interest paid	(19,331)	(12,485)
Income taxes paid	(221,324)	(327,535)
Net cash generated from operating activities	1,788,907	2,128,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(1,008,072)	(870,857)
Proceeds from disposal of financial assets at amortized cost	537,241	131,526

(Continued)

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Acquisition of financial assets at fair value through profit or loss	\$ (3,329,360)	\$ (2,660,443)
Proceeds from disposal of financial assets at fair value through profit or loss	3,414,305	2,429,400
Acquisition of property, plant and equipment	(470,840)	(862,483)
Proceeds from disposal of property, plant and equipment	26,829	59,935
Acquisition of intangible assets	(9,039)	(15,499)
Increase in other financial assets	(96,444)	-
Decrease in other financial assets	-	188,009
Increase in other non-current assets	(3,567)	(104,030)
Decrease in other non-current assets	-	4,596
Dividends received	<u>-</u>	<u>763</u>
Net cash used in investing activities	<u>(938,947)</u>	<u>(1,699,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	2,240,140	420,000
Decrease in short-term borrowings	(1,960,140)	(993,000)
Proceeds from long-term borrowings	43,700	155,148
Repayment of long-term borrowings	(219,119)	(169,413)
Increase in guarantee deposits received	4,399	405
Repayments of the principal portion of lease liabilities	(73,458)	(56,310)
Cash dividends paid	<u>(666,186)</u>	<u>(691,809)</u>
Net cash used in financing activities	<u>(630,664)</u>	<u>(1,334,979)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>251,309</u>	<u>(68,365)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	470,605	(973,804)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>2,599,316</u>	<u>3,573,120</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 3,069,921</u>	<u>\$ 2,599,316</u>

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

(Concluded)

Thinking Electronic Industrial Co., Ltd.

Comparison Table for the Articles of Incorporation Before and After Revision

Provisions under amendment	Current provisions	Remarks:
<p>Article 19: If the Company retains earnings at the end of the fiscal year, it is required to allocate 2% thereof as the remuneration to employees. <u>(of which the distribution of remuneration to entry-level employees shall not be less than 35% of the total employee remuneration amount)</u> 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.</p> <p>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 directors on a pro rata basis as referred to in the preceding paragraph.</p>	<p>Article 19: If the Company retains earnings at the end of the fiscal year, it is required to allocate 2% thereof as the remuneration to employees. The Board of Directors shall resolve to pay the remuneration in the form of stock or in cash. The recipients entitled to receive the remuneration include the employees of subsidiaries of the Company meeting certain specific requirements. The Company may allocate no more than 2% of said earnings as the remuneration to directors per resolution by the Board of Directors. The motion for distribution of remuneration to employees and directors shall be reported to a shareholders' meeting.</p> <p>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 directors on a pro rata basis as referred to in the preceding paragraph.</p>	<p>In accordance with Article 14, Paragraph 6 of the Securities Exchange Act and the directives issued by the Financial Supervisory Commission.</p>

Provisions under amendment	Current provisions	Remarks:
Article 21: The Articles were enacted on June 22, 1979. 1st amendments hereto were made on October 29, 1980. 2nd amendments hereto were made on December 6, 1985. 3rd amendments hereto were made on July 31, 1987. 4th amendments hereto were made on January 28, 1988. 5th amendments hereto were made on July 6, 1988. 6th amendments hereto were made on May 12, 1989. 7th amendments hereto were made on December 14, 1989. 8th amendments hereto were made on January 5, 1994. 9th amendments hereto were made on February 19, 1994. 10th amendments hereto were made on September 30, 1994. 11th amendments hereto were made on November 1, 1994. 12th amendments hereto were made on April 15, 1996. 13th amendments hereto were made on December 17, 1996. 14th amendments hereto were made on April 10, 1997. 15th amendments hereto were made on November 22, 1997. 16th amendments hereto were made on March 14, 1998. 17th amendments hereto were made on January 23, 1999. 18th amendments hereto were made on April 12, 1999. 19th	Article 21: The Articles were enacted on June 22, 1979. 1st amendments hereto were made on October 29, 1980. 2nd amendments hereto were made on December 6, 1985. 3rd amendments hereto were made on July 31, 1987. 4th amendments hereto were made on January 28, 1988. 5th amendments hereto were made on July 6, 1988. 6th amendments hereto were made on May 12, 1989. 7th amendments hereto were made on December 14, 1989. 8th amendments hereto were made on January 5, 1994. 9th amendments hereto were made on February 19, 1994. 10th amendments hereto were made on September 30, 1994. 11th amendments hereto were made on November 1, 1994. 12th amendments hereto were made on April 15, 1996. 13th amendments hereto were made on December 17, 1996. 14th amendments hereto were made on April 10, 1997. 15th amendments hereto were made on November 22, 1997. 16th amendments hereto were made on March 14, 1998. 17th amendments hereto were made on January 23, 1999. 18th amendments hereto were made on April 12, 1999. 19th	Addition of the date of latest amendments

Provisions under amendment	Current provisions	Remarks:
amendments hereto were made on June 19, 2000. 20th amendments hereto were made on June 12, 2001. 21st amendments hereto were made on June 12, 2002. 22nd amendments hereto were made on June 12, 2002. 23rd amendments hereto were made on June 16, 2005. 24th amendments hereto were made on June 14, 2006. 25th amendments hereto were made on June 25, 2008. 26th amendments hereto were made on June 10, 2009. 27th amendments hereto were made on June 17, 2010. 28th amendments hereto were made on June 19, 2012. 29th amendments hereto were made on June 17, 2013. 30th amendments hereto were made on June 17, 2016. 31st amendments hereto were made on June 20, 2017. 32nd amendments hereto were made on June 22, 2018. 33rd amendments hereto were made on June 15, 2020. 34th amendments hereto were made on July 29, 2021. 35th amendments hereto were made on June 18, 2024. <u>36th</u> <u>amendments hereto were made</u> <u>on June 17, 2025.</u>	amendments hereto were made on June 19, 2000. 20th amendments hereto were made on June 12, 2001. 21st amendments hereto were made on June 12, 2002. 22nd amendments hereto were made on June 12, 2002. 23rd amendments hereto were made on June 16, 2005. 24th amendments hereto were made on June 14, 2006. 25th amendments hereto were made on June 25, 2008. 26th amendments hereto were made on June 10, 2009. 27th amendments hereto were made on June 17, 2010. 28th amendments hereto were made on June 19, 2012. 29th amendments hereto were made on June 17, 2013. 30th amendments hereto were made on June 17, 2016. 31st amendments hereto were made on June 20, 2017. 32nd amendments hereto were made on June 22, 2018. 33rd amendments hereto were made on June 15, 2020. 34th amendments hereto were made on July 29, 2021. 35th amendments hereto were made on June 18, 2024.	

Thinking Electronic Industrial Co., Ltd.

Articles of Incorporation

Chapter One. General Provisions

Article 1: The Company has been duly incorporated in accordance with the Company Act and named “興勤電子工業股份有限公司”, and “THINKING ELECTRONIC INDUSTRIAL CO., LTD” in English.

Article 2: The Company’s business lines are stated as follows:

- (1) C901010 Ceramic and Ceramic Products Manufacturing
- (2) CB01010 Machinery and Equipment Manufacturing.
- (3) CC01020 Electric Wires and Cables Manufacturing
- (4) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- (5) CC01080 Electronic Parts and Components Manufacturing.
- (6) CC01110 Computer and Peripheral Equipment Manufacturing
- (7) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- (8) CD01030 Motor Vehicles and Parts Manufacturing
- (9) CE01010 General Instrument Manufacturing
- (10) F401010 International Trade
- (11) ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

Article 2-1: It necessary, the Company may make endorsements/guarantees for others. The operating procedure thereof shall follow the Company's regulations governing making of endorsements/guarantees for others.

Article 2-2: If necessary, the Company may invest in other enterprises upon resolution by the Board of Directors. The total amount of investment made by the Company may be more than 40% of the Company’s paid-in capital, free from the restriction on investment referred to in Article 13 of the Company Act.

Article 3: The Company’s head office is situated in Kaohsiung City. The Company may establish factories or branches domestically or overseas under the resolution of the Board of Directors, where necessary.

Article 4: The Company’s announcements shall be made in accordance with Article 28 of the Company Act.

Chapter Two. Shares

Article 5: The Company’s authorized capital amounts to NT\$2 billion, divided into 200 million shares at NT\$10 per share. The Board of Directors is authorized to have unissued shares issued at different time.

Article 6: The Company's shareholders service shall be processed according to related laws and the competent authority's requirements.

Article 7: The Company may issue shares exempted from the requirements about printing of share certificates, but shall register the shares with the centralized securities depository institutions. The Company printing of share certificates, if any, shall be governed by the Company Act and other related laws of the R.O.C..

Article 8: The transfer of shares shall be suspended within 60 days before an annual meeting of shareholders, within 30 days before a special shareholders' meeting, or within 5 days before the date of the Company's decision made to distribute dividends and bonuses or other profits.

Chapter Three. Shareholders' Meetings

Article 9: The shareholders' meetings consist of annual meetings of shareholders, which shall be convened once per year within 6 months at the end of each fiscal year and notified by the Board of Directors to each shareholder within 30 days before the meeting, and the special shareholders' meetings, which shall be convened pursuant to laws whenever necessary and notified to each shareholder in writing within 15 days before the meeting.

Article 9-1: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to act as chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairperson.

Article 10: Any shareholder who is unable to attend a shareholders' meeting in person may appoint a proxy by presenting a power of attorney printed by the Company indicating the scope of authorization, in accordance with the Company Act, and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority, and related laws & regulations.

Article 11: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

Article 11-1: When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights in writing or by electronic means. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, they are considered to have waived their rights to participate in any extemporaneous motions or amendments to the original motion that may arise during the shareholders' meeting. The matters related to such exercise shall be governed by the existing laws.

Article 12: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, at the meeting.

Article 12-1: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson and distributed to all shareholders of the Company within twenty (20) days after the meeting. Distribution of the meeting minutes may be done by public notice. The minutes of a shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least one year.

Chapter Four. Directors

Article 13: The Company shall appoint 7~9 directors for a term of office for 3 years via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates for directors and may be reelected for a second term of office. The Board of Directors is authorized to decide said number of directors (7~9 directors).

Starting from 2024, there shall be at least one director of each gender (applicable when the director's term expires).

Of all directors referred to in the preceding paragraph, there shall be at least three independent directors, accounting for no less than one-fifth of the total number of directors. Starting from 2027, the number of independent directors shall be no less than one-third of the total number of directors (applicable when the director's term expires).

Starting from 2024, no more than half of the independent directors may serve more than three consecutive terms (applicable when the director's term expires). Starting from 2027, all independent directors may not serve more than three consecutive terms (applicable when the director's term expires).

The total nominal shares to be held by the whole directors shall be subject to the percentage referred to in the "Rules and Review Procedures for Director Share Ownership Ratio at Public Companies".

Article 13-1: If the Board loses more than one-thirds of its directors, the Board of Directors shall convene a special shareholders' meeting within 60 days to elect new directors for the shortfall to serve the remaining term of office.

Article 13-2: The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of the entire number of independent directors. The Audit Committee or its members are responsible for exercising the powers granted to supervisors according to the Company Act, Securities and Exchange Act and other laws.

Article 14: The Board of Directors shall consist of all directors. A Chairman of Board shall be elected among and from the directors upon resolution adopted by a majority of the directors present at a meeting attended by more than two-thirds of the whole directors, in order to act on behalf of the Company externally.

Article 14-1: The Board of Directors shall perform the following functions:

1. Review and approval of the corporate policy and the development plan in the mid to long term.
2. Review and supervision of the execution of annual business plan.
3. Review and approval of budget and account settlement.
4. Review and approval of the capital increase/decrease plan.
5. Review and approval of the proposal for earnings distribution or covering of loss carried forward.
6. Authorization of essential contracts with external parties.
7. Review and approval of the the Company's Memorandum and Articles of Association and important rules and regulations.
8. Review and approval of the establishment, reorganization, and revocation of branches.
9. Review and approval of major investment and capital spending plans.
10. Other matters required by the Company Act and related laws.

Article 15: In the absence of the Chairman or the Chairman is unable to perform its duties with causes, the proxy shall act in accordance with Article 208 of the Company Act. Any director who is unable to attend a meeting in person may appoint another director to attend the meeting on behalf of him/her by personally presenting a power of attorney. Each director may appoint only one other director to act as his/her proxy at the meeting. If a Board meeting is convened by way video conference, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.

Article 16: Remuneration to the Company's directors for performance of job duties must be paid, irrelevant with profit or loss retained by the Company. The Board of Directors is authorized to determine the level of remuneration to directors based on their engagement in and contribution to the Company's operations, and in reference to peer companies' pay.

Article 16-1: The Company shall take out for directors the liability insurance with respect to liabilities resulting from exercising their duties pursuant to laws during their term of office.

Article 16-2: In calling a Board meeting, a notice specifying the cause of meeting shall be given to each director 7 days prior to the meeting. In the case of emergency, the meeting may be convened at any time.
The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Chapter Five. Managers

Article 17: The Company shall employ several managers. The appointment and dismissal thereof and remuneration to them shall be governed by Article 29 of the Company Act.

Chapter Six. Accounting

Article 18: The Board of Directors is responsible for preparing the following statements and reports at the end of each fiscal year. These statements and reports shall be submitted to the Audit Committee at least 30 days before an annual meeting of shareholders for approval and the Board of Directors for resolution, and presented during the annual meeting of shareholders for the final acknowledgment.

1. Business report
2. Financial statements
3. Motions for earnings distribution or covering of losses

Article 19: If the Company retains earnings at the end of the fiscal year, it is required to allocate 2% thereof as the remuneration to employees. The Board of Directors shall resolve to pay the remuneration in the form of stock or in cash. The recipients entitled to receive the remuneration include the employees of subsidiaries of the Company meeting certain specific requirements. The Company may allocate no more than 2% of said earnings as the remuneration to directors per resolution by the Board of Directors. The motion for distribution of remuneration to employees and directors shall be reported to a shareholders' meeting.

However, when the Company still has accumulated losses, an amount equivalent to said losses shall be reserved to make up for the loss in advance. The remainder, if any, shall be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph.

Article 19-1: Shall there be earnings after the annual settlement, the earnings shall offset the accumulated losses from the previous years, and pay all the taxes pursuant to laws, and 10% of the balance, if any, shall be provided as the legal reserve, unless the legal reserve reaches the total capital of the Company. When the special reserve is provided or reversed based on laws, the remaining amount, if any, may be combined with the balance of the undistributed earnings, for the purpose of the Board of Directors' proposal for the earnings distributions. It shall be submitted to a shareholders' meeting for resolution about distribution of dividends and bonus. The Company's dividend policy is defined in response to the current and future development plans and by taking into account the investment environment, capital needs, competition in domestic/overseas markets, as well as shareholders' equity.

The bonus to shareholders shall be allocated from the accumulated distributable earnings, which shall be no less than 30% of the distributable earnings for then year. The dividends to shareholders may be distributed in cash or in the form of stock. The cash dividend shall be no less than 20% of the total dividends.

Chapter Seven. Supplementary Clauses

Article 20: Any matters not covered herein shall be governed by the Company Act and other laws.

Article 21: The Articles were enacted on June 22, 1979. 1st amendments hereto were made on October 29, 1980. 2nd amendments hereto were made on December 6, 1985. 3rd amendments hereto were made on July 31, 1987. 4th amendments hereto were made on January 28, 1988. 5th amendments hereto were made on July 6, 1988. 6th amendments hereto were made on May 12, 1989. 7th amendments hereto were made on December 14, 1989. 8th amendments hereto were made on January 5, 1994. 9th amendments hereto were made on February 19, 1994. 10th amendments hereto were made on September 30, 1994. 11th amendments hereto were made on November 1, 1994. 12th amendments hereto were made on April 15, 1996. 13th amendments hereto were made on December 17, 1996. 14th amendments hereto were made on April 10, 1997. 15th amendments hereto were made on November 22, 1997. 16th amendments hereto were made on March 14, 1998. 17th amendments hereto were made on January 23, 1999. 18th amendments hereto were made on April 12, 1999. 19th amendments hereto were made on June 19, 2000. 20th amendments hereto were made on June 12, 2001. 21st amendments hereto were made on June 12, 2002. 22nd amendments hereto were made on June 12, 2002. 23rd amendments hereto were made on June 16, 2005. 24th amendments hereto were made on June 14, 2006. 25th amendments hereto were made on June 25, 2008. 26th amendments hereto were made on June 10, 2009. 27th amendments hereto were made on June 17, 2010. 28th amendments hereto were made on June 19, 2012. 29th amendments hereto were made on June 17, 2013. 30th amendments hereto were made on June 17, 2016. 31st amendments hereto were made on June 20, 2017. 32nd amendments hereto were made on June 22, 2018. 33rd amendments hereto were made on June 15, 2020. 34th amendments hereto were made on July 29, 2021. 35th amendments hereto were made on June 18, 2024.

Thinking Electronic Industrial Co., Ltd.
Chairman: Sui Tai-Chung

**Thinking Electronic Industrial Co., Ltd.
Rules of Procedures of Shareholders' Meeting**

2020.06.15 Amendment

- Article 1: The shareholders' meetings of the Company shall be governed by these Rules.
- Article 2: The shareholders referred to herein shall mean the shareholders per se, institutional shareholders' representatives, and proxies appointed by the shareholders to attend the meetings on behalf of them pursuant to laws.
- Article 3: The present shareholders (or their proxies) shall wear the attendance certificate and hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by said sign-in cards plus the number of shares whose voting rights are exercised by electronic means. Voting at a shareholders meeting shall be calculated based on the number of shares.
- Article 4: When a shareholder attends a shareholders' meeting in person or by proxy, the Company, whenever it deems necessary, may check the identity certificates that can afford to prove the personal identity.
- Article 5: The shareholders' meetings of the Company shall be held at the Company's location or any other locations that are suitable and convenient for shareholders to attend. Meetings must not commence anytime earlier than 9 a.m. or later than 3 p.m.
- Article 6: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to act as chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairperson.
Where any person other than the Board of Directors convenes a shareholders' meeting, such person shall preside over the meeting.
- Article 7: The Company may appoint its attorney-at-law, CPA, or related persons retained by it to attend a shareholders' meeting.
- Article 8: The minutes of a shareholders' meeting shall be kept on record by voice recording or videotaping. Such minutes on record shall be retained for at least 1 year.
- Article 9: The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. In the event that postponement has been made twice and the shareholders present in the meeting cannot represent one-half but represent more than one-third of the total outstanding shares, Paragraph 1 of Article 175 of the Company Act shall be applicable whereby provisional resolution could be made.
When, prior to conclusion of the meeting, the attending shareholders represent

a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of a shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

Before the parliamentary procedure is accomplished in accordance with the agenda (including extempore motions) as stated in the preceding two paragraphs, the chairperson cannot announce for the adjournment of the meeting unless with the resolution rendered by a shareholders' meeting.

After the meeting is adjourned, shareholders cannot nominate another chairperson or seek another venue for the continuation of the meeting.

If the chairperson is found to have adjourned the meeting in violation of the parliamentary rules, the meeting may continue with a separate chairperson elected upon approval of a majority of the voting rights represented by the shareholders present at the meeting.

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.

In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

When a shareholder is having the floor, all other shareholders shall not interfere unless at the consent of the chairperson or the shareholder who is taking the floor. Any unrestrained action shall be discouraged by the chairperson.

Article 12: Shareholders cannot speak for more than twice, for 5 minutes each, on the same motion without prior consent of the chairperson.

The chairperson shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the contents of the speech are irrelevant to the motion in point.

Article 13: Where a juristic person may be appointed as a proxy to attend a shareholders' meeting, it may appoint only one representative to attend the meeting.

For institutional shareholders appointing two (2) or more representatives to a shareholder's meeting, only one representative may express opinions on the same motion.

Article 14: After a present shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 15: Only proposals will be discussed or voted on. When the chairperson is of the opinion that a motion has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote.

Where the chairperson announces that the closed discussion of any motion should be decided by ballot, ballots may be cast on several motions at the same time, but the motions shall be put to a vote separately.

Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act and Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, at the meeting.

When there is an amendment or an alternative to a motion, the chairperson shall present the amended or alternative motion together with the original one and decide the order in which they will be put to a vote. If one of them is passed, the others shall be deemed vetoed and no further voting is necessary.

Article 17: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

Article 18: The chairperson will appoint ballot examiners and ballot counters, provided that the ballot examiners credited shareholders. The results of the voting shall be announced and recorded on site at the meeting.

Article 19: The chairperson may call for a recess at appropriate times.

Article 20: The chairperson shall direct picketers (or security guards) to maintain the order of the shareholders' meeting place. The picketers (or security guards) at the meeting place assisting with maintenance of order shall wear armbands marked "Marshal".

Shareholders shall follow the command by the chairperson, picketers or security guards on maintenance of the order. When a shareholder obstructs the parliamentary procedure and defies the chairperson's correction, the chairperson, picketers or security guards may remove such shareholder from the meeting place.

Article 21: Any matters not covered herein shall be governed by the Company Act, Articles of Incorporation and other related laws & regulations.

Article 22: The Rules shall be enforced upon approval from a shareholders' meeting. The same shall apply where the Rules are amended.

Shareholdings of All Directors

【Appendix 3】

1. According to Paragraph 2 of Article 26 of the Securities and Exchange Act, the minimum required shares to be held by the whole directors of the Company should be 10,000,000 shares.
2. The number of shares held by directors recorded in the roster of shareholders until the date of suspension of share transfer for the shareholders' meeting (until April 19, 2025) is stated as following:

Title	Name	Current shareholdings	
		Shares	Ratio of shareholding
Chairman	Representative of Boh Chin Investment Co., Ltd.: Sui Tai-Chung	27,178,247	21.21%
Director	Representative of Boh Chin Investment Co., Ltd.: Chen Su-Ai		
Director	Chen Yen-Hui	37,443	0.03%
Director	Chang Shan-Hui	20,051	0.02%
Independent Director	Huang Cheng-Nan	-	-
Independent Director	Chou Chi-Wen	-	-
Independent Director	Chou Pao-Heng	-	-
Independent Director	Su Ping-Chang	-	-

【Appendix 4】

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

N/A, as no stock dividends were issued by the Company this year.