Thinking Electronic Industrial Company Limited and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors’ Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance statements of Thinking Electronic Industrial Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group"), as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chen-Li Chen and Tzu-Yuan Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

<u>*Notice to Readers*</u>

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' review 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' review report and consolidated financial statements shall prevail.

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6)	$ 3,511,782	20	$ 3,330,510	20	$ 3,233,263	20
Financial assets at fair value through profit or loss - current (Notes 7 and 28)	1,745,106	10	1,501,049	9	1,157,808	7
Financial assets at amortized cost - current (Notes 8)	938,594	5	905,079	5	648,232	4
Notes receivable (Notes 10 and 30)	622,308	4	508,839	3	664,882	4
Accounts receivable, net (Notes 10)	2,491,283	14	2,433,945	15	2,273,551	14
Accounts receivables from related parties (Notes 10 and 29)	70	-	175	-	420	-
Other receivables	100,390	1	100,629	1	86,124	1
Current tax assets	7,719	-	2,201	-	36,629	-
Inventories (Notes 11)	1,734,333	10	1,508,672	9	1,554,221	10
Other financial assets - current (Notes 12 and 30)	106,782	1	141,169	1	118,654	1
Other current assets	163,612	1	182,146	1	170,883	1
Total current assets	11,421,979	66	10,614,414	64	9,944,667	62
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 28)	-	-	-	-	2,246	-
Financial assets at fair value through other comprehensive income - non-current (Notes 9)	31,076	-	36,184	-	26,666	-
Financial assets at amortized cost - non-current (Notes 8)	1,040,211	6	1,181,574	7	1,467,110	9
Property, plant and equipment (Notes 14 and 31)	3,993,487	23	3,945,358	24	3,894,324	24
Right-of-use assets (Notes 15)	480,107	3	472,132	3	518,569	3
Investment property, net (Notes 16)	23,410	-	24,476	-	27,454	-
Computer software, net	34,836	-	31,184	-	39,098	-
Deferred tax assets	116,209	1	83,710	1	93,983	1
Prepayments for equipment (Notes 29)	103,672	1	79,201	1	107,715	1
Net defined benefit assets - non-current (Notes 4 and 21)	52,664	-	52,288	-	44,673	-
Other financial assets - non-current (Notes 12 and 30)	14,142	-	14,575	-	14,060	-
Other non-current assets	41,857	-	41,817	-	43,560	-
Total non-current assets	5,931,671	34	5,962,499	36	6,279,458	38
TOTAL	$ 17,353,650	100	$ 16,576,913	100	$ 16,224,125	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 17)	$ 945,000	6	$ 820,000	5	$ 400,000	3
Financial liabilities at fair value through profit or loss - current (Notes 7 and 28)	13,651	-	2,080	-	8,611	-
Notes payable (Note 18)	272,551	2	339,795	2	347,469	2
Accounts payable (Note 18)	594,976	3	470,888	3	480,679	3
Accounts payable to related parties (Note 18 and 29)	1,493	-	1,807	-	1,624	-
Other payables (Note 19)	595,627	3	695,840	4	623,763	4
Other payables to related parties (Note 29)	221	-	133	-	365	-
Current tax liabilities	312,949	2	261,826	2	236,562	1
Lease liabilities - current (Notes 15)	13,431	-	13,059	-	25,291	-
Current portion of long-term borrowings (Notes 17)	159,224	1	163,899	1	178,612	1
Refund liabilities - current (Notes 20)	129,435	1	57,741	-	154,905	1
Other current liabilities (Notes 17)	43,341	-	42,933	-	46,326	-
Total current liabilities	3,081,899	18	2,870,001	17	2,504,207	15
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 17)	390,554	2	448,281	3	636,415	4
Deferred tax liabilities	1,882,193	11	1,839,093	11	1,750,852	11
Lease liabilities - non-current (Notes 15)	82,096	1	83,562	1	95,478	1
Long-term deferred revenue (Notes 17)	26,430	-	26,825	-	29,803	-
Guarantee deposits received	23,206	-	22,988	-	6,589	-
Other non-current liabilities	5,175	-	5,175	-	5,175	-
Total non-current liabilities	2,409,654	14	2,425,924	15	2,524,312	16
Total liabilities	5,491,553	32	5,295,925	32	5,028,519	31
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22)						
Ordinary shares	1,281,127	7	1,281,127	8	1,281,127	8
Capital surplus	352,907	2	352,907	2	352,907	2
Retained earnings						
Legal reserve	1,740,778	10	1,740,778	10	1,584,900	10
Special reserve	-	-	-	-	256,236	2
Unappropriated earnings	8,095,390	46	7,812,384	47	7,363,633	45
Total retained earnings	9,836,168	56	9,553,162	57	9,204,769	57
Other equity	283,530	2	(13,137)	-	237,991	1
Total equity attributable owners of the Company	11,753,732	67	11,174,059	67	11,076,794	68
NON-CONTROLLING INTERESTS (Notes 22)	108,365	1	106,929	1	118,812	1
Total equity	11,862,097	68	11,280,988	68	11,195,606	69
TOTAL	$ 17,353,650	100	$ 16,576,913	100	$ 16,224,125	100

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 THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 29)	$ 2,053,739	100	$ 1,895,946	100
OPERATING COSTS (Notes 11, 24 and 29)	1,356,021	66	1,153,359	61
GROSS PROFIT	697,718	34	742,587	39
OPERATING EXPENSES (Notes 10, 24 and 29)				
Selling and marketing expenses	87,143	4	81,331	4
General and administrative expenses	105,869	5	115,666	6
Research and development expenses	101,648	5	100,071	5
Expected credit gain	(5,545)	-	(2,682)	-
Total operating expenses	289,115	14	294,386	15
PROFIT FROM OPERATIONS	408,603	20	448,201	24
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Interest income	18,000	1	19,351	1
Other income	27,053	1	14,615	1
Other gains and losses	(84,865)	(4)	27,417	1
Finance costs	(6,464)	-	(6,506)	-
Total non-operating income and expenses	(46,276)	(2)	54,877	3
CONSOLIDATED PROFIT BEFORE INCOME TAX	362,327	18	503,078	27
INCOME TAX EXPENSE (Notes 4 and 25)	77,885	4	125,516	7
NET PROFIT FOR THE PERIOD	284,442	14	377,562	20
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(5,108)	-	(1,237)	-
	(5,108)	-	(1,237)	-

(Continued)

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	$ 377,219	18	$ 134,866	7
Income tax related to items that may be reclassified subsequently to profit or loss	(75,444)	(4)	(26,974)	(1)
	301,775	14	107,892	6
Other comprehensive income (loss) for the period, net	296,667	14	106,655	6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 581,109	28	$ 484,217	26
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 283,006		$ 380,189	
Non-controlling interests	1,436		(2,627)	
	$ 284,442		$ 377,562	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 579,673		$ 486,844	
Non-controlling interests	1,436		(2,627)	
	$ 581,109		$ 484,217	
EARNINGS PER SHARE (Note 26)				
Basic	$ 2.21		$ 2.97	
Diluted	$ 2.20		$ 2.96	

(Concluded)

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

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
			Retained Earnings				Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total	Non-Controlling Interests	Total Equity
BALANCE, JANUARY 1, 2026	$ 1,281,127	$ 352,907	$ 1,740,778	$ -	$ 7,812,384	$ 9,553,162	$ (15,379)	$ 2,242	$ (13,137)	$ 11,174,059	$ 106,929	$ 11,280,988
Net profit for the three months ended March 31, 2026	-	-	-	-	283,006	283,006	-	-	-	283,006	1,436	284,442
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	301,775	(5,108)	296,667	296,667	-	296,667
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	283,006	283,006	301,775	(5,108)	296,667	579,673	1,436	581,109
BALANCE AT MARCH 31, 2026	$ 1,281,127	$ 352,907	$ 1,740,778	$ -	$ 8,095,390	$ 9,836,168	$ 286,396	$ (2,866)	$ 283,530	$ 11,753,732	$ 108,365	$ 11,862,097
BALANCE, JANUARY 1, 2025	$ 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
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	380,189	380,189	-	-	-	380,189	(2,627)	377,562
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	107,892	(1,237)	106,655	106,655	-	106,655
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	380,189	380,189	107,892	(1,237)	106,655	486,844	(2,627)	484,217
BALANCE AT MARCH 31, 2025	$ 1,281,127	$ 352,907	$ 1,584,900	$ 256,236-	$ 7,363,633	$ 9,204,769	$ 245,267	$ (7,276)	$ 237,991	$ 11,076,794	$ 118,812	$ 11,195,606

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 THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
	Amount	Amount
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income before income tax	$ 362,327	$ 503,078
Adjustments for:		
Depreciation expense	111,853	109,790
Amortization expense	2,761	3,469
Expected credit gain recognized	(5,545)	(2,682)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	104,040	(4,570)
Finance costs	6,464	6,506
Interest income	(18,000)	(19,351)
Dividend income	(2,021)	-
Loss on disposal of property, plant and equipment	391	3,353
Expenses transfer from property, plant, and equipment	-	5,245
Write-down (reversal) of inventories	22,148	(1,790)
Recognition of provisions	72,000	-
Amortization of grants income	(850)	(849)
Other non-cash items	185	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,152)	(76,992)
Notes receivable	(113,469)	(6,465)
Accounts receivable	(52,131)	78,063
Accounts receivables from related parties	105	(149)
Other receivables	(984)	(2,483)
Inventories	(254,090)	(99,145)
Other current assets	18,534	60,326
Net defined benefit asset	(376)	(381)
Notes payable	(67,244)	(46,657)
Accounts payable	124,088	34,030
Accounts payable to related parties	(314)	109
Other payables	(98,997)	(92,041)
Other payables to related parties	88	(518)
Other current liabilities	396	(87)
Provisions	(439)	(3,013)
Cash generated from operations	208,768	446,796
Interest received	13,161	5,135
Interest paid	(5,247)	(5,268)
Income taxes paid	(97,674)	(89,099)
Net cash generated from operating activities	119,008	357,564

(Continued)

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026 Amount	2025 Amount
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	$ -	$ (344,872)
Proceeds from disposal of financial assets at amortized cost	188,611	90,307
Acquisition of financial assets at fair value through profit or loss	(1,800,766)	(722,705)
Proceeds from disposal of financial assets at fair value through profit or loss	1,500,064	805,381
Acquisition of property, plant and equipment	(99,967)	(95,358)
Proceeds from disposal of property, plant and equipment	518	721
Acquisition of intangible assets	(5,982)	(7,392)
Decrease in other financial assets	34,820	82,434
Increase in other non-current assets	(225)	-
Decrease in other non-current assets	-	115
Dividends received	2,021	-
Net cash used in investing activities	(180,906)	(191,369)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	945,000	425,000
Decrease in short-term borrowings	(820,000)	(440,000)
Repayment of long-term borrowings	(62,402)	(44,653)
Increase in guarantee deposits received	218	106
Repayments of the principal portion of lease liabilities	(3,507)	(4,691)
Net cash used in financing activities	59,309	(64,238)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	183,861	61,385
NET INCREASE IN CASH AND CASH EQUIVALENTS	181,272	163,342
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,330,510	3,069,921
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,511,782	$ 3,233,263

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

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Thinking Electronic Industrial Co., Ltd. (the "Company") was incorporated in July 1979. The Company mainly manufactures, processes and sells electric devices, thermistors, varistors and wires.

The Company's shares have been listed on the Taiwan Stock Exchange since September 2000.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 7, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the - 17 - financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards, and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impacts when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

See Note 13, Table 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Retirement benefits
Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

2) Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The material accounting judgments and key sources of estimation uncertainty adopted by these interim consolidated financial statements is disclosed in the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 2,930	$ 2,338	$ 3,465
Checking accounts	68	68	74
Demand deposits	2,669,913	2,178,630	3,196,106
Cash equivalents			
Time deposits with original maturities of 3 months or less	838,871	1,149,474	33,618
	$3,511,782	$3,330,510	$3,233,263

The Group transacted with variety of financial institutions which are high credit quality to disperse credit risk, hence, there was no expected credit loss.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets – current			
Financial assets mandatorily classified as at FVTPL			
Hybrid financial assets			
-Structured deposits (a)	$ 335,262	$ 519,594	$1,076,892
Derivative financial assets (not under hedge accounting)			
-Foreign exchange forward contracts (b)	-	-	366
Non-derivative financial assets			
-Domestic listed shares	889,985	784,742	-
-Open-end mutual funds	310,194	137,698	80,550
-Securities Investment Trust Funds	209,665	59,015	-
	$1,745,106	$1,501,049	$1,157,808
Financial assets – non-current			
Non-derivative financial assets			
-Securities Investment Trust Funds	$ -	$ -	$ 2,246
Financial liabilities – current			
Financial liabilities mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
-Foreign exchange forward contracts (b)	$ 13,651	$ 2,080	$ 8,611

a. Structured deposits combined with embedded derivatives which have no direct connection to major contract. Because the major contract included in the above financial assets should be measured under IFRS 9, the entire contract therefore mandatorily classified as at FVTPL.

b. At each balance sheet date, outstanding forward exchange contracts not under hedge accounting were as follows:

March 31, 2026

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD/NTD	2026.05	USD6,000/NTD190,140
Sell	USD/NTD	2026.06	USD28,000/NTD893,552
Buy	EUR/USD	2026.04	EUR2,000/ USD2,300

December 31, 2025

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD/NTD	2026.01	USD21,000/NTD659,040
Sell	USD/NTD	2026.02	USD3,000/NTD94,800
Buy	EUR/USD	2026.01	EUR1,000/ USD1,180
Buy	USD/CNY	2026.01	USD2,000/CNY14,053

March 31, 2025

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD/NTD	2025.04	USD60,000/NTD1,978,500
Sell	EUR/USD	2025.04	EUR2,000/ USD2,148
Sell	CNY/USD	2025.04	CNY14,421/USD2,000

The Group entered into forward exchange contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

Details of profit and loss of financial instruments at FVTPL for the three months ended March 31, 2026 and 2025 list on Note 24.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturities of more than 3 months	$1,978,805	$2,086,653	$2,115,342
Current	$ 938,594	$ 905,079	$ 648,232
Non-current	1,040,211	1,181,574	1,467,110
	$1,978,805	$2,086,653	$2,115,342
The annual interest rate (%)	1.55-3.2	1.55-3.3	1.7-3.55

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in equity instruments at FVTOCI			
Domestic unlisted shares	$ 31,076	$ 36,184	$ 26,666

The Group will invest in domestic company stocks in accordance with its medium- to long-term strategic objectives, and anticipates generating profits through long-term investments. The management chose to designate these investments to be measured at fair value through other comprehensive income as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

10. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
At amortized cost			
Gross carrying amount - operating	$ 622,308	$ 508,839	$ 664,882
Accounts receivable - non-related parties			
At amortized cost			
Gross carrying amount - operating	$2,501,735	$2,450,014	$2,289,875
Less: Allowance for impairment loss	10,452	16,069	16,324
	$2,491,283	$2,433,945	$2,273,551
Accounts receivable from related parties			
At amortized cost			
Gross carrying amount - operating	$ 70	$ 175	$ 420

Refer to Note 30 for information related to notes receivable pledged as security.

The Company's notes receivable and accounts receivable have been measured by amortized cost. Refer to Note 28 for information related to credit management policy.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

The Group writes off accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

There were no notes receivable that were past due and not impaired at the end of the reporting years.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix:

March 31, 2026

	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECLs)	Amortized cost
Not Past Due	0-0.05	$ 2,407,287	$ (1,107)	$ 2,406,180
1 to 30 Days Past Due	0.5	10,222	(51)	10,171
31 to 60 Days Past Due	1	67,688	(677)	67,011
61 to 90 Days Past Due	30	6,600	(1,980)	4,620
91 to 180 Days Past Due	50	6,742	(3,371)	3,371
Over 180 Days Past Due	100	3,266	(3,266)	-
Total Other Equity		$ 2,501,805	$ (10,452)	$ 2,491,353

December 31, 2025

	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECLs)	Amortized cost
Not Past Due	0-0.05	$ 2,375,056	$ (1,078)	$ 2,373,978
1 to 30 Days Past Due	0.5	7,522	(38)	7,484
31 to 60 Days Past Due	1	44,582	(446)	44,136
61 to 90 Days Past Due	30	6,706	(2,012)	4,694
91 to 180 Days Past Due	50	7,656	(3,828)	3,828
Over 180 Days Past Due	100	8,667	(8,667)	-
Total Other Equity		$ 2,450,189	$ (16,069)	$ 2,434,120

March 31, 2025

	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime ECLs)	Amortized cost
Not Past Due	0-0.05	$ 2,173,046	$ (1,543)	$ 2,171,503
1 to 30 Days Past Due	0.5	13,102	(66)	13,036
31 to 60 Days Past Due	1	86,614	(866)	85,748
61 to 90 Days Past Due	30	2,564	(796)	1,795
91 to 180 Days Past Due	50	3,778	(1,889)	1,889
Over 180 Days Past Due	100	11,191	(11,191)	-
Total Other Equity		$ 2,290,295	$ (16,324)	$ 2,273,971

The movements of the loss allowance of accounts receivable were as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 16,069	$ 18,857
Net reversal of loss allowance	(5,545)	(2,682)
Amounts written off	(410)	-
Foreign exchange gains and losses	338	149
Balance at March 31	$ 10,452	$ 16,324

11. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 690,259	$ 663,671	$ 684,227
Work-in-process	298,009	260,332	273,450
Semi-finished	229,579	270,770	231,972
Raw materials	487,998	282,518	328,731
Supplies	28,488	24,700	35,841
Inventory in transit	-	6,681	-
	$1,734,333	$1,508,672	$1,554,221

The cost of goods sold related to inventories includes the reversal of write-down of inventory and unallocated production overhead. The amounts were as follows:

	For the Three Months Ended March 31	
	2026	2025
Cost of goods sold	$ 1,356,021	$ 1,153,359
Loss of inventory scrapped	$ 5,516	$ 6,115
Inventory write-downs (reversed)	16,632	(7,905)
Unallocated manufacturing overhead	2,437	5,424
	$ 24,585	$ 3,634

12. OTHER FINANCIAL ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Pledge demand deposits	$ 76,163	$ 109,357	$ 104,206
Pledge time deposits	4,860	4,860	4,860
Deposits of banker's acceptance	25,759	26,952	9,588
Refundable deposits	14,142	14,575	14,060
	$ 120,924	$ 155,744	$ 132,714
Current	$ 106,782	$ 141,169	$ 118,654
Non-current	14,142	14,575	14,060
	$ 120,924	$ 155,744	$ 132,714
The annual interest rate of pledge time deposits (%)	0.67	0.67	0.67

For other financial assets pledged information please refer to Note 30.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

		Main	Percentage of Ownership (%)		
Name of Investor	Name of Investee	Businesses and Products	March 31, 2026	December 31, 2025	March 31, 2025
The Company	Yenyo Technology Co., Ltd. (Yenyo)	Note 1	63.76	63.76	63.76
	Greenish Co., Ltd. (Greenish)	Note 2	100.00	100.00	100.00
	Thinking (Changzhou) Electronic Co., Ltd. (Thinking Changzhou)	Note 3	47.39	47.39	47.39
	Thinking Holding (Cayman) Co., Ltd. (Thinking Holding)	Note 2	100.00	100.00	100.00
	Thinking Electronic USA, Inc. (Thinking USA)	Note 4	100.00	100.00	100.00
	Thinking (Viet Nam) Electronic Co., Ltd. (Thinking Viet Nam)	Note 3	100.00	100.00	100.00
Greenish	Thinking Changzhou	Note 3	52.61	52.61	52.61
Thinking Holding	Thinking International Co., Ltd. (Thinking International)	Note 2	100.00	100.00	100.00
	Thinking (HK) Enterprises Limited (Thinking HK)	Note 2	100.00	100.00	100.00
	View Full (Samoa) Ltd. (View Full Samoa)	Note 2	100.00	100.00	100.00
	Thinking Electronic (Samoa) Ltd. (Thinking Samoa)	Note 2	100.00	100.00	100.00
Thinking International	Thinking (Yichang) Electronic Co., Ltd. (Thinking Yichang)	Note 3	100.00	100.00	100.00
Thinking HK	Jiang Xi Thinking Electronic Co., Ltd. (Jiangxi Thinking)	Note 5	100.00	100.00	100.00
View Full Samoa	Dong Guan Welkin Electronic Co., Ltd. (Dongguan Welkin)	Note 6	64.96	64.96	64.96
Thinking Samoa	Dongguan Welkin	Note 6	8.76	8.76	8.76
Thinking Changzhou	Dongguan Welkin	Note 6	26.28	26.28	26.28
Dongguan Welkin	Welkin Electronic Co., Ltd. (Zhongshan Welkin)	Note 3	100.00	100.00	100.00

Note 1: Processing, selling and manufacturing diodes.
Note 2: International trading and investment.
Note 3: Manufacturing and selling thermistors, varistors and sensors.
Note 4: Electronic product design and marketing.
Note 5: Manufacturing and selling thermistors and varistors.
Note 6: Manufacturing and selling thermistors, varistors, sensors and equipment.

14. PROPERTY, PLANT, AND EQUIPMENT

a. Changes in costs and accumulated depreciation

For the Three Months Ended March 31, 2026

	Land	Buildings	Machinery and Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
Cost						
Balance at January 1, 2026	$ 195,719	$ 2,057,564	$3,021,576	$1,186,912	$ 315,837	$6,777,608
Additions	-	-	41,780	5,132	27,130	74,042
Disposals	-	-	(8,608)	(124,202)	-	(132,810)
Effect of foreign currency exchange differences	-	43,837	76,278	14,272	10,583	144,970
Balance at March 31, 2026	$ 195,719	$ 2,101,401	$3,131,026	$1,082,114	$ 353,550	$6,863,810
Accumulated depreciation						
Balance at January 1, 2026	$ -	$ 473,136	$ 1,772,996	$ 586,118	$ -	$ 2,832,250
Depreciation expense	-	19,154	61,073	24,750	-	104,977
Disposals	-	-	(7,714)	(124,187)	-	(131,901)
Effect of foreign currency exchange differences	-	13,107	41,404	10,486	-	64,997
Balance at March 31, 2026	$ -	$ 505,397	$ 1,867,759	$ 497,167	$ -	$ 2,870,323
Carrying amount at December 31, 2025 and January 1, 2026	$ 195,719	$ 1,584,428	$1,248,580	$ 600,794	$ 315,837	$ 3,945,358
Carrying amount at March 31, 2026	$ 195,719	$ 1,596,004	$ 1,263,267	$ 584,947	$ 353,550	$ 3,993,487

For the Three Months Ended March 31, 2025

	Land	Buildings	Machinery and Equipment	Others	Construction in Progress and Equipment to be Inspected	Total
Cost						
Balance at January 1, 2025	$ 195,719	$ 2,100,307	$2,916,230	$1,153,824	$ 112,842	$6,478,922
Additions	-	18,975	57,387	37,277	2,002	115,641
Disposals	-	-	(19,222)	(4,420)	(5,245)	(28,887)
Effect of foreign currency exchange differences	-	16,481	27,352	5,832	643	50,308
Balance at March 31, 2025	$ 195,719	$ 2,135,763	$2,981,747	$1,192,513	$ 110,242	$6,615,984
Accumulated depreciation						
Balance at January 1, 2025	$ -	$ 459,103	$ 1,612,837	$ 544,832	$ -	$2,616,772
Depreciation expense	-	19,331	59,314	23,117	-	101,762
Disposals	-	-	(16,022)	(3,546)	-	(19,568)
Effect of foreign currency exchange differences	-	4,395	14,057	4,242	-	22,694
Balance at March 31, 2025	$ -	$ 482,829	$1,670,186	$ 568,645	$ -	$ 2,721,660
Carrying amount at March 31, 2025	$ 195,719	$ 1,652,934	$ 1,311,561	$ 623,868	$ 110,242	$ 3,894,324

A reconciliation of the above-mentioned increase in property, plant and equipment and the amount paid in the consolidated statements of cash flows is as follows:

	For the Three Months Ended March 31	
	2026	2025
Investing activities that affected both cash and non-cash items		
Additions to property, plant, and equipment	$ 74,042	$ 115,641
Decrease (increase) in payables for equipment (in other payables)	2,433	(13,329)
Increase (decrease) in prepayments for equipment	24,471	(5,901)
Capitalization of depreciation	(979)	(1,053)
Payments of acquisition of property, plant and equipment	$ 99,967	$ 95,358

b. Useful lives

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main plants	20-60 years
Improvement engineering	3-60 years
Machinery and equipment	3-19 years
Others	
Leasehold improvements	15-21 years
Transportation equipment	3-7 years
Office equipment	3-19 years
Miscellaneous equipment	3-19 years

c. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group didn’t provide property, plant and equipment as guarantee.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Land	$ 449,094	$ 439,952	$ 470,725
Buildings	31,013	32,180	47,844
	$ 480,107	$ 472,132	$ 518,569

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 875	$ 3,950
Depreciation charge for right-of-use assets		
Land	$ 2,771	$ 3,042
Buildings	3,190	4,446
	$ 5,961	$ 7,488

The amounts disclosed above with respect to right-of-use assets did not include right-of-use assets classified as investment properties.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Current	$ 13,431	$ 13,059	$ 25,291
Non-current	82,096	83,562	95,478
	$ 95,527	$ 96,621	$ 120,769

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	0.75-5.8	0.75-5.8	0.75-5.8
Buildings	1.35-4.7	1.35-4.7	1.35-4.7

c. Material leasing activities and terms

The Group leases land and buildings for the use of plants and offices.

1) Land

The land is located in Nanzih Export Processing Zone with the remaining useful life of 9 years, and the leases are renewable upon expiration. The government reserves the right to adjust rent according to the assessed land value.

The right-of-use land is located in mainland China with the remaining useful life of 28 to 46 years.

The right-of-use land is located in Vietnam with the remaining useful life of 32 years. The government of Vietnam adjusts rent annually according to the assessed land value per square meter.

2) Buildings

The building is located in Zuoying District, Kaohsiung City with the remaining useful life of 1 year. The Group is granted the right to renew the lease upon expiration.

The building is located in mainland China with the remaining useful life of 2 to 3 years. The lease payments will be adjusted every 3 years based on the changes in market rental rates.

The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease period. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Subleases

The Group leases the land-use rights located in the Nanzih Export Processing Zone under operating lease arrangements. The lease terms are from 2025 to 2030, with options for the lessees to renew the leases upon expiration. Upon the exercise of the renewal options by the lessees, the rentals are adjusted based on market rental rates.

The future lease payments receivable under operating leases of investment properties were as follows:

	March 31, 2026	December 31, 2025
Year 1	$ 22,200	$ 22,200
Year 2	22,200	22,200
Year 3	22,200	22,200
Year 4	22,200	22,200
Year 5	11,100	16,650
	$ 99,900	$ 105,450

e. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 1,249	$ 1,558
Expenses relating to low-value asset leases	$ 405	$ 374
Total cash outflow for leases	$ 5,631	$ 7,256

Please refer to Note 16 for details on the Group's operating lease agreements for investment properties.

16. INVESTMENT PROPERTIES

For the Three Months Ended March 31, 2026

	Buildings	Right-of-use Assets	Total
Cost			
Balance at January 1, 2026	$ 173,433	$ 7,034	$ 180,467
Effect of foreign currency exchange differences	4,482	-	4,482
Balance at March 31, 2026	$ 177,915	$ 7,034	$ 184,949
Accumulated depreciation			
Balance at January 1, 2026	$ 149,313	$ 6,678	$ 155,991
Depreciation expense	1,680	214	1,894
Effect of foreign currency exchange differences	3,654	-	3,654
Balance at March 31, 2026	$ 154,647	$ 6,892	$ 161,539
Carrying amount at December 31, 2025 and January 1, 2026	$ 24,120	$ 356	$ 24,476
Carrying amount at March 31, 2026	$ 23,268	$ 142	$ 23,410

For the Three Months Ended March 31, 2025

	Buildings	Right-of-use Assets	Total
Cost			
Balance at January 1, 2025	$ 119,093	$ -	$ 119,093
Effect of foreign currency exchange differences	1,619	-	1,619
Balance at March 31, 2025	$ 120,712	$ -	$ 120,712

(Continued)

	Buildings	Right-of-use Assets	Total
Accumulated depreciation			
Balance at January 1, 2025	$ 90,401	$ -	$ 90,401
Depreciation expense	1,593	-	1,593
Effect of foreign currency exchange differences	1,264	-	1,264
Balance at March 31, 2025	$ 93,258	$ -	$ 93,258
Carrying amount at March 31, 2025	$ 27,454	$ -	$ 27,454

(Concluded)

Right-of-use assets included in investment properties were leasehold land located in Nanzih Export Processing Zone and were subleased under operating leases. Other information please refers to Note 15 (d). The investment properties were depreciated on a straight-line basis over the following useful lives:

Buildings	5-50 years
Right-of-use assets	5 years

The Group has the land use rights located in the Nanzih Processing Zone and buildings located in Beijing, Suzhou, and Nanchang, China with fair values that are not evaluated by an independent valuer but valued by the management using the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The calculated fair value was $186,201 thousand as of December 31, 2025. Following an assessment by the Group's management, there has been no significant change in fair value as of March 31, 2026 and 2025.

17. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Credit loans	$ 945,000	$ 820,000	$ 400,000
The annual interest rate (%)	1.815-1.85	1.82-1.95	1.77-1.81

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Credit loans	$ 549,778	$ 612,180	$ 817,249
Less: Government grants discount	-	-	2,222
Less: Current portion of long-term borrowings	159,224	163,899	178,612
	$ 390,554	$ 448,281	$ 636,415
The annual interest rate (%)	1.225	1.225	1.225

The Company obtained borrowings under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan”, which have interest at prime rate and are used for capital expenditures and operating turnovers. Monthly installments start on the fourth year from the date of initial drawdown until October 2030. The borrowing interest rate is lower than the market rate due to government subsidy policies, as a result, a portion of the loan is classified as government grants, recognized as deferred revenue (other current liabilities) and long-term deferred revenue, and transferred to profit or loss over the useful lives of the related assets.

18. NOTES PAYABLE AND ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

The Group's notes payable and accounts payable were from operating activities and were not secured by collaterals.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms; therefore, no interest was charged on the outstanding accounts payable.

19. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payable for salaries and bonuses	$ 274,587	$ 391,514	$ 293,817
Payable for employees' compensation	94,168	79,574	102,386
Payable for remuneration of directors	30,550	25,588	32,090
Payable for purchase of equipment	22,258	24,691	39,572
Others	174,064	174,473	155,898
	$ 595,627	$ 695,840	$ 623,763

20. REFUND LIABILITIES

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 57,741	$ 156,608
Additional provisions recognized	72,000	-
Usage	(439)	(3,013)
Effects of foreign currency exchange differences	133	1,310
Balance at March 31	$ 129,435	$ 154,905

The discount on refund liabilities was based on historical experience, management's judgments and other known reasons to estimate sales compensation and offset refund liability when compensation actually occurs.

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans for the three months ended March 31, 2026 and 2025 were calculated using the projected pension cost stated in 2025 and 2024 actuarial reports, amounting to ($160) thousand and ($93) thousand, respectively.

22. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	$ 200,000	$ 200,000	$ 200,000
Shares authorized	$2,000,000	$2,000,000	$2,000,000
Number of shares issued and fully paid (in thousands)	128,113	128,113	128,113
Shares issued	$1,281,127	$1,281,127	$1,281,127

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

May be used to offset a deficit, distributed as cash dividends, or transferred to ordinary shares (Note)	March 31, 2026	December 31, 2025	March 31, 2025
Conversion of bonds	$265,446	$265,446	$265,446
Issuance of ordinary shares	59,168	59,168	59,168
Treasury share transactions	23,649	23,649	23,649
Difference between consideration and carrying amount of the subsidiaries acquired	4,644	4,644	4,644
	$352,907	$352,907	$352,907

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to ordinary shares (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividend policy in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders.

The Company's dividend policy is also designed to meet the current and future development plans and takes into consideration the investment environment, capital needs, domestic or international competitive conditions while simultaneously meeting shareholders' interests. The Company shall distribute the dividends at no less than 30% of the distributable earnings of the current year. The way to distribute dividends could be either through cash or shares, and cash dividends shall not be less than 20% of total dividends.

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2025 and 2024 were approved in the Company's board of directors on March 5, 2026 and the shareholders' meeting on June 17, 2025, respectively. The appropriations of earnings for 2025 and 2024 were as follows:

	For the Year Ended	
	2025	2024
Legal reserve	$ 151,007	$ 155,878
Special reserve (reversed)	13,137	(256,236)
Cash dividends	755,865	781,488
	$ 920,009	$ 681,130
Dividends Per Share (NT$)	$ 5.9	$ 6.1

The appropriations of earnings for 2025 are subject to the resolution of the shareholders in their meeting to be held on May 26, 2026.

d. Other equity items

1) Exchange differences on translation of foreign operations

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ (15,379)	$ 137,375
Exchange differences on translation of the financial statements of foreign operations	377,219	134,866
Income tax relating to exchange differences arising on translation of foreign operations	(75,444)	(26,974)
Balance at March 31	$ 286,396	$ 245,267

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 2,242	$ (6,039)
Unrealized gain (loss) on equity instruments	(5,108)	(1,237)
Balance at March 31	$ (2,866)	$ (7,276)

e. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 106,929	$ 121,439
Share in (loss) gain for the period	1,436	(2,627)
Balance at March 31	$ 108,365	$ 118,812

23. OPERATING REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from sale of goods	$ 2,053,727	$ 1,895,937
Service revenue	12	9
	$ 2,053,739	$ 1,895,946

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes and accounts receivable (Note 10)	$ 3,113,661	$ 2,942,959	$ 2,938,853	$ 3,007,769

b. Disaggregation of revenue

For the Three Months Ended March 31, 2026

	Type of revenue		
Reportable Segments	Revenue from Sale of Passive Components	Service Revenue	Total
The company	$ 703,882	$ 12	$ 703,894
Dongguan Welkin and Zhongshan Welkin	609,836	-	609,836
Thinking Changzhou	512,132	-	512,132
Thinking Yichang	148,147	-	148,147
Jiangxi Thinking	11,106	-	11,106
Others	68,624	-	68,624
	$ 2,053,727	$ 12	$ 2,053,739

For the Three Months Ended March 31, 2025

	Type of revenue		
Reportable Segments	Revenue from Sale of Passive Components	Service Revenue	Total
The company	$ 760,443	$ 9	$ 760,452
Dongguan Welkin and Zhongshan Welkin	562,344	-	562,344
Thinking Changzhou	407,498	-	407,498
Thinking Yichang	111,484	-	111,484
Jiangxi Thinking	9,200	-	9,200
Others	44,968	-	44,968
	$ 1,895,937	$ 9	$ 1,895,946

24. CONSOLIDATED NET PROFIT

Consolidated net profit included following items:

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	$ 5,347	$ 5,313
Financial assets at amortized cost	12,585	13,569
Others	68	469
	$ 18,000	$ 19,351

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Grants	$ 13,331	$ 12,559
Rental income	7,172	1,340
Dividend income	2,021	-
Others	4,529	716
	$ 27,053	$ 14,615

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Net (loss) gain on financial assets at fair value through profit or loss	$ (104,040)	$ 4,570
Foreign exchange gain, net	30,126	29,174
Loss on disposal of property, plant and equipment	(391)	(3,353)
Others	(10,560)	(2,974)
	$ (84,865)	$ 27,417

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on lease liabilities	$ 470	$ 633
Interest expense of borrowings	5,994	5,873
	$ 6,464	$ 6,506

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Property, plant and equipment	$ 104,977	$ 101,762
Right-of-use-assets	5,961	7,488
Investment properties	1,894	1,593
Computer software	2,761	3,469
	115,593	114,312
Less: Amounts included in the cost of qualifying assets	979	1,053
	$ 114,614	$ 113,259
An analysis of depreciation by function		
Operating costs	$ 91,163	$ 89,069
Operating expenses	18,796	19,128
Other gains and losses	1,894	1,593
	$ 111,853	$ 109,790
An analysis of amortization by function		
Operating costs	$ 383	$ 611
Operating expenses	2,378	2,858
	$ 2,761	$ 3,469

f. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits		
Salary	$ 444,004	$ 423,712
Others	61,491	56,403
	505,495	480,115
Retirement benefits		
Defined contribution plans	35,469	32,641
Defined benefit plans (Note 21)	(160)	(93)
	35,309	32,548
	$ 540,804	$ 512,663
An analysis of employee benefits expense by function		
Operating costs	$ 365,635	$ 342,267
Operating expenses	175,169	170,396
	$ 540,804	$ 512,663

g. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees and remuneration of directors.

Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company approved an amendment to the Articles of Incorporation by resolution during the 2025 General Shareholders' Meeting. This amendment explicitly stipulates that a minimum of 35% of the annual employee compensation shall be allocated specifically to entry-level employees.

The accrual amounts of employees' compensation and remuneration of directors for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31	
	2026	2025
Accrual rate		
Employees' compensation (%)	4.0	3.6
Remuneration of directors (%)	1.4	1.2
Amounts		
Employees' compensation	$ 14,594	$ 17,934
Remuneration of directors	4,962	6,099

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

On March 5, 2026, and February 20, 2025, the Board of Directors resolved to distribute the compensation of employees and remuneration of directors for the years 2025 and 2024 in cash as follows:

	For the Year Ended	
	2025	2024
Employees' compensation	$ 75,259	$ 76,450
Remuneration of directors	25,588	25,991

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

a. Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	$ 143,278	$ 145,853
Adjustments for prior years	1	590
	143,279	146,443
Deferred tax		
In respect of the current year	(65,394)	(20,927)
Income tax expense recognized in profit or loss	$ 77,885	$ 125,516

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
Translation of foreign operations recognized in other comprehensive income	$ (75,444)	$ (26,974)

c. Income tax assessments

The tax returns of the Company and Yenyo through 2023 and 2024 have been assessed by the tax authorities, respectively.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of EPS are as follows:

Net profit for the period

	For the Three Months Ended March 31	
	2026	2025
Profit for the year attributable to owners of the Company	$ 283,006	$ 380,189

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	128,113	128,113
Effect of potentially dilutive ordinary shares		
Compensation of Employees	415	376
Weighted average number of ordinary shares used in the computation of diluted earnings per share	128,528	128,489

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the last 2 years.

The Group is not subject to any externally imposed capital requirements.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposit	$ -	$ -	$ 335,262	$ 335,262
Domestic listed shares	889,985	-	-	889,985
Open-end mutual funds	310,194	-	-	310,194
Securities Investment Trust Funds	209,665	-	-	209,665
	$ 1,409,844	$ -	$ 335,262	$ 1,745,106

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 31,076	$ 31,076
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 13,651	$ -	$ 13,651

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposit	$ -	$ -	$ 519,594	$ 519,594
Domestic listed shares	784,742	-	-	784,742
Open-end mutual funds	137,698	-	-	137,698
Securities Investment Trust Funds	59,015	-	-	59,015
	$ 981,455	$ -	$ 519,594	$ 1,501,049
Financial assets at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 36,184	$ 36,184
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 2,080	$ -	$ 2,080

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposit	$ -	$ -	$ 1,076,892	$ 1,076,892
Derivative financial assets	-	366	-	366
Open-end mutual funds	80,550	-	-	80,550
Securities Investment Trust Funds	2,246	-	-	2,246
	$ 82,796	$ 366	$ 1,076,892	$ 1,160,054
Financial assets at FVTOCI				
Domestic unlisted shares	$ -	$ -	$ 26,666	$ 26,666
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 8,611	$ -	$ 8,611

There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2026 and 2025.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the Three Months Ended March 31, 2026

	Debt Instruments	Equity Instruments	
Financial assets	**Financial Assets at FVTPL**	**Financial Assets at FVTOCI**	**Total**
Balance at January 1, 2026	$ 519,594	$ 36,184	$ 555,778
Purchases	98,586	-	98,586
Disposals	(301,114)	-	(301,114)
Recognized in profit or loss	1,841	-	1,841
Recognized in other comprehensive income	-	(5,108)	(5,108)
Foreign currency exchange differences	16,355	-	16,355
Balanced at March 31, 2026	$ 335,262	$ 31,076	$ 366,338

For the Three Months Ended March 31, 2025

Financial assets	Debt Instruments Financial Assets at FVTPL	Equity Instruments Financial Assets at FVTOCI	Total
Balance at January 1, 2025	$ 1,142,471	$ 27,903	$ 1,170,374
Purchases	720,356	-	720,356
Disposals	(796,712)	-	(796,712)
Recognized in profit or loss	5,149	-	5,149
Recognized in other comprehensive income	-	(1,237)	(1,237)
Foreign currency exchange differences	5,628	-	5,628
Balanced at March 31, 2025	$ 1,076,892	$ 26,666	$ 1,103,558

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

a) The fair values of domestic unlisted shares are determined using the market approach where the inputs are categories of business, values of same type of company and operation of company.

b) The fair values of structured deposits mined using discounted cash flow method.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Mandatorily classified as at FVTPL	$ 1,745,106	$ 1,501,049	$ 1,160,054
Financial assets at amortized cost (Note 1)	8,821,775	8,613,751	8,502,348
Financial assets at FVTOCI			
Equity instruments	31,076	36,184	26,666
Financial liabilities			
Mandatorily classified as at FVTPL	13,651	2,080	8,611
Amortized cost (Note 2)	2,982,852	2,963,631	2,675,516

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (excluding income tax refund receivable) and other financial assets.

2) The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payable, accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion) and guarantee deposits received.

d. Financial risk management objectives and policies

Financial risks associated with the management and operations of the Group included market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The treasury function reports monthly to the Group's management.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rate risks.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which exposes the Group to foreign currency risk. The Group engaged in derivative financial instruments within the scope of the policy, including forward exchange contracts, to mitigate the risk exposures to exchange rates that may arise from non-functional currency denominated assets and liabilities and certain anticipated transactions, but the impact of foreign currency exchange rate changes cannot be completely ruled out.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities exposed to foreign currency risk at the end of the year are set out in Note 32.

Sensitivity analysis

The Group is mainly exposed to the risk from the fluctuations of the USD and the CNY, and the sensitivity rate used when reporting foreign currency risk internally to key management personnel in foreign exchange rates is 1%. The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in currency rates. A positive number below indicates an increase in pre-tax profit associated with the functional currency.

	USD Impact		**CNY Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2026	**2025**	**2026**	**2025**
Profit or loss	$ 15,881	$ 15,115	$ 2,525	$ 1,624

b) Interest rate risk

The interest rate risk of the Group is primarily related to its fixed interest rates and variable rate of borrowing funds. The Group manages its interest rate risk by using interest rate swap contracts and forward interest rate contracts. Furthermore, total amount of the Group's cash and cash equivalents are considerably greater than the amount of bank loans which can process repayment procedure spontaneously. Therefore, interest rate risk does not have significant impact to the Group.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at each balance sheet date were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 2,822,536	$ 3,240,987	$ 2,280,308
Financial liabilities	340,527	396,621	420,769
Cash flow interest rate risk			
Financial assets	3,107,097	2,834,519	4,274,364
Financial liabilities	1,249,778	1,132,180	915,027

Sensitivity analysis

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would have been higher/lower by $4,643 thousand and by $8,398 thousand, respectively, which was mainly a result of the changes in the floating interest rate financial instrument.

c) Other price risk

The Group was exposed to equity price risk through its investments in financial assets at FVTPL and financial assets at FVTOCI. If equity price was 1% higher or lower, profit before income tax for the three months ended March 31, 2026 and 2025 would have increased or decreased by $14,098 thousand and $828 thousand, respectively, and other comprehensive income before income tax for the three months ended March 31, 2026 and 2025 would have increased or decreased by $311 thousand and $267 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation provided due to the financial guarantees provided by the Group, could be the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group is continuously monitoring and spreading the aggregate transactions to each credit-qualified counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Bank loans are a major source of liquidity risk for the Group.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at each balance sheet date.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 364,033	$ 891,499	$ 208,940	$ -	$ -
Lease liabilities	1,412	6,113	12,787	35,064	89,781
Variable interest rate liabilities	465,778	108,445	240,681	401,877	-
Fixed interest rate liabilities	301,365	-	-	-	-
	$ 1,132,588	$ 1,006,057	$ 462,408	$ 436,941	$ 89,781

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 20,312	$ 35,064	$ 17,391	$ 13,128	$ 12,981	$ 46,281
Variable interest rate liabilities	814,904	401,877	-	-	-	-
	$ 835,216	$ 436,941	$ 17,391	$ 13,128	$ 12,981	$ 46,281

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 365,209	$ 998,461	$ 144,793	$ -	$ -
Lease liabilities	1,185	4,408	11,185	32,372	86,266
Variable interest rate liabilities	486,778	81,394	141,059	520,362	-
Fixed interest rate liabilities	301,387	-	-	-	-
	$ 1,154,559	$ 1,084,263	$ 297,037	$ 552,734	$ 86,266

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 16,778	$ 32,372	$ 12,870	$ 12,870	$ 12,870	$ 47,656
Variable interest rate liabilities	709,231	520,362	-	-	-	-
	$ 726,009	$ 552,734	$ 12,870	$ 12,870	$ 12,870	$ 47,656

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 343,209	$ 869,710	$ 240,641	$ -	$ -
Lease liabilities	1,786	4,841	24,368	43,601	90,218
Variable interest rate liabilities	15,939	31,690	241,161	591,838	69,583
Fixed interest rate liabilities	724	300,649	-	-	-
	$ 361,658	$ 1,206,890	$ 506,170	$ 635,439	$ 159,801

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 30,995	$ 43,601	$ 13,422	$ 13,422	$ 13,422	$ 49,952
Variable interest rate liabilities	288,790	591,838	69,583	-	-	-
	$ 319,785	$ 635,439	$ 83,005	$ 13,422	$ 13,422	$ 49,952

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year. Liquidity of derivative financial instruments of the Group is paid on demand or less than 1 month.

Gross settled	March 31, 2026	December 31, 2025	March 31, 2025
Forward exchange contracts			
Inflows	$ 1,147,955	$ 825,444	$ 2,115,786
Outflows	(1,161,606)	(827,524)	(2,124,031)
	$ (13,651)	$ (2,080)	$ (8,245)

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of March 31, 2026, December 31, 2025 and March 31, 2025, the face amounts of these unsettled bills receivable were $597,369 thousand, $572,516 thousand and $394,141 thousand, respectively. The unsettled bills receivable will be due in 7 months, 6 months and 7 months after March 31, 2026, December 31, 2025 and March 31, 2025. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the three months ended March 31, 2026 and 2025, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the current period or cumulatively.

29. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions and revenues and expenses among the Group have been eliminated on consolidation and are not disclosed in this note. Details of transaction between the Group and other related parties were as follows:

a. Related party name and its relationship with the Group

Related Party Name	Relationship with the Group
Welkin Electronic Industrial Co., Ltd. (Pingtung Welkin)	Related party in substance
Boh Chin Investment Co., Ltd. (Boh Chin Investment)	Related party in substance
Honungxin Technology Co., Ltd. (Honungxiu Technology)	Related party in substance
Thinking Education Foundation	Related party in substance

b. Sales of goods

Related Party Category/Name	For the Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
Related party in substance- Pingtung Welkin	$ 120	$ 542

The sale prices and terms between the Group and its related parties were not significantly different from those of ordinary transactions.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
Related party in substance - Pingtung Welkin	$ 1,318	$ 2,087
Related party in substance - Honungxin Technology	274	80
	$ 1,592	$ 2,167

The purchase prices and terms between the Group and its related parties were not significantly different from those of ordinary transactions.

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivables from related parties	Related party in substance			
	Pingtung Welkin	$ 70	$175	$420

The payment terms between the Group and the related parties were 60 days from the end of the month, and the outstanding payment receivables from related parties were unsecured and no impairment losses were recognized.

e. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable to related parties	Related party in substance			
	Pingtung Welkin	$ 1,238	$ 1,511	$ 1,539
	Honungxin Technology	255	296	85
		$ 1,493	$ 1,807	$ 1,624
Other payables to related parties	Related party in substance			
	Pingtung Welkin	$ -	$ 38	$ 168
	Honungxin Technology	221	95	197
		$ 221	$ 133	$ 365

The payment terms between the Group and the related parties were 60 days from the end of the month, and the outstanding amounts due to related parties are not guaranteed.

f. Prepayments ─ Prepayments for equipment

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Related party in substance			
Pingtung Welkin	$ -	$ -	$ 596
Honungxin Technology	7,382	7,382	7,382
	$ 7,382	$ 7,382	$ 7,978

g. Other transactions with related parties

1) Consigned processing

Line Item	Related Party Category /Name	For the Three Months Ended March 31 2026	2025
Processing expense	Related party in substance		
	Pingtung Welkin	$ -	$ 165
	Honungxin Technology	206	210
		$ 206	$ 375

The prices and payment terms with substantial related parties were not comparable because the Group did not have other consigned processing businesses with non-related parties. The payment term was 60 days from the end of the month.

2) Lease arrangements

Line Item	Related Party Category /Name	For the Three Months Ended March 31 2026	2025
Lease expense	Related party in substance		
	Boh Chin Investment	$ 120	$ 120

The lease contract between the Group and related parties in substance is based on the market rental agreement under the general payment terms.

3) Donation

For the promotion of cultural and educational activities, the Company made donations to a related party in substance, which were recognized in profit or loss for the respective periods.

Related Party Category/Name	For the Three Months Ended March 31 2026	2025
Related party in substance - Hsing Ching Education Foundation	$ 1,500	$ 2,000

h. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 15,588	$ 15,754
Post-employment benefits	264	264
	$ 15,852	$ 16,018

The remuneration of directors and other members of key management is determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL FOR SECURITY

The Group provided the following assets as collateral for deposits for government grants contract and payment, tariff guarantee for imported and exported, deposits for construction contract and payment:

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 173,967	$ 159,758	$ 283,826
Others financial assets	106,782	141,169	118,654
	$ 280,749	$ 300,927	$ 402,480

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Due to the construction of factory buildings and the acquisition of production equipment, the Group has the following unexecuted contractual commitments as of each balance sheet date:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant, and equipment	$ 521,265	$ 462,407	$ 745,526

There is a dispute with the supplier regarding the settlement of construction costs for the plant, which have entered court proceedings. The Group has assessed that above issues will not materially impact financial or operation.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2026	Foreign Currency (In Thousand)	Exchange Rate		Carrying Amount (In Thousand)
Financial assets				
Monetary items				
USD	$ 8,000	6.9223	(USD:CNY)	$ 256,000
USD	44,757	32	(USD:NTD)	1,432,224
CNY	136,496	4.6227	(CNY:NTD)	630,980

	Foreign Currency (In Thousand)	Exchange Rate		Carrying Amount (In Thousand)
March 31, 2026				
Financial liabilities				
Monetary items				
USD	$ 746	6.9223	(USD:CNY)	$ 23,872
USD	2,384	32	(USD:NTD)	76,288
CNY	82,007	4.6227	(CNY:NTD)	379,094
December 31, 2025				
Financial assets				
Monetary items				
USD	9,052	7.0348	(USD:CNY)	284,007
USD	29,265	31.375	(USD:NTD)	918,189
CNY	152,578	4.4599	(CNY:NTD)	680,483
Financial liabilities				
Monetary items				
USD	847	7.0348	(USD:CNY)	26,575
USD	2,381	31.375	(USD:NTD)	74,704
CNY	92,443	4.4599	(CNY:NTD)	412,287
March 31, 2025				
Financial assets				
Monetary items				
USD	9,988	7.1752	(USD:CNY)	330,603
USD	38,487	33.1	(USD:NTD)	1,273,920
CNY	98,470	4.6131	(CNY:NTD)	454,252
Financial liabilities				
Monetary items				
USD	1,164	7.1752	(USD:CNY)	38,528
USD	1,644	33.1	(USD:NTD)	54,416
CNY	63,398	4.6131	(CNY:NTD)	292,461

Please refer to Note 24 (c) for the informational related to realized and unrealized net foreign exchange loss. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group's entities.

33. ADDITIONAL DISCLOSURES

a. Information on significant transactions and b. investees

1) Financing provided to others: Table 1

2) Endorsement/guarantee provided: Table 2

3) Material Marketable securities held (excluding investment in subsidiaries): Table 3.

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

6) Information on investees: Table 6.

7) Intercompany relationships and significant intercompany transaction: Table 8.

c. Information on investments in Mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China areas: Table 7.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Table 4.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: Table 4.

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.

e) The highest balance, the end of year balance, the interest rates range, and total current year interest with respect to financing of funds: None.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None.

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on type of goods or services delivered or provided. The Group's reportable segments please refer to Note 13. The following was an analysis of the Group's revenue and results from continuing operations:

	The Company	Dongguan Welkin and Zhongshan Welkin	Thinking Changzhou	Thinking Yichang	Jiangxi Thinking	Others	Adjustment and Elimination	Consolidated Amount
For the Three Months Ended March 31, 2026								
Revenues from external customers	$ 703,894	$ 609,836	$ 512,132	$ 148,147	$ 11,106	$ 68,624	$ -	$ 2,053,739
Inter-segment revenue	317,975	665,321	351,965	278,687	250,719	1,643	(1,866,310)	-
Segment revenue	$ 1,021,869	$ 1,275,157	$ 864,097	$ 426,834	$ 261,825	$ 70,267	$ (1,866,310)	$ 2,053,739
Segment income	$ 160,761	$ 142,538	$ 42,153	$ 31,352	$ 17,195	$ 827	$ 13,777	$ 408,603
Interest income								18,000
Other income								27,053
Other gains and losses								(84,865)
Finance costs								(6,464)
Consolidated profit before income tax								362,327
Income tax								77,885
Consolidated net income								$ 284,442
March 31, 2026								
Total segment assets	$ 5,563,445	$ 5,236,331	$ 4,058,631	$ 1,993,825	$ 1,579,527	$ 721,799	$ (1,799,908)	$ 17,353,650
Total segment liabilities	$ 4,609,899	$ 1,298,027	$ 722,940	$ 260,987	$ 192,452	$ 56,423	$ (1,649,175)	$ 5,491,553

	The Company	Dongguan Welkin and Zhongshan Welkin	Thinking Changzhou	Thinking Yichang	Jiangxi Thinking	Others	Adjustment and Elimination	Consolidated Amount
For the Three Months Ended March 31, 2025								
Revenues from external customers	$ 760,452	$ 562,344	$ 407,498	$ 111,484	$ 9,200	$ 44,968	$ -	$ 1,895,946
Inter-segment revenue	244,669	633,823	314,059	253,908	269,938	628	(1,717,025)	-
Segment revenue	$ 1,005,121	$ 1,196,167	$ 721,557	$ 365,392	$ 279,138	$ 45,596	$ (1,717,025)	$ 1,895,946
Segment income	$ 167,421	$ 139,712	$ 64,957	$ 35,416	$ 49,573	$ (11,190)	$ 2,312	$ 448,201
Interest income								19,351
Other income								14,615
Other gains and losses								27,417
Finance costs								(6,506)
Consolidated profit before income tax								503,078
Income tax								125,516
Consolidated net income								$ 377,562
March 31, 2025								
Total segment assets	$ 4,881,526	$ 4,648,471	$ 3,705,129	$ 1,707,013	$ 1,386,748	$ 1,358,622	$ (1,463,384)	$ 16,224,125
Total segment liabilities	$ 3,950,301	$ 1,312,024	$ 627,496	$ 225,703	$ 175,604	$ 64,553	$ (1,327,162	$ 5,028,519

Segment profit represents the profit before tax earned by each segment without interest income, other income, other gains and finance costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	Dongguan Welkin	Zhongshan Welkin	Other receivables	Yes	$ 416,160 (CNY 90,000 thousand)	$ 416,160 (CNY 90,000 thousand)	$ 161,840 (CNY 35,000 thousand)	2.7	Note 1	$ -	For short -term working capital	$ -	-	$ -	$ 1,181,491	$ 1,575,321	

Note 1: For short-term financing necessities.

Note 2: The aggregate financing limit shall not exceed 40% of the net assets of the lender's. The financing limit for the financing amount on each individual loan shall not exceed 30% of net assets. The financing amount on each individual loan shall not exceed 100% of the net asset of the Company for inter-company loans of funds between overseas subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares.

TABLE 2

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	The Company	Thinking Viet Nam	b	$ 3,526,119	$ 320,000 (US$10,000 thousand)	$ 320,000 (US$10,000 thousand)	$ -	$ -	2.72	$ 5,876,866	Y	N	N	

Note 1: Relationship information of endorser and endorsee should be noted.

a. The companies with which it has business relations.

b. Subsidiaries in which the company directly holds more than 50% of its total outstanding common stocks.

c. Companies in which the total outstanding common stocks held by the parent company and its subsidiaries, calculated on a combined basis, exceed 50%.

d. The parent company that directly or indirectly holds more than 50% of the total outstanding common stocks through its subsidiaries.

e. Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.

f. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.

Note 2: The total amount of guarantee that may be provided by the Company shall not exceed 50% of the Company's net asset; the total amount of guarantee provided by the Company to any single entity shall not exceed 30% of the Company's net asset stated.

TABLE 3

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

MATERIAL MARKETABLE SECURITIES HELD
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Thinking Yichang	CNY financial products							
	Structured Deposits - Bank Of China	-	Financial assets at FVTPL - current	-	CNY 60,336 thousand	-	CNY 60,336 thousand	

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Receivable) Payable		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Note)	% of Total	
The Company	Thinking Changzhou	Subsidiary	Sales	$ (137,995)	(14)	60 days from the end of the month	$ -	-	$ (112,985)	(10)	
	Thinking Changzhou	Subsidiary	Purchases	250,960	40	60 days from the end of the month	-	-	209,701	45	
	Dongguan Welkin	Subsidiary	Purchases	300,872	48	60 days from the end of the month	-	-	216,796	47	
	Zhongshan Welkin	Subsidiary	Sales	(136,269)	(13)	60 days from the end of the month	-	-	(105,103)	(9)	
Thinking Changzhou	Thinking Yichang	Associate	Purchases	108,816	18	60 days from the end of the month	-	-	124,679	24	
Thinking Yichang	Dongguan Welkin	Associate	Sales	(120,678)	(28)	60 days from the end of the month	-	-	(92,439)	(16)	
Dongguan Welkin	Zhongshan Welkin	Subsidiary	Purchases	321,424	48	60 days from the end of the month	-	-	239,401	32	

Note: All intercompany transactions have been eliminated upon consolidation.

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Doubtful Accounts
					Amount	Actions Taken		
The Company	Thinking Changzhou	Parent company	$ 112,985	4.74	$ -	-	$ 33,087	$ -
The Company	Zhongshan Welkin	Parent company	105,103	5.17	-	-	32,349	-
Thinking Changzhou	The Company	Parent company	209,701	5.07	-	-	98,189	-
Thinking Yichang	Thinking Changzhou	Associate	124,679	4.27	-	-	84,292	-
Dongguan Welkin	The Company	Parent company	216,796	5.19	-	-	88,123	-
Zhongshan Welkin	Dongguan Welkin	Parent company	239,401	4.83	-	-	83,073	-

Note: All intercompany transactions have been eliminated upon consolidation.

TABLE 6

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2026			Net Income (Loss) of the Investee	Share of profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of shares	Percentage of ownership (%)	Carrying Amount			
The Company	Yenyo	Yilan	Processing, sales and manufacturing of diodes	$ 304,410	$ 304,410	25,732,508	63.76	$ 185,963	$ 3,962	$ 2,526	Note 1
	Greenish	British Virgin Island	Investment holding and international trading	242,300 (US$ 7,375 thousand)	242,300 (US$ 7,375 thousand)	7,374,997	100	2,416,660	25,351	26,755	Note 1
	Thinking Holding	Cayman	Investment holding and international trading	792,506 (US$ 25,476 thousand)	792,506 (US$ 25,476 thousand)	25,476,302	100	5,928,321	141,692	152,104	Note 1
	Thinking USA	USA	Electronic product design and marketing	30,715 (US$ 1,000 thousand)	30,715 (US$ 1,000 thousand)	1,000,000	100	845	(60)	(60)	
	Thinking Viet Nam	Vietnam	Manufacturing and selling thermistors, varistors and sensors	155,513 (US$ 5,000 thousand)	155,513 (US$ 5,000 thousand)	-	100	140,556	(90)	(90)	
Thinking Holding	Thinking International	Mauritius	Investment holding and international trading	205,781 (US$ 6,375 thousand)	205,781 (US$ 6,375 thousand)	6,375,000	100	1,733,847	29,817	29,817	
	Thinking HK	Hong Kong	Investment holding and international trading	311,753 (US$ 10,040 thousand)	311,753 (US$ 10,040 thousand)	10,040,000	100	1,387,562	20,159	20,159	
	View Full Samoa	Samoa	Investment holding and international trading	155,108 (US$ 5,055 thousand)	155,108 (US$ 5,055 thousand)	5,055,000	100	2,559,824	80,810	80,810	
	Thinking Samoa	Samoa	Investment holding and international trading	112,518 (US$ 3,864 thousand)	112,518 (US$ 3,864 thousand)	3,864,354	100	345,542	10,905	10,905	

Note 1: The share of profits or losses of investee includes the effect of unrealized gross profit on intercompany transaction.

Note 2: Information of investees which located in mainland China, refer to Table 7.

TABLE 7

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss)of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 6)	Carrying Amount as of March 31, 2026 (Note 6)	Accumulated Repatriation of Investment Income as of March 31, 2026	Note
					Outward	Inward							
Thinking Changzhou	Manufacturing and selling thermistors, varistors and sensors	$ 1,008,050 (US$ 31,260 thousand)	Note 1	$ 452,725	$ -	$ -	$ 452,725	$ 48,183	100	$ 50,852	$ 4,325,846	$ 2,550,637 (US$ 83,024 thousand)	Notes 9 and 10
Thinking Yichang	Manufacturing and selling thermistors, varistors and sensors	203,439 (US$ 6,300 thousand)	Note 2	203,439	-	-	203,439	29,836	100	29,836	1,732,838	-	Note 10
Jiangxi Thinking	Manufacturing and selling thermistors and varistors	310,330 (US$ 10,000 thousand)	Note 3	310,330	-	-	310,330	20,156	100	20,156	1,387,075	-	Note 10
Dongguan Welkin	Manufacturing and selling thermistors, varistors, sensors and equipment	868,640 (CNY$194,782 thousand)	Note 4	265,306	-	-	265,306	124,412	100	124,412	3,943,827	-	Note 10
Zhongshan Welkin	Manufacturing and selling thermistors, varistors and sensors	658,145 (CNY$150,000 thousand)	Note 5	-	-	-	-	43,789	100	43,789	1,069,083	-	Note 10

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$1,231,800 (US$ 38,774 thousand)	$170,464 (US$ 5,327 thousand) (Note 7)	$7,052,239 (Note 8)

Note 1: Indirectly investment in mainland China through Greenish which was registered in the third area. The Company increased the amount of indirect investments in mainland China through Greenish since 2003.

Note 2: Indirectly investment in mainland China through companies registered in the third area (Thinking International).

Note 3: Indirectly investment in mainland China through companies registered in the third area (Thinking HK).

Note 4: Indirectly investment in mainland China through companies registered in the third area, View Full Samoa and Thinking Samoa and the subsidiary, Thinking Changzhou.

Note 5: Indirectly investment in mainland China through subsidiary (Dongguan Welkin).

Note 6: The financial statements have been audited by the ultimate parent company's certified public accountant.

Note 7: The amount of US$33,447 thousand was the difference between the MOEA approved investment amount of US$5,327 thousand and the amount of accumulated outflow of investment from Taiwan of US$38,774 thousand. Such difference was the result of deducting the capital increase of US$32,024 thousand from the subsidiary in mainland China, deductions of US$176 thousand for remittance of liquidation proceeds to third parties not yet approved. The added surplus of the subsidiary in mainland China, which was approximately US$65,598 thousand, was repatriated, and the difference between the exchange rate of the remitted funds and US$49 thousand. The balance as of March 31, 2026 was based on the exchange rate of US$1=NT$32.

Note 8: The upper limit on investment in mainland China is determined by 60% of the Company's net worth.

Note 9: The Company recognized share of profits of Thinking Changzhou was $24,100 thousand, and Greenish recognized share of profits of Thinking Changzhou was $26,752 thousand. Total amount of share of profits was $50,852 thousand. The difference between total amount of share of profits and the net income of Thinking Changzhou resulted from unrealized gross profit on intercompany transactions.

Note 10: All intercompany transactions have been eliminated upon consolidation.

THINKING ELECTRONIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Sales or Total Assets
0	The Company	Thinking Changzhou	1	Sales	$ 137,995	Pricing by cost-plus practice	7
		Thinking Changzhou	1	Purchases	250,960	Pricing by cost-plus practice	12
		Thinking Changzhou	1	Accounts receivable	112,985	60 days from the end of the month	1
		Thinking Changzhou	1	Other accounts receivable	523	60 days from the end of the month	-
		Thinking Changzhou	1	Accounts payable	209,701	60 days from the end of the month	1
		Thinking Yichang	1	Sales	3,158	Pricing by cost-plus practice	-
		Thinking Yichang	1	Purchases	14,524	Pricing by cost-plus practice	1
		Thinking Yichang	1	Accounts receivable	3,249	60 days from the end of the month	-
		Thinking Yichang	1	Accounts payable	7,228	60 days from the end of the month	-
		Jiangxi Thinking	1	Accounts receivable	1,880	60 days from the end of the month	-
		Dongguan Welkin	1	Sales	40,553	Pricing by cost-plus practice	2
		Dongguan Welkin	1	Purchases	300,872	Pricing by cost-plus practice	15
		Dongguan Welkin	1	Accounts receivable	33,176	60 days from the end of the month	-
		Dongguan Welkin	1	Accounts payable	216,796	60 days from the end of the month	1
		Dongguan Welkin	1	Other accounts payable	1,365	60 days from the end of the month	-
		Yenyo	1	Purchases	1,643	Pricing by cost-plus practice	-
		Yenyo	1	Accounts payable	1,481	60 days from the end of the month	-
		Zhongshan Welkin	1	Sales	136,269	Pricing by cost-plus practice	7
		Zhongshan Welkin	1	Accounts receivable	105,103	60 days from the end of the month	1
1	Thinking Changzhou	Thinking Yichang	2	Sales	29,125	Pricing by cost-plus practice	1
		Thinking Yichang	2	Purchases	108,816	Pricing by cost-plus practice	5
		Thinking Yichang	2	Accounts receivable	33,346	60 days from the end of the month	-
		Thinking Yichang	2	Accounts payable	124,679	60 days from the end of the month	1
		Jiangxi Thinking	2	Sales	24,571	Pricing by cost-plus practice	1
		Jiangxi Thinking	2	Purchases	53,906	Pricing by cost-plus practice	3
		Jiangxi Thinking	2	Accounts receivable	28,132	60 days from the end of the month	-
		Jiangxi Thinking	2	Accounts payable	38,357	60 days from the end of the month	-
		Dongguan Welkin	2	Sales	37,249	Pricing by cost-plus practice	2
		Dongguan Welkin	2	Purchases	17,810	Pricing by cost-plus practice	1
		Dongguan Welkin	2	Accounts receivable	28,158	60 days from the end of the month	-
		Dongguan Welkin	2	Accounts payable	7,107	60 days from the end of the month	-
		Dongguan Welkin	2	Other accounts payable	2,737	60 days from the end of the month	-
		Zhongshan Welkin	2	Sales	10,060	Pricing by cost-plus practice	-
		Zhongshan Welkin	2	Purchases	5,068	Pricing by cost-plus practice	-
		Zhongshan Welkin	2	Accounts receivable	7,742	60 days from the end of the month	-
		Zhongshan Welkin	2	Accounts payable	3,298	60 days from the end of the month	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Sales or Total Assets
2	Thinking Yichang	Jiangxi Thinking	2	Sales	$ 9,130	Pricing by cost-plus practice	-
		Jiangxi Thinking	2	Purchases	64,225	Pricing by cost-plus practice	3
		Jiangxi Thinking	2	Accounts receivable	6,686	60 days from the end of the month	-
		Jiangxi Thinking	2	Accounts payable	44,411	60 days from the end of the month	-
		Dongguan Welkin	2	Sales	120,678	Pricing by cost-plus practice	6
		Dongguan Welkin	2	Purchases	3,486	Pricing by cost-plus practice	-
		Dongguan Welkin	2	Accounts receivable	92,439	60 days from the end of the month	1
		Dongguan Welkin	2	Accounts payable	2,980	60 days from the end of the month	-
		Zhongshan Welkin	2	Sales	25,539	Pricing by cost-plus practice	1
		Zhongshan Welkin	2	Accounts receivable	16,054	60 days from the end of the month	-
3	Jiangxi Thinking	Dongguan Welkin	2	Sales	80,321	Pricing by cost-plus practice	4
		Dongguan Welkin	2	Purchases	2,223	Pricing by cost-plus practice	-
		Dongguan Welkin	2	Accounts receivable	53,282	60 days from the end of the month	-
		Dongguan Welkin	2	Accounts payable	1,600	60 days from the end of the month	-
		Zhongshan Welkin	2	Sales	52,267	Pricing by cost-plus practice	3
		Zhongshan Welkin	2	Purchases	1,096	Pricing by cost-plus practice	-
		Zhongshan Welkin	2	Accounts receivable	37,025	60 days from the end of the month	-
		Zhongshan Welkin	2	Accounts payable	1,099	60 days from the end of the month	-
4	Dongguan Welkin	Zhongshan Welkin	1	Sales	12,862	Pricing by cost-plus practice	1
		Zhongshan Welkin	1	Purchase	321,424	Pricing by cost-plus practice	16
		Zhongshan Welkin	1	Accounts receivable	12,883	60 days from the end of the month	-
		Zhongshan Welkin	1	Other accounts receivable	161,840	Financing, contractually repayable	1
		Zhongshan Welkin	1	Accounts payable	239,401	60 days from the end of the month	1

(Concluded)

Note : Transactions are categorized as follows:

1) Transactions from parent company to subsidiaries.

2) Transactions between subsidiaries.