

**TONG HSING ELECTRONIC INDUSTRIES, LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

Address: No. 88, Ln. 1125, Heping Rd., Bade Dist., Taoyuan City
Telephone: (03)362-5000

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of Tong Hsing Electronic Industries, Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Tong Hsing Electronic Industries, Ltd. and its subsidiaries (“the Group”) as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 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 Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 causes 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 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 Wang, I-Wen and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)

July 30, 2024

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2024, December 31, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2024		December 31, 2023		June 30, 2023			Liabilities and Equity			June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:									Current liabilities:								
1100	Cash and cash equivalents (note (6)(a))	\$ 5,220,469	15	4,746,867	14	6,699,618	19	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	\$	9,889	-	789	-	37,443	-	
1110	Current financial assets at fair value through profit or loss (note (6)(b))	240,231	1	391,321	1	234,191	1	2130	Current contract liabilities (note (6)(s))		116,217	-	187,230	1	125,477	-	
1136	Current financial assets at amortized cost (note (6)(d))	323,293	1	-	-	-	-	2170	Notes and accounts payable		832,819	3	726,115	2	869,449	3	
1170	Accounts receivable, net (note (6)(e))	2,123,467	6	2,074,577	7	1,698,473	5	2200	Other payables (note (6)(l))		1,848,653	5	2,005,187	5	2,571,399	7	
1200	Other receivables	72,358	-	78,806	-	81,603	-	2216	Dividends payable		501,739	2	-	-	1,249,536	4	
1310	Inventories (note (6)(f))	1,762,518	5	1,592,699	5	1,651,681	5	2230	Current tax liabilities		408,503	1	223,605	1	376,922	1	
1410	Prepayments	78,637	-	95,505	-	59,938	-	2250	Current provisions (note (6)(m))		242,235	1	275,502	1	253,631	1	
1470	Other current assets (note (6)(s))	146,345	1	125,823	-	95,273	-	2280	Current lease liabilities (note (6)(n))		25,082	-	26,614	-	17,490	-	
1476	Other current financial assets (note (8))	35,085	-	32,041	-	32,495	-	2300	Other current liabilities		27,694	-	39,995	-	47,432	-	
		<u>10,002,403</u>	<u>29</u>	<u>9,137,639</u>	<u>27</u>	<u>10,553,272</u>	<u>30</u>	2322	Long-term borrowings, current portion (note (6)(k))		1,587,902	5	-	-	-	-	
											<u>5,600,733</u>	<u>17</u>	<u>3,485,037</u>	<u>10</u>	<u>5,548,779</u>	<u>16</u>	
Non-current assets:									Non-current liabilities:								
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	623,561	2	686,256	2	752,192	2	2540	Long-term borrowings (note (6)(k))		3,417,766	10	5,227,817	16	5,216,242	16	
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	312,649	1	320,815	1	335,397	1	2570	Deferred tax liabilities		168,703	1	168,703	1	160,718	-	
1535	Non-current financial assets at amortized cost (note (6)(d))	2,962,787	9	2,843,331	8	2,826,637	8	2580	Non-current lease liabilities (note (6)(n))		120,518	-	121,537	-	92,764	-	
1600	Property, plant and equipment (notes (6)(g), (7) and (8))	11,668,194	34	11,876,485	36	11,764,608	34	2600	Other non-current liabilities (note (6)(k))		84,656	-	149,722	-	155,462	-	
1755	Right-of-use assets (note (6)(h))	143,112	-	146,165	-	108,695	-	2640	Non-current net defined benefit liabilities (note (6)(o))		66,253	-	68,159	-	105,185	-	
1760	Investment property, net	28,648	-	28,648	-	-	-				<u>3,857,896</u>	<u>11</u>	<u>5,735,938</u>	<u>17</u>	<u>5,730,371</u>	<u>16</u>	
1780	Intangible assets (note (6)(i))	8,242,403	24	8,275,657	25	8,329,020	24		Total liabilities		<u>9,458,629</u>	<u>28</u>	<u>9,220,975</u>	<u>27</u>	<u>11,279,150</u>	<u>32</u>	
1840	Deferred tax assets	281,215	1	299,007	1	261,087	1		Equity:								
1900	Other non-current assets	18,837	-	43,022	-	38,096	-	3100	Equity attributable to owners of parent:								
1980	Other non-current financial assets (note (8))	5,405	-	5,405	-	5,405	-	3200	(note (6)(q))								
		<u>24,286,811</u>	<u>71</u>	<u>24,524,791</u>	<u>73</u>	<u>24,421,137</u>	<u>70</u>	3310	Ordinary shares		2,090,581	6	2,090,581	6	2,090,581	6	
								3320	Capital surplus		15,117,641	44	15,115,876	45	15,115,876	43	
								3350	Legal reserve		2,266,982	6	2,150,081	6	2,150,081	7	
								3400	Special reserve		169,408	1	169,408	1	169,408	-	
									Unappropriated earnings		5,123,328	15	4,936,725	15	4,152,127	12	
									Other equity		62,645	-	(21,216)	-	17,186	-	
									Total equity		<u>24,830,585</u>	<u>72</u>	<u>24,441,455</u>	<u>73</u>	<u>23,695,259</u>	<u>68</u>	
Total assets		<u>\$ 34,289,214</u>	<u>100</u>	<u>33,662,430</u>	<u>100</u>	<u>34,974,409</u>	<u>100</u>		Total liabilities and equity		<u>\$ 34,289,214</u>	<u>100</u>	<u>33,662,430</u>	<u>100</u>	<u>34,974,409</u>	<u>100</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Sales revenue	\$ 3,080,214	100	2,877,217	101	6,057,217	100	5,820,661	101
4170	Less: sales returns and allowances	11,303	-	33,454	1	17,288	-	76,450	1
4100	Net operating revenues (notes (6)(s) and (14))	3,068,911	100	2,843,763	100	6,039,929	100	5,744,211	100
5110	Operating costs (notes (6)(f), (6)(o) and (12))	2,202,385	72	2,358,756	83	4,354,890	72	4,446,102	78
5900	Gross profit	866,526	28	485,007	17	1,685,039	28	1,298,109	22
6000	Operating expenses (notes (6)(o), (7) and (12)):								
6100	Selling expenses	47,213	2	64,245	2	97,699	2	126,986	2
6200	Administrative expenses	225,653	7	165,327	6	442,942	7	352,754	6
6300	Research and development expenses	133,153	4	89,592	3	256,456	4	179,867	3
6450	Expected credit losses (gains)	872	-	(807)	-	(316)	-	1,023	-
		406,891	13	318,357	11	796,781	13	660,630	11
6900	Net operating income	459,635	15	166,650	6	888,258	15	637,479	11
	Non-operating income and expenses:								
7100	Interest income	64,481	2	62,021	2	119,349	2	109,132	2
7190	Other income (note (6)(k))	20,479	1	68,589	2	32,853	1	90,400	2
7230	Foreign exchange gains, net (note (6)(u))	80,601	3	120,859	4	307,541	5	70,581	1
7235	Net losses on financial assets (liabilities) at fair value through profit or loss (note (6)(b))	(44,648)	(2)	(96,753)	(3)	(284,782)	(5)	(94,697)	(2)
7510	Finance cost – interest expense	(29,068)	(1)	(25,813)	(1)	(55,492)	(1)	(50,293)	(1)
7590	Miscellaneous disbursements (note (6)(g))	(676)	-	(277,271)	(10)	(1,071)	-	(277,307)	(5)
		91,169	3	(148,368)	(6)	118,398	2	(152,184)	(3)
7900	Profit before tax	550,804	18	18,282	-	1,006,656	17	485,295	8
7950	Less: income tax expenses (note (6)(p))	110,146	4	5,960	-	201,413	4	100,880	2
	Net profit	440,658	14	12,322	-	805,243	13	384,415	6
	Other comprehensive income: (note (6)(p))								
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss								
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(6,999)	-	(9,333)	-	(8,166)	-	13,999	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss	(6,999)	-	(9,333)	-	(8,166)	-	13,999	-
	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	28,372	1	42,798	1	109,820	2	26,768	1
8399	Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	(4,589)	-	(11,760)	-	(17,793)	-	(4,385)	-
	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss	23,783	1	31,038	1	92,027	2	22,383	1
	Other comprehensive income, net	16,784	1	21,705	1	83,861	2	36,382	1
8500	Comprehensive income	\$ 457,442	15	34,027	1	889,104	15	420,797	7
	Earnings per share (note (6)(r))								
9750	Basic earnings per share (NTD)	\$ 2.11		0.06		3.85		1.84	
9850	Diluted earnings per share (NTD)	\$ 2.10		0.06		3.84		1.83	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

							Other equity				
	Share capital			Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized (losses) gains from financial assets measured at fair value through other comprehensive income	Total	Total equity	
	Ordinary shares	Share dividends to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings					Total
Balance on January 1, 2023	\$ 1,608,139	-	15,115,876	1,829,345	169,408	5,820,426	7,819,179	9,386	(28,582)	(19,196)	24,523,998
Net profit for the six months ended June 30, 2023	-	-	-	-	-	384,415	384,415	-	-	-	384,415
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	-	22,383	13,999	36,382	36,382
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	384,415	384,415	22,383	13,999	36,382	420,797
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	320,736	-	(320,736)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	(1,249,536)	(1,249,536)	-	-	-	(1,249,536)
Share dividends of ordinary shares	-	482,442	-	-	-	(482,442)	(482,442)	-	-	-	-
Balance on June 30, 2023	\$ 1,608,139	482,442	15,115,876	2,150,081	169,408	4,152,127	6,471,616	31,769	(14,583)	17,186	23,695,259
Balance on January 1, 2024	\$ 2,090,581	-	15,115,876	2,150,081	169,408	4,936,725	7,256,214	7,949	(29,165)	(21,216)	24,441,455
Net profit for the six months ended June 30, 2024	-	-	-	-	-	805,243	805,243	-	-	-	805,243
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	92,027	(8,166)	83,861	83,861
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	805,243	805,243	92,027	(8,166)	83,861	889,104
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	116,901	-	(116,901)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	(501,739)	(501,739)	-	-	-	(501,739)
Others	-	-	1,765	-	-	-	-	-	-	-	1,765
Balance on June 30, 2024	\$ 2,090,581	-	15,117,641	2,266,982	169,408	5,123,328	7,559,718	99,976	(37,331)	62,645	24,830,585

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,006,656	485,295
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	781,208	623,639
Amortization expenses	63,827	68,192
Expected credit losses (gains)	(316)	1,023
Net losses on financial assets and liabilities at fair value through profit or loss	284,782	94,697
Interest expense	55,492	50,293
Interest income	(119,349)	(109,132)
Gains on disposal of property, plant and equipment	(42)	(541)
Impairment loss on non-financial assets	-	277,271
Others	(184,172)	(63,857)
Total adjustments to reconcile profit	<u>881,430</u>	<u>941,585</u>
Changes in operating assets and liabilities:		
Increase in current financial assets and liabilities at fair value through profit or loss	(142,089)	(36,878)
Increase in contract assets	(25,808)	(11,072)
(Increase) decrease in accounts receivable	(48,575)	458,616
Decrease in other receivables	13,688	5,592
(Increase) decrease in inventories	(169,819)	142,553
Decrease in prepayments	16,868	48,974
(Increase) decrease in other current assets	5,286	(5,792)
Increase (decrease) in current contract liabilities	(71,013)	67,116
Increase in notes and accounts payable	106,704	67,394
Increase (decrease) in other payables	53,200	(128,570)
Increase (decrease) in provisions and other current liabilities	(45,568)	26,942
Increase (decrease) in net defined benefit liabilities	(1,906)	726
	<u>(309,032)</u>	<u>635,601</u>
Cash inflow generated from operations	1,579,054	2,062,481
Interest received	90,661	75,268
Interest paid	(41,777)	(38,500)
Income taxes paid	(16,290)	(317,468)
Net cash flows from operating activities	<u>1,611,648</u>	<u>1,781,781</u>
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(1,424)	(72,500)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	93,341	310,000
Acquisition of non-current financial assets at amortized cost	(250,455)	(1,343,926)
Acquisition of property, plant and equipment	(737,400)	(1,464,698)
Proceeds from disposal of property, plant and equipment	42	1,375
Decrease in refundable deposits	363	3,798
Acquisition of intangible assets	(6,746)	(18,894)
Increase in other financial assets	(3,044)	(583)
Net cash used in investing activities	<u>(905,323)</u>	<u>(2,585,428)</u>
Cash flows from (used in) financing activities:		
Repayments of long-term borrowings	(293,809)	-
Increase in guarantee deposits received	-	24
Payments of lease liabilities	(13,497)	(12,208)
Net cash used in financing activities	<u>(307,306)</u>	<u>(12,184)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>74,583</u>	<u>18,680</u>
Net increase (decrease) in cash and cash equivalents	473,602	(797,151)
Cash and cash equivalents at the beginning of period	<u>4,746,867</u>	<u>7,496,769</u>
Cash and cash equivalents at the end of period	<u><u>\$ 5,220,469</u></u>	<u><u>6,699,618</u></u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars and Unless Otherwise Specified)

(1) Company history

Tong Hsing Electronic Industries, Ltd. (the “Company”) was incorporated as a company limited by shares on August 11, 1974, and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 88, Ln. 1125, Heping Rd., Bade Dist., Taoyuan City. In accordance with Article 19 of the Business Mergers and Acquisitions Act, the Company merged with its subsidiary, KINGPAK TECHNOLOGY INC. (“KINGPAK”), pursuant to the resolutions of the Board of Directors on March 17, 2022 with the Company as the surviving company, and KINGPAK as the dissolved company. The reference date of the merger is June 30, 2022. The major business activities of the Company and its subsidiaries (the “Group”) are the manufacture and sale of RF module, ceramic metalized substrate, hybrid modules & specialty packaging and image products.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on July 30, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	<p>The amendments set out:</p> <ol style="list-style-type: none"> 1. IFRS 1 “First-time Adoption of International Financial Reporting Standards”: <p>The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.</p> 2. IFRS 7 “Financial Instruments: Disclosures”: <p>The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> 3. IFRS 9 “Financial Instruments”: <ul style="list-style-type: none"> • Derecognition of a lease liability <p>The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases.</p> • Transaction price <p>The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.</p> 	January 1, 2026

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 “Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’.	
	5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2023.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Nature of operation	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Tong Hsing Electronics Phils. Inc. (THEPI)	Manufacturing and sales of RF module, ceramic metalized substrate, hybrid modules & specialty packaging and image products	100 %	100 %	100 %	-

(c) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in its normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rate that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements of the current period and the 2023 consolidated financial statements. Please refer to note (6) of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Petty cash and cash on hand	\$ 97	163	126
Checking accounts and demand deposits	1,654,942	1,700,968	2,472,507
Time deposits	<u>3,565,430</u>	<u>3,045,736</u>	<u>4,226,985</u>
	<u>\$ 5,220,469</u>	<u>4,746,867</u>	<u>6,699,618</u>

Please refer to note (6)(u) for the exchange rate risk, interest rate risk and the sensitivity analysis of the financial assets of the Group.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets and liabilities at fair value through profit or loss

	June 30, 2024	December 31, 2023	June 30, 2023
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 3,232	54,780	252
Foreign exchange swaps contracts	-	896	-
Non-derivative financial assets			
Open-end mutual funds	236,999	235,419	233,939
Structured deposit	-	100,226	-
Structured investments	161,167	251,937	307,187
Stock listed in domestic markets	195,928	184,649	206,885
Foreign private funds	<u>266,466</u>	<u>249,670</u>	<u>238,120</u>
	<u>\$ 863,792</u>	<u>1,077,577</u>	<u>986,383</u>
Current	\$ 240,231	391,321	234,191
Non-current	<u>623,561</u>	<u>686,256</u>	<u>752,192</u>
	<u>\$ 863,792</u>	<u>1,077,577</u>	<u>986,383</u>
	June 30, 2024	December 31, 2023	June 30, 2023
Held-for-trading financial liabilities:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 9,889	723	31,211
Foreign exchange swaps contracts	<u>-</u>	<u>66</u>	<u>6,232</u>
	<u>\$ 9,889</u>	<u>789</u>	<u>37,443</u>

The Group holds derivative financial instruments to hedge certain foreign exchange risk exposures arising from its operating activities. As of June 30, 2024, December 31 and June 30, 2023, the following derivative instruments, without the application of hedge accounting, were classified as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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June 30, 2024				
	Amount		Currency	Maturity dates
	(in thousands)			
Derivative financial assets				
Forward exchange contracts:				
Forward exchange sold	USD 40,000		USD to NTD	2024.07.05~2024.07.31
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange sold	USD 105,000		USD to NTD	2024.07.03~2024.07.26
Forward exchange sold	USD 3,000		USD to JPY	2024.07.05
December 31, 2023				
	Amount		Currency	Maturity dates
	(in thousands)			
Derivative financial assets				
Forward exchange contracts:				
Forward exchange purchased	USD 10,000		USD to NTD	2024.02.05
Forward exchange sold	USD 82,500		USD to NTD	2024.01.03~2024.01.12
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD 2,000		USD to NTD	2024.01.03
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange purchased	USD 5,000		USD to NTD	2024.02.02
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD 7,000		USD to NTD	2024.01.12
June 30, 2023				
	Amount		Currency	Maturity dates
	(in thousands)			
Derivative financial assets				
Forward exchange contracts:				
Forward exchange sold	USD 5,000		USD to NTD	2023.07.31
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange sold	USD 2,000		USD to JPY	2023.07.05
Foreign exchange sold	USD 83,000		USD to NTD	2023.07.05~2023.07.27
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD 19,000		USD to NTD	2023.07.10~2023.07.13

Please refer to note (6)(u) for information relating to the credit risk of financial instruments. As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(c) Financial assets at fair value through other comprehensive income

	June 30, 2024	December 31, 2023	June 30, 2023
Equity investments at fair value through other comprehensive income:			
Stock listed in domestic market - preferred stocks	\$ <u>312,649</u>	<u>320,815</u>	<u>335,397</u>

- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term for strategic purposes.
- (ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months and six months ended June 30, 2024 and 2023.
- (iii) For credit risk and market risk, please refer to note (6)(u).
- (iv) As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(d) Financial assets at amortized cost

	June 30, 2024	December 31, 2023	June 30, 2023
Foreign corporate bonds	\$ <u>3,286,080</u>	<u>2,843,331</u>	<u>2,826,637</u>
Current	\$ 323,293	-	-
Non-current	<u>2,962,787</u>	<u>2,843,331</u>	<u>2,826,637</u>
	\$ <u>3,286,080</u>	<u>2,843,331</u>	<u>2,826,637</u>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

- (i) The Group purchased the bond with a face value of USD 7,956 thousand and USD 44,357 thousand for the six months ended June 30, 2024 and 2023, with the coupon rates of 5.21% and 1.538%~4.948%, respectively, the above-mentioned foreign corporate bonds as of June 30, 2024, will mature between April 2025 and August 2028.
- (ii) Please refer to note (6)(u) for credit risk information.
- (iii) As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable—measured as amortized cost	\$ 2,125,478	2,077,758	1,701,860
Less: loss allowance	<u>(2,011)</u>	<u>(3,181)</u>	<u>(3,387)</u>
	<u><u>\$ 2,123,467</u></u>	<u><u>2,074,577</u></u>	<u><u>1,698,473</u></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics of the customer's ability to pay all due amounts in accordance with contract terms, as well as incorporated forward looking information, including historical credit losses experience and reasonable forecasts of future economic conditions information.

(i) The loss allowance was determined as follows:

June 30, 2024			
Aging interval	Carrying amount of accounts receivable	Weighted- average expected loss rate	Loss allowance
Current	\$ 2,074,883	-	-
Overdue 1 to 30 days	35,325	-	-
Overdue 31 to 60 days	10,729	10.00%	1,073
Overdue 61 to 90 days	4,442	20.00%	889
Overdue 91 to 120 days	<u>99</u>	50.00%	<u>49</u>
	<u><u>\$ 2,125,478</u></u>		<u><u>2,011</u></u>

December 31, 2023			
Aging interval	Carrying amount of accounts receivable	Weighted- average expected loss rate	Loss allowance
Current	\$ 2,029,146	-	-
Overdue 1 to 30 days	38,697	-	-
Overdue 31 to 60 days	5,949	10.00%	595
Overdue 61 to 90 days	651	20.00%	130
Overdue 91 to 120 days	1,228	50.00%	614
Overdue 121 to 180 days	1,228	80.00%	983
Overdue 181 to 365 days	<u>859</u>	100.00%	<u>859</u>
	<u><u>\$ 2,077,758</u></u>		<u><u>3,181</u></u>

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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Aging interval	June 30, 2023		
	Carrying amount of accounts receivable	Weighted- average expected loss rate	Loss allowance
Current	\$ 1,473,621	-	-
Overdue 1 to 30 days	209,592	-	-
Overdue 31 to 60 days	12,587	10.00%	1,259
Overdue 61 to 90 days	3,153	20.00%	630
Overdue 91 to 120 days	2,761	50.00%	1,381
Overdue 121 to 180 days	146	80.00%	117
	<u>\$ 1,701,860</u>		<u>3,387</u>

The movements in the allowance for accounts receivable were as follows:

	For the six months ended June 30	
	2024	2023
The beginning of period	\$ 3,181	3,214
Impairment losses (reversed) recognized	(315)	173
Amounts written off	(855)	-
The end of period	<u>\$ 2,011</u>	<u>3,387</u>

As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any accounts receivable as collaterals for its loans.

(f) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 434,027	419,577	337,233
Semi-finished goods	86,887	92,271	131,571
Work in progress	283,573	272,678	228,615
Raw materials	830,195	700,963	845,747
Indirect materials	127,836	107,210	108,515
	<u>\$ 1,762,518</u>	<u>1,592,699</u>	<u>1,651,681</u>

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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- (i) The details of the operating costs for the three months and six months ended June 30, 2024 and 2023 of the Group were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Cost of sales and expense	\$ 2,197,237	2,293,330	4,347,097	4,373,482
Current operating cost for inventories written off or write-downs on inventories valuation and obsolescence	5,148	65,426	7,793	72,620
	\$ 2,202,385	2,358,756	4,354,890	4,446,102

- (ii) As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any inventories as collaterals for its loans.

- (g) Property, plant and equipment

The cost, depreciation and impairment loss of the property, plant and equipment of the Group were as follows:

	Land	Buildings and structures	Machinery and equipment	Office equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
Cost or deemed cost:							
Balance on January 1, 2024	\$ 2,455,982	5,738,416	6,234,403	625,193	27,347	2,952,730	18,034,071
Additions	-	121,523	300,750	27,569	-	77,473	527,315
Disposals	-	(13,984)	(82,504)	(40,488)	-	-	(136,976)
Transferred in (out)	-	2,509,352	16,797	70,114	-	(2,599,787)	(3,524)
Effects of movements in exchange rates	-	26,877	98,982	15,088	115	5,616	146,678
Balance on June 30, 2024	\$ 2,455,982	8,382,184	6,568,428	697,476	27,462	436,032	18,567,564
Balance on January 1, 2023	\$ 2,484,630	3,103,832	5,499,624	412,381	27,222	4,569,041	16,096,730
Additions	-	31,181	718,270	8,332	-	1,124,227	1,882,010
Disposals	-	(26,373)	(229,940)	(23,316)	-	(484)	(280,113)
Transferred in (out)	-	121,104	411,436	9,242	-	(543,593)	(1,811)
Effects of movements in exchange rates	-	6,583	25,587	3,610	28	1,222	37,030
Balance on June 30, 2023	\$ 2,484,630	3,236,327	6,424,977	410,249	27,250	5,150,413	17,733,846

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		Land	Buildings and structures	Machinery and equipment	Office equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
Depreciation and impairment loss:								
Balance on January 1, 2024	\$	-	1,281,604	4,534,045	328,220	13,717	-	6,157,586
Depreciation		-	219,263	485,828	57,484	4,515	-	767,090
Disposals		-	(13,984)	(82,504)	(40,488)	-	-	(136,976)
Effects of movements in exchange rates		-	14,138	83,823	13,643	66	-	111,670
Balance on June 30, 2024	\$	-	<u>1,501,021</u>	<u>5,021,192</u>	<u>358,859</u>	<u>18,298</u>	-	<u>6,899,370</u>
Balance on January 1, 2023	\$	-	1,086,512	3,983,936	307,963	4,726	-	5,383,137
Depreciation		-	99,173	478,061	29,395	4,492	-	611,121
Impairment loss		-	-	225,335	-	-	-	225,335
Disposals		-	(26,373)	(229,590)	(23,316)	-	-	(279,279)
Transferred in (out)		-	602	(602)	-	-	-	-
Effects of movements in exchange rates		-	3,351	22,276	3,282	15	-	28,924
Balance on June 30, 2023	\$	-	<u>1,163,265</u>	<u>4,479,416</u>	<u>317,324</u>	<u>9,233</u>	-	<u>5,969,238</u>
Carrying amount:								
Balance on January 1, 2024	\$	<u>2,455,982</u>	<u>4,456,812</u>	<u>1,700,358</u>	<u>296,973</u>	<u>13,630</u>	<u>2,952,730</u>	<u>11,876,485</u>
Balance on June 30, 2024	\$	<u>2,455,982</u>	<u>6,881,163</u>	<u>1,547,236</u>	<u>338,617</u>	<u>9,164</u>	<u>436,032</u>	<u>11,668,194</u>
Balance on January 1, 2023	\$	<u>2,484,630</u>	<u>2,017,320</u>	<u>1,515,688</u>	<u>104,418</u>	<u>22,496</u>	<u>4,569,041</u>	<u>10,713,593</u>
Balance on June 30, 2023	\$	<u>2,484,630</u>	<u>2,073,062</u>	<u>1,945,561</u>	<u>92,925</u>	<u>18,017</u>	<u>5,150,413</u>	<u>11,764,608</u>

The Group contracted with Chung-Lin General Contractors, Ltd. for the construction of the plant in Bade District, Taoyuan City in August, 2020. The total amount of contract is \$3,200,000. As of June 30, 2024, December 31 and June 30, 2023, the amount of \$3,040,000, \$3,024,000, and \$2,880,000 had been paid, respectively.

For the six months ended June 30, 2023, due to indication of impairment in some product line, the Group tested the impairment of CGUs, and the recoverable amount is based on its value in use to assess the impairment. The value in use is determined by the estimated cash flow of the Group's financial forecast for the next five years and is calculated at the discount rate before tax of 13.53% on June 30, 2023 to reflect the specific industry risk of the relevant CGUs. The Group tested the impairment of CGUs and estimated recoverable amount was lower than their carrying amount. Accordingly, equipment impairment losses of \$225,335 and goodwill impairment losses of \$51,936 were recognized and accounted for under miscellaneous disbursements, respectively.

As of June 30, 2024, December 31 and June 30, 2023, the Group had provided property, plant and equipment as collateral for its loans. Please refer to note (8) for details.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(h) Right-of-use assets

	<u>Land</u>	<u>Buildings and structures</u>	<u>Office equipment</u>	<u>Total</u>
Carrying amount:				
Balance on January 1, 2024	\$ <u>75,915</u>	<u>49,904</u>	<u>20,346</u>	<u>146,165</u>
Balance on June 30, 2024	\$ <u>85,535</u>	<u>40,884</u>	<u>16,693</u>	<u>143,112</u>
Balance on January 1, 2023	\$ <u>80,569</u>	<u>25,292</u>	<u>9,360</u>	<u>115,221</u>
Balance on June 30, 2023	\$ <u>77,690</u>	<u>21,131</u>	<u>9,874</u>	<u>108,695</u>

There were no significant additions or recognition and reversal of impairment losses of the right-of-use assets recognized by the Group for leasing land, buildings and structures, and office equipment for the six months ended June 30, 2024 and 2023. Please refer to note (12)(a) for the depreciation amount and (6)(h) of the consolidated financial statements for the year ended December 31, 2023, for other related information.

(i) Intangible assets

	<u>Goodwill</u>	<u>Patents and others</u>	<u>Cost of computer software</u>	<u>Customer relationship</u>	<u>Total</u>
Carrying amount:					
Balance on January 1, 2024	\$ <u>7,396,676</u>	<u>560,120</u>	<u>51,699</u>	<u>267,162</u>	<u>8,275,657</u>
Balance on June 30, 2024	\$ <u>7,396,676</u>	<u>522,367</u>	<u>69,668</u>	<u>253,692</u>	<u>8,242,403</u>
Balance on January 1, 2023	\$ <u>7,448,612</u>	<u>639,945</u>	<u>61,710</u>	<u>295,450</u>	<u>8,445,717</u>
Balance on June 30, 2023	\$ <u>7,396,676</u>	<u>598,038</u>	<u>53,673</u>	<u>280,633</u>	<u>8,329,020</u>

For the six months ended June 30, 2023, the Company has estimated its cash-generating units of recoverable amount to be lower than their carrying amount due to indication of impairment in some of its product line, resulting in an impairment loss of \$51,936, recognized as miscellaneous disbursements. Please refer to note (6)(g) for other related information.

There were no significant additions, disposal, and reversal of impairment losses of the intangible assets for the six months ended June 30, 2024. Please refer to note (12)(a) for the amortization amount and (6)(i) of the consolidated financial statements for the year ended December 31, 2023 for other related information.

(j) Short-term borrowings

Details of short-term borrowings were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Comprehensive secured bank loans	\$ <u>-</u>	<u>-</u>	<u>-</u>
Unused short-term credit lines	\$ <u>9,006,600</u>	<u>7,830,290</u>	<u>7,351,240</u>

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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Please refer to note (8) for the information about the Group had provided assets as collateral for part of its borrowings and credit lines.

(k) Long-term borrowings

Details of long-term borrowings were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loans	\$ 5,066,191	5,360,000	5,360,000
Less: discounts on government grants	(60,523)	(132,183)	(143,758)
Less: current portion	(1,587,902)	-	-
	<u>\$ 3,417,766</u>	<u>5,227,817</u>	<u>5,216,242</u>
Unused long-term credit lines	<u>\$ 2,700,000</u>	<u>3,700,000</u>	<u>4,200,000</u>
Range of interest rates	<u>1.475%~1.675%</u>	<u>1.35%~1.55%</u>	<u>1.35%~1.55%</u>
Expiration	Year 2026 to 2031	Year 2026 to 2031	Year 2026 to 2031

(i) For the years ended December 31, 2022 and 2021, the preferential interest rate loans of \$5,297,000 and \$63,000, respectively, received by the Group from the government's "Action Plan for Accelerating Investment of Rooted Taiwanese Enterprises", were used in capital expenditure and operating turnover. Using the prevailing market interest rates at the equivalent loan rates of 1.35%~1.85% and 0.75%, the fair values of the loans were estimated at \$5,138,164 and \$62,465, respectively, upon initial recognition. Moreover, the differences of \$158,836 and \$535, respectively, between the proceeds and the fair value of the loan, with the benefit deriving from the preferential interest rate loans, had been recognized as deferred revenue recorded under other non-current liabilities. For the three months and six months ended June 30, 2024 and 2023, the grant profits of \$3,373, \$2,828, \$6,770 and \$5,645, respectively, which were amortized over the period of loans, were recognized as other income.

(ii) Please refer to note (8) for the information about the Group had provided assets as collateral for part of its long-term borrowings.

(l) Other payables

Details of other payables were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Salaries and bonus payable, employees' compensation and directors' remuneration	\$ 1,173,881	1,234,996	1,367,351
Payable on machinery and equipment	83,381	293,466	724,303
Accrued employee benefit liabilities	75,254	76,210	52,432
Others	<u>516,137</u>	<u>400,515</u>	<u>427,313</u>
	<u>\$ 1,848,653</u>	<u>2,005,187</u>	<u>2,571,399</u>

The others included professional service fees, commission, repairments and maintenance expense, utilities expense, labor insurance and health insurance, etc.

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Provisions

	June 30, 2024	December 31, 2023	June 30, 2023
Compensation losses	\$ <u>242,235</u>	<u>275,502</u>	<u>253,631</u>

The provision for compensation losses was due to product defects. The Group has determined the most likely outcome of the compensation in accordance with the best estimation expenditure required for the obligation to recognize the compensation liabilities.

(n) Lease liabilities

Details of lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ <u>25,082</u>	<u>26,614</u>	<u>17,490</u>
Non-current	\$ <u>120,518</u>	<u>121,537</u>	<u>92,764</u>

For the maturity analysis, please refer to note (6)(u).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>668</u>	<u>483</u>	<u>1,316</u>	<u>964</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>518</u>	<u>31</u>	<u>643</u>	<u>448</u>
Expenses relating to short-term leases	\$ <u>5,362</u>	<u>1,975</u>	<u>10,483</u>	<u>5,065</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>100</u>	<u>92</u>	<u>164</u>	<u>188</u>

The amounts recognized in the statements of cash flows were as follows:

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	\$ <u>26,103</u>	<u>18,873</u>

(i) Real estate leases

The Group leases land, buildings and structures for its factory, staff dormitories, parking lots and office space. The leases typically run for a period of one to twenty years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(ii) Other leases

The Group leases office equipment with lease terms of one to three years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some lease payments are based on actual usage in the period.

The Group also leases copying machines and other office equipment and parking space with lease terms of one to three years. These leases are short-term leases or leases of low-value assets. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(o) Employee benefits

(i) Defined benefit plans

There was no material volatility of the market, no material reimbursement and settlement, or other material one-time event since the prior reporting date. As a result, the pension cost in the accompanying interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The expenses recognized in profit or loss of the Group amounted to \$2,160, \$2,852, \$4,383 and \$5,536 for the three months and six months ended June 30, 2024 and 2023, respectively.

(ii) Defined contribution plan

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance amounted to \$19,750, \$21,034, \$39,471 and \$41,850 for the three months and six months ended June 30, 2024 and 2023, respectively.

(p) Income taxes

(i) Details of income tax expense were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Current tax expense	<u>\$ 110,146</u>	<u>5,960</u>	<u>201,413</u>	<u>100,880</u>

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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- (ii) Details of income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2024	2023	2024	2023
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ <u>4,589</u>	<u>11,760</u>	<u>17,793</u>	<u>4,385</u>

- (iii) The Group entities' income tax returns are calculated and filed separately according to the local tax law and combined filing is not acceptable.

- (iv) Income tax assessment

The Company's and KINGPAK's income tax returns have been examined and approved by the R.O.C's tax authorities until year 2021, respectively.

- (q) Capital and other equity

There were no significant changes in capital and other equity for the six months ended June 30, 2024 and 2023, respectively. For the related information, please refer to note (6)(q) of the consolidated financial statements for the year ended December 31, 2023.

- (i) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Additional paid-in capital	\$ 15,059,657	15,059,657	15,059,657
Others	<u>57,984</u>	<u>56,219</u>	<u>56,219</u>
	<u>\$ 15,117,641</u>	<u>15,115,876</u>	<u>15,115,876</u>

- (ii) Retained earnings

In accordance with the Company's Articles of Incorporation amended on June 6, 2023, when allocating the earnings for each fiscal year, the Company must pay tax and make up for the accumulated losses first, also share the remaining profit as follows:

- I. Set aside 10% of the earnings as legal reserve. However, when the legal reserve amount equals to the paid-in capital of the Company, it is not subject or such restriction.
- II. Set aside or reverse special reserve in accordance with the relevant laws and regulations.

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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III. Pay dividends or bonuses for an amount not less than 30% of the amount net of the legal reserve and special reserve as stipulated in the preceding paragraph and the cash dividends shall account for at least 50% of the current year's total dividends. The Board of Director shall prepare the earnings distribution proposal for the resolutions of the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders' meeting.

The Company's dividend policy is based on the current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and the interests of shareholders, etc. The Board of Directors shall prepare a resolution to be approved by the shareholders in a meeting.

If the Company has no loss, the Board of Directors, with two-thirds of the directors present and a majority of the directors present, shall issue all or a portion of the legal reserve and the capital surplus as provided in Paragraph 1, Article 241 of the Company Act to the shareholders in cash in proportion to their original shares and report the same to the shareholders' meeting.

The Company's earnings distribution or loss off-setting proposal may be proposed at the close of each half-year.

When the Company allocates its earnings for the first half of the financial year in accordance with the preceding paragraph, it shall first estimate and retain the amounts of taxable contributions, make up its deficits, employee remuneration, and provision for surplus reserve. However, the appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital.

In accordance with the Company's Articles of Incorporation before revised on June 6, 2023, the Company's net earnings shall first be used to pay income taxes and offset the prior years' deficit. Of the remaining balance, 10% is to be appropriated as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital, and an amount equal to a net debit balance of stockholders' equity is appropriated as a special reserve. The remaining balance and the accumulated unappropriated earnings of prior years, if any, may be appropriated according to the proposal presented in the annual stockholders' meeting by the Board of Directors, and be distributed as dividends to stockholders after the approval of the annual stockholders' meeting. Based on the policy on stock dividends and in accordance with such factors as the development plan, investment environment, capital requirements, competitive environment, and benefits to stockholders, the dividends to be distributed to shareholders shall appropriate 60% or more of the appropriated earnings, and the cash dividends shall not be less than 30% of the total amount of dividends. After considering the actual profit and capital situation, the amount of dividends is determined by the Board of Directors and approved by the shareholders at their annual meeting.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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If the Company has no loss, the Board of Directors, with two-thirds of the directors present and a majority of the directors present, shall issue all or a portion of the legal reserve and the capital surplus as provided in Paragraph 1, Article 241 of the Company Act to the shareholders in cash in proportion to their original shares and report the same to the shareholders' meeting.

The Company's earnings distribution or loss off-setting proposal may be proposed at the close of each half-year.

When the Company allocates its earnings for the first half of the financial year in accordance with the preceding paragraph, it shall first estimate and retain the amounts of taxable contributions, make up its deficits, employee remuneration, and provision for surplus reserve. However, the appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital.

1) Earnings distribution

The amounts of cash dividends for the 2023 earnings distribution had been approved at the board meeting held on February 29, 2024; while the 2022 earnings distribution had been approved during the shareholders' meeting on June 6, 2023. The relevant dividends distributed to shareholders were as follows:

	2023		2022	
	<u>Amount per share (NTD)</u>	<u>Total amount</u>	<u>Amount per share (NTD)</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders				
Cash	\$ 2.40	501,739	7.77007957	1,249,536
Shares	-	-	3.00	482,442
Total	<u>\$ 2.40</u>	<u>501,739</u>	<u>10.77007957</u>	<u>1,731,978</u>

The related information about earnings distribution approved by the related meeting can be accessed from the Market Observation Post System website.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Earnings per share

Details of basic earnings per share and diluted earnings per share are calculated were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic earnings per share (NTD):				
Profit attributable to ordinary shareholders of the Company	\$ <u>440,658</u>	<u>12,322</u>	<u>805,243</u>	<u>384,415</u>
Weighted-average number of ordinary shares outstanding (thousands)	<u>209,058</u>	<u>209,058</u>	<u>209,058</u>	<u>209,058</u>
Basic earnings per share (NTD)	\$ <u>2.11</u>	<u>0.06</u>	<u>3.85</u>	<u>1.84</u>
Diluted earnings per share (NTD):				
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>440,658</u>	<u>12,322</u>	<u>805,243</u>	<u>384,415</u>
Weighted-average number of ordinary shares outstanding (thousands)	209,058	209,058	209,058	209,058
Effect of employee share remuneration (thousands)	<u>400</u>	<u>221</u>	<u>581</u>	<u>668</u>
Weighted-average number of ordinary shares outstanding (diluted) (thousands)	<u>209,458</u>	<u>209,279</u>	<u>209,639</u>	<u>209,726</u>
Diluted earnings per share (NTD)	\$ <u>2.10</u>	<u>0.06</u>	<u>3.84</u>	<u>1.83</u>

The above-mentioned weighted average number of ordinary shares outstanding is adjusted retroactively according to the capitalization of earnings.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Primary geographical markets:				
Malaysia	\$ 745,724	528,668	1,435,038	1,030,973
Switzerland	617,883	801,259	1,269,200	1,604,033
Japan	529,700	441,855	999,918	920,440
United States	366,415	272,426	824,285	583,267
Singapore	264,471	266,252	541,683	618,423
China	202,265	167,292	351,175	326,644
Others	342,453	366,011	618,630	660,431
	<u>\$ 3,068,911</u>	<u>2,843,763</u>	<u>6,039,929</u>	<u>5,744,211</u>
Major products:				
Image products	\$ 1,409,473	1,527,643	2,763,956	3,124,239
Hybrid modules & specialty packaging	796,839	673,652	1,507,452	1,315,150
Ceramic metalized substrate	594,543	508,919	1,144,218	986,815
RF module	237,998	101,199	557,971	232,581
Others	30,058	32,350	66,332	85,426
	<u>\$ 3,068,911</u>	<u>2,843,763</u>	<u>6,039,929</u>	<u>5,744,211</u>

(ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	\$ 2,125,478	2,077,758	1,701,860
Contract assets—image products (recorded under other current assets)	141,886	116,078	88,808
Less: loss allowance	(2,011)	(3,181)	(3,387)
Total	<u>\$ 2,265,353</u>	<u>2,190,655</u>	<u>1,787,281</u>
Contract liabilities—advance sales receipts	<u>\$ 116,217</u>	<u>187,230</u>	<u>125,477</u>

For details on accounts receivable and loss allowance, please refer to note (6)(e).

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The amounts of revenue recognized for the six months ended June 30, 2024 and 2023 that were included in the contract liabilities balance at the beginning of the periods were \$135,302 and \$41,362, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(t) Employee compensation and directors' remuneration

Based on the Company's Articles of Incorporation amended on June 6, 2023, if the Company makes a profit in a year, no less than 3% shall be set aside as employees' compensation and no more than 3% shall be set aside as directors' remuneration. However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts. The distribution shall be made in the form of cash or shares for employees, but only in the form of cash for the directors. Employees entitled to receive the said shares or cash may include the employees of the Company's subordinate companies who meet certain requirements.

Based on the Company's Articles of Incorporation amended on June 6, 2023, once the Company has an annual profit, it should appropriate 3% or more of the profit to its employees and 3% or less as directors' remuneration. The Company should offset the prior years' accumulated deficit before any appropriation of profit then appropriate employee compensation and remuneration of directors at the above rate. Employee compensation shall be paid in cash or shares, and the remuneration of directors shall be paid in cash.

For the three months and six months ended June 30, 2024 and 2023, the Company estimated its employee remuneration amounting to \$32,884, \$10,154, \$60,052 and \$40,448, and directors' remuneration amounting to \$17,937, \$760, \$32,756 and \$16,031, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as determined by the management. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. The differences between the amounts approved in the Board of Directors' meeting and those recognized in the financial statement, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of the board of directors.

For the years ended December 31, 2023 and 2022, the employee compensation amounted to \$84,000 and \$240,000, respectively, and remuneration of directors amounted to \$45,300 and \$123,000, respectively, which had no difference from the actual distribution. Related information is available on the Market Observation Post System website.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(u) Financial instruments

Except for those described below, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk, and market risk arising from financial instruments. For related information, please refer to note (6)(w) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) The concentration of credit risk

Sales to individual customers constituting over 10% of operating revenues for the six months ended June 30, 2024 and 2023, amounted to \$3,386,831 and \$3,397,811, respectively. In order to reduce the credit risk, the Group monitors the financial conditions of customers regularly. However, the Group usually does not require customers to provide any collateral.

3) Receivables credit risk

For credit risk exposure of accounts receivable, please refer to note (6)(e). Other financial assets at amortized cost, including other receivables and investment in bonds, are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g) of the consolidated financial statements for the year ended December 31, 2023.

The loss allowance of other receivables for the six months ended June 30, 2024 and 2023 were as follows:

	<u>Other receivables</u>
Balance on January 1, 2024	\$ 10
Impairment loss reversed	(1)
Effects of movements in exchange rates	<u>1</u>
Balance on June 30, 2024	<u>\$ 10</u>
Balance on January 1, 2023	\$ 95
Impairment loss recognized	850
Effects of movements in exchange rates	<u>16</u>
Balance on June 30, 2023	<u>\$ 961</u>

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over a year</u>
June 30, 2024				
Non-derivative financial liabilities:				
Notes and accounts payable	\$ 832,819	(832,819)	(832,819)	-
Other payables	1,848,653	(1,848,653)	(1,848,653)	-
Dividends payable	501,739	(501,739)	(501,739)	-
Lease liabilities (including current and non-current portion)	145,600	(173,582)	(27,499)	(146,083)
Guarantee deposits received	3,569	(3,569)	-	(3,569)
Long-term borrowings (including current portion)	5,005,668	(5,239,686)	(1,677,442)	(3,562,244)
Derivative financial liabilities:				
Forward exchange contracts:	9,889			
Inflow		3,495,107	3,495,107	-
Outflow		(3,504,996)	(3,504,996)	-
	<u>\$ 8,347,937</u>	<u>(8,609,937)</u>	<u>(4,898,041)</u>	<u>(3,711,896)</u>
December 31, 2023				
Non-derivative financial liabilities:				
Notes and accounts payable	\$ 726,115	(726,115)	(726,115)	-
Other payables	2,005,187	(2,005,187)	(2,005,187)	-
Lease liabilities (including current and non-current portion)	148,151	(174,102)	(29,041)	(145,061)
Guarantee deposits received	3,569	(3,569)	-	(3,569)
Long-term borrowings	5,227,817	(5,360,000)	-	(5,360,000)
Derivative financial liabilities:				
Forward exchange contracts:	723			
Inflow		152,000	152,000	-
Outflow		(152,804)	(152,804)	-
Foreign exchange swaps contracts:	66			
Inflow		216,972	216,972	-
Outflow		(217,039)	(217,039)	-
	<u>\$ 8,111,628</u>	<u>(8,269,844)</u>	<u>(2,761,214)</u>	<u>(5,508,630)</u>

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over a year</u>
June 30, 2023				
Non-derivative financial liabilities:				
Notes and accounts payable	\$ 869,449	(869,449)	(869,449)	-
Other payables	2,571,399	(2,571,399)	(2,571,399)	-
Dividends payable	1,249,536	(1,249,536)	(1,249,536)	-
Lease liabilities (including current and non-current portion)	110,254	(135,177)	(19,251)	(115,926)
Guarantee deposits received	3,437	(3,437)	-	(3,437)
Long-term borrowings	5,216,242	(5,360,000)	-	(5,360,000)
Derivative financial liabilities:				
Forward exchange contracts:	31,211			
Inflow		2,616,956	2,616,956	-
Outflow		(2,646,900)	(2,646,900)	-
Foreign exchange swaps contracts:	6,232			
Inflow		584,875	584,875	-
Outflow		(591,660)	(591,660)	-
	<u>\$ 10,057,760</u>	<u>(10,225,727)</u>	<u>(4,746,364)</u>	<u>(5,479,363)</u>

The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure to financial assets and liabilities for foreign currency risk were as follows:

	June 30, 2024			December 31, 2023			June 30, 2023		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD	\$ 188,456	USD/NTD =32.45	6,115,397	188,193	USD/NTD =30.705	5,778,466	202,518	USD/NTD =31.140	6,306,411
Financial liabilities									
Monetary items									
USD	19,499	USD/NTD =32.45	632,743	17,051	USD/NTD =30.705	523,551	26,686	USD/NTD =31.140	831,002
JPY	509,819	JPY/NTD =0.2017	102,830	186,185	JPY/NTD =0.2172	40,439	403,258	JPY/NTD =0.2150	86,700

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, notes and accounts payable and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% of the NTD against USD and JPY for the six months ended June 30, 2024 and 2023 would have increased or decreased the net profit before tax as follows. The analysis is performed on the same basis for both periods:

	For the six months ended June 30	
	2024	2023
USD (against the NTD)		
Strengthening 5%	\$ 274,133	273,770
Weakening 5%	(274,133)	(273,770)
JPY (against the NTD)		
Strengthening 5%	(5,142)	(4,335)
Weakening 5%	5,142	4,335

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and six months ended June 30, 2024 and 2023, the foreign exchange gains (losses), including realized and unrealized portion, amounted to gains \$80,601, \$120,859, \$307,541 and \$70,581, respectively.

2) Interest rate risk

The exposure to interest rate risk for financial assets and liabilities refers to the management of liquidity risk in this note.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group's management assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, assuming all other variables remaining constant, the Group's net profit before tax would have decreased or increased by \$4,177 and \$3,436, for the six months ended June 30, 2024 and 2023, respectively, which would be mainly resulted from the borrowings, demand deposits and time deposits with variable interest rates.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(iv) Fair value

1) The categories and the fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

June 30, 2024					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss (including current and non-current portion)					
Derivative financial assets \$	3,232	-	3,232	-	3,232
Open-end mutual funds	236,999	236,999	-	-	236,999
Structured investments	161,167	-	-	161,167	161,167
Stock listed in domestic markets	195,928	195,928	-	-	195,928
Foreign private funds	<u>266,466</u>	-	-	266,466	266,466
Subtotal	<u>863,792</u>				
Financial assets measured at fair value through other comprehensive income					
Stock listed in domestic market—preferred stocks	<u>312,649</u>	312,649	-	-	312,649
Financial assets measured at amortized cost					
Cash and cash equivalents	5,220,469	-	-	-	-
Accounts receivable, net	2,123,467	-	-	-	-
Other receivables	42,406	-	-	-	-
Other current financial assets	35,085	-	-	-	-
Foreign corporate bonds	2,962,787	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	16,756	-	-	-	-
Other non-current financial assets	<u>5,405</u>	-	-	-	-
Subtotal	<u>10,406,375</u>				
Total	<u>\$ 11,582,816</u>				

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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June 30, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	\$ 9,889	-	9,889	-	9,889
Financial liabilities measured at amortized cost					
Notes and accounts payable	832,819	-	-	-	-
Other payables	1,848,653	-	-	-	-
Dividends payable	501,739	-	-	-	-
Lease liabilities (including current and non-current portion)	145,600	-	-	-	-
Guarantee deposits received	3,569	-	-	-	-
Long-term borrowings (including current portion)	5,005,668	-	-	-	-
Subtotal	<u>8,338,048</u>				
Total	<u>\$ 8,347,937</u>				
December 31, 2023					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets mandatorily measured at fair value through profit or loss (including current and non-current portion)					
Derivative financial assets \$	55,676	-	55,676	-	55,676
Open-end mutual funds	235,419	235,419	-	-	235,419
Structured deposit	100,226	-	100,226	-	100,226
Structured investments	251,937	-	-	251,937	251,937
Stock listed in domestic markets	184,649	184,649	-	-	184,649
Foreign private funds	249,670	-	-	249,670	249,670
Subtotal	<u>1,077,577</u>				

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	December 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through other comprehensive income					
Stock listed in domestic markets – preferred stocks	<u>320,815</u>	320,815	-	-	320,815
Financial assets measured at amortized cost					
Cash and cash equivalents	4,746,867	-	-	-	-
Accounts receivable, net	2,074,577	-	-	-	-
Other receivables	35,488	-	-	-	-
Other current financial assets	32,041	-	-	-	-
Foreign corporate bonds	2,843,331	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	17,119	-	-	-	-
Other non-current financial assets	<u>5,405</u>	-	-	-	-
Subtotal	<u>9,754,828</u>				
Total	<u>\$ 11,153,220</u>				
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	\$ <u>789</u>	-	789	-	789
Financial liabilities measured at amortized cost					
Notes and accounts payable	726,115	-	-	-	-
Other payables	2,005,187	-	-	-	-
Lease liabilities (including current and non-current portion)	148,151	-	-	-	-
Guarantee deposits received	3,569	-	-	-	-
Long-term borrowings	<u>5,227,817</u>	-	-	-	-
Subtotal	<u>8,110,839</u>				
Total	<u>\$ 8,111,628</u>				

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	June 30, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets mandatorily measured at fair value through profit or loss (including current and non-current portion)					
Derivative financial assets \$	252	-	252	-	252
Open-end mutual funds	233,939	233,939	-	-	233,939
Structured investments	307,187	-	-	307,187	307,187
Stock listed in domestic markets	206,885	206,885	-	-	206,885
Foreign private funds	<u>238,120</u>	-	-	238,120	238,120
Subtotal	<u>986,383</u>				
Financial assets measured at fair value through other comprehensive income					
Stock listed in domestic markets – preferred stocks	<u>335,397</u>	335,397	-	-	335,397
Financial assets measured at amortized cost					
Cash and cash equivalents	6,699,618	-	-	-	-
Accounts receivable, net	1,698,473	-	-	-	-
Other receivables	30,506	-	-	-	-
Other current financial assets	32,495	-	-	-	-
Foreign corporate bonds	2,826,637	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	22,633	-	-	-	-
Other non-current financial assets	<u>5,405</u>	-	-	-	-
Subtotal	<u>11,315,767</u>				
Total	<u>\$ 12,637,547</u>				

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	June 30, 2023			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	\$ <u>37,443</u>	-	37,443	-	37,443
Financial liabilities measured at amortized cost					
Notes and accounts payable	869,449	-	-	-	-
Other payables	2,571,399	-	-	-	-
Dividends payable	1,249,536	-	-	-	-
Lease liabilities (including current and non-current portion)	110,254	-	-	-	-
Guarantee deposits received	3,437	-	-	-	-
Long-term borrowings	<u>5,216,242</u>	-	-	-	-
Subtotal	<u>10,020,317</u>				
Total	<u>\$ 10,057,760</u>				

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices. The market prices from the main exchanges and government bond exchanges are the basis of the fair value of the listed company's equity instruments and debt instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If the above conditions are not met, the market is considered inactive. Quoted market prices may not be active if the bid-ask spread is wide, the bid-ask spread has increased significantly, or the volume of trading is low.

The fair values of the Group's financial instruments in an active market for each category and attribute were as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions traded in active liquid markets are determined with reference to the quoted market prices, including open-end mutual funds and stocks of listed company.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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The measurements on fair value of the financial instruments without an active market are determined using the valuation technique or the quoted market price of its competitors. Fair value measured using the valuation technique can be extrapolated from similar financial instruments, discounted cash flow method, or other valuation techniques which include the model used in calculating the observable market data at the consolidated balance sheet date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on valuation models commonly accepted by market participants such as the discounted cash flow method or option pricing models. The value of a forward exchange contract is usually determined by the forward exchange rate. Structured investments were calculated using the offer price.

3) Transfer between level

There were no transfers between fair value level for the six months ended June 30, 2024 and 2023.

4) Reconciliation of Level 3 fair values

	Non-derivative financial assets mandatorily measured at fair value through profit or loss
Balance on January 1, 2024	\$ 501,607
Total gains and losses	
Recognized in profit or loss	17,943
Purchased	1,424
Disposals	(93,341)
Balance on June 30, 2024	<u><u>\$ 427,633</u></u>
Balance on January 1, 2023	\$ 779,016
Total gains and losses	
Recognized in profit or loss	3,791
Purchased	72,500
Disposals	(310,000)
Balance on June 30, 2023	<u><u>\$ 545,307</u></u>

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023, total gains and losses were included in gains (losses) on financial assets (liabilities) at fair value through profit or loss and foreign exchange gains (losses).

- 5) The quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include investment in private funds and structured investments.

The quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit or loss – investment in private funds	Net asset value method	Net asset value	Not applicable

The fair value of the structured investments is based on unadjusted quote price of trading partners. Therefore, the quantitative information and sensitivity analysis are not available.

- (v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(x) to the consolidated financial statements for the year ended December 31, 2023.

- (w) Capital management

The objectives, policies, and procedures of the Group's capital management are the same as those in the consolidated financial statements for the year ended December 31, 2023. There were no material changes in the Group's quantitative information from that disclosed in the consolidated financial statements for the year ended December 31, 2023. For other related information, please refer to note (6)(y) of the consolidated financial statements for the year ended December 31, 2023.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(x) Investing and financing activities not affecting current cash flow

(i) The Group's investing and financing activities, which did not affect the current cash flow for the six months ended June 30, 2024 and 2023, were as the acquisition of its right-of-use assets by lease, please refer to note (6)(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes		June 30, 2024
			Increase	Other	
Lease liabilities (including current and non-current portion)	\$ 148,151	(13,497)	16,257	(5,311)	145,600
Guarantee deposits received	3,569	-	-	-	3,569
Long-term borrowings (including current portion)	5,227,817	(293,809)	-	71,660	5,005,668
Total liabilities from financing activities	<u>\$ 5,379,537</u>	<u>(307,306)</u>	<u>16,257</u>	<u>66,349</u>	<u>5,154,837</u>

	January 1, 2023	Cash flows	Non-cash changes		June 30, 2023
				Other	
Lease liabilities (including current and non-current portion)	\$ 116,470	(12,208)		5,992	110,254
Guarantee deposits received	3,413	24		-	3,437
Long-term borrowings	5,204,769	-		11,473	5,216,242
Total liabilities from financing activities	<u>\$ 5,324,652</u>	<u>(12,184)</u>		<u>17,465</u>	<u>5,329,933</u>

(7) Related-party transactions

(a) Name and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Multi-field	Substantial related party
Yageo Corporation (Yageo)	Same chairman as the Company
Ralec Electronic Corporation (Ralec)	Substantial related party

(b) Significant transaction with related parties

(i) Other

For operational needs, THEPI acquired land for \$57,713 (PHP 91,110 thousand) from the non-related party in Philippines beginning in 2004, which was recorded as property, plant and equipment. Because the Philippine regulations prohibit foreigners from owning land, therefore, the Group paid for the land, under the title deed of Multi-field to assure the right to the land. THEPI also entered into an agreement with Multi-field to reserve its right to sell or dispose the property.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Transactions with key management personnel

Key management personnel compensation comprised of:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 24,107	41,656	71,919	76,983
Post-employment benefits	177	189	384	378
	<u>\$ 24,284</u>	<u>41,845</u>	<u>72,303</u>	<u>77,361</u>

(8) Assets pledged as security

The carrying amounts of pledged assets were as follows:

Pledged assets	Subject	June 30, 2024	December 31, 2023	June 30, 2023
Other current financial assets – time deposits	Credit lines for letters of credit and short-term borrowings and credit lines	\$ 32,125	30,398	30,829
Other non-current financial assets – time deposits	Rental guarantee for the plant in the Hsinchu Science Park, Longtan Dist.	5,000	5,000	5,000
”	Guarantee for cooperative education program	405	405	405
Property, plant and equipment – land, buildings, machinery and equipment	Long-term and short-term borrowings and credit lines	231,478	192,171	494,282
		<u>\$ 269,008</u>	<u>227,974</u>	<u>530,516</u>

(9) Commitments and contingencies

(a) The Group's unrecognized contractual commitments were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Future payments for the purchase of equipment and construction in progress	<u>\$ 202,705</u>	<u>552,820</u>	<u>1,357,648</u>

(b) The Group contracted with Chung-Lin General Contractors, Ltd. for the construction of the plant in Bade District, Taoyuan City in August 2020. As of June 30, 2024, the payment amounting to \$160,000 has not been paid.

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- (c) The Group's unused and outstanding letters of credit and the deposit for the Group's customs duties were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Unused and outstanding letters of credit and the deposit for customs duties	\$ <u>26,500</u>	<u>36,500</u>	<u>35,500</u>

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

- (a) A summary of employee benefits, depreciation and amortization, categorized by function, is as follows:

	For the three months ended June 30					
By function	2024			2023		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	417,797	129,018	546,815	621,584	159,679	781,263
Labor and health insurance	36,878	11,594	48,472	40,747	11,173	51,920
Pension	17,153	4,757	21,910	17,991	5,895	23,886
Other employee benefits	33,918	10,133	44,051	31,579	6,761	38,340
Depreciation	338,176	57,959	396,135	311,800	14,900	326,700
Amortization	3,134	29,479	32,613	2,015	34,568	36,583

	For the six months ended June 30					
By function	2024			2023		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	828,705	316,973	1,145,678	1,085,491	342,399	1,427,890
Labor and health insurance	73,057	23,341	96,398	84,222	22,206	106,428
Pension	33,750	10,104	43,854	35,935	11,451	47,386
Other employee benefits	62,852	16,069	78,921	62,767	13,034	75,801
Depreciation	670,037	111,171	781,208	593,472	30,167	623,639
Amortization	5,174	58,653	63,827	3,825	64,367	68,192

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Notes to the Consolidated Financial Statements

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(13) Other disclosures

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2024:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of June 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand units/ thousand shares

Name of holder	Name of security		Relationship with Company	Account title	Ending balance				Note
	Category	Name			Shares /Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Open-end mutual funds	Jin Sun Money Market Fund	None	Current financial assets at fair value through profit or loss	15,433	236,999	-	236,999	
The Company	Fund	SMART Growth Fund, L.P.	None	Non-current financial assets at fair value through profit or loss	Note 1	266,466	1.60%	266,466	Note 2
The Company	Stock	Shin Kong Financial Holding Co., Ltd. Preferred Shares B	None	Non-current financial assets at fair value through profit or loss	6,445	195,928	-	195,928	
The Company	Stock	Fubon Financial Holding Co., Ltd. Preferred Shares C	None	Non-current financial assets at fair value through other comprehensive income	5,833	312,649	-	312,649	
The Company	Stock	eGtran Corporation	None	Non-current financial assets at fair value through other comprehensive income	22	-	-	-	
The Company	Bond	Formosa Group Cayman LTD International Bond	None	Current financial assets at amortized cost	-	323,293	-	323,293	Notes 2,3
The Company	Bond	Nissan Motor Co. Ltd. International Bond	None	Non-current financial assets at amortized cost	-	319,389	-	319,389	Notes 2,3
The Company	Bond	TSMC Arizona Corp. International Bond	None	Non-current financial assets at amortized cost	-	154,552	-	154,552	Notes 2,3
The Company	Bond	TSMC Global Corp. International Bond (AC27)	None	Non-current financial assets at amortized cost	-	218,383	-	218,383	Notes 2,3
The Company	Bond	TSMC Global Corp. International Bond (AF57)	None	Non-current financial assets at amortized cost	-	247,216	-	247,216	Notes 2,3
The Company	Bond	JPMorgan Chase & Co. Bond	None	Non-current financial assets at amortized cost	-	325,110	-	325,110	Notes 2,3
The Company	Bond	Morgan Stanley Bond	None	Non-current financial assets at amortized cost	-	331,907	-	331,907	Notes 2,3
The Company	Bond	HSBC Holdings PLC Bond 1	None	Non-current financial assets at amortized cost	-	149,464	-	149,464	Notes 2,3
The Company	Bond	HSBC Holdings PLC Bond 2	None	Non-current financial assets at amortized cost	-	120,430	-	120,430	Notes 2,3
The Company	Bond	HSBC Holdings PLC Bond 3	None	Non-current financial assets at amortized cost	-	258,284	-	258,284	Notes 2,3
The Company	Bond	Mitsubishi UFJ Bond Financial Group Inc. Bond	None	Non-current financial assets at amortized cost	-	226,052	-	226,052	Notes 2,3
The Company	Bond	Bank of America Corp. Bond	None	Non-current financial assets at amortized cost	-	321,905	-	321,905	Notes 2,3
The Company	Bond	UBS Group AG Bond	None	Non-current financial assets at amortized cost	-	226,562	-	226,562	Notes 2,3
The Company	Bond	Citigroup Inc. Bond	None	Non-current financial assets at amortized cost	-	63,533	-	63,533	Notes 2,3
The Company	Structured investments	GIANT MANUFACTURING CO., LTD. 1st Unsecured Convertible Bond	None	Non-current financial assets at fair value through profit or loss	-	161,167	-	161,167	

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Note 1: The amount of investment is USD 6,764 thousand.
 Note 2: Include foreign exchange losses or gains, net.
 Note 3: The carrying amount is calculated at amortized cost.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Units: In Thousands of New Taiwan Dollars

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party with the Company	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Other
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Plant	August 31, 2020	3,200,000	Paid 3,040,000	Chung-Lin General Contractors, Ltd.	None	N/A	N/A	N/A	-	Open bid	Extension of the plant	None

- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Units: In Thousands of New Taiwan Dollars

Name of Company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
The Company	THEPI	100% owned subsidiary by the Company	Purchase	1,121,730	33 %	Monthly closing and paid by cash	-	-	Accounts payable (91,115)	(12)%	Note 2
The Company	THEPI	100% owned subsidiary by the Company	Processing fee	237,507	7 %	Monthly closing and paid by cash	-	-	Note 1	- %	Note 2
THEPI	The Company	Parent company	Sale	(1,121,730)	(83)%	Monthly closing and received by cash	-	-	Accounts receivable 91,115	64 %	Note 2
THEPI	The Company	Parent company	Processing income	(237,507)	(17)%	Monthly closing and received by cash	-	-	Accounts receivable 52,263	36 %	Note 2

Note 1: The other payables amounted to \$52,263 as of June 30, 2024.
 Note 2: The transactions have been eliminated in the consolidated financial statements.

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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- (viii) Information regarding receivables from related-parties exceeding NT\$100 million or 20% of the Company's paid-in capital:

Units: In Thousands of New Taiwan Dollars

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts	Note
					Amount	Action taken			
THEPI	The Company	100% owned subsidiary by the Company	143,378	18.71 %	-	-	143,378	-	Note 2

Note 1 : Information as of July 15, 2024.

Note 2 : The transactions have been eliminated in the consolidated financial statements.

- (ix) Information regarding trading in derivative instruments: Please refer to note (6)(b).
- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the six months ended June 30, 2024:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Trading terms	
1	THEPI	The Company	2	Sale revenue	1,121,730	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	19 %
1	THEPI	The Company	2	Processing income	237,507	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	4 %
1	THEPI	The Company	2	Accounts receivable	91,115	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	- %
1	THEPI	The Company	2	Accounts receivable	52,263	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	- %

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

- 1 represents the transactions from the parent company to its subsidiaries.
- 2 represents the transactions from the subsidiaries to the parent company.
- 3 represents the transactions between subsidiaries.

(Continued)

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(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2024 (excluding information on investees in Mainland China):

Unit: thousands of New Taiwan Dollars/ thousand of shares

Name of investor	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of the investee	Share of profit (losses) of investee	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying amount			
The Company	THEPI	Philippines	Sales and manufacturing of RF module, hybrid modules & specialty packaging, ceramic metalized substrate and image products	2,016,853	2,016,853	28,793	100.00 %	2,064,232	(3,615)	(13,957)	Note

Note : The transactions have been eliminated in the consolidated financial statements.

(c) Information on investment in mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, and other information: None.
- (ii) Limitation on investment in Mainland China: None.
- (iii) Significant transactions: None.

- (d) Major shareholders: None of the shareholders held an ownership stake exceeding 5%.

(14) Segment information

(a) General Information

The Group has adjusted its internal organizational structure into a single business unit in 2022, wherein the operation segment focuses on providing the best solutions for process technology. The operational decision maker reviews the operation result regularly to allocate the necessary resources and measures performances. Thus, the Group provides the operational decision maker with segment information for review, which is measured on the same basis as that of the consolidated financial statements. For the six months ended June 30, 2024 and 2023, the revenue and operation results to be reported can be referred to the consolidated statements of comprehensive income, wherein the total revenues of the reportable segment amounting to \$675,995, \$570,819, \$1,359,237 and \$1,082,228 had been deducted from the intersegment revenues for the three months and six months ended June 30, 2024 and 2023, respectively.