

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

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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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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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 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)
October 30, 2025

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

September 30, 2025, December 31, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:															
1100	Cash and cash equivalents (note (6)(a))	\$ 4,820,924	14	3,007,906	9	4,292,758	13	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	\$ 16,755	-	29,454	-	171	-
1110	Current financial assets at fair value through profit or loss (note (6)(b))	2,106,744	6	3,117,888	9	1,387,666	4	2130	Current contract liabilities (note (6)(s))	125,951	1	90,465	-	94,625	-
1136	Current financial assets at amortized cost (note (6)(d))	239,948	1	876,427	3	842,943	3	2170	Notes and accounts payable	850,596	2	787,984	2	825,191	2
1170	Accounts receivable, net (note (6)(e))	2,167,361	6	2,095,279	6	2,158,166	6	2200	Other payables (notes (6)(m) and (7))	1,759,157	5	1,866,276	5	1,998,512	6
1200	Other receivables	203,934	1	82,723	-	80,723	-	2230	Current tax liabilities	227,859	1	264,100	1	296,909	1
1310	Inventories (note (6)(f))	1,545,067	5	1,732,862	5	1,758,175	5	2250	Current provisions	145,839	1	217,612	1	223,100	1
1410	Prepayments	39,198	-	71,682	-	55,501	-	2280	Current lease liabilities (note (6)(n))	29,709	-	26,399	-	22,409	-
1461	Non-current assets held for sale (note (6)(g))	-	-	39,458	-	-	-	2300	Other current liabilities	27,399	-	14,425	-	21,062	-
1470	Other current assets (note (6)(s))	101,824	-	128,270	-	135,903	-	2322	Long-term borrowings, current portion (note (6)(l))	1,178,482	3	1,590,855	5	1,589,376	5
1476	Other current financial assets (note (8))	-	-	35,448	-	34,221	-			4,361,747	13	4,887,570	14	5,071,355	15
		<u>11,225,000</u>	<u>33</u>	<u>11,187,943</u>	<u>32</u>	<u>10,746,056</u>	<u>31</u>								
Non-current assets:								2540	Long-term borrowings (note (6)(l))	3,221,386	9	3,431,597	10	3,424,868	10
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	1,053,518	3	571,870	2	617,822	2	2570	Deferred tax liabilities	202,046	1	226,708	1	168,703	1
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	314,982	1	310,316	1	305,066	1	2580	Non-current lease liabilities (note (6)(n))	137,908	-	136,174	-	116,649	-
1535	Non-current financial assets at amortized cost (note (6)(d))	1,412,038	4	2,467,108	7	2,373,419	7	2600	Other non-current liabilities (note (6)(l))	72,326	-	78,939	-	81,667	-
1600	Property, plant and equipment (notes (6)(h), (7) and (8))	10,966,381	32	11,358,470	33	11,499,250	34	2640	Non-current net defined benefit liabilities	20,644	-	21,732	-	62,906	-
1755	Right-of-use assets (note (6)(i))	164,428	-	165,427	-	136,322	-			<u>3,654,310</u>	<u>10</u>	<u>3,895,150</u>	<u>11</u>	<u>3,854,793</u>	<u>11</u>
1760	Investment property, net	30,529	-	28,648	-	28,648	-			<u>8,016,057</u>	<u>23</u>	<u>8,782,720</u>	<u>25</u>	<u>8,926,148</u>	<u>26</u>
1780	Intangible assets (note (6)(j))	8,125,530	24	8,186,491	24	8,210,269	24								
1840	Deferred tax assets	298,820	1	298,820	1	289,372	1		Total liabilities						
1900	Other non-current assets (note (6)(h))	632,950	2	27,931	-	25,446	-		Equity:						
1975	Non-current net defined benefit assets	15,762	-	7,555	-	-	-		Equity attributable to owners of parent:						
1980	Other non-current financial assets (note (8))	5,000	-	5,000	-	5,000	-		(note (6)(q))						
		<u>23,019,938</u>	<u>67</u>	<u>23,427,636</u>	<u>68</u>	<u>23,490,614</u>	<u>69</u>	3100	Ordinary shares	2,090,581	6	2,090,581	6	2,090,581	6
Total assets		<u>\$ 34,244,938</u>	<u>100</u>	<u>34,615,579</u>	<u>100</u>	<u>34,236,670</u>	<u>100</u>	3200	Capital surplus	15,117,641	44	15,117,641	44	15,117,641	44
								3310	Legal reserve	2,441,872	7	2,266,982	7	2,266,982	7
								3320	Special reserve	169,408	1	169,408	-	169,408	-
								3350	Unappropriated earnings	6,395,196	19	6,066,980	18	5,652,765	17
								3400	Other equity	(35,507)	-	75,693	-	13,145	-
										<u>26,179,191</u>	<u>77</u>	<u>25,787,285</u>	<u>75</u>	<u>25,310,522</u>	<u>74</u>
								36XX	Non-controlling interests	49,690	-	45,574	-	-	-
										<u>26,228,881</u>	<u>77</u>	<u>25,832,859</u>	<u>75</u>	<u>25,310,522</u>	<u>74</u>
									Total equity						
									Total liabilities and equity	<u>\$ 34,244,938</u>	<u>100</u>	<u>34,615,579</u>	<u>100</u>	<u>34,236,670</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 nine months ended September 30, 2025 and 2024

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

	For the three months ended September 30				For the nine months ended September 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Sales revenue	\$ 2,869,679	101	3,111,840	101	8,759,090	100	9,169,057	101
4170	Less: sales returns and allowances	19,645	1	44,289	1	33,598	-	61,577	1
4100	Net operating revenues (notes (6)(s) and (14))	<u>2,850,034</u>	100	<u>3,067,551</u>	100	<u>8,725,492</u>	100	<u>9,107,480</u>	100
5110	Operating costs (notes (6)(f), (6)(o) and (12))	<u>2,073,803</u>	73	<u>2,197,565</u>	72	<u>6,353,101</u>	73	<u>6,552,455</u>	72
5900	Gross profit	<u>776,231</u>	27	<u>869,986</u>	28	<u>2,372,391</u>	27	<u>2,555,025</u>	28
6000	Operating expenses (notes (6)(e), (6)(o), (7) and (12)):								
6100	Selling expenses	43,974	2	46,991	2	131,143	1	144,690	2
6200	Administrative expenses	233,036	8	221,296	7	682,867	8	664,238	7
6300	Research and development expenses	118,182	4	132,287	4	356,081	4	388,743	4
6450	Expected credit impairment reversal gains	(725)	-	(1,873)	-	(536)	-	(2,189)	-
		<u>394,467</u>	14	<u>398,701</u>	13	<u>1,169,555</u>	13	<u>1,195,482</u>	13
6900	Net operating income	<u>381,764</u>	13	<u>471,285</u>	15	<u>1,202,836</u>	14	<u>1,359,543</u>	15
	Non-operating income and expenses:								
7100	Interest income	34,590	1	56,419	2	130,348	1	175,768	2
7190	Other income (note (6)(l))	37,003	2	32,361	1	107,710	1	65,214	1
7229	Gain on disposal of non-current assets held for sale (notes (6)(g) and (7))	35,397	1	-	-	163,436	2	-	-
7230	Foreign exchange gains (losses), net (note (6)(u))	170,965	6	(130,584)	(4)	(425,779)	(5)	176,957	2
7235	Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	(92,317)	(3)	140,629	4	221,818	3	(144,153)	(2)
7350	Gain arising from derecognition of financial assets measured at amortized cost (note (6)(d))	-	-	-	-	1,596	-	-	-
7510	Finance cost—interest expense	(23,943)	(1)	(26,788)	(1)	(83,391)	(1)	(82,280)	(1)
7590	Miscellaneous disbursements	(159)	-	(12,520)	-	(24,806)	-	(13,591)	-
		<u>161,536</u>	6	<u>59,517</u>	2	<u>90,932</u>	1	<u>177,915</u>	2
7900	Profit before tax	<u>543,300</u>	19	<u>530,802</u>	17	<u>1,293,768</u>	15	<u>1,537,458</u>	17
7950	Less: income tax expenses (note (6)(p))	<u>64,394</u>	2	<u>1,365</u>	-	<u>160,149</u>	2	<u>202,778</u>	2
	Net profit	<u>478,906</u>	17	<u>529,437</u>	17	<u>1,133,619</u>	13	<u>1,334,680</u>	15
	Other comprehensive income: (note (6)(p))								
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	5,833	-	(7,583)	-	4,666	-	(15,749)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>5,833</u>	-	<u>(7,583)</u>	-	<u>4,666</u>	-	<u>(15,749)</u>	-
	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	68,506	2	(50,075)	(1)	(139,752)	(1)	59,745	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	(12,068)	-	8,158	-	24,663	-	(9,635)	-
	Total components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss	<u>56,438</u>	2	<u>(41,917)</u>	(1)	<u>(115,089)</u>	(1)	<u>50,110</u>	-
8300	Other comprehensive income (loss), net	<u>62,271</u>	2	<u>(49,500)</u>	(1)	<u>(110,423)</u>	(1)	<u>34,361</u>	-
8500	Comprehensive income	<u>\$ 541,177</u>	<u>19</u>	<u>479,937</u>	<u>16</u>	<u>1,023,196</u>	<u>12</u>	<u>1,369,041</u>	<u>15</u>
8600	Profit attributable to:								
8610	Owners of parent	\$ 477,655	17	529,437	17	1,130,280	13	1,334,680	15
8620	Non-controlling interests	1,251	-	-	-	3,339	-	-	-
		<u>\$ 478,906</u>	<u>17</u>	<u>529,437</u>	<u>17</u>	<u>1,133,619</u>	<u>13</u>	<u>1,334,680</u>	<u>15</u>
8700	Comprehensive income attributable to:								
8710	Owners of parent	\$ 540,356	19	479,937	16	1,019,080	12	1,369,041	15
8720	Non-controlling interests	821	-	-	-	4,116	-	-	-
		<u>\$ 541,177</u>	<u>19</u>	<u>479,937</u>	<u>16</u>	<u>1,023,196</u>	<u>12</u>	<u>1,369,041</u>	<u>15</u>
	Earnings per share (note (6)(r))								
9750	Basic earnings per share (NTD)	<u>\$ 2.28</u>		<u>2.53</u>		<u>5.41</u>		<u>6.38</u>	
9850	Diluted earnings per share (NTD)	<u>\$ 2.28</u>		<u>2.52</u>		<u>5.39</u>		<u>6.36</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 Changes in Equity
For the nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Exchange differences on translation of foreign financial statements	Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total			
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	-	24,441,455
Net profit for the nine months ended September 30, 2024	-	-	-	-	1,334,680	1,334,680	-	-	-	1,334,680	-	1,334,680
Other comprehensive income(loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	50,110	(15,749)	34,361	34,361	-	34,361
Total comprehensive income(loss) for the nine months ended September 30, 2024	-	-	-	-	1,334,680	1,334,680	50,110	(15,749)	34,361	1,369,041	-	1,369,041
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	116,901	-	(116,901)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(501,739)	(501,739)	-	-	-	(501,739)	-	(501,739)
Others	-	1,765	-	-	-	-	-	-	-	1,765	-	1,765
Balance on September 30, 2024	\$ 2,090,581	15,117,641	2,266,982	169,408	5,652,765	8,089,155	58,059	(44,914)	13,145	25,310,522	-	25,310,522
Balance on January 1, 2025	\$ 2,090,581	15,117,641	2,266,982	169,408	6,066,980	8,503,370	115,357	(39,664)	75,693	25,787,285	45,574	25,832,859
Net profit for the nine months ended September 30, 2025	-	-	-	-	1,130,280	1,130,280	-	-	-	1,130,280	3,339	1,133,619
Other comprehensive income(loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	(115,866)	4,666	(111,200)	(111,200)	777	(110,423)
Total comprehensive income(loss) for the nine months ended September 30, 2025	-	-	-	-	1,130,280	1,130,280	(115,866)	4,666	(111,200)	1,019,080	4,116	1,023,196
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	174,890	-	(174,890)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(627,174)	(627,174)	-	-	-	(627,174)	-	(627,174)
Balance on September 30, 2025	\$ 2,090,581	15,117,641	2,441,872	169,408	6,395,196	9,006,476	(509)	(34,998)	(35,507)	26,179,191	49,690	26,228,881

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 nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,293,768	1,537,458
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	955,783	1,186,734
Amortization expenses	98,879	96,488
Expected credit impairment reversal gains	(536)	(2,189)
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(221,818)	144,153
Interest expense	83,391	82,280
Net gain arising from derecognition of financial assets measured at amortized cost	(1,596)	-
Interest income	(130,348)	(175,768)
Dividend income	(22,100)	(10,499)
(Gains) losses on disposal of property, plant and equipment	(24,399)	5,702
Gain on disposal of non-current assets held for sale	(163,436)	-
Impairment loss on non-financial assets	22,606	-
Unrealized losses (gains) on foreign exchange	242,357	(96,636)
Others	(5,471)	(2,791)
Total adjustments to reconcile profit	<u>833,312</u>	<u>1,227,474</u>
Changes in operating assets and liabilities:		
Decrease (increase) in current financial assets and liabilities at fair value through profit or loss	1,208,509	(1,169,430)
Decrease (increase) in contract assets	38,884	(16,931)
Increase in accounts receivable	(71,544)	(81,379)
Increase in other receivables	(147,478)	(9,566)
Decrease (increase) in inventories	187,795	(165,476)
Decrease in prepayments	33,432	40,004
(Increase) decrease in other current assets	(12,438)	6,851
Increase in net defined benefit assets	(8,207)	-
Increase (decrease) in current contract liabilities	35,486	(92,605)
Increase in notes and accounts payable	62,612	99,076
(Decrease) increase in other payables	(53,738)	146,211
Decrease in provisions and other current liabilities	(58,799)	(71,335)
Decrease in net defined benefit liabilities	<u>(1,088)</u>	<u>(5,253)</u>
Cash inflow generated from operations	<u>3,340,506</u>	<u>1,445,099</u>
Interest received	132,154	151,140
Dividends received	22,100	10,499
Interest paid	(70,399)	(62,769)
Income taxes paid	<u>(197,134)</u>	<u>(129,399)</u>
Net cash flows from operating activities	<u>3,227,227</u>	<u>1,414,570</u>
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(491,319)	(1,424)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	5,509	104,487
Acquisition of financial assets at amortized cost	(150,699)	(250,455)
Proceeds from disposal of financial assets at amortized cost	1,641,863	-
Proceeds from disposal of non-current assets held for sale	222,179	-
Acquisition of property, plant and equipment	(698,828)	(936,426)
Proceeds from disposal of property, plant and equipment	29,460	280
Increase in prepayments for land	(613,260)	-
Decrease in refundable deposits	236	2,119
Acquisition of intangible assets	(29,956)	(15,652)
Decrease (increase) in other financial assets	<u>35,448</u>	<u>(1,774)</u>
Net cash used in investing activities	<u>(49,367)</u>	<u>(1,098,845)</u>
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	4,800,000	675,000
Repayments of long-term borrowings	(5,436,428)	(965,952)
Increase in guarantee deposits received	8	-
Payments of lease liabilities	(18,166)	(20,040)
Cash dividends paid	<u>(627,174)</u>	<u>(501,739)</u>
Net cash used in financing activities	<u>(1,281,760)</u>	<u>(812,731)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(83,082)</u>	<u>42,897</u>
Net increase (decrease) in cash and cash equivalents	1,813,018	(454,109)
Cash and cash equivalents at the beginning of period	3,007,906	4,746,867
Cash and cash equivalents at the end of period	<u>\$ 4,820,924</u>	<u>4,292,758</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 nine months ended September 30, 2025 and 2024
(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 October 30, 2025.

(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, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed 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, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

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

- (c) The impact of IFRS Accounting Standards 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 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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

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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(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, 2024. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Nature of operation	Shareholding			Note	
			September 30, 2025	December 31, 2024	September 30, 2024		
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 %	-	
The Company	Multi-field Holdings Corporation (Multi-field)	Trading and leasing of real estate	-	%	-	%	Note 1

(Continued)

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

Name of investor	Name of subsidiary	Nature of operation	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Prism Horizon Holdings Corp.	The investment holding company	- %	- %	- %	Note 2
THEPI & Prism Horizon Holdings Corp.	Terra Uno Landholding Corp.	The land development company	- %	- %	- %	Note 2

Note 1: The Directors of Multi-field consist of the management of the Company and subsidiaries. Since the fourth quarter of 2024, the Company has had the authority to control Multi-field's personnel, financial, and business operations. Therefore, it is determined that the Company has substantial control over this subsidiary, and it is included in its consolidated entities.

Note 2: Based on its board meeting held in February 2025, the Company acquired a parcel of land in response to the future expansion needs of THEPI. To comply with local regulations regarding foreign ownership of land-holding companies, the Company established its new subsidiaries in the Philippines for investment holding and land development purposes, with the relevant registration procedures having been completed in June and July 2025, respectively. As of September 30, 2025, no operating capital had been injected into these entities.

(c) **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.

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.

(d) **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 IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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.

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

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, 2024. For related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2024.

(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 consolidated financial statements for the year ended December 31, 2024. Please refer to note (6) of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Petty cash and cash in hand	\$ 97	13	141
Checking accounts and demand deposits	1,906,331	1,989,382	1,743,225
Time deposits	<u>2,914,496</u>	<u>1,018,511</u>	<u>2,549,392</u>
	<u>\$ 4,820,924</u>	<u>3,007,906</u>	<u>4,292,758</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.

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 175	19	65,705
Foreign exchange swaps contracts	-	-	2,982
Non-derivative financial assets			
Open-end mutual funds	-	238,754	237,865
Structured deposit	2,106,569	2,728,029	1,081,114
Structured investment	590,841	251,179	151,106
Stock listed on domestic markets	236,854	227,831	232,664
Foreign private funds	<u>225,823</u>	<u>243,946</u>	<u>234,052</u>
	<u>\$ 3,160,262</u>	<u>3,689,758</u>	<u>2,005,488</u>
Current	\$ 2,106,744	3,117,888	1,387,666
Non-current	<u>1,053,518</u>	<u>571,870</u>	<u>617,822</u>
	<u>\$ 3,160,262</u>	<u>3,689,758</u>	<u>2,005,488</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Held-for-trading financial liabilities:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 2,301	29,454	171
Foreign exchange swaps contracts	<u>14,454</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,755</u>	<u>29,454</u>	<u>171</u>

The Group holds derivative financial instruments to hedge certain foreign exchange risk exposures arising from its operating activities. As of September 30, 2025, December 31 and September 30, 2024, 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:

	<u>September 30, 2025</u>			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	
Derivative financial assets				
Forward exchange contracts:				
Forward exchange sold	USD 5,000	USD to NTD	2025.10.21	
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange sold	USD 10,000	USD to NTD	2025.10.07~2025.10.14	
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD 41,500	USD to NTD	2025.10.03~2025.10.15	
	<u>December 31, 2024</u>			
	<u>Contract amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	
Derivative financial assets				
Forward exchange contracts:				
Forward exchange sold	USD 10,000	USD to NTD	2025.01.24	
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange sold	USD 155,000	USD to NTD	2025.01.09~2025.02.05	

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

	September 30, 2024			
	Contract amount (in thousands)	Currency	Maturity dates	
Derivative financial assets				
Forward exchange contracts:				
Forward exchange buy	USD	3,000	USD to NTD	2024.10.03~2024.10.04
Forward exchange sold	USD	160,000	USD to NTD	2024.10.03~2024.10.17
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD	20,000	USD to NTD	2024.10.03~2024.10.04
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange buy	USD	10,000	USD to NTD	2024.10.03

Please refer to note (6)(u) for information relating to the credit risk of financial instruments. As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(c) Financial assets at fair value through other comprehensive income

	September 30, 2025	December 31, 2024	September 30, 2024
Equity investments at fair value through other comprehensive income:			
Stock listed on domestic market - preferred stocks	\$ <u>314,982</u>	<u>310,316</u>	<u>305,066</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 nine months ended September 30, 2025 and 2024.
- (iii) For credit risk and market risk, please refer to note (6)(u).
- (iv) As of September 30, 2025, December 31 and September 30, 2024, 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

(d) Financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Foreign corporate bonds	<u>\$ 1,651,986</u>	<u>3,343,535</u>	<u>3,216,362</u>
Current	\$ 239,948	876,427	842,943
Non-current	<u>1,412,038</u>	<u>2,467,108</u>	<u>2,373,419</u>
	<u>\$ 1,651,986</u>	<u>3,343,535</u>	<u>3,216,362</u>
Maturity period	2026.04~2028.08	2025.04~2028.08	2025.04~2028.08

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) For risk management purposes, the Group disposed a portion of its debt instrument investments ahead of schedule in May 2025, resulting in a gain on disposal of \$1,596 to be recognized.
- (ii) Please refer to note (6)(u) for credit risk information.
- (iii) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(e) Accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable—measured as amortized cost	\$ 2,167,514	2,095,970	2,158,282
Less: loss allowance	<u>(153)</u>	<u>(691)</u>	<u>(116)</u>
	<u>\$ 2,167,361</u>	<u>2,095,279</u>	<u>2,158,166</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.

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

(i) The loss allowance was determined as follows:

September 30, 2025			
Aging interval	Carrying amount of accounts receivable	Weighted-average expected loss rate	Loss allowance
Current	\$ 2,119,093	-	-
Overdue 1 to 30 days	47,134	-	-
Overdue 31 to 60 days	1,043	10.00%	104
Overdue 61 to 90 days	244	20.00%	49
	\$ 2,167,514		153
December 31, 2024			
Aging interval	Carrying amount of accounts receivable	Weighted-average expected loss rate	Loss allowance
Current	\$ 2,036,287	-	-
Overdue 1 to 30 days	54,838	-	-
Overdue 31 to 60 days	4,616	10.00%	462
Overdue 181 to 365 days	229	100.00%	229
	\$ 2,095,970		691
September 30, 2024			
Aging interval	Carrying amount of accounts receivable	Weighted-average expected loss rate	Loss allowance
Current	\$ 2,145,510	-	-
Overdue 1 to 30 days	12,499	-	-
Overdue 31 to 60 days	51	10.00%	5
Overdue 91 to 120 days	222	50.00%	111
	\$ 2,158,282		116

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

	For the nine months ended September 30	
	2025	2024
The beginning of period	\$ 691	3,181
Impairment losses reversed	(538)	(2,210)
Amounts written off	-	(855)
The ending of period	\$ 153	116

(Continued)

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

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any accounts receivable as collaterals for its loans.

(f) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 567,765	532,611	526,504
Semi-finished goods	43,021	68,771	101,327
Work in progress	261,376	239,185	270,918
Raw materials	573,234	775,125	754,176
Indirect materials	<u>99,671</u>	<u>117,170</u>	<u>105,250</u>
	<u>\$ 1,545,067</u>	<u>1,732,862</u>	<u>1,758,175</u>

(i) The details of the operating costs for the three months and nine months ended September 30, 2025 and 2024 of the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Cost of sales and expense	\$ 2,072,555	2,160,087	6,332,426	6,507,184
Current operating cost recognized for inventories written off or provisions of inventories written down due to devaluation and obsolescence	<u>1,248</u>	<u>37,478</u>	<u>20,675</u>	<u>45,271</u>
	<u>\$ 2,073,803</u>	<u>2,197,565</u>	<u>6,353,101</u>	<u>6,552,455</u>

(ii) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any inventories as collaterals for its loans.

(g) Non-current assets held for sale

	September 30, 2025	December 31, 2024	September 30, 2024
Land	\$ -	8,401	-
Buildings and Structures	<u>-</u>	<u>31,057</u>	<u>-</u>
Non-current assets held for sale	<u>\$ -</u>	<u>39,458</u>	<u>-</u>

(i) In November 2024, the Group signed a real estate sale and purchase contract for its idle plant and has started to process the sale related matters. Accordingly, the assets were recognized as non-current assets held for sale. In January 2025, the disposal procedure has been completed with the total proceeds of \$167,497, resulting in a gain on disposal of \$128,039 to be recognized.

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

- (ii) In April 2025, the Group signed a real estate sale and purchase contract for its idle office space, wherein the related sales procedures have been commenced, and the assets have been recognized as non-current assets held for sale. In August 2025, the disposal procedure has been completed, with the total proceeds of \$54,682, resulting in a gain on disposal of \$35,397 to be recognized.
- (iii) The aforementioned non-current assets held for sale were measured at the lower of the carrying amount and fair value, less costs to sell, without any impairment loss being recognized.

(h) 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, 2025	\$ 2,447,581	8,608,609	6,429,661	654,439	27,561	248,375	18,416,226
Additions	366,713	20,154	93,425	54,947	-	111,061	646,300
Disposals	-	(69,654)	(851,827)	(30,613)	(25,179)	(1,843)	(979,116)
Transferred in (out)	(18,381)	28,354	140,739	(2,960)	-	(173,436)	(25,684)
Effects of movements in exchange rates	-	(38,399)	(140,032)	(16,464)	(161)	(7,752)	(202,808)
Balance on September 30, 2025	<u>\$ 2,795,913</u>	<u>8,549,064</u>	<u>5,671,966</u>	<u>659,349</u>	<u>2,221</u>	<u>176,405</u>	<u>17,854,918</u>
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	-	205,472	433,061	36,468	-	108,110	783,111
Disposals	-	(27,958)	(266,422)	(48,133)	-	-	(342,513)
Transferred in (out)	-	2,512,864	140,968	70,119	-	(2,729,272)	(5,321)
Effects of movements in exchange rates	-	14,300	51,969	8,044	62	3,047	77,422
Balance on September 30, 2024	<u>\$ 2,455,982</u>	<u>8,443,094</u>	<u>6,593,979</u>	<u>691,691</u>	<u>27,409</u>	<u>334,615</u>	<u>18,546,770</u>
Depreciation and impairment loss:							
Balance on January 1, 2025	\$ -	1,652,021	5,037,046	345,862	22,827	-	7,057,756
Depreciation	-	341,210	497,788	87,997	3,805	-	930,800
Impairment loss	-	-	22,606	-	-	-	22,606
Disposals	-	(67,383)	(850,880)	(30,613)	(25,179)	-	(974,055)
Transferred in (out)	-	(1,905)	-	(444)	-	-	(2,349)
Effects of movements in exchange rates	-	(20,398)	(110,980)	(14,748)	(95)	-	(146,221)
Balance on September 30, 2025	<u>\$ -</u>	<u>1,903,545</u>	<u>4,595,580</u>	<u>388,054</u>	<u>1,358</u>	<u>-</u>	<u>6,888,537</u>
Balance on January 1, 2024	\$ -	1,281,604	4,534,045	328,220	13,717	-	6,157,586
Depreciation	-	330,516	742,071	86,467	6,772	-	1,165,826
Disposals	-	(27,958)	(260,440)	(48,133)	-	-	(336,531)
Effects of movements in exchange rates	-	7,353	46,028	7,223	35	-	60,639
Balance on September 30, 2024	<u>\$ -</u>	<u>1,591,515</u>	<u>5,061,704</u>	<u>373,777</u>	<u>20,524</u>	<u>-</u>	<u>7,047,520</u>

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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress and equipment under acceptance</u>	<u>Total</u>
Carrying amount:							
Balance on January 1, 2025	\$ 2,447,581	6,956,588	1,392,615	308,577	4,734	248,375	11,358,470
Balance on September 30, 2025	\$ 2,795,913	6,645,519	1,076,386	271,295	863	176,405	10,966,381
Balance on January 1, 2024	\$ 2,455,982	4,456,812	1,700,358	296,973	13,630	2,952,730	11,876,485
Balance on September 30, 2024	\$ 2,455,982	6,851,579	1,532,275	317,914	6,885	334,615	11,499,250

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 transfer the property.

For future overall planning and operational needs, the subsidiary of the Group, THEPI, resolved in its board meeting on October 29, 2024 to authorize its Chairman to handle the acquisition of land. On January 17, 2025, a presale land purchase agreement was signed with ALJO GATEWAY, INC, with total contract amount of \$624,879 (PHP 1,115,856 thousand). As of September 30, 2025, the total amount has been paid and recorded under other non-current assets, The land transfer process has been completed in October 2025.

In consideration of its future capacity expansion plans, the Company resolved in its board meeting on May 28, 2025 to authorize its Chairman to handle the acquisition of land. On June 18, 2025, a land purchase agreement was signed with Sheng Hong Construction Ltd., with total contract amount of \$363,713; the land transfer process has been completed as of September 30, 2025.

As of September 30, 2025, December 31 and September 30, 2024, the Group had provided property, plant and equipment as collateral for its loans. Please refer to note (8) for details.

(i) Right-of-use assets

	<u>Land</u>	<u>Buildings and structures</u>	<u>Office equipment</u>	<u>Machinery and equipment</u>	<u>Total</u>
Carrying amount:					
Balance on January 1, 2025	\$ 84,132	65,175	13,552	2,568	165,427
Balance on September 30, 2025	\$ 82,029	64,382	15,841	2,176	164,428
Balance on January 1, 2024	\$ 75,915	49,904	20,346	-	146,165
Balance on September 30, 2024	\$ 84,834	36,374	15,114	-	136,322

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, machinery and equipment and office equipment for the nine months ended September 30, 2025 and 2024. Please refer to note (12)(a) for the depreciation amount and note (6)(i) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

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

(j) 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, 2025	\$ <u>7,396,676</u>	<u>484,618</u>	<u>64,976</u>	<u>240,221</u>	<u>8,186,491</u>
Balance on September 30, 2025	\$ <u>7,396,676</u>	<u>428,002</u>	<u>80,837</u>	<u>220,015</u>	<u>8,125,530</u>
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 September 30, 2024	\$ <u>7,396,676</u>	<u>503,491</u>	<u>63,145</u>	<u>246,957</u>	<u>8,210,269</u>

There were no significant additions, disposal, and reversal of impairment losses of the intangible assets for the nine months ended September 30, 2025 and 2024. Please refer to note (12)(a) for the amortization amount and note (6)(j) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(k) Short-term borrowings

The details of short-term borrowings of the Group were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Comprehensive secured bank loans	\$ <u>-</u>	<u>-</u>	<u>-</u>
Unused short-term credit lines	\$ <u>5,787,620</u>	<u>5,993,270</u>	<u>8,645,500</u>

Please refer to note (8) for the information about the Group had provided assets as collateral for part of its borrowings and credit lines.

(l) Long-term borrowings

The details of long-term borrowings of the Group were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank loans	\$ 4,435,476	4,801,905	5,069,048
Secured bank loans	-	270,000	-
Less: discounts on government grants	(35,608)	(49,453)	(54,804)
Less: current portion	<u>(1,178,482)</u>	<u>(1,590,855)</u>	<u>(1,589,376)</u>
	<u>\$ 3,221,386</u>	<u>3,431,597</u>	<u>3,424,868</u>
Unused long-term credit lines	<u>\$ 8,946,381</u>	<u>7,029,250</u>	<u>2,995,000</u>
Range of interest rates	<u>1.475%-1.750%</u>	<u>1.475%~1.820%</u>	<u>1.475%~1.850%</u>
Expiration	Year 2026 to 2031	Year 2026 to 2031	Year 2026 to 2031

(Continued)

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

- (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 nine months ended September 30, 2025 and 2024, the grant profits of \$1,944, \$2,989, \$6,620 and \$9,759, 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 and credit lines.

(m) Other payables

The details of other payables of the Group were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries and bonus payable, employees' compensation and directors' remuneration	\$ 1,214,752	1,222,627	1,288,080
Payable on repairments	87,144	78,047	72,299
Payable on machinery and equipment	33,431	85,959	140,151
Accrued employee benefit liabilities	85,380	78,291	75,403
Payable on consumables	74,432	72,143	59,864
Others	<u>264,018</u>	<u>329,209</u>	<u>362,715</u>
	<u>\$ 1,759,157</u>	<u>1,866,276</u>	<u>1,998,512</u>

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

(n) Lease liabilities

The details of the lease liabilities of the Group were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	<u>\$ 29,709</u>	<u>26,399</u>	<u>22,409</u>
Non-current	<u>\$ 137,908</u>	<u>136,174</u>	<u>116,649</u>

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

(Continued)

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

The amounts recognized in profit or loss were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 1,119</u>	<u>645</u>	<u>3,338</u>	<u>1,961</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 89</u>	<u>45</u>	<u>167</u>	<u>688</u>
Expenses relating to short-term leases	<u>\$ 5,179</u>	<u>6,779</u>	<u>17,936</u>	<u>17,262</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 68</u>	<u>93</u>	<u>308</u>	<u>257</u>

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

	For the nine months ended	
	September 30	
	2025	2024
Total cash outflow for leases	<u>\$ 39,915</u>	<u>40,208</u>

(i) Real estate leases

The Group leases land, buildings and structures for its factory, parking lots and office space. The leases typically run for a period of two 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.

(ii) Other leases

The Group leases office and machinery equipment with lease terms of two to five 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 two to five 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, 2024 and 2023.

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

The expenses recognized in profit or loss of the Group amounted to \$1,497, \$2,201, \$4,689 and \$6,584 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(ii) Defined contribution plan

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance amounted to \$19,368, \$19,571, \$57,991 and \$59,042 for the three months and nine months ended September 30, 2025 and 2024, respectively.

(p) Income taxes

(i) The details of income tax expense of the Group were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Current period	\$ 64,394	28,783	160,149	202,778
Additional tax on undistributed earnings	-	(27,418)	-	-
Current tax expense	\$ 64,394	1,365	160,149	202,778

(ii) The details of income tax expense (benefit) of the Group recognized in other comprehensive income were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ 12,068	(8,158)	(24,663)	9,635

(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 and year 2022, respectively.

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

(q) Capital and other equity

There were no significant changes in capital and other equity for the nine months ended September 30, 2025 and 2024, respectively. For the related information, please refer to note (6)(q) of the consolidated financial statements for the year ended December 31, 2024.

(i) Retained earnings

In accordance with the Company's Articles of Incorporation amended, 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.
- 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.

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

The amounts of cash dividends for the 2024 and 2023 earnings distribution had been approved at the board meeting held on February 27, 2025 and February 29, 2024. The relevant dividends distributed to shareholders were as follows:

	2024		2023	
	Amount per share (NTD)	Total amount	Amount per share (NTD)	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ <u>3.00</u>	<u>627,174</u>	<u>2.40</u>	<u>501,739</u>

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

(r) Earnings per share

The calculations of basic earnings per share and diluted earnings per share of the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Basic earnings per share (NTD):				
Profit attributable to ordinary shareholders of the Company	\$ <u>477,655</u>	<u>529,437</u>	<u>1,130,280</u>	<u>1,334,680</u>
Weighted-average number of ordinary shares outstanding (thousand shares)	<u>209,058</u>	<u>209,058</u>	<u>209,058</u>	<u>209,058</u>
Basic earnings per share (NTD)	\$ <u>2.28</u>	<u>2.53</u>	<u>5.41</u>	<u>6.38</u>
Diluted earnings per share (NTD):				
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>477,655</u>	<u>529,437</u>	<u>1,130,280</u>	<u>1,334,680</u>
Weighted-average number of ordinary shares outstanding (thousand shares)	209,058	209,058	209,058	209,058
Effect of employee share remuneration (thousand shares)	<u>565</u>	<u>655</u>	<u>750</u>	<u>775</u>
Weighted-average number of ordinary shares outstanding (diluted) (thousand shares)	<u>209,623</u>	<u>209,713</u>	<u>209,808</u>	<u>209,833</u>
Diluted earnings per share (NTD)	\$ <u>2.28</u>	<u>2.52</u>	<u>5.39</u>	<u>6.36</u>

(Continued)

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 September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Primary geographical markets:				
Japan	\$ 817,180	509,806	2,296,108	1,509,724
Malaysia	562,234	647,586	1,791,751	2,082,624
Switzerland	379,334	691,935	1,353,731	1,961,135
United States of America	307,832	333,799	1,051,433	1,158,084
Singapore	308,152	330,730	827,684	872,413
China	139,245	215,976	441,309	567,151
Others	<u>336,057</u>	<u>337,719</u>	<u>963,476</u>	<u>956,349</u>
	<u>\$ 2,850,034</u>	<u>3,067,551</u>	<u>8,725,492</u>	<u>9,107,480</u>
Major products:				
Image products	\$ 1,491,372	1,504,194	4,231,639	4,268,150
Hybrid modules & specialty packaging	548,269	737,985	1,818,437	2,245,437
Ceramic metalized substrate	517,033	578,856	1,515,190	1,723,074
RF module	270,174	224,762	960,495	782,733
Others	<u>23,186</u>	<u>21,754</u>	<u>199,731</u>	<u>88,086</u>
	<u>\$ 2,850,034</u>	<u>3,067,551</u>	<u>8,725,492</u>	<u>9,107,480</u>

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 2,167,514	2,095,970	2,158,282
Contract assets—image products (recorded under other current assets)	87,725	126,609	133,009
Less: loss allowance	<u>(153)</u>	<u>(691)</u>	<u>(116)</u>
Total	<u>\$ 2,255,086</u>	<u>2,221,888</u>	<u>2,291,175</u>
Contract liabilities—advance sales receipts	<u>\$ 125,951</u>	<u>90,465</u>	<u>94,625</u>

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

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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The amounts of revenue recognized for the nine months ended September 30, 2025 and 2024 that were included in the contract liabilities balance at the beginning of the periods were \$45,769 and \$156,809, 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) Remunerations to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 3% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and not less than 3% (in shares or in cash) as employee remuneration, including a minimum of 0.5% to those base-level employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 3% (in cash) of the remaining net profit shall be allocated as directors' remuneration, and a minimum of 3% (in shares or in cash) as employee remuneration, including those employees of the Company's subsidiaries who meet certain requirements.

For the three months and nine months ended September 30, 2025 and 2024, the Company estimated its employee remuneration amounting to \$23,481 (including the amount allocated to base-level employees), \$31,644, \$65,501 (including the amount allocated to base-level employees) and \$91,696, and directors' remuneration amounting to \$17,434, \$17,260, \$41,691 and \$50,016, 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. 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, 2024 and 2023, the employee compensation amounted to \$114,320 and \$84,000, respectively, and remuneration of directors amounted to \$62,340 and \$45,300, respectively, which had no difference from the actual distribution. The related information is available on the Market Observation Post System website.

(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)(v) of the consolidated financial statements for the year ended December 31, 2024.

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

(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 nine months ended September 30, 2025 and 2024, amounted to \$4,845,462 and \$5,133,900, 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, 2024.

The movement of loss allowance of other receivables for the nine months ended September 30, 2025 and 2024 were as follows:

	<u>Other receivables</u>
Balance on January 1, 2025	\$ 8
Impairment loss recognized	<u>2</u>
Balance on September 30, 2025	<u>\$ 10</u>
Balance on January 1, 2024	\$ 10
Impairment loss recognized	21
Effects of movements in exchange rates	<u>1</u>
Balance on September 30, 2024	<u>\$ 32</u>

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

(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>
September 30, 2025				
Non-derivative financial liabilities:				
Notes and accounts payable	\$ 850,596	(850,596)	(850,596)	-
Other payables	1,759,157	(1,759,157)	(1,759,157)	-
Lease liabilities (including current and non-current portion)	167,617	(196,409)	(33,547)	(162,862)
Guarantee deposits received	3,577	(3,577)	-	(3,577)
Long-term borrowings (including current portion)	4,399,868	(4,531,140)	(1,228,963)	(3,302,177)
Derivative financial liabilities:				
Forward exchange contracts:	2,301			
Inflow		302,050	302,050	-
Outflow		(304,351)	(304,351)	-
Foreign exchange swaps contracts:	14,454			
Inflow		1,252,169	1,252,169	-
Outflow		(1,266,623)	(1,266,623)	-
	<u>\$ 7,197,570</u>	<u>(7,357,634)</u>	<u>(3,889,018)</u>	<u>(3,468,616)</u>
December 31, 2024				
Non-derivative financial liabilities:				
Notes and accounts payable	\$ 787,984	(787,984)	(787,984)	-
Other payables	1,866,276	(1,866,276)	(1,866,276)	-
Lease liabilities (including current and non-current portion)	162,573	(194,149)	(30,569)	(163,580)
Guarantee deposits received	3,569	(3,569)	-	(3,569)
Long-term borrowings (including current portion)	5,022,452	(5,216,469)	(1,667,099)	(3,549,370)
Derivative financial liabilities:				
Forward exchange contracts:	29,454			
Inflow		5,062,096	5,062,096	-
Outflow		(5,091,550)	(5,091,550)	-
	<u>\$ 7,872,308</u>	<u>(8,097,901)</u>	<u>(4,381,382)</u>	<u>(3,716,519)</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>
September 30, 2024				
Non-derivative financial liabilities:				
Notes and accounts payable	\$ 825,191	(825,191)	(825,191)	-
Other payables	1,998,512	(1,998,512)	(1,998,512)	-
Lease liabilities (including current and non-current portion)	139,058	(166,394)	(24,721)	(141,673)
Guarantee deposits received	3,569	(3,569)	-	(3,569)
Long-term borrowings (including current portion)	5,014,244	(5,237,759)	(1,678,331)	(3,559,428)
Derivative financial liabilities:				
Forward exchange contracts:	171			
Inflow		315,000	315,000	-
Outflow		(315,171)	(315,171)	-
	<u>\$ 7,980,745</u>	<u>(8,231,596)</u>	<u>(4,526,926)</u>	<u>(3,704,670)</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:

	<u>September 30, 2025</u>			<u>December 31, 2024</u>			<u>September 30, 2024</u>		
	<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	\$ 167,033	USD/NTD =30.445	5,085,320	193,316	USD/NTD =32.785	6,337,865	192,786	USD/NTD =31.650	6,101,677
JPY	390,080	JPY/NTD =0.2058	80,278	1,911,308	JPY/NTD =0.2099	401,184	1,221,694	JPY/NTD =0.2223	271,583
Financial liabilities									
Monetary items									
USD	23,220	USD/NTD =30.445	706,933	21,192	USD/NTD =32.785	694,780	16,392	USD/NTD =31.650	518,807
JPY	206,061	JPY/NTD =0.2058	42,407	310,845	JPY/NTD =0.2099	65,246	455,986	JPY/NTD =0.2223	101,366

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 nine months ended September 30, 2025 and 2024 would have increased or decreased the net profit before tax as follows. The analysis was performed on the same basis for both periods:

(Continued)

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

	For the nine months ended	
	September 30	
	2025	2024
USD (against the NTD)		
Strengthening 5%	\$ 218,919	279,144
Weakening 5%	(218,919)	(279,144)
JPY (against the NTD)		
Strengthening 5%	1,894	8,511
Weakening 5%	(1,894)	(8,511)

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 nine months ended September 30, 2025 and 2024, the foreign exchange gains (losses), including realized and unrealized portion, amounted to gains of \$170,965, losses of \$130,584, losses of \$425,779, and gains of \$176,957, 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 \$4,733 and \$6,124, for the nine months ended September 30, 2025 and 2024, respectively, which would be mainly resulted from the borrowings, demand deposits and time deposits with variable interest rates.

(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:

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	September 30, 2025				
	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	\$ 175	-	175	-	175
Structured deposit	2,106,569	-	2,106,569	-	2,106,569
Structured investments	590,841	-	-	590,841	590,841
Stock listed on domestic markets	236,854	236,854	-	-	236,854
Foreign private funds	<u>225,823</u>	-	-	225,823	225,823
Subtotal	<u>3,160,262</u>				
Financial assets measured at fair value through other comprehensive income					
Stock listed on domestic markets—preferred stocks	<u>314,982</u>	314,982	-	-	314,982
Financial assets measured at amortized cost					
Cash and cash equivalents	4,820,924	-	-	-	-
Accounts receivable, net	2,167,361	-	-	-	-
Other receivables	166,919	-	-	-	-
Foreign corporate bonds (including current and non-current portion)	1,651,986	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	15,493	-	-	-	-
Other non-current financial assets	<u>5,000</u>	-	-	-	-
Subtotal	<u>8,827,683</u>				
Total	<u>\$ 12,302,927</u>				
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 16,755</u>	-	16,755	-	16,755
Financial liabilities measured at amortized cost					
Notes and accounts payable	850,596	-	-	-	-
Other payables	1,759,157	-	-	-	-
Lease liabilities (including current and non-current portion)	167,617	-	-	-	-
Guarantee deposits received	3,577	-	-	-	-
Long-term borrowings (including current portion)	<u>4,399,868</u>	-	-	-	-
Subtotal	<u>7,180,815</u>				
Total	<u>\$ 7,197,570</u>				

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	December 31, 2024				
	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	\$ 19	-	19	-	19
Open-end mutual funds	238,754	238,754	-	-	238,754
Structured deposit	2,728,029	-	2,728,029	-	2,728,029
Structured investments	251,179	-	-	251,179	251,179
Stock listed on domestic markets	227,831	227,831	-	-	227,831
Foreign private funds	<u>243,946</u>	-	-	243,946	243,946
Subtotal	<u>3,689,758</u>				
Financial assets measured at fair value through other comprehensive income					
Stock listed on domestic markets – preferred stocks	<u>310,316</u>	310,316	-	-	310,316
Financial assets measured at amortized cost					
Cash and cash equivalents	3,007,906	-	-	-	-
Accounts receivable, net	2,095,279	-	-	-	-
Other receivables	54,360	-	-	-	-
Other current financial assets	35,448	-	-	-	-
Foreign corporate bonds (including current and non-current portion)	3,343,535	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	15,729	-	-	-	-
Other non-current financial assets	<u>5,000</u>	-	-	-	-
Subtotal	<u>8,557,257</u>				
Total	<u>\$ 12,557,331</u>				
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 29,454</u>	-	29,454	-	29,454
Financial liabilities measured at amortized cost					
Notes and accounts payable	787,984	-	-	-	-
Other payables	1,866,276	-	-	-	-
Lease liabilities (including current and non-current portion)	162,573	-	-	-	-
Guarantee deposits received	3,569	-	-	-	-
Long-term borrowings (including current portion)	<u>5,022,452</u>	-	-	-	-
Subtotal	<u>7,842,854</u>				
Total	<u>\$ 7,872,308</u>				

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	September 30, 2024				
	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	\$ 68,687	-	68,687	-	68,687
Open-end mutual funds	237,865	237,865	-	-	237,865
Structured deposit	1,081,114	-	1,081,114	-	1,081,114
Structured investments	151,106	-	-	151,106	151,106
Stock listed on domestic markets	232,664	232,664	-	-	232,664
Foreign private funds	<u>234,052</u>	-	-	234,052	234,052
Subtotal	<u>2,005,488</u>				
Financial assets measured at fair value through other comprehensive income					
Stock listed on domestic markets – preferred stocks	<u>305,066</u>	305,066	-	-	305,066
Financial assets measured at amortized cost					
Cash and cash equivalents	4,292,758	-	-	-	-
Accounts receivable, net	2,158,166	-	-	-	-
Other receivables	30,634	-	-	-	-
Other current financial assets	34,221	-	-	-	-
Foreign corporate bonds	3,216,362	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	15,000	-	-	-	-
Other non-current financial assets	<u>5,000</u>	-	-	-	-
Subtotal	<u>9,752,141</u>				
Total	<u>\$ 12,062,695</u>				
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 171</u>	-	171	-	171
Financial liabilities measured at amortized cost					
Notes and accounts payable	825,191	-	-	-	-
Other payables	1,998,512	-	-	-	-
Lease liabilities (including current and non-current portion)	139,058	-	-	-	-
Guarantee deposits received	3,569	-	-	-	-
Long-term borrowings (including current portion)	<u>5,014,244</u>	-	-	-	-
Subtotal	<u>7,980,574</u>				
Total	<u>\$ 7,980,745</u>				

(Continued)

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

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.

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 nine months ended September 30, 2025 and 2024.

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

4) Reconciliation of Level 3 fair values

	Non-derivative financial assets mandatorily measured at fair value through profit or loss
Balance on January 1, 2025	\$ 495,125
Total gains and losses	
Recognized in profit or loss	(11,166)
Purchased	491,319
Disposal	<u>(158,614)</u>
Balance on September 30, 2025	<u>\$ 816,664</u>
Balance on January 1, 2024	\$ 501,607
Total gains and losses	
Recognized in profit or loss	(13,386)
Purchased	1,424
Disposal	<u>(104,487)</u>
Balance on September 30, 2024	<u>\$ 385,158</u>

For the nine months ended September 30, 2025 and 2024, 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), net.

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:

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

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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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)(w) to the consolidated financial statements for the year ended December 31, 2024.

(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, 2024. 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, 2024. For other related information, please refer to note (6)(x) of the consolidated financial statements for the year ended December 31, 2024.

(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 nine months ended September 30, 2025 and 2024, were the acquisition of its right-of-use assets by lease, please refer to note (6)(i).

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

	January 1, 2025	Cash flows	Non-cash changes		September 30, 2025
			Increase	Others	
Lease liabilities (including current and non-current portion)	\$ 162,573	(18,166)	42,814	(19,604)	167,617
Guarantee deposits received	3,569	8	-	-	3,577
Long-term borrowings (including current portion)	5,022,452	(636,428)	-	13,844	4,399,868
Total liabilities from financing activities	<u>\$ 5,188,594</u>	<u>(654,586)</u>	<u>42,814</u>	<u>(5,760)</u>	<u>4,571,062</u>
			Non-cash changes		
	January 1, 2024	Cash flows	Increase	Others	September 30, 2024
Lease liabilities (including current and non-current portion)	\$ 148,151	(20,040)	16,257	(5,310)	139,058
Guarantee deposits received	3,569	-	-	-	3,569
Long-term borrowings (including current portion)	5,227,817	(290,952)	-	77,379	5,014,244
Total liabilities from financing activities	<u>\$ 5,379,537</u>	<u>(310,992)</u>	<u>16,257</u>	<u>72,069</u>	<u>5,156,871</u>

(Continued)

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

(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 Holdings Corporation (Multi-field)	Substantial related party (Note)
Ralec Electronic Corporation (Ralec)	Substantial related party
Yageo Foundation	Substantial related party
Lien Fa Asset Corporation(LFA)	Substantial related party

Note: In the fourth quarter of 2024, it was determined that the Company has substantial control over this entity, which is included in the consolidation. Please refer to note (4)(b) for other related information.

(b) Significant transaction with related parties

(i) Operating expenses

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Substantial related party	\$ <u>-</u>	<u>1,500</u>	<u>5,000</u>	<u>1,500</u>

As of September 30, 2025 and 2024, the amounts payable arising from the aforementioned transactions were \$0 and \$1,575 (including tax), respectively, and are presented under other payables.

(ii) Property transaction

The disposal of the property of the Group to related parties were as follows:

Related Party Category	<u>For the three months</u>		<u>For the nine months</u>	
	<u>ended September 30, 2025</u>		<u>ended September 30, 2025</u>	
	<u>Disposal</u>	<u>Gain (Loss)</u>	<u>Disposal</u>	<u>Gain (Loss)</u>
	<u>Proceeds</u>	<u>on Disposal</u>	<u>Proceeds</u>	<u>on Disposal</u>
Substantial related party	\$ <u>54,682</u>	<u>35,397</u>	<u>54,682</u>	<u>35,397</u>

No such circumstances occurred for the period from January 1 to September 30, 2024.

(iii) Others

Please refer to note (6)(h) for the related information of transaction with related parties as of September 30, 2024.

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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 September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 33,935	35,902	92,565	107,821
Post-employment benefits	154	153	460	537
	<u>\$ 34,089</u>	<u>36,055</u>	<u>93,025</u>	<u>108,358</u>

(8) Assets pledged as security

The carrying amounts of pledged assets were as follows:

Pledged assets	Subject	September 30, 2025	December 31, 2024	September 30, 2024
Other current financial assets – time deposits	Credit lines for letters of credit and short-term borrowings and credit lines	\$ -	32,457	31,334
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
Property, plant and equipment – land and buildings	Long-term and short-term borrowings and credit lines	-	188,314	222,989
		<u>\$ 5,000</u>	<u>225,771</u>	<u>259,323</u>

(9) Commitments and contingencies

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

	September 30, 2025	December 31, 2024	September 30, 2024
Future payments for the purchase of equipment and construction in progress	<u>\$ 85,682</u>	<u>111,722</u>	<u>142,077</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Unused and outstanding letters of credit and the deposit for customs duties	<u>\$ 24,500</u>	<u>28,000</u>	<u>28,000</u>

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

(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:

By function	For the three months ended September 30					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	445,263	187,443	632,706	421,737	186,208	607,945
Labor and health insurance	41,530	12,029	53,559	37,309	11,113	48,422
Pension	16,798	4,067	20,865	17,124	4,648	21,772
Other employee benefits	24,667	6,136	30,803	33,592	8,569	42,161
Depreciation	230,085	68,022	298,107	346,753	58,773	405,526
Amortization	2,485	30,730	33,215	2,691	29,970	32,661

By function	For the nine months ended September 30					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	1,297,658	496,280	1,793,938	1,250,442	503,181	1,753,623
Labor and health insurance	123,916	35,958	159,874	110,366	34,454	144,820
Pension	49,790	12,890	62,680	50,874	14,752	65,626
Other employee benefits	73,211	18,432	91,643	96,444	24,638	121,082
Depreciation	756,673	199,110	955,783	1,016,790	169,944	1,186,734
Amortization	8,111	90,768	98,879	7,865	88,623	96,488

(b) Seasonality of operations

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

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

(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 nine months ended September 30, 2025:

(i) Loans to other parties:

Unit: In Thousands of New Taiwan Dollars

Number (Note 1)	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
												Item	Value		
0	The Company	THEPI	Other receivables- related parties	913,350 (USD30,000)	913,350 (USD30,000)	-	Reference capital cost to be negotiated separately	Short-term financing	-	The expansion of the subsidiary's operations	-	None	-	2,617,919	7,853,757

Note 1: "0", represents the Company, and subsidiaries are numbered starting from "1".

Note 2: According to lender's "Procedures for Loans to Other Parties," for other companies or entities having short-term financing needs, the total amount shall not exceed 30% of the most recent audited or reviewed net worth of the Company, the individual financing amount shall not exceed 10% of the most recent audited or reviewed net worth of the Company.

Note 3: The amount in NTD shown above were calculated based on the exchange rate of the date at the consolidated balance sheet date.

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

(iii) Material securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand shares/ thousand units

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	Structured deposits	30-Day TAIBIR 02 Principal-Protected Structured Note (CSC)	None	Current financial assets at fair value through profit or loss	-	2,106,569	-	2,106,569	
The Company	Structured investment	Principal-Protected Product Shinfox Energy Credit-Linked Structured Notes	None	Non-current financial assets at fair value through profit or loss	-	295,408	-	295,408	
The Company	Structured investment	Taiwan Mobile Co.,Ltd. Credit-Linked Structured Notes (30454)	None	Non-current financial assets at fair value through profit or loss	-	270,380	-	270,380	
The Company	Structured investment	Taiwan Mobile Co.,Ltd. Credit-Linked Structured Notes (30455)	None	Non-current financial assets at fair value through profit or loss	-	25,053	-	25,053	
The Company	Fund	Principal-Protected Product SMART Growth Fund, L.P. (Note 1)	None	Non-current financial assets at fair value through profit or loss	-	225,823	1.60 %	225,823	Notes 1,2
The Company	Stock	Taishin Shin Kong Preferred Shares, Series G-II	None	Non-current financial assets at fair value through profit or loss	6,445	236,854	-	236,854	
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	314,982	-	314,982	
The Company	Bond	TSMC Global Corp. International Bond (AF57)	None	Current financial assets at amortized cost	-	239,948	-	239,948	Notes 2,3
The Company	Bond	JPMorgan Chase & Co. International Bond	None	Non-Current financial assets at amortized cost	-	123,080	-	123,080	Notes 2,3
The Company	Bond	Morgan Stanley International Bond	None	Non-Current financial assets at amortized cost	-	320,380	-	320,380	Notes 2,3
The Company	Bond	HSBC Holdings PLC International Bond 3	None	Non-current financial assets at fair value through other comprehensive income	-	242,701	-	242,701	Notes 2,3

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TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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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	Bond	Bank of America Corp. International Bond	None	Non-Current financial assets at amortized cost	-	302,765	-	302,765	Notes 2,3
The Company	Bond	UBS Group AG International Bond	None	Non-Current financial assets at amortized cost	-	213,277	-	213,277	Notes 2,3
The Company	Bond	Citigroup Inc. International Bond	None	Non-current financial assets at amortized cost	-	60,019	-	60,019	Notes 2,3
The Company	Bond	Barclays Foreign Bond	None	Non-current financial assets at amortized cost	-	149,816	-	149,816	Notes 2,3

Note 1: The amount of investment was USD 6,854 thousand.
Note 2: Included foreign exchange gains or losses, net.
Note 3: The fair value was shown at amortized cost.

- (iv) 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	1,797,178	62 %	Monthly closing and paid by cash	-	-	Accounts payable (281,207)	(33)%	Note 1
THEPI	The Company	Parent company	Sale	(2,138,986)	(100)%	Monthly closing and received by cash	-	-	Accounts receivable 369,344	100 %	Note 1
THEPI	The Company	Parent company	Purchase	341,808	29 %	Monthly closing and paid by cash	-	-	Accounts payable (88,137)	(25)%	Note 1

Note 1: The transactions have been eliminated in the consolidated financial statements.

- (v) 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	369,344	9.16 %	-	-	318,964	-	Note 2

Note 1 : Information as of October 30, 2025.
Note 2 : The transactions have been eliminated in the consolidated financial statements.

(Continued)

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(vi) Significant transactions and business relationship between the parent company and its subsidiaries for the nine months ended September 30, 2025:

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	2,138,986	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.	25 %
1	THEPI	The Company	2	Accounts receivable	369,344	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 %
1	THEPI	The Company	2	Operating costs	341,808	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 payable	88,137	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 nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Unit: thousands of New Taiwan Dollars/ thousands 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
				September 30, 2025	December 31, 2024	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 %	1,823,092	(59,505)	(54,409)	Note
The Company	Multi-field	Philippines	Trading and leasing of real estate	-	-	-	- %	-	3,339	-	With substantial control

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.

(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 nine months ended September 30, 2025 and 2024, 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 \$764,025, \$720,680, \$2,138,986 and \$2,079,917 had been deducted from the intersegment revenues for the three months and nine months ended September 30, 2025 and 2024, respectively.