

TONG HSING ELECTRONIC INDUSTRIES, LTD.

2025 Annual Meeting of Shareholders Meeting Minutes

(Translation)

Time: 9:00 a.m. on Wednesday, May 28, 2025

Venue: No. 398, Taoying Rd, Taoyuan District, Taoyuan City, Taiwan (Xiangfu Hall, Chuto Plaza Hotel)

Total outstanding shares of the Company :

The total number of shares represented by shareholders present in person and by proxy is 146,809,960 shares (including 62,598,731 shares voted electronically), accounting for 70.22% of the total issued shares of the company, which is 209,058,024 shares.

Attendees:

Vice Chairperson: Hsi-Hu Lai (Representative of Juristic person director of Multifield Investment Inc.)

COO & CFO: Chia-Li Huang (Representative of Juristic person director of Huan Tai Co., Ltd.)

Independent Director: Ta-Sheng Chiu, Yueh-Hsiang Tsai

General Manager: Shao-Pin Ru

CPA: Yu-Ting Hsin

Attorney: Shih-Cian Chiu

Chairperson: Hsi-Hu Lai

Recorder: Tzu-Hui Wen

I. Call the Meeting to Order: The aggregate shareholding of the shareholders present in person and by proxy constituted a quorum. The Chairperson called the meeting to order.

II. Chairperson Remarks: (omitted)

III. Report Items:

Item 1:

Subject: 2024 Business Report.

Explanatory Notes: Please refer to Attachment I.

Item 2:

Subject: Audit Committee's Review Report for 2024.

Explanatory Notes: Please refer to Attachment II.

Item 3:

Subject: 2024 Employees' Compensation and Directors' Remuneration Distribution.

Explanatory Notes:

- I. According to Article 19 of the Company's Articles of Incorporation, if the Company has gained profits within a fiscal year (profit means profit before tax, less employee compensation and director remuneration), the Company shall set aside not less than 3% of its annual profit as employee compensation and not more than 3% as director remuneration. However, if there are accumulated losses, the Company shall retain a sufficient amount to offset its accumulated losses in advance.
- II. In accordance with the Company's Articles of Incorporation and the recommendation of the 7th meeting of the 5th term Remuneration Committee on February 27, 2025, it is proposed to distribute employees' compensation in the amount of NT\$114,320 thousand and directors' remuneration in the amount of NT\$62,340 thousand. Both are paid in cash.

Item 4:

Subject: 2024 Earnings Distribution of Cash Dividends.

Explanatory Notes:

- I. The Company intends to distribute cash dividends by allocating NT\$627,174,072 from the distributable earnings of the year 2024, with a dividend of NT\$3 per share. Please refer to Attachment IV for the earnings distribution table for the year 2024.
- II. The amount of this cash dividend distribution is calculated up to NT\$1, and

those below NT\$1 are rounded down. The total amount of fractional cash dividends less than NT\$1 shall be accrued to other income of the Company.

- III. The proposal of the cash dividend distribution was approved by the board of directors, the Chairperson would be authorized to set the record date of ex-dividend, distribution date and other relevant matters. If the number of shares outstanding of the date of ex-dividend affected by shares was bought back by the Company, or a transfer, conversion, cancellation were adopted for aforementioned shares, or an exercise of employee stock options, or a cancellation of new restricted employee shares, or an amendment to relevant laws or regulations, or requests from competent authorities, or amendments made in response to other objective circumstances, that the proposed ratio of dividend distribution is changed and needed to be adjusted, it is proposed that the Chairperson be authorized to handle all matters in accordance with the applicable laws and regulations.

IV. Ratification:

Item 1: Adoption of 2024 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Notes:

- I. The 2024 Financial Statements (including individual and consolidated statements) have been audited and attested by KPMG Taiwan and have been reviewed by the Audit Committee of the Company, together with the Business Report.
- II. Please refer to Attachment III for the aforementioned balance sheets, statements of comprehensive income, statements of changes in equity, statement of cash flows, and the auditors' review report.
- III. Please refer to Attachment I for the Business Report.
- IV. Please proceed to accept.

Resolution: Voting Results:

Shares represented at the time of voting: 146,797,561

Voting Results *		Percentage of Voting Rights
Votes in favor:	142,965,208 votes (58,796,378 votes)	97.38%
Votes against:	24,103 votes (24,103 votes)	0.02%
Votes invalid:	0 votes	0.00%
Votes abstained:	3,808,250 votes (3,778,250 votes)	2.60%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

Item 2: Adoption of the 2024 Earnings Distribution. (Proposed by the Board of Directors)

Explanatory Notes:

- I. In 2024, the Company achieved a net profit after tax of NT\$1,713,825,190. After accounting for actuarial gains and losses of NT\$35,070,737, we have set aside 10% as a legal reserve, totaling NT\$174,889,593. Additionally, the Company plans to allocate NT\$627,174,072 from the distributable earnings of 2024 for cash dividends, with a dividend of NT\$3 per share.
- II. The amount of this cash dividend distribution is calculated up to NT\$1, and those below NT\$1 are rounded down. The total amount of fractional cash dividends less than NT\$1 shall be accrued to other income of the Company.
- III. The dividend distribution ratio is calculated based on the Company's current outstanding shares of 209,058,024. If the number of shares outstanding of the date of ex-dividend affected by shares was bought back by the Company, or a transfer, conversion, cancellation were adopted for aforementioned shares, or an exercise of employee stock options, or a cancellation of new restricted employee shares, or an amendment to relevant laws or regulations, or requests from competent authorities, or amendments made in response to other objective circumstances, that the proposed ratio of dividend distribution is changed and needed to be adjusted, the shareholders' meeting shall authorize the Chairperson with full discretion to handle all matters in accordance with the applicable laws and regulations.
- IV. It is hereby proposed that the Chairperson to be authorized at the meeting of shareholders to set the record date of ex-dividend, distribution date and other

relevant matters.

V. Please refer to Attachment IV for the 2024 Earning Distribution Table.

VI. Please proceed to accept.

Resolution: Voting Results:

Shares represented at the time of voting: 146,797,561

Voting Results *		Percentage of Voting Rights
Votes in favor:	143,056,325 votes (58,887,495 votes)	97.45%
Votes against:	62,954 votes (62,954 votes)	0.04%
Votes invalid:	0 votes	0.00%
Votes abstained:	3,678,282 votes (3,648,282 votes)	2.51%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

V. Discussions:

Item 1: Amendments to the Company's Articles of Incorporation. (Proposed by the Board of Directors)

Explanatory Notes:

- I. In accordance with the Financial Supervisory Commission's Order No. 1130385442, dated November 8, 2024, it is hereby proposed to amend some provisions of the Company's Articles of Incorporation.
- II. Please refer to Attachment V for the comparison table of the Company's Articles of Incorporation before and after.
- III. Please proceed to discuss.

Resolution: Voting Results:

Shares represented at the time of voting: 146,797,561

Voting Results *		Percentage of Voting Rights
Votes in favor:	142,902,877 votes (58,734,047 votes)	97.34%
Votes against:	24,127 votes (24,127 votes)	0.02%
Votes invalid:	0 votes	0.00%
Votes abstained:	3,870,557 votes (3,840,557 votes)	2.64%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

VI. Elections:

Item 1: General Re-election of Directors. (Proposed by the Board of Directors)

Explanatory Notes:

- I. The term of office of the 18th Board of Directors of the Company will expire on June 7, 2025, and it is proposed to conduct a re-election at the 2025 Annual Shareholders' Meeting.
- II. In accordance with Article 13 of the Company's Articles of Association, the Audit Committee shall consist of all independent directors. Nine directors shall be elected for the 19th term, including three independent directors. The election of directors shall be based on a candidate nomination system. The list of director candidates has been approved by the Board of Directors on February 27, 2025, and the shareholders shall elect the candidates from the list of director candidates in accordance with Article 192-1 of the Company Act.
- III. The original 18th Board of Directors will be dissolved after the current election of new directors. The term of office of the new Board of Directors shall be three years from the date of election at the shareholders' meeting and shall commence on May 28, 2025 and end on May 27, 2028.
- IV. Please refer to Attachment VI for the list of director and independent director candidates and related information.
- V. Please proceed to elect.

Election Results: The list of the nine elected directors (including three independent directors) is as follows:

Position	Name	Votes Received
Directors	Multifield Investment Inc. Representative: Hsi-Hu Lai	132,592,652
Directors	Tie-Min Chen	122,197,095
Directors	Huan Tai Co., Ltd. Representative: Chia-Li Huang	113,019,109
Directors	Huan Tai Co., Ltd. Representative: Pen-Chi Chen	103,556,606
Directors	San Tai Investment Ltd. Representative: Shao-Chiao Chen	103,056,144
Directors	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	102,919,063
Independent Directors	Ta-Sheng Chiu	102,560,620
Independent Directors	Shien-Hua Huang	102,277,690
Independent Directors	Chung-Hou Tai	102,098,215

VII. Other Matters:

Item 1: Proposal to Lift the Non-Compete Restrictions for the Newly Directors and Their Representatives. (Proposed by the Board of Directors)

Explanatory Notes:

- I. In accordance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. If the Company's newly elected directors and their representatives (including independent directors) invest in other companies with the same or similar business scope as the Company, without prejudice to the Company's interests, it is proposed to lift the competition restrictions on new directors and their representatives.
- III. Please refer to Attachment VII for the details of the positions held by the 19th Board of Directors elected at the Annual Shareholders' Meeting.
- IV. Please proceed to discuss.

Resolution: Voting Results:

Shares represented at the time of voting: 146,797,561

Voting Results *		Percentage of Voting Rights
Votes in favor:	137,104,901 votes (52,936,071 votes)	93.39%
Votes against:	1,088,713 votes (1,088,713 votes)	0.74%
Votes invalid:	0 votes	0.00%
Votes abstained:	8,603,947 votes (8,573,947 votes)	5.87%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

No shareholders raised any questions during the 2025 Annual General Meeting.

VIII. Extraordinary Motions: None.

IX. Adjournment: 09:43 AM

(The minutes of this shareholders' meeting only summarize the main points of the proceedings. The detailed content and procedures of the meeting shall be based on the audio and video recordings.)

Attachment I

TONG HSING ELECTRONIC INDUSTRIES, LTD.

2024 Business Report

In 2024, although the recovery momentum in the automotive and mobile phone markets has not yet significantly improved, the market has gradually emerged from the impact of uncertain factors in 2023, including reduced market demand, supply chain shortages, international tensions, and global inflation. Through continuous efforts in expanding the high-end application market, cost control, and product portfolio optimization, the Company achieved growth in consolidated revenue, product gross margin, net profit after tax, and earnings per share in 2024 compared to 2023. Additionally, in line with the Company's operational planning, adjustments and transfers of product lines were carried out at the Taiwan and Philippines manufacturing facilities.

Looking ahead to 2025, although the overall environment for automotive electronics remains challenging, it has gradually emerged from its lowest point. RF modules and metalized ceramic substrates are expected to continue growing, while hybrid integrated circuits and CIS imaging products are expected to maintain stable shipments. Furthermore, the acquisition of land for the Philippines plant and subsequent capacity expansion will support the Company's future business growth and operational expansion.

I. 2024 Business overview

(I) 2024 Business plan implementation results

Unit: NT\$ thousands

Item	Financial Information (Note)				Difference	
	2024		2023			
	Amount	%	Amount	%	Amount	%
Net Operating Revenue	12,090,994	100	11,584,909	100	506,085	4
Realized Gross Profit	3,325,898	27	2,787,536	24	538,362	19
Operating Expenses	1,583,037	13	1,369,289	12	213,748	16
Operating Profit	1,742,861	14	1,418,247	12	324,614	23
Non-Operating Income and Expenses	179,572	2	(23,195)	-	202,767	874
Profit Before Tax	1,922,433	16	1,395,052	12	527,381	38
Net Profit After Tax	1,718,449	14	1,150,513	10	567,936	49

Note : Audited and Certified by an Accountant

(II) Financial Income and Expenditure and Profitability Analysis

The consolidated net operating revenue in 2024 reached NT\$12,090,994 thousand, compared to NT\$11,584,909 thousand in 2023, reflecting an increase of NT\$506,085 thousand, a 4% growth.

The product gross margin for 2024 was 27%, up from 24% in 2023, showing a 3% increase. The consolidated net profit after tax for 2024 was NT\$1,718,449 thousand, compared to NT\$1,150,513 thousand in 2023, an increase of NT\$567,936 thousand, a 49% growth. The earnings per share (EPS) after tax for 2024 was NT\$8.2, compared to NT\$5.5 in 2023, representing an increase of NT\$2.7.

(III) Budget Implementation

The Company has not made any financial projections for 2024 and therefore does not need to disclose its budgetary performance.

(IV) Research and Development

With the efforts of our R&D team, the Company has achieved good results in the development of image sensor packaging technology for automotive applications, high frequency communication modules, as well as high power semiconductor packaging and ceramic circuit boards in 2024, which contributes to the Company's revenue and profit growth.

II. 2025 Business Plan

(I) Operating Policies

1. Continuously improve the quality of the products and services to enhance customer satisfaction.
2. Continuously improve manufacturing processes, yield rate and phase in automation to lower production costs.
3. To strengthen the division of labor between the plants in Taiwan and the Philippines to improve production flexibility and cost competitiveness.
4. Deepen collaboration with suppliers to establish long-term partnerships.
5. Invest in the development of new materials, equipment, and process technologies applications to provide differentiated products and services.
6. To integrate process technologies of substrates manufacturing, packaging and testing to provide customers with a complete service in a one-time purchase.

(II) Sales Volume Forecast and its Basis

The main growth momentum in 2025 shall come from:

1. The trend of demand for self-driving functions in automobiles is bouncing back gradually after the economic condition has improved in the short run.
2. Demand for high-power LEDs and high-power semiconductors, driven by trends in clean energy and electric vehicles, will also continue to boost the growth of ceramic circuit boards and module assembly services.
3. The widespread adoption of artificial intelligence applications, which will significantly increase the demand for data centers and transmission, driving growth in optical communication-related packaging.

(III) Important Production and Sales Policies

1. In response to global tariffs and trade protectionism, the company will continue to adjust its supply chain and establish strategic partnerships with key suppliers to stabilize material sources and ensure a flexible supply chain, thereby enhancing

shipping momentum.

2. The company will continue to expand its overseas production and sales network, and develop strategies for flexible production and distribution planning to reduce geopolitical and operational risks, effectively improving operational efficiency.

III. Future Development Strategy

- (I) To establish the Medium-to-Long-Term Business Strategies:

We focus on the growth industries of communications, automotive, energy and biomedical to develop high value-added products.

- (II) To strengthen the division of labor between the plants in Taiwan and the Philippines:

Optimize the capacity allocation of the New Taipei, Taoyuan, and Chupei plants to improve production scale and efficiency, we will continue to increase the number of products produced in the Philippines and strengthen the division of labor to improve the flexibility and efficiency of serving customers.

- (III) To develop Long-Term Partnerships:

We are committed to developing strategic customers across the globe and building long-term partnerships with suppliers to explore new growth opportunities through collaboration.

- (IV) To organize Management and Intergroup Cooperation:

We strengthen the cooperation between production and sales of each business unit, share resources and integrate information systems among the group, in order to continuously improve quality and production processes, enhance cost competitiveness, improve operational efficiency and build a responsible corporate culture.

IV. The Impact of External Competitive Environment, Legal Regulations, and Overall Business Environment

Facing with the increasing demands and emphasis on ESG from regulatory authorities, suppliers, and customers, as well as the global push for net-zero carbon emissions, coupled with the implementation of Taiwan's "Climate Change Response Act" and the enforcement of carbon tax, the costs of global energy, raw materials, and labor are expected to continue rising. Under this pressure, the Company will adhere to the principles of corporate governance and pursue sustainable development. The Company will focus on social, environmental, and stakeholder concerns to mitigate the impact of internal and external environmental pressures on the business.

We wish to thank all our shareholders for your attendance, long-term support and encouragement. We wish you all health, peace, and happiness.

Tie-Min Chen, Chairperson of the Board

Shao-Pin Ru, CEO

Chia-Li Huang, Chief Accounting Officer

Attachment II

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Audit Committee's Review Report

Hereby

The Board of Directors has prepared and submitted the 2024 financial statements (including individual and consolidated statements) of the Company, which have been audited and certified as complete by CPAs I-Wen Wang and Yu-Ting Hsin from KPMG Taiwan. We have audited the aforesaid financial statements, business report and earnings distribution and found that there are no discrepancies. We hereby respectfully prepare and present this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

To:

2025 Annual Shareholders' Meeting

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Convener of the Audit Committee: Chin-Tsai Chen

Date: February 27, 2025

Attachment III

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Tong Hsing Electronic Industries, Ltd.(“the Company”), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Valuation of inventories

Please refer to Note (4)(g) “Inventories” of the parent company only financial statements for accounting policies; Note (5)(a) “Valuation of inventories” for accounting assumptions and estimation uncertainty of inventories valuation. Information regarding inventories and related expenses are shown in Note (6)(f) of the parent company only financial statements.

Description of key audit matter:

Due to the impact of product life cycle and industrial competition in electronics industry, the price variability for the inventories of the Company is expected. Therefore, the inventories valuation is one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included assessing the reasonableness of the Company’s policies for allowance for inventories valuation and obsolescence losses, and whether they are in accordance with the related standards. In addition, our audit procedures included obtaining the detailed calculations for the loss allowance of inventories to verify whether it is consistent with the account record; as well as testing the interval classification of the inventory aging report and the relevant value of the calculation table of the lower of the cost, and the net realizable value, to assess the reasonableness of the management’s estimates on the net realizable value for inventories.

2. Impairment evaluation of intangible assets

Please refer to Note (4)(m) “intangible assets” and Note (4)(n) “Impairment of non-financial assets” of the parent company only financial statements for the accounting policies related to the impairment of intangible assets; Note (5)(b) for the accounting estimations and assumptions uncertainty for goodwill impairment; Note (6)(k) “intangible assets” for details related to impairment of intangible assets.

Description of key audit matter:

The Company fully acquired KINGPAK Technology Inc. by stock exchange on June 19, 2020 (the effective date). The reference date of the merger is June 30, 2022. Management periodically assesses if there is any indication of impairment. The amounts of investments are significant, and assessing intangible assets such as goodwill involves complex calculations. Thus, the impairment evaluation of intangible assets is one of the most important evaluations in performing our audit procedures of the Company's financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- Understand and assess the cash-generating unit that the management has identified to impair and any indication of impairment, the reasonableness of the management’s method of measuring the recoverable amount, and the accuracy of management’s past forecasts.
- Evaluate the professional competence, objectivity, experience, and valuation of external professionals.
- Assess the appropriateness and correctness of the variables from the external professional’s appraisal pertaining to the testing of the impairment of the cash-generating unit.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wang, I-Wen and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only 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' audit report and parent company only financial statements, the Chinese version shall prevail.

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

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023								
		Amount	%	Amount	%							
Assets												
Current assets:												
1100	Cash and cash equivalents (note (6)(a))	\$ 2,175,210	6	3,665,739	11	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	\$	29,454	-	789	-
1110	Current financial assets at fair value through profit or loss (note (6)(b))	3,117,888	9	391,321	2	2130	Current contract liabilities (note (6)(i))		90,465	-	187,230	1
1136	Current financial assets at amortized cost (note (6)(d))	876,427	3	-	-	2170	Notes and accounts payable		625,211	2	563,290	2
1170	Accounts receivable, net (note (6)(e))	2,095,279	6	2,074,577	6	2180	Accounts payable to related parties (note (7))		99,211	-	105,308	-
1200	Other receivables (note (7))	92,391	-	83,198	-	2200	Other payables (notes (6)(n) and (7))		1,805,773	5	1,991,334	5
1310	Inventories (note (6)(f))	1,237,096	4	1,273,122	4	2230	Current tax liabilities		258,667	1	221,058	1
1410	Prepayments	56,545	-	82,603	-	2250	Current provisions		217,612	1	275,502	1
1461	Non-current assets held for sale (note (6)(g))	39,458	-	-	-	2280	Current lease liabilities (note (6)(o))		20,249	-	26,614	-
1470	Other current assets (note (6)(t))	128,270	1	125,823	-	2300	Other current liabilities		14,425	-	39,995	-
		9,818,564	29	7,696,383	23	2322	Long-term borrowings, current portion (note (6)(m))		1,590,855	5	-	-
									4,751,922	14	3,411,120	10
Non-current assets:												
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	571,870	2	686,256	2	2540	Long-term borrowings (note (6)(m))		3,431,597	10	5,227,817	16
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	310,316	1	320,815	1	2570	Deferred tax liabilities (note (6)(q))		226,708	1	168,703	1
1535	Non-current financial assets at amortized cost (note (6)(d))	2,467,108	7	2,843,331	8	2580	Non-current lease liabilities (note (6)(o))		114,816	-	121,537	-
1550	Investments accounted for using equity method (note (6)(h))	2,018,031	6	1,968,369	6	2600	Other non-current liabilities (note (6)(m))		78,939	-	149,722	-
1600	Property, plant and equipment (notes (6)(i), (7) and (8))	10,526,562	30	11,245,337	34	2640	Non-current net defined benefit liabilities (note (6)(p))		-	-	32,915	-
1755	Right-of-use assets (note (6)(j))	132,117	-	146,165	-				3,852,060	11	5,700,694	17
1760	Investment property, net	28,648	-	28,648	-				8,603,982	25	9,111,814	27
1780	Intangible assets (note (6)(k))	8,185,839	24	8,275,657	25							
1840	Deferred tax assets (note (6)(q))	298,820	1	299,007	1	3100	Ordinary shares		2,090,581	6	2,090,581	6
1900	Other non-current assets	20,837	-	37,896	-	3200	Capital surplus		15,117,641	44	15,115,876	45
1975	Non-current net defined benefit assets (note (6)(p))	7,555	-	-	-	3310	Legal reserve		2,266,982	7	2,150,081	6
1980	Other non-current financial assets (note (8))	5,000	-	5,405	-	3320	Special reserve		169,408	-	169,408	1
		24,572,703	71	25,856,886	77	3350	Unappropriated earnings		6,066,980	18	4,936,725	15
						3400	Other equity		75,693	-	(21,216)	-
Total assets		\$ 34,391,267	100	33,553,269	100		Total equity		25,787,285	75	24,441,455	73
							Total liabilities and equity		\$ 34,391,267	100	\$ 33,553,269	100

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

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Sales revenue	\$ 12,196,576	101	11,776,971	102
4170	Less: sales returns and allowances	105,582	1	192,062	2
4100	Net operating revenues (notes (6)(t) and (7))	12,090,994	100	11,584,909	100
5110	Operating costs (notes (6)(f), (6)(k), (6)(p), (7) and (12))	8,773,992	73	8,872,764	77
5900	Gross profit	3,317,002	27	2,712,145	23
6000	Operating expenses: (notes (6)(e), (6)(k), (6)(p), (7) and (12))				
6100	Selling expenses	181,942	1	238,094	2
6200	Administrative expenses	832,776	7	670,331	6
6300	Research and development expenses	506,418	4	402,816	3
6450	Expected credit impairment reversal gains	(1,635)	-	(33)	-
		1,519,501	12	1,311,208	11
6900	Net operating income	1,797,501	15	1,400,937	12
	Non-operating income and expenses:				
7100	Interest income	203,951	2	192,505	2
7190	Other income (notes (6)(m), (7) and (10))	91,771	1	234,184	2
7230	Foreign exchange gains (losses), net (note (6)(w))	423,425	3	7,781	-
7235	Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	(403,254)	(3)	(54,355)	-
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method	(95,870)	(1)	39,925	-
7510	Finance cost — interest expense	(108,875)	(1)	(102,880)	(1)
7590	Miscellaneous disbursements (notes (6)(i) and (6)(u))	(7,013)	-	(336,125)	(3)
		104,135	1	(18,965)	-
7900	Profit before tax	1,901,636	16	1,381,972	12
7950	Less: income tax expenses (note (6)(q))	187,811	2	231,459	2
	Net profit	1,713,825	14	1,150,513	10
	Other comprehensive income: (notes (6)(p) and (6)(q))				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	30,113	-	30,427	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(10,499)	-	(583)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	13,726	-	(7,302)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(8,769)	-	(4,625)	-
		24,571	-	17,917	-
	Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	128,326	1	(1,487)	-
8399	Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	(20,918)	-	50	-
		107,408	1	(1,437)	-
	Other comprehensive income, net	131,979	1	16,480	-
8500	Comprehensive income	\$ 1,845,804	15	1,166,993	10
	Earnings per share (note (6)(s))				
9750	Basic earnings per share (NTD)	\$ 8.20		5.50	
9850	Diluted earnings per share (NTD)	\$ 8.16		5.48	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Other equity	
					Unappropriated earnings	Total		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2023	\$ 1,608,139	15,115,876	1,829,345	169,408	5,820,426	7,819,179	9,386	(28,582)	24,523,998
Net profit for the year ended December 31, 2023	-	-	-	-	1,150,513	1,150,513	-	-	1,150,513
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	18,500	18,500	(1,437)	(583)	16,480
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	1,169,013	1,169,013	(1,437)	(583)	1,166,993
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	320,736	-	(320,736)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,249,536)	(1,249,536)	-	-	(1,249,536)
Stock dividends of ordinary shares	482,442	-	-	-	(482,442)	(482,442)	-	-	-
Balance on December 31, 2023	2,090,581	15,115,876	2,150,081	169,408	4,936,725	7,256,214	7,949	(29,165)	24,441,455
Net profit for the year ended December 31, 2024	-	-	-	-	1,713,825	1,713,825	-	-	1,713,825
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	35,070	35,070	107,408	(10,499)	131,979
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,748,895	1,748,895	107,408	(10,499)	1,845,804
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	116,901	-	(116,901)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(501,739)	(501,739)	-	-	(501,739)
Other	-	1,765	-	-	-	-	-	-	1,765
Balance on December 31, 2024	\$ 2,090,581	15,117,641	2,266,982	169,408	6,066,980	8,503,370	115,357	(39,664)	25,787,285

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

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,901,636	1,381,972
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,464,018	1,113,034
Amortization expenses	129,099	130,505
Expected credit impairment reversal gains	(1,635)	(33)
Net losses on financial assets and liabilities at fair value through profit or loss	403,254	54,355
Interest expense	108,875	102,880
Interest income	(203,951)	(192,505)
Dividend income	(10,499)	(10,499)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	95,870	(39,925)
Gains on disposal of property, plant and equipment	(42)	(891)
Impairment loss on non-financial assets	-	336,113
Unrealized (gain) loss on foreign exchange	(220,572)	10,108
Others	12,360	(9,719)
Total adjustments to reconcile profit	1,776,777	1,493,423
Changes in operating assets and liabilities:		
Increase in current financial assets and liabilities at fair value through profit or loss	(2,975,394)	(172,334)
Increase in contract assets	(10,531)	(38,342)
(Increase) decrease in accounts receivable	(19,067)	82,718
(Increase) decrease in other receivables	(3,101)	52,012
Decrease in inventories	36,026	229,893
Decrease in prepayments	26,058	16,455
Decrease (increase) in other current assets	8,084	(9,072)
Increase in net defined benefit assets	(7,555)	-
(Decrease) increase in current contract liabilities	(96,765)	128,869
Increase (decrease) in notes and accounts payable	55,824	(145,997)
Increase (decrease) in other payables	51,291	(261,790)
(Decrease) increase in provisions and other current liabilities	(83,460)	41,376
Decrease in net deferred benefit liabilities	(2,803)	(8,540)
	(3,021,393)	(84,752)
Cash inflow generated from operations	657,020	2,790,643
Interest received	154,677	134,193
Dividends received	10,499	10,499
Interest paid	(83,555)	(79,206)
Income taxes paid	(121,694)	(631,430)
Net cash flows from operating activities	616,947	2,224,699
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(102,935)	(88,242)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	105,564	370,743
Acquisition of financial assets at amortized cost	(250,455)	(1,636,124)
Proceeds from disposal of financial assets at amortized cost	-	229,480
Acquisition of property, plant and equipment	(1,081,780)	(2,614,283)
Proceeds from disposal of property, plant and equipment	60,426	37,872
Decrease in refundable deposits	3,357	9,353
Acquisition of intangible assets	(25,580)	(38,284)
Decrease in other financial assets	405	-
Net cash flows used in investing activities	(1,290,998)	(3,729,485)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	1,485,000	-
Repayments of long-term borrowings	(1,773,095)	-
Increase in guarantee deposits received	-	156
Payment of lease liabilities	(26,644)	(24,766)
Cash dividends paid	(501,739)	(1,249,536)
Net cash flows used in financing activities	(816,478)	(1,274,146)
Net decrease in cash and cash equivalents	(1,490,529)	(2,778,932)
Cash and cash equivalents at beginning of period	3,665,739	6,444,671
Cash and cash equivalents at end of period	<u>\$ 2,175,210</u>	<u>3,665,739</u>

Independent Auditors’ Report

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

Opinion

We have audited the consolidated financial statements of Tong Hsing Electronic Industries, Ltd. and its subsidiaries (“the Group”) which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors’ report as follows:

1. Valuation of inventories

Please refer to Note (4)(h) “Inventories” of the consolidated financial statements for accounting policies; Note (5)(a) “Valuation of inventories” for accounting assumptions and estimation uncertainty of inventories valuation. Information regarding inventories and related expenses are shown in Note (6)(f) of the consolidated financial statements.

Description of key audit matter:

Due to the impact of product life cycle and industrial competition in electronics industry, the price variability for the inventories of the Group is expected. Therefore, the inventories valuation is one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included assessing the reasonableness of the Group's policies for allowance for inventories valuation and obsolescence losses, and whether they are in accordance with the related standards. In addition, our audit procedures included obtaining the detailed calculations for the loss allowance of inventories to verify whether it is consistent with the account record; as well as testing the interval classification of the inventory aging report and the relevant value of the calculation table of the lower of the cost, and the net realizable value, to assess the reasonableness of the management's estimates on the net realizable value for inventories.

2. Impairment evaluation of intangible assets

Please refer to Note (4)(m) "intangible assets" and Note (4)(n) "Impairment of non-financial assets" of the consolidated financial statements for the accounting policies related to the impairment of intangible assets; Note (5)(b) for the accounting estimations and assumptions uncertainty for goodwill impairment; Note (6)(j) "intangible assets" for details related to impairment of intangible assets.

Description of key audit matter:

The Group fully acquired KINGPAK Technology Inc. by stock exchange on June 19, 2020 (the effective date). The reference date of the merger is June 30, 2022. Management periodically assesses if there is any indication of impairment. The amounts of investments are significant, and assessing intangible assets such as goodwill involves complex calculations. Thus, the impairment evaluation of intangible assets is one of the most important evaluations in performing our audit procedures of the Group's financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- Understand and assess the cash-generating unit that the management has identified to impair and any indication of impairment, the reasonableness of the management's method of measuring the recoverable amount, and the accuracy of management's past forecasts.
- Evaluate the professional competence, objectivity, experience, and valuation of external professionals.
- Assess the appropriateness and correctness of the variables from the external professional's appraisal pertaining to the testing of the impairment of the cash-generating unit.

Other Matter

Tong Hsing Electronic Industries, Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group's to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wang, I-Wen and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit 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' audit 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

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023			
Assets		Amount	%	Amount	%		
Current assets:							
11100	Cash and cash equivalents (note (6)(a))	\$ 3,007,906	9	4,746,867	14	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))
11110	Current financial assets at fair value through profit or loss (note (6)(b))	3,117,888	9	391,321	1	2130	Current contract liabilities (note (6)(s))
11136	Current financial assets at amortized cost (note (6)(d))	876,427	3	-	-	2170	Notes and accounts payable
11170	Accounts receivable, net (note (6)(e))	2,095,279	6	2,074,577	7	2200	Other payables (notes (6)(m) and (7))
12000	Other receivables	82,723	-	78,806	-	2230	Current tax liabilities
13100	Inventories (note (6)(f))	1,732,862	5	1,592,699	5	2250	Current provisions
14100	Prepayments	71,682	-	95,505	-	2280	Current lease liabilities (note (6)(n))
14610	Non-current assets held for sale (note (6)(g))	39,458	-	-	-	2300	Other current liabilities
14700	Other current assets (note (6)(s))	128,270	-	125,823	-	2322	Long-term borrowings, current portion (note (6)(l))
14760	Other current financial assets (note (8))	35,448	-	32,041	-		
		11,187,943	32	9,137,639	27		
Non-current assets:							
15100	Non-current financial assets at fair value through profit or loss (note (6)(b))	571,870	2	686,256	2	2540	Long-term borrowings (note (6)(l))
15170	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	310,316	1	320,815	1	2570	Deferred tax liabilities (note (6)(p))
15350	Non-current financial assets at amortized cost (note (6)(d))	2,467,108	7	2,843,331	8	2580	Non-current lease liabilities (note (6)(n))
16000	Property, plant and equipment (notes (6)(h), (7) and (8))	11,358,470	33	11,876,485	36	2600	Other non-current liabilities (note (6)(l))
17550	Right-of-use assets (note (6)(i))	165,427	-	146,165	-	2640	Non-current net defined benefit liabilities (note (6)(o))
17600	Investment property, net	28,648	-	28,648	-		
17800	Intangible assets (note (6)(j))	8,186,491	24	8,275,657	25		
18400	Deferred tax assets (note (6)(p))	298,820	1	299,007	1		
19000	Other non-current assets	27,931	-	43,022	-	3100	Ordinary shares
19750	Non-current net defined benefit assets (note (6)(o))	7,555	-	-	-	3200	Capital surplus
19800	Other non-current financial assets (note (8))	5,000	-	5,405	-	3310	Legal reserve
		23,427,636	68	24,524,791	73	3320	Special reserve
						3350	Unappropriated earnings
						3400	Other equity

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Sales revenue	\$ 12,196,576	101	11,776,971	102
4170	Less: sales returns and allowances	105,582	1	192,062	2
4100	Net operating revenues (notes (6)(s) and (14))	12,090,994	100	11,584,909	100
5110	Operating costs (notes (6)(f), (6)(o) and (12))	8,765,096	73	8,797,373	76
5900	Gross profit	3,325,898	27	2,787,536	24
6000	Operating expenses (notes (6)(e), (6)(o), (7) and (12)):				
6100	Selling expenses	188,139	2	243,803	2
6200	Administrative expenses	884,950	7	722,057	6
6300	Research and development expenses	511,586	4	402,816	4
6450	Expected credit impairment losses (reversal gains)	(1,638)	-	613	-
		1,583,037	13	1,369,289	12
6900	Net operating income	1,742,861	14	1,418,247	12
	Non-operating income and expenses:				
7100	Interest income	235,275	2	221,499	2
7190	Other income (notes (6)(l) and (10))	92,085	1	246,264	2
7230	Foreign exchange gains (losses), net (note (6)(v))	379,527	3	7,311	-
7235	Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	(403,254)	(3)	(54,355)	-
7510	Finance cost—interest expense	(109,375)	(1)	(102,880)	(1)
7590	Miscellaneous disbursements (notes (6)(h) and (6)(t))	(14,686)	-	(341,034)	(3)
		179,572	2	(23,195)	-
7900	Profit before tax	1,922,433	16	1,395,052	12
7950	Less: income tax expenses (note (6)(p))	203,984	2	244,539	2
	Net profit	1,718,449	14	1,150,513	10
	Other comprehensive income: (note (6)(p))				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	43,839	-	23,125	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(10,499)	-	(583)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(8,769)	-	(4,625)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	24,571	-	17,917	-
	Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	128,051	1	(1,487)	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	(20,918)	-	50	-
	Total components of other comprehensive income that may be reclassified subsequently to profit or loss	107,133	1	(1,437)	-
	Other comprehensive income, net	131,704	1	16,480	-
8500	Comprehensive income	<u>\$ 1,850,153</u>	<u>15</u>	<u>1,166,993</u>	<u>10</u>
8600	Profit attributable to:				
8610	Owners of parent	\$ 1,713,825	14	1,150,513	10
8620	Non-controlling interests	4,624	-	-	-
		<u>\$ 1,718,449</u>	<u>14</u>	<u>1,150,513</u>	<u>10</u>
8700	Comprehensive income attributable to:				
8710	Owners of parent	\$ 1,845,804	15	1,166,993	10
8720	Non-controlling interests	4,349	-	-	-
		<u>\$ 1,850,153</u>	<u>15</u>	<u>1,166,993</u>	<u>10</u>
	Earnings per share (note (6)(r))				
9750	Basic earnings per share (NTD)	<u>\$ 8.20</u>		<u>5.50</u>	
9850	Diluted earnings per share (NTD)	<u>\$ 8.16</u>		<u>5.48</u>	

(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 years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Retained earnings					Other equity				
						Exchange differences on translation of	foreign financial statements	through other comprehensive income	Total	attributable to owners of parent
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total					
\$ 1,608,139	15,115,876	1,829,345	169,408	5,820,426	7,819,179	9,386	(28,582)	(19,196)	24,523,998	24,523,998
-	-	-	-	1,150,513	1,150,513	-	-	-	1,150,513	1,150,513
-	-	-	-	18,500	18,500	(1,437)	(583)	(2,020)	16,480	16,480
-	-	-	-	1,169,013	1,169,013	(1,437)	(583)	(2,020)	1,166,993	1,166,993
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	320,736	-	(320,736)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(1,249,536)	(1,249,536)	-	-	-	(1,249,536)	(1,249,536)
Share dividends of ordinary shares	482,442	-	-	(482,442)	(482,442)	-	-	-	-	-
Balance on December 31, 2023	2,090,581	15,115,876	2,150,081	169,408	4,936,725	7,256,214	7,949	(29,165)	24,441,455	24,441,455
Net profit for the year ended December 31, 2024	-	-	-	-	1,713,825	1,713,825	-	-	1,713,825	4,624
Other comprehensive income for the year ended December 31, 2024	-	-	-	35,070	35,070	107,408	(10,499)	96,909	131,979	(275)
Total comprehensive income for the year ended December 31, 2024	-	-	-	1,748,895	1,748,895	107,408	(10,499)	96,909	1,845,804	4,349
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	116,901	-	(116,901)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(501,739)	(501,739)	-	-	-	(501,739)	-
Effect of initial consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	41,225
Others	-	1,765	-	-	-	-	-	-	1,765	-
\$ 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
Balance on December 31, 2024										25,832,859

Balance on January 1, 2023

Net profit for the year ended December 31, 2023

Other comprehensive income for the year ended December 31, 2023

Total comprehensive income for the year ended December 31, 2023

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Cash dividends of ordinary shares

Share dividends of ordinary shares

Balance on December 31, 2023

Net profit for the year ended December 31, 2024

Other comprehensive income for the year ended December 31, 2024

Total comprehensive income for the year ended December 31, 2024

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Cash dividends of ordinary shares

Effect of initial consolidation of subsidiaries

Others

Balance on December 31, 2024

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,922,433	1,395,052
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,607,691	1,286,611
Amortization expenses	129,199	130,505
Expected credit impairment (reversal gains) losses	(1,638)	613
Net losses on financial assets and liabilities at fair value through profit or loss	403,254	54,355
Interest expense	109,375	102,880
Interest income	(235,275)	(221,499)
Dividend income	(10,499)	(10,499)
Losses (gains) on disposal of property, plant and equipment	762	(862)
Impairment loss on non-financial assets	-	336,113
Unrealized (gain) loss on foreign exchange	(181,284)	10,108
Others	21,365	(9,315)
Total adjustments to reconcile profit	1,842,950	1,679,010
Changes in operating assets and liabilities:		
Increase in current financial assets and liabilities at fair value through profit or loss	(2,975,394)	(172,334)
Increase in contract assets	(10,531)	(38,342)
(Increase) decrease in accounts receivable	(19,067)	82,718
Decrease in other receivables	2,201	13,094
(Increase) decrease in inventories	(140,163)	201,535
Decrease in prepayments	24,477	13,407
Decrease (increase) in other current assets	8,084	(9,072)
Increase in net defined benefit assets	(7,555)	-
(Decrease) increase in current contract liabilities	(96,765)	128,869
Increase (decrease) in notes and accounts payable	61,869	(75,940)
Increase (decrease) in other payables	69,725	(264,252)
(Decrease) increase in provisions and other current liabilities	(83,460)	41,376
Decrease in net defined benefit liabilities	(2,588)	(13,175)
	(3,169,167)	(92,116)
Cash inflow generated from operations	596,216	2,981,946
Interest received	185,976	161,993
Dividends received	10,499	10,499
Interest paid	(84,098)	(79,206)
Income taxes paid	(136,045)	(644,619)
Net cash flows from operating activities	572,548	2,430,613
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(102,935)	(88,242)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	105,564	370,743
Acquisition of financial assets at amortized cost	(250,455)	(1,636,124)
Proceeds from disposal of financial assets at amortized cost	-	229,480
Acquisition of property, plant and equipment	(1,297,064)	(2,756,761)
Proceeds from disposal of property, plant and equipment	338	5,330
Decrease in refundable deposits	1,390	9,312
Acquisition of intangible assets	(26,320)	(38,284)
Increase in other financial assets	(3,002)	(129)
Effect of initial consolidation of subsidiaries	448	-
Net cash used in investing activities	(1,572,036)	(3,904,675)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	1,485,000	-
Repayments of long-term borrowings	(1,773,095)	-
Increase in guarantee deposits received	-	156
Payments of lease liabilities	(34,100)	(24,766)
Cash dividends paid	(501,739)	(1,249,536)
Net cash used in financing activities	(823,934)	(1,274,146)
Effect of exchange rate changes on cash and cash equivalents	84,461	(1,694)
Net decrease in cash and cash equivalents	(1,738,961)	(2,749,902)
Cash and cash equivalents at the beginning of period	4,746,867	7,496,769
Cash and cash equivalents at the end of period	<u>\$ 3,007,906</u>	<u>4,746,867</u>

Attachment IV

TONG HSING ELECTRONIC INDUSTRIES, LTD.

2024 Earnings Distribution

Unit: NT\$

Beginning balance of retained earnings	<u>\$ 4,318,084,816</u>
Add: Net Profit after Tax	1,713,825,190
Add: Changes in actuarial gains and losses for 2024	35,070,737
Less: legal reserve	<u>(174,889,593)</u>
Distributable surplus for the period:	<u>1,574,006,334</u>
Accumulated distributable surplus for the period	5,892,091,150
Distribution items:	
Cash dividends - NT\$3 per share	<u>(627,174,072)</u>
Undistributed earnings at the end of the period	<u><u>5,264,917,078</u></u>

Notes:

1. The distribution of earnings for the current year is proposed to be made first from the distributable earnings after tax in 2024.
2. To fund the Company's need for operating capital, earnings for the first half of 2024 are not distributed.

Tie-Min Chen, Chairperson of the Board

Shao-Pin Ru, CEO

Chia-Li Huang, Chief Accounting Officer

Attachment V

TONG HSING ELECTRONIC INDUSTRIES, LTD.
Comparison Table of the Company's Articles of Incorporation
Before and After Amendment

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Article 19:</p> <p>If the Company makes a profit (profit is defined as income before tax less distribution of employees' compensation and directors' compensation) in a year, no less than 3% shall be set aside as employees' compensation and no more than 3% shall be set aside as directors' remuneration.</p> <p>However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts.</p> <p>The distribution shall be made in the form of cash or stocks for employees, but only in the form of cash for the directors. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.</p> <p>Proposals of distributions to employees, directors and supervisors shall be taken to the shareholders' meeting for approval after the resolution is reached by a majority of the Board with two thirds in attendance.</p>	<p>Article 19:</p> <p>If the Company makes a profit (profit is defined as income before tax less distribution of employees' compensation and directors' compensation) in a year, no less than 3% shall be set aside as employees' compensation and no more than 3% shall be set aside as directors' remuneration.</p> <p>However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts.</p> <p><u>The amount of employee compensation mentioned in the preceding paragraph shall allocate no less than 0.5% of the aforementioned profits for distribution to non-executive employees.</u> The distribution shall be made in the form of cash or stocks for employees, but only in the form of cash for the directors. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.</p> <p>Proposals of distributions to employees, directors and supervisors shall be taken to the shareholders' meeting for approval after the resolution is reached by a majority of the Board with two thirds in attendance.</p>	<p>In accordance with the amendment to Article 14 of the Securities and Exchange Act.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Article 22: The Articles of Incorporation were established on July 2, 1974. The first amendment was made on December 8, 1976.</p> <p>.</p> <p>.</p> <p>The forty-third amendment was made on June 8, 2022. The forty-fourth amendment was made on June 6, 2023. The forty-fifth amendment was made on May 30, 2024.</p>	<p>Article 22: The Articles of Incorporation were established on July 2, 1974. The first amendment was made on December 8, 1976.</p> <p>.</p> <p>.</p> <p>The forty-third amendment was made on June 8, 2022. The forty-fourth amendment was made on June 6, 2023. The forty-fifth amendment was made on May 30, 2024. <u>The forty-sixth amendment was made on May 28, 2025.</u></p>	<p>Addition of amendment date.</p>

Attachment VI

TONG HSING ELECTRONIC INDUSTRIES, LTD.

List of Candidates for Directors and Independent Directors

Candidate Categories	Name of Candidate	Education and Working Experience	Current Position	Number of Shares Held
Director	Tie-Min Chen	Hon Honorary Doctorate in Management, National Sun Yat-sen University BS in Engineering, National Cheng Kung University President, Yageo Corp	Founder & Chairperson, YAGEO Corp. Chairperson, Tong Hsing Electronic Industries Ltd Chairperson, Advanced Power Electronics Corp. Chairperson, XSemi Corporation Chairperson, Kuo-Shin Investment Ltd Vice Chairperson, uPI semiconductor corp. Chairperson, TMC Family Heritage	9,559,057
Director	Multifield Investment Inc. Representative: Hsi-Hu Lai	Bachelor's Degree in Department of Economics, Soochow University Finance Department, Far East Group Vice President / Chief of Staff/ Chairperson, Tong Hsing Electronic Ind., Ltd. Chairperson, Kingpak Technology	Vice Chairperson, Tong Hsing Electronic Industries, Ltd. Chairperson, Tong Hsing Enterprise Corp.	72,638
Director	Huan Tai Co., Ltd. Representative: Jia-Li Huang	Bachelor degree in Public Finance, National Chung Hsing University. Junior Manager, Advance Engineering (B.V.I.) Co., Ltd. Department of Finance, Tuntex Incorporation Vice President, Tong Hsing Electronic Ind., Ltd. CFO, Kingpak Technology	COO & CFO, Tong Hsing Electronic Industries, Ltd. CFO, XSemi Corporation	327,238

Candidate Categories	Name of Candidate	Education and Working Experience	Current Position	Number of Shares Held
Director	Huan Tai Co., Ltd. Representative: Pen-Chi Chen	Accounting, Fu Jen Catholic University Audit Manager, PricewaterhouseCoopers	Vice President, Kaimei Electronic Corporation Director Representative, Kaijet Technology International Corporation Director Representative, Ralec Technology (H.K.) Ltd. Director Representative, Mu Yeh Wen Investment Corp. Supervisor, Ralec Trading (KUNSHAN) Limited Supervisor, Ralec Technology (KUNSHAN) Limited Supervisor of Hunan Ralec Electronic Tech Co., Ltd Director Representative, ASJ Holdings Pte Limited. Director Representative, ASJ Pte. Limited. Director Representative, Teapo Electronic (Hong Kong) Corp.	327,238
Director	San Tai Investment Ltd. Representative: Shao-Chiao Chen	BS, Economics, University of Pennsylvania Senior Associate Vice President, Yageo Corporation	Director, Global Testing Corporation	2,036,000
Director	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	Catholic Sheng Kung Girls' High School Chairperson and President, Hsin Bung Co., Ltd.	Chairperson and President, Hsin Bung Co., Ltd. Director Representative, YAGEO Corp.	8,838
Independent Director	Ta-Sheng Chiu	Master of Economics, National Chengchi University B.S. in Statistics, National Cheng Kung University Senior Vice President, Merchant Banking	President, Moldavit International Co., Ltd. Independent Director, uPI semiconductor corp.	0

Candidate Categories	Name of Candidate	Education and Working Experience	Current Position	Number of Shares Held
		Division, Taishin Securities Co., Ltd. Vice President, Financial Markets Division, Taishin International Commercial Bank Vice President, Financial Transactions Division, British Standard Chartered Bank Associate Vice President, Foreign Exchange Trading Division, American Express Bank		
Independent Director	Shien-Hua Huang	Doctoral Research in Civil and Commercial Law, Tsinghua University, Beijing Institute of Finance, National Chengchi University Executive Commissioner, Financial Supervisory Commission, Executive Yuan Director, Taipei Exchange Chairperson and General Manager, Barits Securities Co., Ltd. Executive Vice President, Capital Securities Corporation	Chairperson, Grand Fortune Securities Financial Group Executive V.P., Taiwan M&A and Private Equity Council Director, Tatung Company	0
Independent Director	Chung-Hou Tai	Master's Degree, Institute of Management Science, Tamkang University Bachelor's Degree in Control Engineering, National Chiao Tung University Chairperson, InveStar Capital, Inc Co-founder, Acer Inc.	Chairperson, Investar Corporation Chairperson, Xuyang Financial Consulting Co., Ltd. Chairperson, Heyang Investment Co., Ltd. Chairperson, Zettabyte Holdings, INC. Director, DIGITIMES	0

Candidate Categories	Name of Candidate	Education and Working Experience	Current Position	Number of Shares Held
			Inc Director, Global Testing Corporation Director, Lumens Digital Optics Inc. Director, EVEST Corporation Director, Wafer Works Corporation Director, Knowledge Broadcasting International Co., Ltd. Director, Chief Telecom Inc. Director, Wafer Works, DIGITIMES Director, IC Broadcasting Company Limited Director, 21ViaNet Group, Inc. Independent Director, ASUSTek Computer Inc. Independent Director, VNET Group, Inc.	

Note: Whether the aforementioned candidate for independent director has consecutively served three terms as an independent director of the Company: None.

Attachment VII

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Details of the Positions Held by the 19th Board of Directors

Title	Name	Current position in other companies
Director	Tie-Min Chen	Founder & Chairperson, YAGEO Corp. Chairperson, Advanced Power Electronics Corp. Chairperson, XSemi Corporation Chairperson, Kuo-Shin Investment Ltd Vice Chairperson, uPI semiconductor corp. Chairperson, TMC Family Heritage
Director	Multifield Investment Inc Representative: Hsi-Hu Lai	Chairperson, Tong Hsing Enterprise Co., Ltd.
Director	Huan Tai Co., Ltd. Representative: Jia-Li Huang	CFO, XSemi Corporation
Director	Huan Tai Co., Ltd. Representative: Pen-Chi Chen	Vice President, Kaimei Electronic Corporation Director Representative, Kaijet Technology International Corporation Director Representative, Ralec Technology (H.K.) Ltd. Director Representative, Mu Yeh Wen Investment Corp. Supervisor, Ralec Trading (KUNSHAN) Limited Supervisor, Ralec Technology (KUNSHAN) Limited Supervisor of Hunan Ralec Electronic Tech Co., Ltd Director Representative, ASJ Holdings Pte Limited. Director Representative, ASJ Pte. Limited. Director Representative, Teapo Electronic (Hong Kong) Corp.
Director	San Tai Investment Ltd. Representative: Shao-Chiao Chen	Director, Global Testing Corporation
Director	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	Chairperson and President, Hsin Bung Co., Ltd. Director Representative, Yageo Corporation
Independent Director	Ta-Sheng Chiu	President, Moldavit International Co., Ltd. Independent Director, uPI semiconductor corp.
Independent Director	Shien-Hua Huang	Chairperson, Grand Fortune Securities Financial Group Executive V.P., Taiwan M&A and Private Equity Council Director, Tatung Company

Title	Name	Current position in other companies
Independent Director	Chung-Hou Tai	Chairperson, Investar Corporation Chairperson, Xuyang Financial Consulting Co., Ltd. Chairperson, Heyang Investment Co., Ltd. Chairperson, Zettabyte Holdings, INC. Director, DIGITIMES Inc Director, Global Testing Corporation Director, Lumens Digital Optics Inc. Director, EVEST Corporation Director, Wafer Works Corporation Director, Knowledge Broadcasting International Co., Ltd. Director, Chief Telecom Inc. Director, Wafer Works, DIGITIMES Director, IC Broadcasting Company Limited Director, 21 ViaNet Group, Inc. Independent Director, ASUSTek Computer Inc. Independent Director, VNET Group, Inc.