

Stock Code : 6271

Tong Hsing Electronic Ind., Ltd.

2026 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

Date : May 25, 2026

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TONG HSING ELECTRONIC INDUSTRIES, LTD.
Meeting Procedure of the 2026 Annual Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairperson's Remarks
- III. Report Items
- IV. Ratification
- V. Discussions
- VI. Extraordinary Motions
- VII. Adjournment

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Agenda of the 2026 Annual Shareholders' Meeting

Time: 9:00 a.m. on Monday, May 25, 2026

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

Meeting method: Physical Shareholders' Meeting

I. Call the Meeting to Order

II. Chairperson's Remarks

III. Report Items:

(I) 2025 Business Report.

(II) Audit Committee's Review Report for 2025.

(III) 2025 Employees' Compensation and Directors' Remuneration Distribution.

(IV) Distribution of Cash from Capital Surplus.

(V) 2025 Report on Related Party Transactions.

IV. Ratification:

(I) Adoption of 2025 Business Report and Financial Statements.

(II) Adoption of the 2025 Earnings Distribution.

V. Discussions:

(I) Amendments to the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.

(II) Amendments to the Company's Procedures for Acquisition and Disposal of Assets.

(III) Amendments to the Company's Derivative Trading Rules.

(IV) Proposal for the Issuance of Employee Stock Option at an Exercise Price Below the Market Value.

VI. Extraordinary Motions

VII. Adjournment

Report Items

Item 1:

Subject: 2025 Business Report.

Explanatory Notes: Please refer to Attachment I (Page 11 to 13).

Item 2:

Subject: Audit Committee's Review Report for 2025.

Explanatory Notes: Please refer to Attachment II (Page 14).

Item 3:

Subject: 2025 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 and then set aside employee compensation and director remuneration in the aforementioned proportions. 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.
- II. In accordance with the Company's Articles of Incorporation and the recommendation of the 3rd meeting of the 6th term Remuneration Committee on February 25, 2026, it is proposed to distribute employees' compensation in the amount of NT\$89,096 thousand (Including NT\$73,718 thousand for non-executive employees) and directors' remuneration in the amount of NT\$58,703 thousand. Both are paid in cash.

Item 4:

Subject: Distribution of Cash from Capital Surplus.

Explanatory Notes:

- I. In accordance with Article 241 of the Company Act, the Company shall distribute cash of NT\$627,174,072 from the capital surplus derived from the issuance of common shares in excess of par value. The distribution shall be NT\$3 per share. The actual amount per share will be calculated based on the number of actual shares issued and outstanding on the record date. The cash distribution shall be calculated to the nearest integer NT dollar (decimals rounded down). The sum of fractional amounts less than one dollar shall be recognized as other income of the Company.
- II. The current distribution ratio for this cash distribution from capital surplus is calculated based on the 209,058,024 shares currently outstanding. The Chairperson is authorized to determine the record date, payment date, and other relevant matters for the distribution. Subsequently, if there is a change in the Company's share capital resulting in a change in the number of outstanding shares, which necessitates an adjustment to the distribution ratio, it is proposed that the Chairperson be fully authorized to handle such adjustments at their sole discretion.

Item 5:

Subject: 2025 Report on Related Party Transactions.

Explanatory Notes: Please refer to Attachment III (Page 15).

Ratification

Item 1: Adoption of 2025 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Notes:

- I. The 2025 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 IV (Page 16 to 31) 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 (Page 11 to 13) for the Business Report.
- IV. Please proceed to accept.

Resolution:

Item 2: Adoption of the 2025 Earnings Distribution. (Proposed by the Board of Directors)

Explanatory Notes:

- I. The Company has prepared the 2025 earnings distribution proposal in accordance with the Company Act and the Company's Articles of Incorporation.
- II. Please refer to Attachment V (Page 32) for the 2025 Earning Distribution Table.
- III. Please proceed to accept.

Resolution:

Discussions

Item 1: Amendments to the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees. (Proposed by the Board of Directors)

Explanatory Notes:

- I. In response to the Company's actual operational needs, it is hereby proposed to amend some provisions of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.
- II. Please refer to Attachment VI (Page 33 to 34) for the comparison table of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees before and after.
- III. Please proceed to discuss.

Resolution:

Item 2: Amendments to the Company's Procedures for Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Explanatory Notes:

- I. In accordance with the Financial Supervisory Commission's Order No. 1140383333, dated July 24, 2025, it is hereby proposed to amend some provisions of the Company's Procedures for Acquisition and Disposal of Assets.
- II. Please refer to Attachment VII (Page 35 to 46) for the comparison table of the Company's Procedures for Acquisition and Disposal of Assets before and after.
- III. Please proceed to discuss.

Resolution:

Item 3: Amendments to the Company's Derivative Trading Rules. (Proposed by the Board of Directors)

Explanatory Notes:

- I. In response to the Company's actual operational needs, it is hereby

proposed to amend some provisions of the Company's Derivative Trading Rules.

- II. Please refer to Attachment VIII (Page 47 to 50) for the comparison table of the Company's Derivative Trading Rules before and after.
- III. Please proceed to discuss.

Resolution:

Item 4: Proposal for the Issuance of Employee Stock Option at an Exercise Price Below the Market Value. (Proposed by the Board of Directors)

Explanatory Notes:

- I. To attract and retain professional talent required by the Company, and in accordance with Article 28-3 of the "Securities and Exchange Act" and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Offering and Issuance Regulations"), the Company proposes to issue employee stock options at an exercise price below the market value. These options shall be issued in one or multiple tranches within two years from the date the notice of approval from the competent authority arrives, depending on actual needs. The Chairperson is authorized to determine the actual date of issuance.
- II. In accordance with Article 56-1 of the Offering and Issuance Regulations, the required disclosure items are as follows:
 - (I) Total number of units to be issued, number of shares covered by each unit, and total number of new shares to be issued upon exercise:
 1. Total units to be issued: 8,000,000 units.
 2. Shares per unit: Each unit entitles the holder to subscribe for 1 common share of the Company.
 3. Total new shares to be issued upon exercise: 8,000,000 shares.
 - (II) Basis and reasonableness of the exercise price:

The exercise price shall be no less than 60% of the closing price of the Company's common shares on the date of issuance. This pricing is considered reasonable as it takes into account talent recruitment,

retention, and incentive effects, while balancing shareholder equity. Furthermore, the options may only be exercised in installments according to the vesting schedule after two years from the date of issuance. Therefore, setting the exercise price below the market value is justified.

(III) Eligibility of grantees and number of shares for subscription:

1. Eligibility is limited to regular employees of the Company and its domestic or foreign subsidiaries (defined as subsidiaries in which the Company directly or indirectly holds 50% or more of the voting shares) who are employed on the date the Board of Directors approves the grant of options.
2. The actual grantees and the number of options granted will be determined by the Chairperson and approved by the Board of Directors, considering factors such as seniority, job performance, overall contribution (including potential future contribution), special achievements, or job grade. However, for employees who are directors or managers, prior approval from the Remuneration Committee is required. For employees who are not directors or managers, prior approval from the Audit Committee is required before submission to the Board of Directors.
3. In accordance with Article 56-1, Paragraph 1 of the Offering and Issuance Regulations, the cumulative number of shares subscribed through options granted to a single grantee, combined with the cumulative number of restricted stock awards obtained by the same grantee, shall not exceed 0.3% of the total issued shares. Additionally, combined with options granted under Article 56, Paragraph 1, the total shall not exceed 1% of the total issued shares.

(IV) Necessity of the proposed employee stock options:

To attract and retain the talent needed by the Company, motivate employees, and increase employee loyalty, so as to jointly create

value for both the Company and its shareholders.

(V) Impact on shareholder equity:

1. Potential expensed amount and dilution of Earnings Per Share (EPS):

Unit: NT\$

Item \ Year	2026	2027	2028	2029	2030	2031
Service costs from the vesting period of employee stock options	89,522,664	179,045,328	150,125,328	101,498,680	59,232,000	18,336,000
Dilution of Earnings Per Share (EPS)	0.43	0.86	0.71	0.48	0.28	0.08

2. For those using issued shares as the method of performance, the financial burden on the Company shall be explained:

Not applicable.

III. This proposal must be approved by the 2026 Annual General Meeting of Shareholders before it can be reported to the competent authority for filing and issuance. If any amendments are required during the review process due to the requirements of the competent authority or changes in laws and regulations, the Chairperson is authorized to revise the "2026 Employee Stock Option Issuance and Subscription Rules." Such revisions shall be submitted to the Board of Directors for subsequent ratification before issuance. Please refer to Attachment IX (Page 51 to 58) for the 2026 Employee Stock Option Issuance and Subscription Rules.

IV. Please proceed to discuss.

Resolution:

Extraordinary Motions

Adjournment

Attachment I

TONG HSING ELECTRONIC INDUSTRIES, LTD.

2025 Business Report

In 2025, amid the continued impact of U.S. reciprocal tariff policies, geopolitical tensions, and ongoing regional conflicts, the recovery in the automotive product market remained limited. As a result, customer demand for the Company's products slowed and the inventory digestion cycle was prolonged.

In addition, factors such as rising raw material prices, significant fluctuations of New Taiwan Dollar, and adjustments and transfers of product lines between the Taiwan and the Philippines manufacturing facilities in line with the Company's operational planning also affected the Company's operations. Consequently, the Company's revenue and profitability in 2025 both declined compared with 2024.

Looking ahead to 2026, demand for high-end automotive applications is expected to gradually recover, while demand for AI data centers and optical communication products is expected to remain strong. These developments are expected to help drive the Company's future operational expansion and growth.

I. 2025 Business overview

(I) 2025 Business plan implementation results

Unit: NT\$ thousands

Item	Financial Information (Note)				Difference	
	2025		2024			
	Amount	%	Amount	%	Amount	%
Net Operating Revenue	11,543,456	100	12,090,994	100	(547,538)	(5)
Realized Gross Profit	3,186,404	28	3,325,898	27	(139,494)	(4)
Operating Expenses	1,580,300	14	1,583,037	13	(2,737)	(0)
Operating Profit	1,606,104	14	1,742,861	14	(136,757)	(8)
Non-Operating Income and Expenses	218,864	2	179,572	2	39,292	22
Profit Before Tax	1,824,968	16	1,922,433	16	(97,465)	(5)
Net Profit After Tax	1,601,398	14	1,718,449	14	(117,051)	(7)

Note : Audited and Certified by an Accountant

(II) Financial Income and Expenditure and Profitability Analysis

The consolidated net operating revenue in 2025 reached NT\$11,543,456 thousand, compared to NT\$12,090,994 thousand in 2024, reflecting a decrease of NT\$547,538 thousand, a 5% decline.

The product gross margin for 2025 was 28%, up from 27% in 2024, showing a 1% increase. The consolidated net profit after tax for 2025 was NT\$1,601,398 thousand, compared to

NT\$1,718,449 thousand in 2024, a decrease of NT\$117,051 thousand, a 7% decline.

The earnings per share (EPS) after tax for 2025 was NT\$7.64, compared to NT\$8.20 in 2024, representing a decrease of NT\$0.56.

(III) Budget Implementation

The Company has not made any financial projections for 2025 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, optical communication modules, as well as high power semiconductor packaging and ceramic circuit boards in 2025, which contributes to the Company's revenue and profit growth.

II. 2026 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 2026 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 SiC 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 AI data centers, optical 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. Despite being full of challenges, 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 2025 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:

2026 Annual Shareholders' Meeting

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Convener of the Audit Committee: Ta-Sheng Chiu

Date: March 11, 2026

Attachment III**TONG HSING ELECTRONIC INDUSTRIES, LTD.****2025 Report on Related Party Transactions**

Please refer to the following for the Company's acquisition or disposal of assets from related parties in 2025:

Date and Term of Board Resolution	The 13th meeting of the 18th term on February 27, 2025
Nature of Transaction	Disposal of real estate
Counterparty	Lianfa Asset Co., Ltd.
Relationship with the Company	A related party of the Company
Name of the Underlying Asset	Land (Lot No. 459) and Building (Building No. 1913), 2nd Subsection, Chengzhong Section, Zhongzheng District
Actual Transaction Status	Transaction Amount: NT\$55,026 thousand Payment Terms: In accordance with the Sales and Purchase Agreement
Purpose, Necessity, and Expected Benefits of the Acquisition or Disposal	Considering the Company's actual operational needs and to activate assets, it is proposed to sell the asset to enrich working capital.
Reasons for Selecting the Related Party as the Counterparty	Operational planning
Information Evaluating the Reasonableness of Proposed Transaction Terms for Acquisition of Real Estate or Right-of-use Assets from Related Parties per Articles 16 and 17	Not applicable
Date and Price of Original Acquisition by the Related Party, the Counterparty, and their Relationship with the Company and Related Parties	Original acquisition date and price: Acquired in November 2001; previous transfer amount was NT\$21,634 thousand. Original seller: Jia Chun construction Co., Ltd. a non-related party
Cash Flow Forecast for Each Month of the Coming Year Starting from the Expected Month of Contract, and Evaluation of Necessity and Reasonableness of Fund Utilization	After evaluation, this transaction has no significant impact on the Company's overall fund utilization.
Restrictive Conditions and Other Important Stipulations	In accordance with the Sales and Purchase Agreement
Appraisal Report or CPA's Opinion	Not applicable

Attachment IV

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, 2025 and 2024, 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, 2025 and 2024, 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)

March 11, 2026

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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (note (6)(a))	\$ 3,966,199	12	2,175,210	6	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	\$ 1,667	-	29,454	-
1110	Current financial assets at fair value through profit or loss (note (6)(b))	2,716,271	8	3,117,888	9	2130	Current contract liabilities (note (6)(t))	130,336	-	90,465	-
1136	Current financial assets at amortized cost (note (6)(d))	249,383	1	876,427	3	2170	Notes and accounts payable	610,763	2	625,211	2
1170	Accounts receivable, net (note (6)(e))	2,114,859	6	2,095,279	6	2180	Accounts payable to related parties (note (7))	215,861	1	99,211	-
1200	Other receivables (note (7))	76,104	-	92,391	-	2200	Other payables (notes (6)(n) and (7))	1,662,260	5	1,805,773	5
1310	Inventories (note (6)(f))	1,165,958	4	1,237,096	4	2230	Current tax liabilities	289,485	1	258,667	1
1410	Prepayments	47,582	-	56,545	-	2250	Current provisions	134,269	-	217,612	1
1461	Non-current assets held for sale (note (6)(g))	-	-	39,458	-	2280	Current lease liabilities (note (6)(o))	22,615	-	20,249	-
1470	Other current assets (note (6)(t))	78,303	-	128,270	1	2300	Other current liabilities	21,691	-	14,425	-
		<u>10,414,659</u>	<u>31</u>	<u>9,818,564</u>	<u>29</u>	2322	Long-term borrowings, current portion (note (6)(m))	<u>929,655</u>	<u>3</u>	<u>1,590,855</u>	<u>5</u>
								<u>4,018,602</u>	<u>12</u>	<u>4,751,922</u>	<u>14</u>
Non-current assets:											
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	753,721	2	571,870	2		Non-current liabilities:				
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	717,049	2	310,316	1	2540	Long-term borrowings (note (6)(m))	3,071,942	9	3,431,597	10
1535	Non-current financial assets at amortized cost (note (6)(d))	1,636,341	5	2,467,108	7	2570	Deferred tax liabilities (note (6)(q))	161,669	1	226,708	1
1550	Investments accounted for using equity method (note (6)(h))	1,964,815	6	2,018,031	6	2580	Non-current lease liabilities (note (6)(o))	111,356	-	114,816	-
1600	Property, plant and equipment (notes (6)(i), (7) and (8))	10,067,432	29	10,526,562	30	2600	Other non-current liabilities (note (6)(m))	<u>70,645</u>	<u>-</u>	<u>78,939</u>	<u>-</u>
1755	Right-of-use assets (note (6)(j))	131,203	-	132,117	-			<u>3,415,612</u>	<u>10</u>	<u>3,852,060</u>	<u>11</u>
1760	Investment property, net	30,529	-	28,648	-		Total liabilities	<u>7,434,214</u>	<u>22</u>	<u>8,603,982</u>	<u>25</u>
1780	Intangible assets (note (6)(k))	8,097,874	24	8,185,839	24		Equity: (note (6)(r))				
1840	Deferred tax assets (note (6)(q))	253,650	1	298,820	1	3100	Ordinary shares	2,090,581	6	2,090,581	6
1900	Other non-current assets	18,408	-	20,837	-	3200	Capital surplus	15,117,641	44	15,117,641	44
1975	Non-current net defined benefit assets (note (6)(p))	25,105	-	7,555	-	3310	Legal reserve	2,441,872	7	2,266,982	7
1980	Other non-current financial assets (note (8))	5,000	-	5,000	-	3320	Special reserve	169,408	1	169,408	-
		<u>23,701,127</u>	<u>69</u>	<u>24,572,703</u>	<u>71</u>	3350	Unappropriated earnings	6,868,960	20	6,066,980	18
						3400	Other equity	<u>(6,890)</u>	<u>-</u>	<u>75,693</u>	<u>-</u>
							Total equity	<u>26,681,572</u>	<u>78</u>	<u>25,787,285</u>	<u>75</u>
Total assets		<u>\$ 34,115,786</u>	<u>100</u>	<u>34,391,267</u>	<u>100</u>		Total liabilities and equity	<u>\$ 34,115,786</u>	<u>100</u>	<u>34,391,267</u>	<u>100</u>

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

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

	2025		2024	
	Amount	%	Amount	%
4000 Sales revenue	\$ 11,592,316	100	12,196,576	101
4170 Less: sales returns and allowances	48,860	-	105,582	1
4100 Net operating revenues (note (6)(t))	11,543,456	100	12,090,994	100
5110 Operating costs (notes (6)(f), (6)(k), (6)(p), (7) and (12))	8,433,672	73	8,773,992	73
5900 Gross profit	3,109,784	27	3,317,002	27
6000 Operating expenses: (notes (6)(e), (6)(k), (6)(p), (7) and (12))				
6100 Selling expenses	167,624	2	181,942	1
6200 Administrative expenses	855,776	7	832,776	7
6300 Research and development expenses	451,296	4	506,418	4
6450 Expected credit impairment reversal gains	(513)	-	(1,635)	-
	1,474,183	13	1,519,501	12
6900 Net operating income	1,635,601	14	1,797,501	15
Non-operating income and expenses:				
7100 Interest income	164,338	1	203,951	2
7190 Other income (notes (6)(m) and (7))	134,386	1	91,771	1
7229 Gain on disposal of non-current assets held for sale (notes (6)(g) and (7))	163,436	2	-	-
7230 Foreign exchange gains (losses),net (note (6)(v))	(259,354)	(2)	423,425	3
7235 Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	165,624	2	(403,254)	(3)
7350 Gain arising from derecognition of financial assets measured at amortised cost (note (6)(d))	1,596	-	-	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(66,698)	(1)	(95,870)	(1)
7510 Finance cost – interest expense	(103,691)	(1)	(108,875)	(1)
7590 Miscellaneous disbursements	(24,807)	-	(7,013)	-
	174,830	2	104,135	1
7900 Profit before tax	1,810,431	16	1,901,636	16
7950 Less: income tax expenses (note (6)(q))	213,135	2	187,811	2
Net profit	1,597,296	14	1,713,825	14
Other comprehensive income: (notes (6)(p) and (6)(q))				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	6,313	-	30,113	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(11,831)	-	(10,499)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	2,122	-	13,726	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,687)	-	(8,769)	-
	(5,083)	-	24,571	-
Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(85,991)	(1)	128,326	1
8399 Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	15,239	-	(20,918)	-
	(70,752)	(1)	107,408	1
Other comprehensive income (loss) , net	(75,835)	(1)	131,979	1
8500 Comprehensive income	\$ 1,521,461	13	1,845,804	15
Earnings per share (note (6)(s))				
9750 Basic earnings per share (NTD)	\$ 7.64		8.20	
9850 Diluted earnings per share (NTD)	\$ 7.61		8.16	

See accompanying notes to parent company only financial statements.

(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, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total	Exchange differences on translation of foreign financial statements	Other equity		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings			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
Net profit for the year ended December 31, 2024	-	-	-	-	1,713,825	1,713,825	-	-	-	1,713,825
Other comprehensive income(loss) for the year ended December 31, 2024	-	-	-	-	35,070	35,070	107,408	(10,499)	96,909	131,979
Total comprehensive income(loss) for the year ended December 31, 2024	-	-	-	-	1,748,895	1,748,895	107,408	(10,499)	96,909	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)
Others	-	1,765	-	-	-	-	-	-	-	1,765
Balance on December 31, 2024	<u>2,090,581</u>	<u>15,117,641</u>	<u>2,266,982</u>	<u>169,408</u>	<u>6,066,980</u>	<u>8,503,370</u>	<u>115,357</u>	<u>(39,664)</u>	<u>75,693</u>	<u>25,787,285</u>
Net profit for the year ended December 31, 2025	-	-	-	-	1,597,296	1,597,296	-	-	-	1,597,296
Other comprehensive income(loss) for the year ended December 31, 2025	-	-	-	-	6,748	6,748	(70,752)	(11,831)	(82,583)	(75,835)
Total comprehensive income(loss) for the year ended December 31, 2025	-	-	-	-	1,604,044	1,604,044	(70,752)	(11,831)	(82,583)	1,521,461
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	174,890	-	(174,890)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(627,174)	(627,174)	-	-	-	(627,174)
Balance on December 31, 2025	<u>\$ 2,090,581</u>	<u>15,117,641</u>	<u>2,441,872</u>	<u>169,408</u>	<u>6,868,960</u>	<u>9,480,240</u>	<u>44,605</u>	<u>(51,495)</u>	<u>(6,890)</u>	<u>26,681,572</u>

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

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,810,431	1,901,636
Adjustments:		
Adjustments to reconcile profit :		
Depreciation expenses	1,042,227	1,464,018
Amortization expenses	131,982	129,099
Expected credit impairment reversal gains	(513)	(1,635)
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(165,624)	403,254
Interest expense	103,691	108,875
Net gain arising from derecognition of financial assets measured at amortized cost	(1,596)	-
Interest income	(164,338)	(203,951)
Dividend income	(22,100)	(10,499)
Share of loss of subsidiaries, associates, and joint ventures accounted for using the equity method	66,698	95,870
Gains on disposal of property, plant and equipment	(24,399)	(42)
Gains 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	184,814	(220,572)
Others	(8,823)	12,360
Total adjustments to reconcile profit	1,001,189	1,776,777
Changes in operating assets and liabilities:		
Decrease (increase) in current financial assets and liabilities measured at fair value through profit or loss	803,225	(2,975,394)
Decrease (increase) in contract assets	58,308	(10,531)
Increase in accounts receivable	(19,067)	(19,067)
Decrease (increase) in other receivables	6,717	(3,101)
Decrease in inventories	71,138	36,026
Decrease in prepayments	8,963	26,058
(Increase) decrease in other current assets	(8,341)	8,084
Increase in net defined benefit assets	(11,237)	(7,555)
Increase (decrease) in current contract liabilities	39,871	(96,765)
Increase in notes and accounts payable	102,202	55,824
Decrease (increase) in other payables	(140,290)	51,291
Decrease in provisions and other current liabilities	(76,077)	(83,460)
Decrease in net deferred benefit liabilities	-	(2,803)
	835,412	(3,021,393)
Cash inflow generated from operations	3,647,032	657,020
Interest received	145,833	154,677
Dividends received	22,100	10,499
Interest paid	(86,774)	(83,555)
Income taxes paid	(188,635)	(121,694)
Net cash flows from operating activities	3,539,556	616,947
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(492,598)	(102,935)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	35,237	105,564
Acquisition of non-current financial assets at fair value through other comprehensive income	(418,564)	-
Acquisition of financial assets at amortized cost	(327,631)	(250,455)
Proceeds from disposal and redemption of financial assets at amortized cost	1,642,038	-
Acquisition of investments accounted for using equity method	(97,351)	-
Proceeds from disposal of non-current assets held for sale	222,179	-
Acquisition of property, plant and equipment	(725,497)	(1,081,780)
Proceeds from disposal of property, plant and equipment	146,115	60,426
(Increase) decrease in refundable deposits	(1,048)	3,357
Acquisition of intangible assets	(40,541)	(25,580)
Decrease in other financial assets	-	405
Net cash used in investing activities	(57,661)	(1,290,998)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	6,160,000	1,485,000
Repayments of long-term borrowings	(7,198,571)	(1,773,095)
Increase in guarantee deposits received	8	-
Payment of lease liabilities	(25,169)	(26,644)
Cash dividends paid	(627,174)	(501,739)
Net cash used in financing activities	(1,690,906)	(816,478)
Net increase (decrease) in cash and cash equivalents	1,790,989	(1,490,529)
Cash and cash equivalents at the beginning of period	2,175,210	3,665,739
Cash and cash equivalents at the end of period	\$ 3,966,199	2,175,210

See accompanying notes to parent company only financial statements.

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, 2025 and 2024, 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, 2025 and 2024, 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 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 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, 2025 and 2024, 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's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group'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)
March 11, 2026

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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:								Liabilities and Equity			
1100	Cash and cash equivalents (note (6)(a))	\$ 4,276,602	13	3,007,906	9	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	\$ 1,667	-	29,454	-
1110	Current financial assets at fair value through profit or loss (note (6)(b))	2,716,271	8	3,117,888	9	2130	Current contract liabilities (note (6)(s))	130,336	-	90,465	-
1136	Current financial assets at amortized cost (note (6)(d))	249,383	1	876,427	3	2170	Notes and accounts payable	912,588	3	787,984	2
1170	Accounts receivable, net (note (6)(e))	2,114,859	6	2,095,279	6	2200	Other payables (notes (6)(m) and (7))	1,732,311	5	1,866,276	5
1200	Other receivables	58,449	-	82,723	-	2230	Current tax liabilities	291,545	1	264,100	1
1310	Inventories (note (6)(f))	1,666,055	5	1,732,862	5	2250	Current provisions	134,269	-	217,612	1
1410	Prepayments	55,080	-	71,682	-	2280	Current lease liabilities (note (6)(n))	23,057	-	26,399	-
1461	Non-current assets held for sale (note (6)(g))	-	-	39,458	-	2300	Other current liabilities	29,922	-	14,425	-
1470	Other current assets (note (6)(s))	78,653	-	128,270	-	2322	Long-term borrowings, current portion (note (6)(l))	929,655	3	1,590,855	5
1476	Other current financial assets (note (8))	-	-	35,448	-			4,185,350	12	4,887,570	14
		<u>11,215,352</u>	<u>33</u>	<u>11,187,943</u>	<u>32</u>	2540	Long-term borrowings (note (6)(l))	3,071,942	9	3,431,597	10
Non-current assets:						2570	Deferred tax liabilities (note (6)(p))	161,669	1	226,708	1
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	753,721	2	571,870	2	2580	Non-current lease liabilities (note (6)(n))	111,854	-	136,174	-
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	717,049	2	310,316	1	2600	Other non-current liabilities (note (6)(l))	70,645	-	78,939	-
1535	Non-current financial assets at amortized cost (note (6)(d))	1,636,341	5	2,467,108	7	2640	Non-current net defined benefit liabilities (note (6)(o))	19,192	-	21,732	-
1600	Property, plant and equipment (notes (6)(h), (7) and (8))	11,464,369	33	11,358,470	33			<u>3,435,302</u>	<u>10</u>	<u>3,895,150</u>	<u>11</u>
1755	Right-of-use assets (note (6)(i))	132,304	-	165,427	-	Total liabilities		<u>7,620,652</u>	<u>22</u>	<u>8,782,720</u>	<u>25</u>
1760	Investment property, net	30,529	-	28,648	-	Equity:					
1780	Intangible assets (note (6)(j))	8,098,345	24	8,186,491	24	Equity attributable to owners of parent: (note (6)(q))					
1840	Deferred tax assets (note (6)(p))	253,650	1	298,820	1	3100	Ordinary shares	2,090,581	6	2,090,581	6
1900	Other non-current assets	23,710	-	27,931	-	3200	Capital surplus	15,117,641	44	15,117,641	44
1975	Non-current net defined benefit assets (note (6)(o))	25,105	-	7,555	-	3310	Legal reserve	2,441,872	7	2,266,982	7
1980	Other non-current financial assets (note (8))	5,000	-	5,000	-	3320	Special reserve	169,408	1	169,408	-
		<u>23,140,123</u>	<u>67</u>	<u>23,427,636</u>	<u>68</u>	3350	Unappropriated earnings	6,868,960	20	6,066,980	18
						3400	Other equity	(6,890)	-	75,693	-
								<u>26,681,572</u>	<u>78</u>	<u>25,787,285</u>	<u>75</u>
						36XX	Non-controlling interests	53,251	-	45,574	-
								<u>26,734,823</u>	<u>78</u>	<u>25,832,859</u>	<u>75</u>
Total assets		<u>\$ 34,355,475</u>	<u>100</u>	<u>34,615,579</u>	<u>100</u>		Total equity	<u>26,734,823</u>	<u>78</u>	<u>25,832,859</u>	<u>75</u>
							Total liabilities and equity	<u>\$ 34,355,475</u>	<u>100</u>	<u>34,615,579</u>	<u>100</u>

(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, 2025 and 2024

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

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Sales revenue	\$ 11,592,316	100	12,196,576	101
4170	Less: sales returns and allowances	48,860	-	105,582	1
4100	Net operating revenues (notes (6)(s) and (14))	<u>11,543,456</u>	<u>100</u>	<u>12,090,994</u>	<u>100</u>
5110	Operating costs (notes (6)(f), (6)(o) and (12))	<u>8,357,052</u>	<u>72</u>	<u>8,765,096</u>	<u>73</u>
5900	Gross profit	<u>3,186,404</u>	<u>28</u>	<u>3,325,898</u>	<u>27</u>
6000	Operating expenses (notes (6)(e), (6)(o), (7) and (12)):				
6100	Selling expenses	179,064	2	188,139	2
6200	Administrative expenses	927,503	8	884,950	7
6300	Research and development expenses	474,254	4	511,586	4
6450	Expected credit impairment reversal gains	(521)	-	(1,638)	-
		<u>1,580,300</u>	<u>14</u>	<u>1,583,037</u>	<u>13</u>
6900	Net operating income	<u>1,606,104</u>	<u>14</u>	<u>1,742,861</u>	<u>14</u>
	Non-operating income and expenses:				
7100	Interest income	174,594	2	235,275	2
7190	Other income (note (6)(l))	125,298	1	92,085	1
7229	Gain on disposal of non-current assets held for sale (notes (6)(g) and (7))	163,436	1	-	-
7230	Foreign exchange gains (losses), net (note (6)(u))	(281,700)	(2)	379,527	3
7235	Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	165,624	1	(403,254)	(3)
7350	Gain arising from derecognition of financial assets measured at amortized cost (note (6)(d))	1,596	-	-	-
7510	Finance cost—interest expense	(105,177)	(1)	(109,375)	(1)
7590	Miscellaneous disbursements	(24,807)	-	(14,686)	-
		<u>218,864</u>	<u>2</u>	<u>179,572</u>	<u>2</u>
7900	Profit before tax	<u>1,824,968</u>	<u>16</u>	<u>1,922,433</u>	<u>16</u>
7950	Less: income tax expenses (note (6)(p))	<u>223,570</u>	<u>2</u>	<u>203,984</u>	<u>2</u>
	Net profit	<u>1,601,398</u>	<u>14</u>	<u>1,718,449</u>	<u>14</u>
	Other comprehensive income: (note (6)(p))				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	8,435	-	43,839	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(11,831)	-	(10,499)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,687)	-	(8,769)	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(5,083)</u>	<u>-</u>	<u>24,571</u>	<u>-</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	(85,458)	(1)	128,051	1
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	15,239	-	(20,918)	-
	Total components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss	<u>(70,219)</u>	<u>(1)</u>	<u>107,133</u>	<u>1</u>
8300	Other comprehensive income (loss) , net	<u>(75,302)</u>	<u>(1)</u>	<u>131,704</u>	<u>1</u>
8500	Comprehensive income	<u>\$ 1,526,096</u>	<u>13</u>	<u>1,850,153</u>	<u>15</u>
8600	Profit attributable to:				
8610	Owners of parent	\$ 1,597,296	14	1,713,825	14
8620	Non-controlling interests	4,102	-	4,624	-
		<u>\$ 1,601,398</u>	<u>14</u>	<u>1,718,449</u>	<u>14</u>
8700	Comprehensive income attributable to:				
8710	Owners of parent	\$ 1,521,461	13	1,845,804	15
8720	Non-controlling interests	4,635	-	4,349	-
		<u>\$ 1,526,096</u>	<u>13</u>	<u>1,850,153</u>	<u>15</u>
	Earnings per share (note (6)(r))				
9750	Basic earnings per share (NTD)	<u>\$ 7.64</u>		<u>8.20</u>	
9850	Diluted earnings per share (NTD)	<u>\$ 7.61</u>		<u>8.16</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, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Retained earnings					Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings							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 year ended December 31, 2024	-	-	-	-	1,713,825	1,713,825	-	-	-	1,713,825	4,624	1,718,449
Other comprehensive income(loss) for the year ended December 31, 2024	-	-	-	-	35,070	35,070	107,408	(10,499)	96,909	131,979	(275)	131,704
Total comprehensive income(loss) for the year ended December 31, 2024	-	-	-	-	1,748,895	1,748,895	107,408	(10,499)	96,909	1,845,804	4,349	1,850,153
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)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	41,225	41,225
Others	-	1,765	-	-	-	-	-	-	-	1,765	-	1,765
Balance on December 31, 2024	<u>2,090,581</u>	<u>15,117,641</u>	<u>2,266,982</u>	<u>169,408</u>	<u>6,066,980</u>	<u>8,503,370</u>	<u>115,357</u>	<u>(39,664)</u>	<u>75,693</u>	<u>25,787,285</u>	<u>45,574</u>	<u>25,832,859</u>
Net profit for the year ended December 31, 2025	-	-	-	-	1,597,296	1,597,296	-	-	-	1,597,296	4,102	1,601,398
Other comprehensive income(loss) for the year ended December 31, 2025	-	-	-	-	6,748	6,748	(70,752)	(11,831)	(82,583)	(75,835)	533	(75,302)
Total comprehensive income(loss) for the year ended December 31, 2025	-	-	-	-	1,604,044	1,604,044	(70,752)	(11,831)	(82,583)	1,521,461	4,635	1,526,096
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)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,042	3,042
Balance on December 31, 2025	<u>\$ 2,090,581</u>	<u>15,117,641</u>	<u>2,441,872</u>	<u>169,408</u>	<u>6,868,960</u>	<u>9,480,240</u>	<u>44,605</u>	<u>(51,495)</u>	<u>(6,890)</u>	<u>26,681,572</u>	<u>53,251</u>	<u>26,734,823</u>

(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, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,824,968	1,922,433
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,242,402	1,607,691
Amortization expenses	132,135	129,199
Expected credit impairment reversal gains	(521)	(1,638)
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(165,624)	403,254
Interest expense	105,177	109,375
Net gain arising from derecognition of financial assets measured at amortized cost	(1,596)	-
Interest income	(174,594)	(235,275)
Dividend income	(22,100)	(10,499)
(Gains) losses on disposal of property, plant and equipment	(24,399)	762
Gains 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	184,814	(181,284)
Others	(8,063)	21,365
Total adjustments to reconcile profit	1,126,801	1,842,950
Changes in operating assets and liabilities:		
Decrease (increase) in current financial assets and liabilities at fair value through profit or loss	803,225	(2,975,394)
Decrease (increase) in contract assets	58,308	(10,531)
Increase in accounts receivable	(19,067)	(19,067)
Decrease in other receivables	12,726	2,201
Decrease (increase) in inventories	66,807	(140,163)
Decrease in prepayments	16,602	24,477
(Increase) decrease in other current assets	(8,691)	8,084
Increase in net defined benefit assets	(11,237)	(7,555)
Increase (decrease) in current contract liabilities	39,871	(96,765)
Increase in notes and accounts payable	124,604	61,869
(Decrease) increase in other payables	(98,229)	69,725
Decrease in provisions and other current liabilities	(67,846)	(83,460)
Decrease in net defined benefit liabilities	(418)	(2,588)
	916,655	(3,169,167)
Cash inflow generated from operations	3,868,424	596,216
Interest received	158,075	185,976
Dividends received	22,100	10,499
Interest paid	(88,259)	(84,098)
Income taxes paid	(202,104)	(136,045)
Net cash flows from operating activities	3,758,236	572,548
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(492,598)	(102,935)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	35,237	105,564
Acquisition of non-current financial assets at fair value through other comprehensive income	(418,564)	-
Acquisition of financial assets at amortized cost	(327,631)	(250,455)
Proceeds from disposal and redemption of financial assets at amortized cost	1,642,038	-
Proceeds from disposal of non-current assets held for sale	222,179	-
Acquisition of property, plant and equipment	(1,444,050)	(1,297,064)
Proceeds from disposal of property, plant and equipment	29,437	338
Decrease in refundable deposits	744	1,390
Acquisition of intangible assets	(40,541)	(26,320)
Decrease (increase) in other financial assets	35,448	(3,002)
Net cash used in investing activities	(758,301)	(1,572,484)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	6,160,000	1,485,000
Repayments of long-term borrowings	(7,198,571)	(1,773,095)
Increase in guarantee deposits received	8	-
Payments of lease liabilities	(24,125)	(34,100)
Cash dividends paid	(627,174)	(501,739)
Change in non-controlling interests	3,042	448
Net cash used in financing activities	(1,686,820)	(823,486)
Effect of exchange rate changes on cash and cash equivalents	(44,419)	84,461
Net increase (decrease) in cash and cash equivalents	1,268,696	(1,738,961)
Cash and cash equivalents at the beginning of period	3,007,906	4,746,867
Cash and cash equivalents at the end of period	\$ 4,276,602	3,007,906

See accompanying notes to consolidated financial statements.

Attachment V

TONG HSING ELECTRONIC INDUSTRIES, LTD.

2025 Earnings Distribution

Unit: NT\$

Beginning balance of retained earnings	<u>\$ 5,264,917,078</u>
Add: Net Profit after Tax	1,597,295,539
Add: Changes in actuarial gains and losses for 2025	6,747,972
Less: legal reserve	<u>(160,404,351)</u>
Distributable surplus for the period:	<u>1,443,639,160</u>
Accumulated distributable surplus for the period	6,708,556,238
Undistributed earnings at the end of the period	<u><u>6,708,556,238</u></u>

Tie-Min Chen, Chairperson of the Board

Shao-Pin Ru, CEO

Chia-Li Huang, Chief Accounting Officer

Attachment VI

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Comparison Table of the Company’s Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees Before and After Amendment

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Articles 9-3: Limitation on loaning funds</p> <p>I. The aggregate amount of loans. The aggregate amount of loans shall not exceed forty percent of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company.</p> <p>II. The maximum amount permitted to a single borrower. (1)Where funds are loaned by the Company to another company or firm due to business dealings, the total amount of such loans shall not exceed 10% of the net worth in the Company’s most recent financial statements, audited or reviewed by a CPA. The amount of loans to a single borrower shall not exceed the transaction amount of business dealings between the two parties. The "transaction amount" shall mean the sales or purchasing amount between the parties during the <u>one-year period preceding the application date</u>, whichever is higher.</p>	<p>Articles 9-3: Limitation on loaning funds</p> <p>I. The aggregate amount of loans. The aggregate amount of loans shall not exceed forty percent of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company.</p> <p>II. The maximum amount permitted to a single borrower. (1)Where funds are loaned by the Company to another company or firm due to business dealings, the total amount of such loans shall not exceed 10% of the net worth in the Company’s most recent financial statements, audited or reviewed by a CPA. The amount of loans to a single borrower shall not exceed the transaction amount of business dealings between the two parties. The "transaction amount" shall mean the sales or purchasing amount between the parties during the <u>most recent year</u>, whichever is higher.</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>(2)Where short-term financing is needed. The total loan amount shall not exceed 30% of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company, as well as not exceed 10% to a single borrower.</p>	<p>(2)Where short-term financing is needed. The total loan amount shall not exceed 30% of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company, as well as not exceed 10% to a single borrower.</p>	
<p>Article 9-4: Term of loaning fund</p> <p>I. The duration of loaning fund: Each loaning fund shall not exceed one year, <u>in special cases, with the approval of the board of directors, the loan period may be extended based on the actual situation.</u></p> <p>II. Calculation of interest: The interest rate shall be determined on the basis of market rate or the Company’s funding costs.</p> <p>III. Collateral: The Company may require the borrower to provide collateral or a guarantor if necessary.</p>	<p>Article 9-4: Term of loaning fund</p> <p>I. The duration of loaning fund: Each loaning fund shall not exceed one year; <u>however, for loans made for reasons of business dealings, the loan period may exceed one year with the approval of the Board of Directors.</u></p> <p>II. Calculation of interest: The interest rate shall be determined on the basis of market rate or the Company’s funding costs.</p> <p>III. Collateral: The Company may require the borrower to provide collateral or a guarantor if necessary.</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>
<p>Article 28: The Regulation shall come into in force from the June 2, 2011. The first amendment was made on June 19, 2013. The second amendment was made on June 21, 2019.</p>	<p>Article 28: The Regulation shall come into in force from the June 2, 2011. The first amendment was made on June 19, 2013. The second amendment was made on June 21, 2019. <u>The third amendment was made on May 25, 2026.</u></p>	<p>Addition of amendment date.</p>

Attachment VII

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Comparison Table of the Company's Procedures for Acquisition and Disposal of Assets Before and After Amendment

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Article 2: General Principles</p> <p>These <u>Procedures</u> are adopted in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies provisions."</p>	<p>Article 2: General Principles</p> <p>These <u>Procedures</u> are adopted in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>
<p>Article 7: Procedures for evaluating the acquisition or disposal of assets (Omitted)</p> <p>III. The Company shall follow the procedures prescribed by the Board of Directors and, after approval by the Board of Directors, send it to the Audit Committee and submit it to the shareholders' meeting for approval. If any director expresses dissenting opinions and there are records or written statements, the Company shall also submit the information on the directors' dissenting opinions to each Audit Committee.</p> <p>IV. The Company shall take into full consideration the opinions of the independent directors when submitting the procedures to the Board of Directors for discussion in accordance with the preceding</p>	<p>Article 7: Procedures for evaluating the acquisition or disposal of assets (Omitted)</p> <p>III. <u>The amendment of these Procedures shall be approved by at least one-half of all members of the Audit Committee, and after approval by the Board of Directors, submit it to the shareholders' meeting for approval.</u></p> <p>IV. <u>When these Procedures are submitted to the Board of Directors for discussion, the opinions of each independent director shall be taken into full consideration.</u> Any objection or reservation expressed by an</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>paragraph. Any objection or reservation of the independent directors shall be set forth in the minutes of the Board of Directors' meeting.</p> <p>V. The Company shall establish or amend the procedures for disposal of assets with the approval of one-half of the Audit Committee and submit to the Board of Directors for resolution. If not approved by at least one-half of the Audit Committee, the resolution shall be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>VI. All members of the Audit Committee mentioned in the preceding paragraph and all directors mentioned in the preceding paragraph shall be counted as those who are actually in office.</p>	<p>independent director shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>V. <u>These</u> Procedures, if not approved by at least one-half of <u>all members of the</u> Audit Committee, the resolution shall be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>VI. All members of the Audit Committee mentioned in the preceding paragraph and all directors mentioned in the preceding paragraph shall be counted as those who are actually in office.</p>	
<p>Article 14: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the matters are handled in accordance with these Handling Procedures, necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's</p>	<p>Article 14: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the matters are handled in accordance with these Procedures, necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 9-Article 13. The calculation of the transaction amount referred to a related party shall be made in accordance with Article 12 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p>Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 9-Article 13. The calculation of the transaction amount referred to a related party shall be made in accordance with Article 12 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	
<p>Article 28: Information Disclosure Procedures</p> <p>I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) Acquisition or disposal of properties or the right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than properties or the right-of-use assets thereof from or to a related party where the transaction amount reaches 20%</p>	<p>Article 28: Information Disclosure Procedures</p> <p>I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) Acquisition or disposal of properties or the right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than properties or the right-of-use assets thereof from or to a related party where the transaction amount reaches 20%</p>	<p>Amended in alignment with regulatory updates and adjusted based on practical operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>or more of the Company's paid-in capital, 10% or more of the total assets, or NT\$300,000,000 or more, but not subject to the trading of domestic government bonds or RP/RS bonds, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> 1. For the Company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For the Company whose paid-in capital is NT\$10 billion or 	<p>or more of the Company's paid-in capital, 10% or more of the total assets, or NT\$300,000,000 or more, but not subject to the trading of domestic government bonds or RP/RS bonds, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> 1. For the Company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For the Company whose paid-in capital is NT\$10 billion or 	

Original Articles	Articles After Amendment	Reasons for Amendments
<p>more, the transaction amount reaches NT\$1 billion or more.</p> <p>(V) When properties is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparts are not related parties, and the proposed amount of the Company's investment exceeds NT\$500 million.</p> <p><u>(VI)</u> Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million. However, the following circumstances are not subject to the restrictions:</p> <p>1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of</p>	<p>more <u>but less than NT\$50 billion</u>, the transaction amount reaches NT\$1 billion or more.</p> <p><u>3.For a public company whose paid-in capital is NT\$50 billion, the transaction amount reaches 5 percent or more of paid-in capital.</u></p> <p>(V) When properties is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparts are not related parties, and the proposed amount of the Company's investment exceeds NT\$500 million.</p> <p><u>(VI) In the case of a public company with paid-in capital reaching NT\$50 billion or more, transactions in government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on</u></p>	

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Taiwan.</p> <p>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or resale of index investment securities, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>3. Trading of RP/RS bonds or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. The amount of transactions above shall be calculated as follows:</p>	<p><u>securities exchanges or OTC markets, which do not fall under any of the circumstances listed in the proviso of subparagraph 8, and where furthermore the transaction counterparty is not a related party, and the transaction amount reaches 5 percent or more of paid-in capital.</u></p> <p>(VII)Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million. However, the following circumstances are not subject to the restrictions:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan. 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures 	

Original Articles	Articles After Amendment	Reasons for Amendments
<p>(I) Amount of each transaction.</p> <p>(II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterpart within a year.</p> <p>(III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding</p>	<p>without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or resale of index investment securities, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>3. Trading of RP/RS bonds or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II. The amount of transactions above shall be calculated as follows:</p> <p>(I) Amount of each transaction.</p> <p>(II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterpart within a year.</p> <p>(III) The cumulative transaction</p>	

Original Articles	Articles After Amendment	Reasons for Amendments
<p>month by the Company and the Company's subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and the Company's subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public</p>	

Original Articles	Articles After Amendment	Reasons for Amendments
	<p>announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p>	
<p>Article 30: Management of Subsidiaries</p> <p>I. The Procedures for Subsidiaries' acquisition and disposal of assets in accordance with relevant regulations shall be approved by the Board of Directors from subsidiaries. Any amendment is subject to the same procedures.</p> <p>II. <u>If a subsidiary of the Company is not a public company</u> and is involved in an acquisition or disposal of assets that requires a public announcement and filing under Article 28, the Company shall <u>make such announcement and filing on behalf of the subsidiary</u>. For the purpose of the announcement and filing thresholds,</p>	<p>Article 30: Management of Subsidiaries</p> <p>I. The Procedures for Subsidiaries' acquisition and disposal of assets shall be approved by the Board of Directors from subsidiaries. Any amendment is subject to the same procedures.</p> <p>II. <u>If a subsidiary of the Company that is not a public company</u> is involved in an acquisition or disposal of assets that requires a public announcement and filing under Article 28, the Company shall <u>act on its behalf to make such announcement and filing</u>. For the purpose of the announcement and filing thresholds, the provisions</p>	<p>Amended in alignment with regulatory updates and adjusted based on practical operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>the provisions concerning paid-in capital or total assets of the subsidiary shall be based on the paid-in capital or total assets of the Company.</p> <p>III. For the calculation of 10% of total assets under the Procedures, the total assets stated in the Company’s most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20% of paid-in capital under these Regulations, 10% of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</p>	<p>concerning paid-in capital or total assets of the subsidiary shall be based on the paid-in capital or total assets of the Company.</p> <p>III. For the calculation of 10% of total assets under the Procedures, the total assets stated in the <u>Company’s</u> most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20% of paid-in capital under these Regulations, 10% of equity attributable to owners of the parent shall be substituted; <u>for the calculation of transaction amounts of 5% of paid-in capital, 2.5% of equity attributable to owners of the parent shall be substituted;</u> for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted; <u>for</u></p>	

Original Articles	Articles After Amendment	Reasons for Amendments
	<p><u>calculations regarding transaction amounts relative to paid-in capital of NT\$50 billion, NT\$100 billion of equity attributable to owners of the parent shall be substituted.</u></p>	
<p>Article 31: For personnel violating these Regulations or the <u>procedures</u> for the acquisition or disposal of assets, penalties will be imposed, depending on the severity of the offense, including a warning, demerits, demotion, pay cuts, suspension of duty and other penalties. Such violations will be reviewed in the internal control system.</p>	<p>Article 31: For personnel violating these Regulations or the <u>procedures</u> for the acquisition or disposal of assets, penalties will be imposed, depending on the severity of the offense, including a warning, demerits, demotion, pay cuts, suspension of duty and other penalties. Such violations will be reviewed in the internal control system.</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>
<p>Article 32: Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws and regulations and the relevant rules and regulations of the Company. If the competent authorities revise the procedures for the acquisition or disposal of assets, the Company shall comply with the provisions of the new letter and order.</p>	<p>Article 32: Any other matters not set forth in the Procedures shall be dealt with in accordance with the "<u>Regulations Governing the Acquisition and Disposal of Assets by Public Companies</u>" prescribed by the competent authority and the <u>relevant</u> applicable laws and regulations.</p>	<p>The text shall be adjusted as appropriate based on actual operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Article 33: The Procedures have been approved by the Board of Directors, and submitted to each supervisor, and approved at a shareholders meeting. The Procedures were established on June 24, 1999. The first amendment was made on June 3, 2000. The second amendment was made on June 20, 2003. The third amendment was made on December 21, 2006. The fourth amendment was made on May 15, 2007. The fifth amendment was made on June 19, 2012. The sixth amendment was made on June 19, 2014. The seventh amendment was made on June 19, 2017. The eighth amendment was made on June 21, 2019. The ninth amendment was made on February 14, 2020. The tenth amendment was made on July 7, 2021. The eleventh amendment was made on June 8, 2022.</p>	<p>Article 33: <u>These Procedures shall be approved by the Audit Committee and the Board of Directors, and then submitted to the shareholders' meeting for approval. The same applies to any amendments.</u> The Procedures were established on June 24, 1999. The first amendment was made on June 3, 2000. The second amendment was made on June 20, 2003. The third amendment was made on December 21, 2006. The fourth amendment was made on May 15, 2007. The fifth amendment was made on June 19, 2012. The sixth amendment was made on June 19, 2014. The seventh amendment was made on June 19, 2017. The eighth amendment was made on June 21, 2019. The ninth amendment was made on February 14, 2020. The tenth amendment was made on July 7, 2021. The eleventh amendment was made on June 8, 2022. <u>The twelfth amendment was made on May 25, 2026.</u></p>	<p>The text shall be adjusted as appropriate based on actual operations and addition of amendment date.</p>

Attachment VIII

TONG HSING ELECTRONIC INDUSTRIES, LTD.
Comparison Table of the Regulations Governing Derivatives
Transactions Before and After Amendment

Original Articles	Articles After Amendment	Reasons for Amendments																												
<p>Article 4: Transaction Authority: (Omitted)</p> <p>4.2 For derivative commodity transactions for hedging purposes, the approval hierarchy and <u>daily</u> notional amount trading authority regulations are as follows, and shall be handled in accordance with the provisions of Section 6.1:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Approval Hierarchy</td> <td><u>Daily</u> Notional Amount Trading Authority</td> </tr> <tr> <td>Division Head</td> <td>USD 10 million (inclusive) and above</td> </tr> <tr> <td>Department Head</td> <td>Below USD 10 million</td> </tr> </table> <p>4.3 For derivative commodity transactions for trading purposes, the approval hierarchy and <u>daily</u> notional amount trading authority regulations are as follows, and shall be handled in accordance with the provisions of Section 6.2:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Approval Hierarchy</td> <td><u>Daily</u> Notional Amount Trading Authority</td> </tr> <tr> <td>Chairperson</td> <td>USD 10 million (inclusive) and above</td> </tr> <tr> <td>President</td> <td>USD 5 million (inclusive) to USD 10 million</td> </tr> <tr> <td>Chief Operating Officer</td> <td>Below USD 5 million</td> </tr> </table>	Approval Hierarchy	<u>Daily</u> Notional Amount Trading Authority	Division Head	USD 10 million (inclusive) and above	Department Head	Below USD 10 million	Approval Hierarchy	<u>Daily</u> Notional Amount Trading Authority	Chairperson	USD 10 million (inclusive) and above	President	USD 5 million (inclusive) to USD 10 million	Chief Operating Officer	Below USD 5 million	<p>Article 4: Transaction Authority: (Omitted)</p> <p>4.2 For derivative commodity transactions for hedging purposes, the approval hierarchy and <u>per transaction</u> notional amount trading authority regulations are as follows, and shall be handled in accordance with the provisions of Section 6.1:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Approval Hierarchy</td> <td><u>Per transaction</u> Notional Amount Trading Authority</td> </tr> <tr> <td>Division Head</td> <td>USD 10 million (inclusive) and above</td> </tr> <tr> <td>Department Head</td> <td>Below USD 10 million</td> </tr> </table> <p>4.3 For derivative commodity transactions for trading purposes, the approval hierarchy and <u>per transaction</u> notional amount trading authority regulations are as follows, and shall be handled in accordance with the provisions of Section 6.2:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Approval Hierarchy</td> <td><u>Per transaction</u> Notional Amount Trading Authority</td> </tr> <tr> <td>Chairperson</td> <td>USD 10 million (inclusive) and above</td> </tr> <tr> <td>President</td> <td>USD 5 million (inclusive) to USD 10 million</td> </tr> <tr> <td>Chief Operating Officer</td> <td>Below USD 5 million</td> </tr> </table>	Approval Hierarchy	<u>Per transaction</u> Notional Amount Trading Authority	Division Head	USD 10 million (inclusive) and above	Department Head	Below USD 10 million	Approval Hierarchy	<u>Per transaction</u> Notional Amount Trading Authority	Chairperson	USD 10 million (inclusive) and above	President	USD 5 million (inclusive) to USD 10 million	Chief Operating Officer	Below USD 5 million	<p>Amended based on the Company's practical operations and the approval hierarchy.</p>
Approval Hierarchy	<u>Daily</u> Notional Amount Trading Authority																													
Division Head	USD 10 million (inclusive) and above																													
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Chief Operating Officer	Below USD 5 million																													

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Article 5: Operational Procedures (Omitted)</p> <p>5.6 <u>Accounting</u> personnel shall maintain a memorandum book to record the types and amounts of derivative commodity transactions for future reference, and such records shall be preserved for at least five years.</p>	<p>Article 5: Operational Procedures (Omitted)</p> <p>5.6 <u>Confirmation</u> personnel shall maintain a memorandum book to record the types and amounts of derivative commodity transactions for future reference, and such records shall be preserved for at least five years.</p>	<p>Amended based on practical operations.</p>
<p>Article 6: Trading Positions (Omitted)</p> <p>6.2 For derivative commodity transactions conducted for trading purposes, the total contract amount at any point in time shall not exceed a limit of <u>3% of the Company's paid-in capital</u> as stated in its most recent financial statements.</p> <p>6.3 Maximum Loss Limits for Aggregate and Individual Contracts: The maximum loss limit shall be 20% of the transaction contract amount. For transactions categorized as hedging, since the purpose is to mitigate risk, any contract loss shall first be offset against the <u>gains</u> from the underlying hedged positions; the 20% loss limit shall only be calculated based on the net loss after such offsetting.</p>	<p>Article 6: Trading Positions (Omitted)</p> <p>6.2 For derivative commodity transactions conducted for trading purposes, the total contract amount at any point in time shall not exceed a limit of <u>10% of the Company's net worth</u> as stated in its most recent financial statements.</p> <p>6.3 Maximum Loss Limits for Aggregate and Individual Contracts: The maximum loss limit shall be 20% of the transaction contract amount. For transactions categorized as hedging, since the purpose is to mitigate risk, any contract loss shall first be offset against the <u>gains and losses</u> from the underlying hedged positions; the 20% loss limit <u>of the transaction contract amount</u> shall only be calculated based on the net loss after such offsetting.</p>	<p>Amended based on practical operations.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Article 9: Periodic Evaluation</p> <p>9.1 <u>Accounting</u> personnel shall periodically evaluate whether the trading performance aligns with the established operating strategies, and whether the risks undertaken are within the permissible range.</p> <p>9.2 <u>Accounting</u> personnel shall periodically evaluate whether the current risk management procedures are appropriate and are indeed being implemented in accordance with the Regulations.</p> <p>(Omitted)</p>	<p>Article 9: Periodic Evaluation</p> <p>9.1 <u>Confirmation</u> personnel shall periodically evaluate whether the trading performance aligns with the established operating strategies, and whether the risks undertaken are within the permissible range.</p> <p>9.2 <u>Confirmation</u> personnel shall periodically evaluate whether the current risk management procedures are appropriate and are indeed being implemented in accordance with the Regulations.</p> <p>(Omitted)</p>	<p>Amended based on practical operations.</p>
<p>Article 11: Derivative Commodity Transactions by Subsidiaries</p> <p>11.1 Should any subsidiary of the Company have the requirements described in Sections 6.1 and 6.2 of the Regulations, and if there are no suitable financial institutions locally to <u>conduct</u> derivative commodity transactions at reasonable market costs, the Head Office may execute such transactions with suitable financial institutions on their behalf.</p> <p>11.2 <u>The Regulations shall apply to the execution of derivative commodity transactions by the Company's subsidiaries.</u> Any subsidiary engaging in derivative commodity transactions shall periodically provide relevant information to the</p>	<p>Article 11: Derivative Commodity Transactions by Subsidiaries</p> <p>11.1 Should any subsidiary of the Company have the requirements described in Sections 6.1 and 6.2 of the Regulations, and if there are no suitable financial institutions locally <u>can conduct</u> derivative commodity transactions at reasonable market costs, the Head Office may execute such transactions with suitable financial institutions on their behalf.</p> <p>11.2 The <u>Company's</u> subsidiaries, when <u>executing derivative commodity transactions, shall refer to these Procedures and separately establish their own applicable procedures for such transactions.</u> Any subsidiary engaging in derivative commodity</p>	<p>Amended based on the practical operations of the subsidiaries.</p>

Original Articles	Articles After Amendment	Reasons for Amendments
<p>Company for audit and inspection purposes. (Omitted)</p>	<p>transactions shall periodically provide relevant information to the Company for audit and inspection purposes. (Omitted)</p>	
<p>Article 12: The Regulations shall be implemented after being approved by the Audit Committee and the Board of Directors; the same procedure shall apply to any future amendments. The Regulations were established on April 22, 2021. The first amendment was made on October 29, 2024.</p>	<p>Article 12: The Regulations shall be implemented after being approved by the Audit Committee and the Board of Directors <u>and then submitted to the shareholders' meeting for approval</u>; the same procedure shall apply to any future amendments. The Regulations were established on April 22, 2021. The first amendment was made on October 29, 2024. <u>The second amendment was made on May 25, 2026.</u></p>	<p>Addition of amendment date.</p>

Attachment IX

TONG HSING ELECTRONIC INDUSTRIES, LTD. 2026 Employee Stock Option Issuance and Subscription Rules.

I. Purpose of Issuance

To attract and retain professional talent required by the Company, motivate employees, and increase employee loyalty so as to jointly create value for both the Company and its shareholders, the Company has formulated these "Employee Stock Option Issuance and Subscription Rules" (the "Rules") in accordance with Article 28-3 of the Securities and Exchange Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Offering and Issuance Regulations") promulgated by the Financial Supervisory Commission.

II. Issuance period

Within two years from the date the effective approval notice is received from the competent authority, the issuance may be carried out in one or multiple tranches based on actual needs. The actual issuance date shall be determined by the Chairperson of the Company.

III. Eligibility criteria for optionees

- (I) Eligibility is limited to full-time employees of the Company and its domestic and foreign subsidiaries (defined as entities in which the Company directly or indirectly holds more than 50% of voting shares) who are employed on the date the grant of employee stock option certificates is approved by the Board of Directors.
- (II) The actual recipients of stock options and the number of options granted to each shall be determined based on allocation standards that take into account factors such as seniority, job performance, overall contributions (including potential future contributions), special achievements, and position level. Such allocation shall be approved by the Chairperson and then submitted to the Board of Directors for approval. For individuals who are directors or managerial officers, prior approval from the Compensation Committee is required. For employees who are not directors or managerial officers, the proposal must first be reviewed by the Audit Committee and then submitted to the Board of Directors for approval.
- (III) In accordance with Article 56-1, Paragraph 1 of the Regulations, the cumulative number of shares subscribable by any single option holder under employee stock option certificates, together with the cumulative number of restricted shares acquired by such holder, shall not exceed 0.3% of the total issued shares. In addition, in accordance with Article 56,

Paragraph 1 of the Regulations, the cumulative number of shares subscribable by any single option holder shall not exceed 1% of the total issued shares.

IV. Total Number of Units to be Issued

The total number of units to be issued under these stock options is 8,000,000 units. Each unit entitles the holder to subscribe for 1 common share. The total number of new common shares to be issued upon the exercise of the options is 8,000,000 shares.

V. Terms and Conditions of Subscription

(I) Subscription price:

The exercise price shall be set at no less than 60% of the closing price of the Company's common shares on the issuance date of the employee stock option certificates.

(II) Period of subscription rights:

1. An option holder may exercise the subscription rights in accordance with the following schedule starting two years after the grant of the employee stock option certificates. The validity period of the stock option certificates shall be six years from the issuance date. The stock option certificates and the rights attached thereto may not be transferred, pledged, gifted, or otherwise disposed of, except by inheritance. Upon expiration of the validity period, any unexercised employee stock option certificates shall be deemed forfeited, and the option holder may no longer assert any subscription rights.

Time After Grant	Cumulative Exercisable Percentage
2 years	20%
3 years	40%
4 years	70%
5 years	100%

2. Taxes: If the option holder is required to pay any taxes in any jurisdiction as a result of exercising the subscription rights and acquiring shares, such taxes—including but not limited to personal income tax and any withholding tax by the Company—shall be borne by the option holder.
3. If, after being granted employee stock option certificates, the option holder violates any employment contract, mandate agreement, or company work rules, the Company shall have the right to revoke and cancel both unvested stock option certificates and vested but unexercised stock option certificates.

(III) Types of shares which may be subscribed for:

Common shares of the Company

(IV) In the event that a grantee leaves the Company, is transferred, or upon occurrence of inheritance, the matter shall be handled within the duration of these stock options as follows:

1. Voluntary Resignation or Layoff

For vested employee stock option certificates, the option holder may exercise the subscription rights within ten (10) business days (inclusive of the effective date of resignation/layoff) from the effective date, or within the validity period of the stock option certificates (whichever occurs earlier). If such period falls within a restricted exercise period under this Plan, the exercise period shall be extended accordingly. Failure to exercise within the prescribed period shall be deemed a waiver of the subscription rights. Unvested employee stock option certificates shall be deemed forfeited as of the effective date of resignation or layoff.

2. Termination for Cause

If the option holder is terminated due to material violations of the employment contract or company work rules, all granted stock option certificates shall be deemed forfeited as of the date of termination.

3. Retirement

Vested employee stock option certificates may be exercised within the validity period of the stock option certificates in accordance with the exercise schedule set forth in Paragraph 2 of this Article. If such period falls within a restricted exercise period under this Plan, the exercise period shall be extended accordingly. Failure to exercise within the prescribed period shall be deemed a waiver of the subscription rights. Unvested employee stock option certificates shall be deemed forfeited as of the retirement date.

4. Death

In the event of the death of the option holder, vested stock option certificates shall be exercised by the heirs within one (1) year from the date of death, subject to the exercise schedule set forth in Paragraph 2 of this Article. The heirs may apply to exercise the subscription rights within the validity period of the employee stock option certificates only after completing the required legal procedures and providing supporting documentation in accordance with the applicable inheritance laws of the option holder's jurisdiction and the "Regulations Governing the Administration of Shareholder Services of Public Companies." Unvested employee stock option certificates shall, as of the date of death of the option holder, be extinguished together with all associated rights and obligations.

5. Disability Due to Occupational Injury

If an option holder becomes physically disabled due to an occupational injury and is unable to continue employment, the granted employee stock option certificates may be exercised within the validity period of the stock option certificates in accordance with the exercise schedule set forth in Paragraph 2 of this Article.

6. Unpaid Leave or Continuous Leave Exceeding 30 Days (Including Weekends and Holidays)

For option holders approved for unpaid leave of absence or continuous leave of 30 days or more (including weekends and public holidays), vested employee stock option certificates must be exercised within one (1) month from the start date of such leave (inclusive). Failure to exercise within the said period shall result in the suspension of exercise rights, which shall be reinstated upon return to work. However, the validity period of the stock option certificates shall not be extended due to such leave. For unvested employee stock option certificates, the related rights shall be reinstated upon return to work; however, the exercise schedule shall be deferred in accordance with the length of the leave, subject to the original validity period of the stock option certificates.

7. Transfer Within Group

If the option holder is transferred to another company within the Company or its domestic or foreign subsidiaries (in which the Company directly or indirectly holds more than 50% of voting shares), and such transfer is approved by the Chairperson, the rights and obligations of the granted employee stock option certificates shall remain unaffected.

8. Other Circumstances For circumstances not covered above, or where adjustments are required in accordance with applicable laws and regulations, the Chairperson is authorized to determine or adjust the handling on a case-by-case basis.

VI. Method for performance of contract

- (I) Shares shall be delivered through the issuance of new shares by the Company, in the form of book-entry transfer of newly issued shares.
- (II) Where the recipients of such new shares are employees of overseassubsidiaries, the shares shall be deposited into an “employee pooled investment account” opened by the Company or the overseas subsidiary with a custodian institution. Such account shall be used solely for the sale of shares acquired by such employees through the exercise of subscription rights or through transfer or allocation, and shall not be used for any other securities trading activities.

VII. Adjustment of subscription price:

- (I) After issuance of the employee stock option certificates, except for securities issued by the Company that are convertible into common shares or carry subscription rights, or new shares issued as employee compensation, in the event of any change in the Company's common shares (including but not limited to cash capital increase (including private placement), capitalization of retained earnings, capitalization of capital surplus, merger, share exchange for acquisition of another company, stock split, and participation in overseas depositary receipt offerings through cash capital increase), the exercise price shall be adjusted on the ex-rights date of the new share issuance in accordance with the following formulas and principles (rounded to the nearest New Taiwan dollar cent, with fractions rounded off). If the change in outstanding shares is due to a change in par value resulting in an increase in the number of issued shares, the adjustment shall be made on the record date for the share exchange; if cash payment procedures are involved, the adjustment shall be made on the date the subscription payment is fully paid. However, if the adjusted exercise price would result in adverse tax consequences for the option holders, the Company shall bear no liability therefor.

Adjusted Exercise Price = Pre-adjustment Exercise Price x [Issued Shares + (Cash Payment per Share x Number of New Shares / Market Price per Share)] / (Issued Shares + Number of New Shares)

In case of change in par value:

Adjusted Exercise Price = Pre-adjustment Exercise Price x (Issued Shares before par value change / Issued Shares after par value change)

1. "Issued shares" refers to the total number of issued common shares (including publicly offered and privately placed shares), excluding treasury shares repurchased but not yet cancelled or transferred.
2. If the cash payment per share is zero (e.g., in a bonus share issuance or stock split), it shall be treated as zero.
3. In the event of a merger with another company or share exchange acquisition, the cash payment per new share shall be the average closing price of the Company's common shares for the thirty (30) trading days prior to the record date of the merger or acquisition.
4. If the adjusted exercise price is higher than the pre-adjustment exercise price, no adjustment shall be made.
5. If the adjusted exercise price is lower than the par value of the common shares, the par value shall be used as the exercise price.

6. The market price per share shall be determined based on the simple arithmetic average of the closing price of the Company's common shares for one (1), three (3), or five (5) trading days prior to the ex-rights date, pricing date, or stock split record date, as applicable.
7. For any share changes not listed above, the Board of Directors is authorized to determine whether an adjustment shall be made.
8. Any required adjustment shall be made in accordance with the above formula and approved by the Chairperson, without requiring further Board resolution.

(II) After issuance of the employee stock option certificates, if the Company distributes cash dividends on common shares, the exercise price shall be adjusted on the ex-dividend date according to the following formula (rounded to the nearest New Taiwan dollar cent, with fractions rounded off):

Adjusted Exercise Price = Pre-adjustment Exercise Price x (1-Ratio of Cash Dividend per Share to Market Price per Share)

The market price per share shall be determined based on the simple arithmetic average of the closing price of the Company's common shares for one (1), three (3), or five (5) trading days prior to the announcement date of suspension of transfer for cash dividend distribution. In the event that both cash dividends and stock dividends (including capitalization of retained earnings and capital surplus) are distributed simultaneously, the exercise price shall first be adjusted for the cash dividend, and then adjusted for the stock dividend.

(III) After issuance of the employee stock option certificates, if the number of the Company's common shares decreases due to capital reduction not involving cancellation of treasury shares, the exercise price shall be adjusted on the capital reduction record date according to the following formulas (rounded to the nearest New Taiwan dollar cent, with fractions rounded off). If the change is due to a change in par value, the adjustment shall be made on the share exchange record date.

In case of capital reduction to offset losses:

Adjusted Exercise Price = Pre-adjustment Exercise Price x (Number of issued shares before capital reduction / Number of issued shares after capital reduction)

In case of cash capital reduction:

Adjusted Exercise Price = [Pre-adjustment Exercise Price x (1-Ratio of cash refund per share to closing price on the last trading day before share exchange)] x (Number of issued shares before capital reduction / Number of issued shares after capital reduction)

In case of change in par value:

Adjusted Exercise Price = Pre-adjustment Exercise Price x (Issued shares before par value change / Issued shares after par value change)

VIII. Procedures for exercising options:

- (I) Except for the statutory suspension of share transfer periods and the periods from the ex-rights/ex-dividend announcement dates for matters such as bonus share distribution, cash dividend distribution, cash capital increase subscription, or capital reduction (i.e., from three (3) business days prior to the relevant suspension of transfer announcement date to the record date of rights distribution, or from the capital reduction record date to the day before the commencement of trading of replacement shares), option holders may submit a subscription request to the Company by completing a subscription application form in accordance with this Plan.
- (II) Upon acceptance of a subscription request, the Company shall notify the option holder to remit the subscription payment to a designated bank within the prescribed period. Failure to make payment within the specified period shall be deemed a voluntary waiver of the subscription rights for that application, and the unpaid portion shall be deemed unsubscribed. The option holder must submit a new subscription request. Once payment has been made, it shall not be revoked.
- (III) Upon confirmation of full payment, the Company shall instruct its share transfer agent to record the number of subscribed shares and the names of the employees in the Company's shareholder register. The newly issued common shares shall be delivered via book-entry transfer through the central securities depository within five business days. Such shares shall be listed and traded from the date of delivery to the option holder.
- (IV) The Company shall, within fifteen days after the end of each quarter, publicly disclose the number of shares issued from employee stock option exercises in the preceding quarter, and shall at least once per quarter apply to the competent authority for registration of the change in capital resulting from exercised shares.
- (V) For any of the above matters involving employees domiciled in China, such matters shall be executed by a Taiwan-based agent or representative on their behalf.

IX. Rights and obligations after exercising options:

- (I) The common shares issued by the Company under this Plan shall carry the same rights and obligations as the Company's ordinary common shares. Taxes arising from the shares subscribed by option holders under this Plan and from related transactions shall be handled in accordance with applicable tax regulations prescribed by the competent authority.
- (II) Where employees of overseas subsidiaries hold common shares issued by the Company under this Plan, the exercise of voting rights shall not, except as otherwise required by law,

result in any de facto control over or influence on the Company's business operations and management. Such voting rights shall be exercised through a Taiwan-based agent or representative.

X. Other Essential Matters

(I) Confidentiality

Option holders, after being granted employee stock option certificates, shall comply with confidentiality obligations. Except as required by law or by the competent authority, they shall not disclose any information regarding the content or number of the granted stock option certificates. In the event of any violation, the Company shall have the right to revoke and cancel, in whole or in part, both vested but unexercised stock option certificates and unvested stock option certificates.

(II) This Plan shall be approved by a resolution of the Board of Directors with the attendance of at least two-thirds of the directors and the approval of more than one-half of the directors present, and shall take effect upon approval by the competent authority. The same shall apply to any amendments made prior to actual issuance. The Chairperson is authorized to amend this Plan during the regulatory review process in response to requirements of the competent authority; however, such amendments shall subsequently be submitted to the Board of Directors for ratification prior to issuance.

(III) Any matters not set forth herein shall be handled in accordance with applicable laws and regulations.

Appendix I

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Rules of Procedure for Shareholders' Meetings

- Article 1: Unless otherwise required by laws and regulations and the Articles of Incorporation, the convening of shareholders' meetings and the proceedings of the Company shall be governed by these Rules.
- Article 2: The shareholders' meeting shall be held at the Company's location or at a place suitable for the shareholders' meeting; the meeting shall commence no earlier than 9:00 a.m. and no later than 3:00 p.m., and the place and time of the meeting shall be held with due regard to the opinions of the independent directors.
- When the Company holds a video shareholders' meeting, the Company shall not be restricted from holding the aforementioned meeting.
- Article 3: The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- The registration of shareholders in the preceding paragraph shall be processed at least 30 minutes prior to the commencement of the meeting; the registration desk shall be clearly marked and adequate and appropriate personnel shall be assigned to handle the registration.
- The video conference of the shareholders' meeting shall be accepted at the video conference platform of the shareholders' meeting 30 minutes prior to the commencement of the meeting, and the shareholders who have completed the registration shall be deemed to attend the shareholders' meeting in person.
- If a shareholders' meeting is held by video conference, shareholders who wish to attend by video should register with the Company two days prior to the shareholders' meeting. If a shareholders' meeting is held by video conference, the Company shall upload the meeting booklet, annual report and other relevant information to the shareholders' meeting video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.
- Article 4: If the shareholders' meeting is convened by the Board of Directors, the Chair of the meeting shall be the Chairperson of the Board of Directors. If the Chairperson of the Board of Directors is absent from office or is unable to exercise his or her duties for any reason, the Vice Chairperson of the Board of Directors shall act as the chair of the meeting; if the Vice Chairperson of the Board of Directors is also absent from office or is unable to exercise his or her duties for any reason, the Chairperson of the Board of

Directors shall designate a Director to act as the chair of the meeting. If the Chairperson of the Board of Directors has not appointed a proxy, the Board of Directors shall appoint a proxy from among themselves.

The Chairperson of the Board of Directors shall preside personally at the shareholders' meetings called by the Board of Directors, and at least one representative of a majority of the Board of Directors and at least one member of each functional committee shall be present, and the attendance shall be recorded in the minutes of the shareholders' meetings. If a meeting is called by a person other than the Board of Directors, the Chairperson of the meeting shall be that person. If there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

The Company shall appoint a lawyer, an accountant or a related person to attend the shareholders' meeting.

Article 5: The entire meeting of shareholders shall be continuously recorded and videotaped and shall be kept for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, it shall be kept until the end of the lawsuit.

If a shareholders' meeting is held by video conference, the entire video conference shall be continuously and uninterruptedly recorded and videotaped, and shall be properly preserved during the period of continuity.

Article 6: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares present shall be calculated on the basis of the number of shares reported in the sign-in book or the attendance card and the video conference platform, plus the number of shares for which the voting rights are exercised by written or electronic means.

At the appointed meeting time, the chair of the meeting shall immediately announce the meeting in accordance with the legal procedures and announce the number of non-voting shares and the number of shares present at the same time; provided, however, that if the shareholders representing more than half of the total number of issued shares are not present, the chair of the meeting may announce an adjournment of the meeting for a maximum of two times, and the total time of the adjournment shall not exceed one hour. If, after two adjournments, there is still a shortage of shareholders representing more than one-third of the total number of outstanding shares, a fictitious resolution may be made in accordance with Article 175(1) of the Company Act. If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of outstanding shares, the chairperson may re-submit the fictitious

resolution made to the shareholders' meeting for a vote in accordance with Article 174 of the Company Act.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors, and the relevant motions (including temporary motions and amendments to original motions) shall be voted on a case-by-case basis, and the meeting shall proceed in accordance with the scheduled agenda, which cannot be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair of the meeting shall not adjourn the meeting without a resolution before the agenda of the shareholders' meeting (including the provisional motion) has been concluded. If the chair of a shareholders' meeting violates the rules of procedure and adjourns the meeting, other members of the Board of Directors shall promptly assist the shareholders present in accordance with the legal procedures and elect a chairperson with the consent of a majority of the shareholders present to continue the meeting.

No discussion or vote will be taken on a motion that is not a motion. If the chair believes that the discussion for a proposal has reached a level where a vote may be called the chair may make an announcement to end such discussion and call for a vote.

After the meeting is adjourned, the shareholders shall not elect another chair to resume such meeting at the same location or seek an alternative venue.

Article 8: Before the attending shareholder speaks, he/she must fill out a speaker's slip with the shareholder's account number (or attendance card number), the account name and the speech subject, and the chair (or his/her designee) shall determine the order of his/her speech and call out his/her names in order before they are allowed to speak.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, each shareholder (including natural and legal persons) shall speak once on the same motion, and each time shall not exceed 2 minutes, provided that the Chairperson may stop a shareholder from speaking if he/she violates the rules or exceeds the scope of the question. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a

shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 9: If a shareholders' meeting is convened by video conference, shareholders participating by video shall be allowed to ask questions by text on the video conference platform after the chair announces the meeting and before the meeting is adjourned, and the number of questions per motion shall not exceed one, and each time shall be limited to 200 words, not subject to Article 8. If the aforesaid question does not violate the regulations or is within the scope of the motion, it is appropriate to disclose the question on the video conference platform of the shareholders' meeting for public information.

Article 10: The voting of the motion shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. A shareholder shall not vote at a meeting if he/she has an interest in the matter that would be detrimental to the Company's interests, and shall not exercise his/her voting rights on behalf of another shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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

When the Company calls a shareholders' meeting, the Company shall exercise its voting rights by electronic means and in writing. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders who exercise their voting rights in writing or electronically are considered to be present in person at the shareholders' meeting. However, the extemporaneous motion and the amendment to the original motion at that shareholders' meeting shall be deemed to be abstained. The expression of intent is

governed by Article 177-2 of the Company Act.

Except as otherwise provided under the Company Act and the Company's Articles of Incorporation, a resolution shall be adopted with the approval of more than one-half of the votes of the shareholders present. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

If a shareholder proposes a motion or an amendment or a substitute to an original motion, the chair shall determine the order of voting together with the original motion. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The chair shall designate the person(s) to monitor and count the votes for the motion, provided that the monitoring personnel shall be the shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on site at the meeting, and a record made of the vote.

Article 12: When the Company convenes a shareholders' meeting by video conference, the shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairperson announces the opening of the meeting, and shall complete the voting before the chairperson announces the closing of the voting, and any delay shall be deemed as abstention. If the shareholders' meeting is convened by video conference, the chairperson shall announce the close of the voting and announce the voting and election results for a one-time vote count.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 3 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video only.

Those who exercise their voting rights by written or electronic means without revoking their intention and participate in the shareholders' meeting by video means may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except

for extemporary motions.

Article 13: In the event of an election of directors at the shareholders' meeting, the election results shall be announced on the spot, including the list of elected directors and the number of their election rights, as well as the list of unsuccessful directors and the number of election rights they received.

The election ballot for the preceding election shall be kept in a safe place and preserved for at least one year.

However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, it shall be kept until the end of the lawsuit.

Article 14: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The production and distribution of the meeting minutes shall be done electronically, and the distribution of the minutes shall be done by means of announcements entered into the Market Observation Post System and shall be retained permanently for the duration of the Company's existence.

If a shareholders' meeting is convened by video conference, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is convened, the names of the chairperson and the minutes of the meeting, and the manner and circumstances under which the video conference platform or video participation may be obstructed due to natural disasters, events or other force majeure circumstances.

In addition to the aforementioned provisions, the Company shall convene a video shareholders' meeting and shall include in the minutes of the meeting alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by means of video.

Article 15: The number of shares solicited by the requester, the number of shares represented by proxy, and the number of shares attended by shareholders in writing or electronically shall be clearly disclosed in the shareholders' meeting venue on the date of the shareholders' meeting in a statistical form prepared in accordance with the prescribed format; if the shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

When the Company convenes a video conference for shareholders, the total number of shares of shareholders present shall be disclosed on the video meeting platform when the meeting is announced. The same applies if the total number of shares and voting rights of shareholders present are counted at the meeting.

Article 16: Staff at the shareholders' meetings shall wear ID badges or arm badges. The chair may direct the patrol personnel to assist in maintaining order in the meeting for the conduct of business, and the patrol personnel shall wear identification cards or armbands. Shareholders and non-shareholders at the meeting are subject to the chair's direction regarding the maintenance of order and the conduct of business. Any person who disrupts the conduct of the shareholders' meeting and does not comply with the request, shall be asked by the chair or the patrol personnel to leave the meeting.

Article 17: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

Article 18: If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to disclose the results for at least 15 minutes after the meeting is adjourned by the chairperson.

When the Company holds a video shareholders' meeting, the chair and the recorder shall be present at the same location, and the chair shall announce the address of such place at the time of the meeting.

Article 19: If a shareholders' meeting is held by video conference, the Company shall provide a simple connection test for shareholders before the meeting and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.

If a shareholders' meeting is convened by video conference, the chairperson shall, at the time of announcing the meeting, separately announce that, except for the circumstances specified in Paragraph 4, Article 44-20 of the Guidelines Governing the Handling of Stock Issuances by Public Companies that do not require the adjournment or continuation of the meeting, if, before the chairperson announces the adjournment of the meeting, an obstacle to participation on the video conference platform or by video message occurs due to a natural disaster, an event or other force majeure that lasts for more than 30 minutes, the date of the meeting shall be adjourned or renewed within five days, and the

provisions of Article 182 of the Company Act shall not apply.

In the event of an adjournment or renewal of a meeting, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the adjourned or renewed meeting.

The number of shares, voting rights and voting rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and voting rights of shareholders present at the adjourned or renewed meeting for those shareholders who have registered to attend the original shareholders' meeting by video and have completed reporting for the meeting, but have not attended the adjourned or reconvened meeting. When a shareholders' meeting is adjourned or reconvened in accordance with the second paragraph, there is no need to discuss and resolve again on the motions for which voting and vote counting have been completed and the voting results or the list of directors and supervisors elected have been announced.

When the Company holds a video-assisted shareholders' meeting and the second paragraph cannot be renewed, if the total number of shares present still reaches the legal quota for the shareholders' meeting after deducting the number of shares present by video, the shareholders' meeting shall continue without any adjournment or re-convening in accordance with the second paragraph.

In the event that a meeting shall be continued, the number of shares attended by shareholders participating in the meeting by way of video shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for the purpose of all motions at that meeting.

If the Company adjourns or reconvenes a meeting in accordance with the second paragraph, the Company shall comply with the provisions set forth in Paragraph 7, Article 44-20 of the Guidelines Governing the Handling of Stock Issued to Public Companies, and shall complete the relevant preliminaries in accordance with the date of the original shareholders' meeting and the provisions of each such Article. When the Company holds a video shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by video.

Article 20: Any matters not covered by these rules and regulations shall be governed by the Company Law and related laws and regulations and the Company's Articles of Incorporation. The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

The first amendment was made on June 8, 2022.

Appendix II

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Articles of Incorporation

Chapter 1 General

Article 1: The Company shall be incorporated under the Company Act, and its name shall be Tong Hsing Electronic Industries, Ltd. (hereinafter referred to as Tong Hsing). Chinese name is 同欣電子工業股份有限公司.

Article 2: The scope of business of the Company shall be as follows:

- I. CC01070 Wireless Communication Mechanical Equipment Manufacturing
- II. F113070 Wholesale of Telecommunication Apparatus
- III. F213060 Retail Sale of Telecommunication Apparatus
- IV. CC01080 Electronics Components Manufacturing
- V. F119010 Wholesale of Electronic Materials
- VI. F219010 Retail Sale of Electronic Materials
- VII. F401010 International Trade
- VIII. F601010 Intellectual Property Rights
- IX. JE01010 Rental and Leasing
- X. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

Article 2-1: When necessary for its operation, the Company may provide endorsement, guarantee, or re-investment. The total amount of the Company's re-investment shall not be subject to the restriction of not more than forty percent (40%) of the Company's paid-up capital as provided in Article XIII of Company Act.

Article 3: The Company shall have its head office in Taoyuan City, Taiwan, Republic of China, and shall be free, upon approval of government authorities in charge, to setup representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Board of Directors deems it necessary or advisable to carry out any or all of its activities, including dissolution of branch offices.

Article 4: Public announcements of the Company shall be made in accordance with the provisions of the Company Act and the regulations prescribed by the competent securities authorities.

Chapter 2 Shares

Article 5: The registered capital of the Company shall be NT\$4,000,000,000, divided into

400,000,000 common shares with a par value of NT\$10 per share, and the Board of Directors are authorized to issue by increments.

A total of 100,000,000 shares shall be set aside from the aforementioned common shares for the use as employee Stock Warrants, divided into 10,000,000 shares, and the Board of Directors are authorized to issue by increments.

If the issued subscription price of the Company is lower than the subscription warrant of employees of the closing price of common stock of Japanese companies, they can only be issued after obtaining the consent from more than two thirds of voting power of attending shares at shareholders' meeting to be attended by more than half shareholders representing the total number of issued shares.

Article 6: The shares of the Company are registered shares. The share certificates shall be assigned with serial numbers and affixed with the signature or stamp of the director representing the Company. The share certificates shall be duly certified or authenticated by the bank which is competent to certify shares in accordance with the law before they are issued. The Company may issue registered shares without certificates, and such shares shall be registered with a central securities depository.

Article 7: The Company's shares shall be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" prescribed by the competent authority.

Article 8: No registration of transfer of shares shall be made within sixty days (60) prior to an annual shareholder meeting, nor within thirty days (30) prior to a special (extraordinary) shareholder meeting, nor within five (5) days prior to the record day on which dividend, bonus or other benefits is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

Article 9: Shareholders meetings shall be of two types: General meetings and Extraordinary meetings. General meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, whenever necessary.

The Company's shareholders' meetings shall be held by video conference or other means as announced by the Ministry of Economic Affairs.

Article 10: Except as provided in the Company Act of the Republic of China, shareholders meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 10-1: The Company shall withdraw public issuance after the proposal is adopted at the shareholders meeting.

Article 11: Unless otherwise specified by the law, each shareholder of the Company shall be entitled to one vote for each share held.

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

Article 12: The Chairperson of the Board of Directors shall preside the shareholders meeting. In case the Chairperson of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairperson shall act on his behalf. In case there is no designation by the Chairperson, the Directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors or the directors shall elect from among themselves an acting Chairperson of the Board of Directors. In the absence of such a designation, the directors or the directors shall elect from among themselves an acting Chairperson of the Board of Directors. If there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

Article 12-1: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting in accordance with Article 183 of Company Act.

Chapter 4 Directors and the Audit Committee

Article 13: The Company shall have nine to eleven directors to be elected at the shareholders meeting by the shareholders from among the nominees listed in the roster of director candidates. The term of office for directors shall be three years. All of the directors are eligible for re-election.

A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors.

The Company shall have, among the aforementioned directors, at least three independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors.

Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, methods of nomination and election, and other matters for compliance with respect to independent directors shall

be prescribed by the competent authority.

The election of directors (including independent directors) and supervisors at the Company is subject to the provisions of Company Act in that a candidate nomination system for directors and supervisors shall be adopted. Shareholders shall elect directors and supervisors from among the those listed in the slate of independent director candidates. Such system and related announcement shall comply with the regulations stated in the Company Act, Securities and Exchange Act.

Article 13-1: The Board of Directors is authorized to determine the salary for the Directors (including independent directors), taking into account the extent and value of the services provided for the Remuneration Committee and the standards of the industry.

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy.

The Company shall establish an Audit Committee in accordance with Article 14, paragraph 4 of the Securities and Exchange Act. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the rules and regulations of the TWSE or TPEX.

Article 14: The directors shall organize a Board of Directors, at which at least two-thirds of the directors shall be present, and with the consent of a majority of the directors present, one of them shall be elected from among themselves as the Chairperson of the Board of Directors, and if necessary, one of them shall be elected from among themselves in the same manner as the Vice Chairperson of the Board of Directors. The Chairperson of the Board of Directors shall represent the Company and execute all business of the Company in accordance with the laws, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors.

Article 14-1: Unless otherwise specified in the Company Act, board meetings shall be convened and chaired by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of chair, the chair shall appoint one of the directors to act in place of the chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chair, the directors shall select one person from among themselves to serve as chair. In case a director appoints another director to attend a meeting of the Board of Directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

Article 14-2: A notice of the reasons, time and place for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In

emergency circumstances, however, a board meeting may be called on shorter notice. Meeting notices can be faxed or emailed instead of written notices.

Each director shall attend the meeting of the board of directors in person. In case a meeting of the board of directors is held by video conference, then the directors taking part in such a video conference meeting shall be deemed to have attended the meeting in person.

Article 15: The Board of Directors shall set up functional committees for auditing, remuneration, nomination, risk management or any other functions. Functional committees shall adopt an organizational charter to be approved by the Board of Directors.

Chapter 5 Manager

Article 16: The Company has a general manager who shall be nominated by the Chairperson of the Board. The appointment, discharge, and remuneration shall comply with Article 29 of the Company Act.

Chapter 6 Accounting

Article 17: The Company's fiscal year is from January 1st to December 31st of each year, and the final accounting report shall be processed at the end of a fiscal year.

Article 18: At the end of each fiscal year, the Board of Directors prepares the following lists and submits them to the Audit Committee for review, and reports to the general shareholders' meeting for acceptance.

I. Business report.

II. Financial statements.

III. Proposals of profit allotment or loss coverage.

Article 19: 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.

However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts. The 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. 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.

The distribution of employees' and directors' compensation shall be resolved by the Board of Directors with at least two-thirds of the directors in attendance and a majority of the attending directors' approval, and shall be reported to the shareholders' meeting.

Article 19-1: 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.

Article 19-2: Distributions from the Company's earnings or loss can be made after the end of each semi-annual fiscal year.

When the Company distributes earnings for the first half of the fiscal year in accordance with the preceding paragraph, the Company shall estimate and retain the amount of taxable contributions, offsetting losses, compensation to employees, and reserve from earnings. However, this limit does not apply when the legal reserve has reached the

amount of paid-in capital.

The first proposal for distribution of earnings or offsetting losses should be submitted to the Audit Committee for review and approval, taking into account the current year's operating conditions and cash flows, together with the business report and financial statements. If the distribution of earnings is made in the form of new shares, the Board of Directors shall submit a resolution to the shareholders' meeting in accordance with Article 240 of the Company Act.

Article 20: The Company intends to transfer the shares repurchased by the Company to employees in accordance with the relevant laws and regulations, and if it intends to transfer them to employees at a price lower than the average price of the actual repurchased shares, then it can be implemented after the consent of more than two-thirds of the shareholders who represent more than half of the total number of issued shares.

Chapter 7 Supplementary

Article 21: Any other matters not set forth in the Articles of Incorporation shall be dealt with in accordance with the Company Act.

Article 22: The Articles of Incorporation were established on July 2, 1974.

The first amendment was made on December 8, 1976.

The second amendment was made on April 19, 1977.

The third amendment was made on April 15, 1978.

The fourth amendment was made on May 6, 1983.

The fifth amendment was made on July 18, 1984.

The sixth amendment was made on February 27, 1985.

The seventh amendment was made on December 27, 1985.

The eighth amendment was made on April 7, 1986.

The ninth amendment was made on August 7, 1986.

The tenth amendment was made on September 15, 1988.

The eleventh amendment was made on June 3, 1989.

The twelfth amendment was made on December 6, 1989.

The thirteenth amendment was made on September 26, 1990.

The fourteenth amendment was made on January 3, 1991.

The fifteenth amendment was made on December 5, 1991.

The sixteenth amendment was made on June 10, 1992.

The seventeenth amendment was made on May 10, 1994.

The eighteenth amendment was made on June 30, 1995.

The nineteenth amendment was made on May 21, 1996.

The twentieth amendment was made on July 14, 1997.
The twenty-first amendment was made on October 6, 1997.
The twenty-second amendment was made on June 24, 1999.
The twenty-third amendment was made on June 3, 2000.
The twenty-fourth amendment was made on June 26, 2001.
The twenty-fifth amendment was made on June 7, 2002.
The twenty-sixth amendment was made on June 21, 2005.
The twenty-seventh amendment was made on June 20, 2006.
Twenty-eighth amendment was made on December 21, 2006.
The twenty-ninth amendment was made on May 15, 2007.
The thirty amendment was made on May 15, 2007.
The thirty-first amendment was made on June 19, 2008.
The thirty second amendment was made on June 26, 2009.
The thirty-third amendment was made on April 28, 2010.
The thirty-fourth amendment was made on June 19, 2012.
The thirty-fifth amendment was made on June 19, 2013.
The thirty-sixth amendment was made on June 18, 2015.
The thirty-seventh amendment was made on June 16, 2016.
The thirty-eighth amendment was made on June 16, 2017.
The thirty-ninth amendment was made on June 15, 2018.
The fortieth amendment was made on June 21, 2019.
The forty-first amendment was made on February 14, 2020.
The forty-second amendment was made on June 5, 2020.
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.
The forty-sixth amendment was made on May 28, 2025.

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Tie-Min Chen, Chairperson of the Board

Appendix III

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees(Before Amendment)

Chapter 1: General Provisions

Article 1: Basis for adoption:

The Regulations is adopted pursuant to Article 36-1 of the Securities and Exchange Act (the "Act") and "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" for compliance therewith.

Article 2: Purpose for adoption:

A Company shall comply with the Regulations when making loans to and endorsements/guarantees for others; provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 3: Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. The Company has the business transaction with companies or firms calls for a loan arrangement; or
2. There has short-term financing facility is necessary between the Company and companies or firms, provided that such financing amount shall not exceed 40 percent of the lender's net worth.

The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle.

The term "financing amount" as used in paragraph 1, sub-paragraph 2 of this Article means the cumulative balance of the Company's short-term financing.

The restriction in paragraph 1, subparagraph 2 shall not apply to the loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

When a responsible person of the Company violates paragraph 1 or the proviso of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.

Article 4: The term "endorsements/guarantees" as used in the Regulations refers to the following:

- I. Financing endorsements/guarantees, including:
 1. Bill discount financing.
 2. Endorsement or guarantee made to meet the financing needs of another company.
 3. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.
- II. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
- III. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Regulations.

Article 5: The Company may make endorsements/guarantees for the following companies:

- I. A company that has business with the Company.
- II. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- III. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

The Company made endorsements/ guarantees for jointly invested company in proportion to its shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 6: "Subsidiary" and "parent company" as referred to in the Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in the Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7: The term "announce and report" as used in the Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

"Date of occurrence" in the Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds or endorsement/guarantee, whichever date is earlier.

Article 8: Any amendments of the Regulations shall approve by a resolution of the board of directors, and submit it for approval by the audit committee and shareholders' meeting respectively; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to audit committee and for discussion by the shareholders' meeting.

Where the Company has appointed independent directors, when it submits it's the Regulations for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting.

Where the Company has established an audit committee, when it amends its Regulations, the amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors.

If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Regulations may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Chapter 2 Formulation of Operation Procedures

Section I Loans of Funds to Others

Article 9: The Company shall comply with the following provisions when making loans to others.

Articles 9-1: Entities to which the Company may loan funds shall comply with the provisions of Article 3 of the Regulations.

Article 9-2: Evaluation standards for loaning funds to others:

1. Where funds are loaned for reasons of business dealings.
2. Where short-term financing is needed, entities to which the Company may loan

funds shall comply with the provisions of Article 3 of the Regulations.

Articles 9-3: Limitation on loaning funds

1. The aggregate amount of loans.

The aggregate amount of loans shall not exceed forty percent of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company.

2. The maximum amount permitted to a single borrower.

(1) Where funds are loaned by the Company to another company or firm due to business dealings, the total amount of such loans shall not exceed 10% of the net worth in the Company's most recent financial statements, audited or reviewed by a CPA. The amount of loans to a single borrower shall not exceed the transaction amount of business dealings between the two parties. The "transaction amount" shall mean the sales or purchasing amount between the parties during the one-year period preceding the application date, whichever is higher.

- (2) Where short-term financing is needed.

The total loan amount shall not exceed 30% of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company, as well as not exceed 10% to a single borrower.

Article 9-4: Term of loaning fund

- I. The duration of loaning fund:

Each loaning fund shall not exceed one year, in special cases, with the approval of the board of directors, the loan period may be extended based on the actual situation.

- II. Calculation of interest:

The interest rate shall be determined on the basis of market rate or the Company's funding costs.

- III. Collateral: The Company may require the borrower to provide collateral or a guarantor if necessary.

Article 9-5: Reviewing procedures

- I. Credit investigation

1. For first-time borrowers, the borrower should provide copies of its company registration certificate, ID card of the person in charge, and other necessary financial information to facilitate credit investigation.

2. Continue to borrow money, in general, the Company need to conduct a credit investigation once a year. If it is a major case, a credit investigation will be conducted every six months depending on actual needs.

II. Risk assessment and loaning fund approval

After the credit investigation, the Company's accounting & finance department will evaluate the reason, use, purpose, loan amount, returns, value of the collateral provided, credit and operating conditions, and evaluate the impact on the Company's operational risks, financial status and shareholders' equity. Submit to the general manager and chairperson of the board for approval, then to the board of directors for resolution.

III. Notice to the borrower

After the procedure on the preceding paragraph is approved, the people in charge of the accounting & finance department should pass the detailed loan conditions that provided by the Company to borrower by letter or telex as soon as possible, and then apply the drawdown of loaning funds.

IV. Preservation

When the borrower applied the drawdown of loaning fund in accordance with the provisions of the preceding paragraph, it shall provide a guarantee note or collateral of the same amount as a guarantee for the loaning fund, except for the loaning fund to the subsidiary.

Article 9-6: Matters needing attention on loaning fund

- I. When the Company signs a financing contract with a borrower, it shall use the seal of a legal person or group registered with the competent authority, and the accounting & finance department shall handle the verification of the seal and signature of the borrower and its guarantor.
- II. When completing the procedures for each loaning fund, the accounting & finance department should prepare a memorandum entry for obtaining collateral or credit guarantee. To record the borrowers, the amount, the date approved by the board of directors, the date of fund loan and proposed appraisal report under the Article 5 in the memorandum book. The loan situation shall be evaluated and appropriate provisions for bad debts shall be made in accordance with generally accepted accounting principles, and endorsement and guarantee information shall be appropriately disclosed in the financial report. Provide relevant information for attesting CPA.

Article 9-7: Subsequent measures for control and management of loaning fund

- I. The finance and accounting department shall regularly investigate and evaluate the financial, business and related credit status of the borrower and the guarantor. If any collateral is provided, attention should be paid to whether there is any change in the value of the collateral, and any major changes should be reported immediately to the Chairperson and take an appropriate treatment according to instructions.
- II. When the borrower repays the loan at or before the maturity of the loan, the Company should calculate the interest payable first. After borrower repay the interest payable together with the principal, the promissory note can be canceled and returning it to the borrower or canceling the mortgage.
- III. If the borrower fails to fulfill the financing contract for any reason, the Company may take actions and recover compensation from the collateral or guarantor provided by it in accordance with the law.
- IV. Based on individual borrower and loan amounts, the term of loaning fund shall be determined by the board of directors in accordance with the provisions of Regulations. When the term is expired, it may be extended with the approval of the board of directors. If the extension is not approved by the board of directors, the principal and interest shall be paid in full, otherwise the repayment shall be pursued in accordance with the law.
- V. The interest rate for loaning fund shall not be lower than the average interest rate for short-term loans in the financial industry. In the event that specified in items III and VI, the Company may not only dispose of the collateral and recover the debts, but also charge an additional 10% liquidated damages based on the agreed interest rate.
- VI. When the Company's policy changed that the borrower do not comply with the provisions of the Regulations or the balance exceeds the limit, the Company shall prepare an improvement plan and submit it to the audit committee, and complete the improvement according to the planned schedule.

Article 9-8: Procedures for controlling and managing the loaning funds to others by subsidiaries.

- I. When a subsidiary of the Company intends to make loan fund to others, the Company shall require the subsidiary to adopt, and any amendments hereto, the same Regulations as the Company and shall be approved by the board of director of the subsidiary.
- II. When a subsidiary of the Company intends to make loan fund to others, it shall submit the application to the Company for approval before doing so; the Finance Department and people in charge assigned by the General Manager of the Company

shall specifically assess the necessity and rationale of the loan or endorsement of the guarantee. The risks, impact on the operating risks, financial status and shareholders' equity of the Company and subsidiaries shall be reported to the general manager and chairperson of the board for approval.

- III. The finance department of the Company should obtain the statement of amount changes in loaning fund of each subsidiary before the 10th of each month.
- IV. The Company's internal auditors should regularly audit each subsidiary's compliance with its Regulation and prepare an audit report. After the findings and recommendations of the audit report are reviewed, each subsidiary under investigation should be notified. Internal auditor shall prepare follow-up reports regularly to ensure that it has taken appropriate improvement measures in a timely manner.

Article 10: When a subsidiary of the Company intends to make loan fund to others, the Company shall require the subsidiary to adopt the same Regulations as the Company for compliance therewith.

Section II Endorsements/Guarantees for Others

Article 11: The Company shall comply with the following provisions when making endorsements/guarantees for Others

Articles 11-1: Entities to which the Company may make endorsements/guarantees shall comply with the provisions of Article 5 of the Regulations.

Article 11-2: The aggregate amount the Company permitted to make in endorsements/guarantees shall not exceed 40% of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company as well as the 10% for cumulative amount permitted to a single borrower.

The aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity, that the Company and its subsidiaries as a whole are permitted to make shall not exceed 40% and 10% respectively of the amount of the net value of the financial statements for the most recent period, certified or reviewed by a certified public accountant, of the Company.

Where an endorsement/guarantee is made due to needs arising from business dealing. The aggregate amount shall not exceed transaction amount between the parties. "Transaction amount" shall mean the sales or purchasing amount between the parties which occurred in the past one year, whichever is higher.

Article 11-3: Decision-making authority and delegation thereof to make in endorsements/ guarantees

- I. Any department intending to make endorsements or guarantees for others shall submit the proposal to board of directors for approval. However, to meet the timeliness, the board of directors may authorize the chairperson to make a decision within 3% of the amount of the net value of the financial statements for the most recent period, and then report to the board of directors for ratification afterwards.
- II. The board of directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the board of directors meeting.

Article 11-4: Review procedures to make in endorsements/guarantees

- I. When the Company intend to make endorsement guarantees, the accounting & finance department shall review each item to see whether the qualifications and certain monetary limit of the entity for which the endorsement/guarantee is made are in compliance with the provisions of the Regulations, analyze the necessity and rationale of the endorsement/guarantee, assess the risks of the endorsement/guarantee, and make records. Collateral should be obtained when necessary. The content, reasons and risk assessment results of the relevant endorsement/guarantee shall be stated and submitted to the chairperson for approval and then submitted to the board of directors for discussion and approval. If it is within the authorization limit of the Company, it shall be approved by the chairperson and submitted to the next following board of directors for ratification.
- II. When the Company intend to make endorsement guarantees, it should establish a memorandum book. After the endorsement/guarantee is approved by the board of directors or approved by the chairperson of the board, in addition to applying for a seal in accordance with the Regulation, the commitment guarantee matters, the name of the entity for which the endorsement/guarantee is made, the risk assessment results, the amount of the endorsement/guarantee, the content of the collateral obtained, conditions and dates for endorsement/guarantee cancellation shall be posted detailed in memorandum book for future reference.
- III. The accounting & finance department should prepare a detailed list of the endorsement/guarantee incurred and canceled each month for control and tracking. To assess or recognize the contingent losses of endorsement/guarantees on a quarterly basis, and disclose the endorsement/guarantee information appropriately in the financial report in accordance with the provisions of Financial Accounting Criteria Gazette No. 9.

Article 11-5: If the entity for which the endorsement/guarantee is made subsequently failed to comply

with the provisions of Article 5 of the Regulation, or the amount of the endorsement/guarantee exceeds the credit limit set before due to changes in the basis on which the limit is calculated, the amount of the endorsement/guarantee or the excess portion of the endorsement/guarantee for the aforementioned entity shall be eliminated when the contract period expired, or the accounting and finance department prepare an improvement plan, aforementioned amount will be eliminated within a certain period of time after approval by the chairperson of the board. The improvement plan will be reported to the board of directors, then to the audit committee.

Articles 11-6: Procedures for use and custody of corporate chops.

The Company uses the seal applied for registration with the Ministry of Economic Affairs as the special seal to make endorsement/guarantee. This seal is kept by a dedicated person approved by the board of directors. It cannot be the same person as the relevant staff in charge of the endorsement/guarantees for others. The seal used or the issuance of notes can be processed as the provision of the Regulation. Any change of the seal custodian must be reported to the board of directors for approval.

When it makes endorsement/guarantee for a foreign company, the guarantee letter issued by the Company shall be signed by the chairperson or general manager authorized by the board of directors.

Article 11-7: Procedures for controlling and managing endorsements/guarantees by subsidiaries

- I. When a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall require the subsidiary to adopt, and any amendments hereto, the same Regulations as the Company and shall be approved by the board of director of the subsidiary.
- II. When a subsidiary of the Company intends to make endorsements/guarantees for others, it shall submit the application to the Company for approval before doing so; the Finance Department and people in charge assigned by the General Manager of the Company shall specifically assess the necessity and rationale of the loan or endorsement of the guarantee. The risks, impact on the operating risks, financial status and shareholders' equity of the Company and subsidiaries shall be reported to the general manager and chairperson of the board for approval.
- III. The finance department of the Company should obtain the statement of amount changes in endorsements/guarantees of each subsidiary before the 10th of each month.
- IV. The Company's internal auditors should regularly audit each subsidiary's compliance with its Regulation and prepare an audit report. After the findings and

recommendations of the audit report are reviewed, each subsidiary under investigation should be notified. Internal auditor shall prepare follow-up reports regularly to ensure that it has taken appropriate improvement measures in a timely manner.

Article 11-8: When the Company makes endorsement/guarantee for any subsidiary whose net worth is lower than half of its paid-in capital, in addition to meet the provision of preceding paragraph, the following relevant follow-up monitoring and control measures shall be expressly excised:

- I. To obtain financial reports and other relevant information regularly of the subsidiary, and analyze its operations, financial and credit status, and repayment sources to measure possible risks.
- II. To analyze the proportion of the subsidiary's current endorsement/guarantee balance to the Company's net worth, liquidity and cash status to assess the impact on the Company's operational risks, financial status and shareholders' equity.
- III. To require the subsidiary to provide an operational improvement plan and conduct appropriate control. If it is necessary to add a new endorsement/guarantee to the subsidiary, an appropriate evaluation report should be provided and submitted to the board of directors for approval before implementation.

Article 11-9: In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under Article 11-8, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 12: Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct it to adopt its own regulation for endorsements/guarantees in compliance with Regulation and “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, and it shall comply with its own regulation when making endorsements/guarantees for other.

Chapter 3 Performing Evaluation

Section I Loans of Funds to Others

Article 13: Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with the provision of Regulations. In addition, the evaluation results under the Regulation have been submitted to and resolved upon by the board of directors. The Company shall not empower any other person to make such decision.

Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing

counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

The "certain monetary limit" mentioned in the preceding paragraph, except provision of paragraph 4 of Article 3, the authorized loan amount of the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most recent financial statements of the Company.

Where the Company has appointed independent directors, when it loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 14: The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under paragraph 1 of the preceding Article.

The Company's internal auditors shall audit the procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found.

Article 15: If, an entity for which an endorsement/guarantee is made does not meet the requirements of the Regulations or the loan balance exceeds the limit, the Company shall adopt improvement plans and submit it to the audit committee, and shall complete the improvement according to the timeframe set out in the plan.

Section II Endorsements/Guarantees for Others

Article 16: Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with the Regulations. In addition, the evaluation results under Regulation have been submitted to and resolved upon by the board of directors, or approved by the chairperson of the board, where empowered by the board of directors to grant endorsements/guarantees within a specific limit, for subsequent submission to and ratification by the next board of directors' meeting.

Before making any endorsement/guarantee pursuant to Article 5, paragraph 2, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made

between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

The shall use the corporate seal registered with the Ministry of Economic Affairs as the special seal for endorsements/guarantees. The seal shall be kept in the custody of a dedicated person approved by the board of directors and seal used or the issuance of notes can be processed as the provision of the Regulation.

When it makes endorsement/guarantee for a foreign company, the guarantee letter issued by the Company shall be signed by the person authorized by the board of directors.

Article 17: The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairperson of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under paragraph 1 of the preceding article. The Company's internal auditors shall audit the procedures for endorsements/guarantees for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.

Article 18: To satisfy its business requirements, where the Company needs to exceed the limits set out in the Regulation as well as complied with the provision of the Regulation, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Regulation accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.

Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 19: Where the entity for which an endorsement/guarantee is made no longer meets the requirements of the Regulations, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt improvement plans and submit it to the audit committee, and shall complete the improvement according to the timeframe set out in the plan.

Chapter 4 Information Disclosure

Section I Loans of Funds to Others

Article 20: The Company shall announce and report the previous month's loan balances of itself and its subsidiaries by the 10th day of each month.

Article 21: The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

- I. The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
- II. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
- III. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

Article 22: The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Section II Endorsements/Guarantees for Others

Article 23: The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.

Article 24: The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

- I. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
- II. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
- III. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.
- IV. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 25: The Company shall evaluate or record the contingent loss for endorsements/guarantees and shall disclose information adequately on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

Article 26: If relevant personnel violate the provision of the Regulation, relevant laws and regulations, based on the severity of the case, the Company may give a warning, demerit, demotion, suspension, salary reduction or other sanctions and make it a matter of internal review.

Article 27: Any matters not covered in Regulation shall be handled in accordance with relevant laws/regulations of the competent authority and the Company. If the competent authority modifies the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the Company shall follow the provisions of its new regulation.

Article 28: The Regulation shall come into in force from the June 2, 2011.

The first amendment was made on June 19, 2013.

The second amendment was made on June 21, 2019.

Appendix IV

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Procedures for Acquisition and Disposal of Assets(Before Amendment)

Article 1: Purpose

These key points are enacted for the purpose of protecting investors, fulfilling information disclosure, and enhancing public companies to establish the risk management system for derivative products transaction.

Article 2: General Principles

These Regulations are adopted in accordance with the provisions of Article 36, paragraph 1 of the Securities and Exchange Act ("the Act").

Article 3: Scope of Assets

The term "assets" as used in these Regulations includes the following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Membership.
- IV. Patents, copyrights, trademarks, licenses and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of by legal merger, division, acquisition or transfer of shares.
- IX. Other important assets.

Article 4: Terminology

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration there for (hereinafter "transfer of shares") under Article 156, paragraph 8 of Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: It refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, and dates of boards of directors resolutions, or another date that can confirm the transaction counterpart or monetary amount, whichever date is earlier. For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountants opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.
- II. Not a related party or de facto related party of the transaction counterpart.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the professional appraisers or appraisers may not be related parties or de facto related parties of each other.

When issuing appraisal reports or opinions, the aforesaid officers shall comply with the self-regulatory rules of their respective trade associations and the following matters:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When executing audit assignments, they shall plan and implement appropriate operating procedures to draw a conclusion as the basis of producing a report or expressing an opinion; and maintain a full record of the implementation procedures, gathered data, and conclusions in the worksheet.
- III. They shall assess the appropriateness and reasonableness of the data sources, parameters and information used on a case-by-case basis as the basis for issuing appraisal reports or written opinions.
- IV. The declaration shall include the professionalism and independence of the relevant personnel, the assessment of the appropriateness and correctness of the information used and the compliance with the relevant laws and regulations.

Article 6: Scope of Assets and Limits of Amounts

The limits of amounts for the acquisition of properties and right-of-use assets by the Company and its subsidiary for non-operating purpose:

- I. The total amount of properties not for operating use and their right-to-use assets shall not exceed 20% of the Company's paid-in capital as certified by the CPA.
- II. The total amount of the original investment in marketable securities shall not exceed 200% of the Company's most recent net financial position.
- III. The original amount of investment in individual marketable securities shall not exceed 150% of the Company's net worth in the most recent financial statements.

- IV. The amount of the acquisition or disposal of memberships or intangible assets shall not exceed 20% of the Company's paid-in capital in the most recent financial statements.

Article 7: Procedures for evaluating the acquisition or disposal of assets

- I. Acquisition or disposal of non-derivative financial instruments
 - (I) When acquiring or disposing of non-derivative financial instruments in the centralized trading market or securities dealer's business premises, the contractor shall submit the reasons for the proposed acquisition or disposal, the subject matter, and the price reference basis in accordance with the approval authority of the Company's layered responsibility regulations, and submit them to the authority responsible for the decision.
 - (II) When acquiring or disposing of non-derivative financial instruments or private placement of non-derivative financial instruments other than in a centralized trading market or securities dealer's business premises, the contractor shall submit the reasons for the proposed acquisition or disposal, the subject matter, the counterparty, the transfer price, the terms of receipt and payment, and the basis of price reference, etc., to the Board of Directors for approval before proceeding in accordance with the approval authority of the Company's layered responsibility regulations, and submit them to the authority for decision.
- II. When acquiring or disposing of properties, their right-to-use assets or other assets, the contractor shall submit the reasons for the proposed acquisition or disposal, the subject matter, the counterparty, the transfer price, the terms of receipt and payment, and the price reference in accordance with the approval authority of the Company's layered responsibility regulations, and submit them to the authority for judgment.
- III. The Company shall follow the procedures prescribed by the Board of Directors and, after approval by the Board of Directors, send it to the Audit Committee and submit it to the shareholders' meeting for approval. If any director expresses dissenting opinions and there are records or written statements, the Company shall also submit the information on the directors' dissenting opinions to each Audit Committee.
- IV. The Company shall take into full consideration the opinions of the independent directors when submitting the procedures to the Board of Directors for discussion in accordance with the preceding paragraph. Any objection or reservation of the independent directors shall be set forth in the minutes of the Board of Directors' meeting.

- V. The Company shall establish or amend the procedures for disposal of assets with the approval of one-half of the Audit Committee and submit to the Board of Directors for resolution. If not approved by at least one-half of the Audit Committee, the resolution shall be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.
- VI. All members of the Audit Committee mentioned in the preceding paragraph and all directors mentioned in the preceding paragraph shall be counted as those who are actually in office.

Article 8: Procedures for Decision on Trading Conditions

- I. The method and reference for determining the price of acquisition or disposal of assets:
 - (I) Acquisition or disposal of non-derivative financial instruments
 - 1. The price of non-derivative financial instruments traded on the centralized trading market or at securities dealers' offices shall be determined by the prevailing market price of the non-derivative financial instruments.
 - 2. The price of non-derivative financial instruments not acquired or disposed of in a centralized trading market or on the securities dealer's premises shall be determined by considering the net value per share, profitability, future development potential and reference to the prevailing trading price.
 - (II) The acquisition or disposal of other assets shall be made by comparison, negotiation, tender or other means.
- II. The acquisition or disposal of assets shall be carried out by the responsible unit in accordance with the approval authority of the Company's layered responsibility policy, and the decision shall be submitted to the responsible unit.

Article 9: Acquisition or disposal of properties, equipment or right-of-use assets

In acquiring or disposing of real estate or other equipment or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in-capital or exceeds NT\$300 million, the Company, unless transacting with a government agency, engaging others to build on the Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report from professional appraisers prior to the date of event and shall further comply with the following provisions:

- I. If the transaction price is determined by referring to an attributive price, a specific price, or a special price for a good cause, the transaction should be presented to the

board of directors for resolution. Any changes in trading conditions thereafter should be handled in the same manner.

- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal reports, unless all the appraisal reports for the assets to be acquired are higher than the transaction price, or all the appraisal reports for the assets to be disposed of are lower than the transaction price, a CPA shall render a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:
 - (I) The discrepancy between an appraisal report and the transaction price reaches 20% or more of the transaction price.
 - (II) The discrepancy between the appraisal reports of two or more professional appraisers reaches 10% or more of the transaction price.
- IV. No more than three months may elapse between the issuance date of the appraisal report by a professional appraiser and the contract execution date. However, if it is subject to the announced present value of the same period and that is not more than six months away, an opinion can be issued by the original appraiser.

Article 10: Acquisition or Disposal of Marketable Securities:

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 11: Acquisition or Disposal of Intangible Assets or Right-to-use Assets or Membership:

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Article 12: The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 18-2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 13: For the Company's acquisition or disposal of assets through court auction procedures, the documentation issued by the court may be used in place of the appraisal report or CPA opinion.

Article 14: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 9-Article 13.. The calculation of the transaction amount referred to a related party shall be made in accordance with Article 12 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 15: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:

- (I) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
- (II) The reasons for selecting the related party as the trading counterpart.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.

(V) The monthly cash income and expense forecast within the year from the month of the contract signed; also, the assessment of the necessity of the trade and the reasonableness of the use of funds.

(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

(VII) The restrictions and other important stipulations of the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 6, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

(I) Acquisition or disposal of equipment or right-to-use assets for business use.

(II) Acquisition or disposal of property right-of-use assets for business use.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

For the first item that shall be recognized by the Audit Committee, more than one-half of all members of the Audit Committee shall first agree and submit a resolution to the Board of Directors, and the provisions of Paragraphs 5 and 6, Article 7 shall apply.

If the Company or a subsidiary of the Company that is not a domestic listed company has the first transaction and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and submitting the payment. However, transactions between the Company and its parent company or subsidiaries, or between subsidiaries of the Company and each other, are not subject to this limitation.

The calculation of the transaction amounts in the first and preceding items shall be made in accordance with Paragraph 2, Article 28 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the shareholders' meeting, the Board of Directors' meeting for approval and the audit committee for acknowledgment in accordance with the provisions

of this standard exempted from further calculation.

Article 16: The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

- (I) Based upon the related party's transaction price plus necessary interest on funding and buyer's cost by law. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have exceeded 70% of the financial institution's appraised total value of the property and the period of the loan shall have exceeded 1 year. However, it is not applicable if the financial institution and the counterparty are related to one another.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

- (I) The related party acquired the properties or the right-of-use thereof through inheritance or as a gift.
- (II) More than five years have elapsed from the time the related party signed the contract to obtain the properties or the right-of-use assets thereto to the signing date of the transaction.
- (III) The property is acquired through signing a joint development contract with the related party, or through engaging a related party to build properties, either on the Company's own land or on rented land.

- (IV) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

Article 17: When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, as a result of the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:

- (I) Related party that has obtained prime land or rental land for construction may submit the proof of compliance with any one of the following conditions:
 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (II) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

"Completed transactions involving neighboring or closely valued parcels of land" in the preceding paragraph refers to parcels on the same or an adjacent block and within a radius of no more than 500 meters or parcels similar in publicly announced current value. "Land of a similar size" refers to completed transactions of unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. "Within a year" refers to a period of one year calculated retroactively from the date of event of the

acquisition of real estate or the right-of-use assets thereto.

Article 18: Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

- (I) A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the transaction price and appraised cost of the real estate or the right-of-use assets thereof and that amount may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- (II) The Audit Committee shall comply with Article 218 of Company Act.
- (III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 19: Engaged in Derivative Trading

- I. The Company has established derivative trading rules to regulate important risk management and audit control.
- II. The Company engaging in derivatives trading shall adopt the following risk management measures:
 - (I) Define Risk management scope.
 - (II) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

- (III) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
 - (IV) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
- III. the Company engaging in derivatives trading, its Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:
- (I) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:

- (I) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
- (II) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

The Company shall report to the soonest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

- IV. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged shall be recorded in detail in the log book.

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for

engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all audit committee members shall be notified in writing.

Article 20: For the Company's merger, demerger, acquisition, or transfer of shares, the Company shall engage certified public accountants, lawyers or securities underwriters to express their opinions at board meetings regarding the reasonableness of the share exchange ratio, the acquisition price, or the amount of cash or property distributed to shareholders before the proposal is discussed and approved by the Board of Directors. However, the requirement of obtaining the aforementioned opinion on reasonableness issued by an expert may be exempted in the case of a merger between a public company and its subsidiary in which the public company holds directly or indirectly 100% of the subsidiaries' issued shares or capital, or between the subsidiaries of a public company in which public company holds directly or indirectly 100% of the subsidiaries' issued shares or capital.

Article 21: A merger, demerger, acquisition, or transfer of shares of the Company shall prepare a public report to shareholders detailing important contractual contents and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in Paragraph 1 when sending shareholders' meeting notification to the shareholders for reference in deciding whether to approve the merger, demerger, or acquisition. However, this restriction shall not apply in the event that a public company is exempt from convening a shareholders' meeting to approve the merger, demerger, or acquisition under the provision of other laws or regulations. If a shareholders' meeting cannot be convened or resolved due to insufficient number of attendees or voting rights or other legal restrictions, or if a resolution is rejected by the shareholders' meeting, the reasons for the occurrence, the follow-up actions and the expected date of the shareholders' meeting shall be immediately disclosed to the public.

Article 22: The Company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5

years for reference:

1. Basic Information of Personnel Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of letters of intent or memorandum of understanding, the retaining of a financial or legal advisor, the execution of a contract, and the convening of a board meeting.
3. Important documents and meeting minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

The Company shall, within two days from the date of the Board of Directors' resolution, report the information in the preceding sub-paragraphs 1 and 2 in the prescribed format to the FSC on the Internet information system for record.

The Company shall enter into an agreement with them and shall comply with the provisions of the preceding two paragraphs.

Article 23: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 24: The Companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
- (II) The action of disposal of major assets that affects a company's financial operations.
- (III) The occurrence of major disasters and changes in technology that affects a company's shareholders' equity or securities price.
- (IV) The adjustment of treasury stock repurchased lawfully by any company participating in the merger, demerger, acquisition, or transfer of shares.

(V) Changes in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(VI) Other terms or conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 25: The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

(I) Handling of breach of contract.

(II) The principles for the handling of equity-based securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

(III) The principles for the handling of the amount treasury stock that the participating is permitted to buy back lawfully after the base date for the calculation of stock swap.

(IV) The handling of the occurrence of changes in the number of participating entities or companies.

(V) Preliminary progress schedule for plan execution, and anticipated completion date.

(VI) The handling of matters regarding the scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion.

Article 26: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 27: The Company shall enter into an agreement with any company involved in a merger, demerger, acquisition or transfer of shares that is not a public company, and shall comply with the provisions of Article 22, Article 23 and the preceding Article.

Article 28: Information Disclosure Procedures

I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's

designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- (I) Acquisition or disposal of properties or the right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than properties or the right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the total assets, or NT\$300,000,000 or more, but not subject to the trading of domestic government bonds or RP/RS bonds, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For the Company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For the Company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) When properties is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparts are not related parties, and the proposed amount of the Company's investment exceeds NT\$500 million.
- (VI) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million. However, the following circumstances are not subject to the restrictions:
 - 1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.

2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or resale of index investment securities, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 3. Trading of RP/RS bonds or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. The amount of transactions above shall be calculated as follows:
- (I) Amount of each transaction.
 - (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterpart within a year.
 - (III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 - (IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and the Company's subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 29: Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

- (I) The originally signed trade contract is modified, terminated, or revoked.
- (II) Merger, demerger, acquisition, or transfer of shares is not completed by the deadline set forth in the contract.
- (III) Changes are made to the content of the original public announcement and regulatory filing.

Article 30: Management of Subsidiaries

- I. The Procedures for Subsidiaries' acquisition and disposal of assets shall be approved by the Board of Directors from subsidiaries. Any amendment is subject to the same procedures.
- II. Information required to be publicly announced and reported in accordance with the provisions of Article 28 on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company. The paid-in capital or total assets of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches 20% or more of paid-in capital, 10% or more of the Company's total assets.
- III. For the calculation of 10% of total assets under the Procedures, the total assets stated in the Company's most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20% of paid-in capital under these Regulations, 10% of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 31: For personnel violating these Regulations or the procedures for the acquisition or disposal of assets, penalties will be imposed, depending on the severity of the offense, including a warning, demerits, demotion, pay cuts, suspension of duty and other penalties. Such violations will be reviewed in the internal control system.

Article 32: Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws and regulations and the relevant rules and regulations of the Company. If the competent authorities revise the procedures for the acquisition or disposal of assets, the Company shall comply with the provisions of the new letter and order.

Article 33: The Procedures have been approved by the Board of Directors, and submitted to each supervisor, and approved at a shareholders meeting.

The Procedures were established on June 24, 1999.

The first amendment was made on June 3, 2000.

The second amendment was made on June 20, 2003.

The third amendment was made on December 21, 2006.

The fourth amendment was made on May 15, 2007.

The fifth amendment was made on June 19, 2012.

The sixth amendment was made on June 19, 2014.

The seventh amendment was made on June 19, 2017.

The eighth amendment was made on June 21, 2019.

The ninth amendment was made on February 14, 2020.

The tenth amendment was made on July 7, 2021.

The eleventh amendment was made on June 8, 2022.

Appendix V

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Regulations Governing Derivatives Transactions (Before Amendment)

Article 1: To effectively manage the Company's derivatives transactions and the risks arising therefrom, unless otherwise provided in the Company's Procedures for Acquisition or Disposal of Assets or applicable laws and regulations, all derivatives transactions of the Company shall be handled in accordance with the Regulations.

Article 2: Definitions:

2.1 Types of Derivatives Transactions:

Derivatives as defined in Article 4, Paragraph 1 of the Company's Procedures for Acquisition or Disposal of Assets.

2.2 Trading Personnel:

Personnel who execute derivatives transactions with counterparties (including banks, securities firms, or other financial institutions).

2.3 Confirmation Personnel:

Personnel who are responsible for matters relating to verifying each transaction with counterparties and ensuring proper recording in the internal transaction records.

2.4 Settlement Personnel:

Personnel who are responsible for handling settlement operations with counterparties after transaction confirmation, and for regularly reviewing cash flow conditions to ensure that contracted transactions are settled as scheduled.

2.5 Accounting Personnel:

Personnel who are responsible for the accounting and bookkeeping of derivatives transactions.

2.6 Notional Amount:

The contract amount of derivatives transactions.

Article 3: Risk Management Measures:

3.1 Credit Risk:

The Company's counterparties shall be limited to banks with an existing relationship with the Company or internationally recognized financial institutions capable of providing professional information.

3.2 Market Risk:

Derivatives transactions of the Company shall be primarily for hedging purposes. The Company shall regularly assess derivatives transactions to mitigate losses arising from sudden or significant market fluctuations.

3.3 Liquidity Risk:

Derivatives transactions of the Company shall be based on actual trading to ensure the Company's ability to fulfill settlement obligations.

3.4 Operational Risk:

The Company shall establish authorized limits and operational procedures to prevent operational risks.

3.5 Legal Risk:

Credit facility agreements with banks shall be signed with the approval of the Chairperson. Legal counsel should be consulted when necessary prior to execution.

Article 4: Transaction Authority:

4.1 Personnel executing derivatives transactions of the Company shall be finance-related personnel.

4.2 For derivative commodity transactions for hedging purposes, the approval hierarchy and daily notional amount trading authority regulations are as follows, and shall be handled in accordance with the provisions of Section 6.1:

Approval Hierarchy	Daily Notional Amount Trading Authority
Division Head	USD 10 million (inclusive) and above
Department Head	Below USD 10 million

4.3 For derivative commodity transactions for trading purposes, the approval hierarchy and daily notional amount trading authority regulations are as follows, and shall be handled in accordance with the provisions of Section 6.2:

Approval Hierarchy	Daily Notional Amount Trading Authority
Chairperson	USD 10 million (inclusive) and above
President	USD 5 million (inclusive) to USD 10 million
Chief Operating Officer	Below USD 5 million

Article 5: Operational Procedures

5.1 The company's personnel responsible for trading, confirmation, and other operations shall not concurrently hold positions in each other's functions.

5.2 Trading personnel shall periodically compile statistics on hedging requirement positions and conduct hedging transactions based on such positions.

5.3 Confirmation personnel shall verify the transaction details with the bank after the transaction is executed.

5.4 Settlement personnel shall process settlements in accordance with the approved transaction record forms provided by the confirmation personnel.

5.5 Accounting personnel shall perform accounting treatments based on the approved transaction record forms provided by the confirmation personnel.

5.6 Accounting personnel shall maintain a memorandum book to record the types and

amounts of derivative commodity transactions for future reference, and such records shall be preserved for at least five years.

Article 6: Trading Positions

- 6.1 When conducting derivative commodity transactions, trading personnel may execute 100% hedging based on actual recorded asset and liability positions.
- 6.2 For derivative commodity transactions conducted for trading purposes, the total contract amount at any point in time shall not exceed a limit of 3% of the Company's paid-in capital as stated in its most recent financial statements.
- 6.3 Maximum Loss Limits for Aggregate and Individual Contracts:
The maximum loss limit shall be 20% of the transaction contract amount. For transactions categorized as hedging, since the purpose is to mitigate risk, any contract loss shall first be offset against the gains from the underlying hedged positions; the 20% loss limit shall only be calculated based on the net loss after such offsetting.

Article 7: Trading Term

- 7.1 Where actual recorded asset and liability positions serve as the hedging underlying, the trading term shall fall within the maturity dates of such asset and liability positions.
- 7.2 Where future forecasted asset and liability positions serve as the hedging underlying, the trading term shall be limited to those positions expected to occur within 12 months.

Article 8: The accounting treatment for derivative commodity transactions shall be in accordance with the International Financial Reporting Standards (IFRS) and the relevant financial accounting standards statements promulgated by the Accounting Research and Development Foundation (ARDF). Pursuant to the current IFRS 9 regulations, the Company's accounting principles are categorized into Hedge Accounting and Non-hedge Accounting. For the hedging of future forecasted asset and liability positions, the Company may elect to apply Hedge Accounting in accordance with the regulations; all transaction gains and losses shall be reflected in adjustments to shareholders' equity, instead of the current period profit or loss, until the forecasted event occurs and is transferred into actual asset or liability positions, at which point such gains or losses shall be reflected as an increase or decrease in the respective asset or liability positions.

Article 9: Periodic Evaluation

- 9.1 Accounting personnel shall periodically evaluate whether the trading performance aligns with the established operating strategies, and whether the risks undertaken are within the permissible range.
- 9.2 Accounting personnel shall periodically evaluate whether the current risk

management procedures are appropriate and are indeed being implemented in accordance with the Regulations.

9.3 Positions held from derivative commodity transactions shall be evaluated at least once a week; however, for hedging transactions conducted for business needs, they shall be evaluated at least twice a month.

9.4 In the event of any abnormal circumstances, a report shall be made to the Board of Directors immediately, and the Board meeting shall be attended by independent directors who shall express their opinions.

Article 10: Internal audit personnel shall periodically assess the adequacy of internal controls for derivative commodity transactions, and conduct monthly audits on the trading department's compliance with the "Procedures for the Acquisition or Disposal of Assets." They shall analyze the transaction cycles and prepare audit reports; should any significant non-compliance or material violations be discovered, the Audit Committee shall be notified in writing.

Article 11: Derivative Commodity Transactions by Subsidiaries

11.1 Should any subsidiary of the Company have the requirements described in Sections 6.1 and 6.2 of the Regulations, and if there are no suitable financial institutions locally to conduct derivative commodity transactions at reasonable market costs, the Head Office may execute such transactions with suitable financial institutions on their behalf.

11.2 The Regulations shall apply to the execution of derivative commodity transactions by the Company's subsidiaries. Any subsidiary engaging in derivative commodity transactions shall periodically provide relevant information to the Company for audit and inspection purposes.

11.3 For subsidiaries that are not publicly issued in Taiwan and for overseas subsidiaries, the Company shall, in accordance with the provisions of Article 11 of the Regulations, handle the public announcements and regulatory filings on their behalf regarding their derivative commodity transactions.

Article 12: The Regulations shall be implemented after being approved by the Audit Committee and the Board of Directors; the same procedure shall apply to any future amendments.

The Regulations were established on April 22, 2021.

The first amendment was made on October 29, 2024.

Appendix VI

TONG HSING ELECTRONIC INDUSTRIES, LTD.

Shareholding of Directors

- I. The Company's registered capital amount is NT\$2,090,580,240, with a total of 209,058,024 shares.
- II. The rules are implemented pursuant to Article 26 of the Securities and Exchange Act and the number of shares of the directors and supervisors of the Company.
- (1) The total number of shares held by all non-independent directors of the Company shall not be less than 12,000,000 shares of the Company's issued shares.
- (2) The Company has set up an Audit Committee in accordance with the law, so there is no application of the number of shares that should be held by the supervisor.
- III. The number of shares held by the directors of the Company as of the current general meeting of shareholders at the closing date of the transfer of shareholders is as follows:

Titles	Name	Shares held on the ex-dividend date	Ownership (%)	Remark
Chairperson	Tie-Min Chen	9,559,057	4.57%	
Director	Multifield Investment Inc. Representative: Hsi-Hu Lai	72,638	0.03%	
Director	Huan Tai Co., Ltd. Representative: Chia-Li Huang	327,238	0.16%	
Director	Huan Tai Co., Ltd. Representative: Pen-Chi Chen			
Director	San Tai Investment Ltd. Representative: Shao-Chiao Chen	2,036,000	0.97%	
Director	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	8,838	0.00%	
Independent Director	Ta-Sheng Chiu	0	0.00%	
Independent Director	Shien-Hua Huang	0	0.00%	
Independent Director	Chung-Hou Tai	0	0.00%	
Number of shares held by all directors		12,003,771	5.73%	

Appendix VII

Acceptance of Proposals Submitted by Shareholders:

Explanatory Notes:

- I. According to Article 172-1 of the Company Act, a shareholder who holds 1% or more of the total issued and outstanding shares may submit one proposal in writing to the Company to be discussed at the general shareholders meeting.
- II. Proposals are limited to one item and three hundred characters (including text and punctuation). Any proposal with more than one item or three hundred characters will not be included in the proposal. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
- III. Shareholder proposals must be submitted during the period from March 17, 2026 to March 26, 2026. As required by law, the Company has published the information regarding shareholder proposals on the MOPS website.
- IV. During the aforesaid period of receiving shareholders' proposals, the Company has not received any shareholders' proposals.