

Tong Hsing Electronic Industries, Inc.

Code of Business Integrity

Article 1: Purpose and Applicability

Tong Hsing Electronic Industries, Inc. (hereinafter referred to as the “Company”) has formulated this Code of Business Integrity ("Code") to foster a corporate culture of ethical management and sound development and offer a reference framework for establishing good commercial practices.

This Code applies to the Company and its subsidiaries.

Article 2: Prohibition of dishonesty

The Company's directors, managers, and employees shall not directly or indirectly provide, promise, request, or accept any improper benefits during the course of business activities, nor engage in any other dishonest behavior that violates integrity, laws, or fiduciary duties for the purpose of obtaining or maintaining benefits (hereinafter referred to as "Dishonest Behavior").

Parties referred to in the preceding paragraph include public officials, candidates for public office, political parties or party officials, as well as any public or private enterprises or institutions and their directors, supervisors, managers, employees, substantial controllers, or other stakeholders.

Article 3: Form of benefit

The term "benefits" as used in this Code refers to anything of value, including any form or name of money, gifts, commissions, positions, services, privileges, kickbacks, etc. However, normal social courtesies that are incidental and do not affect specific rights and obligations are not included.

Article 4: Compliance with Laws

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations for listed companies, and other laws or regulations related to commercial activities as a fundamental premise for implementing integrity management.

Article 5: Policies

Based on the principles of integrity, transparency, and accountability, the Company shall establish integrity-based policies approved by the Board of Directors and build a sound

corporate governance and risk management mechanism to create a sustainable operating environment.

Article 6: Prevention Strategy

The Company has formulated an integrity management policy and established a prevention plan for Dishonest Behavior (hereinafter referred to as the "Prevention Strategy") within its "Code of Business Conduct." This Prevention Strategy includes operational procedures, behavioral guidelines, and educational training.

The Prevention Strategy shall comply with the relevant laws and regulations of the jurisdictions where the Company and its subsidiaries operate.

Article 7: Scope of the Prevention Strategy

The Company shall establish a risk assessment mechanism for Dishonest Behavior, regularly analyzing and evaluating business activities with higher risks of Dishonest Behavior within its operational scope. Based on these evaluations, the Company shall formulate a Prevention Strategy and periodically review its appropriateness and effectiveness.

The Company should refer to commonly accepted domestic and international standards or guidelines when formulating the Prevention Strategy, which shall include preventive measures for at least the following behaviors:

1. Bribery and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorships.
4. Offering or accepting unreasonable gifts, hospitality, or other improper benefits.
5. Infringement of trade secrets, trademark rights, patent rights, copyright, and other intellectual property rights.
6. Engagement in unfair competition practices.
7. Direct or indirect harm to the rights, health, or safety of consumers or other stakeholders during the research and development, procurement, manufacturing, provision, or sale of products and services.

Article 8: Commitment and Implementation

The Company shall require directors and senior management to issue statements affirming their adherence to the integrity management policy and include compliance with this policy as part of employment conditions for employees.

The Company and its subsidiaries shall explicitly state their integrity management policies in regulations, external documents, and on the Company's website. The Board of Directors and senior management shall commit to actively implementing these policies in internal management and business activities.

The Company shall document and properly preserve information related to its integrity management policies, statements, commitments, and implementation.

Article 9: Integrity in Business Activities

The Company shall conduct its business activities based on the principles of integrity, fairness, and transparency.

Before engaging in business transactions, the Company shall consider the legality of agents, suppliers, clients, or other trading counterparties, and whether they are involved in any Dishonest Behavior, avoiding transactions with those who have a record of Dishonest Behavior.

Contracts signed between the Company and suppliers, clients, or other trading counterparties shall include provisions requiring compliance with the integrity management policy. If the counterparty is found to be involved in Dishonest Behavior, the Company may terminate or rescind the contract at any time.

Article 10: Prohibition of Bribery

The Company and its directors, managers, employees, and substantial controllers shall not directly or indirectly provide, promise, request, or accept any form of improper benefits during the conducting business activities in accordance with the "Code of Business Conduct." However, this does not apply to actions compliant with local laws.

Article 11: Prohibition of Illegal Political Donations

The Company and its directors, managers, employees, and substantial controllers shall ensure that any donations made directly or indirectly to political parties or organizations or individuals participating in political activities comply with the Political Donations Act and relevant internal procedures. Such donations must not be used to gain commercial benefits or transactional advantages.

Article 12: Prohibition of Improper Charitable Donations or Sponsorships

The Company, its directors, managers, employees, and substantial controllers shall ensure that charitable donations or sponsorships comply with relevant laws and regulations and must not serve as disguised bribery.

Article 13: Prohibition of Unreasonable Gifts, Hospitality or Other Improper Benefits

The Company, its directors, managers, employees, and substantial controllers shall not directly or indirectly provide or accept any unreasonable gifts, hospitality, or other improper benefits to establish business relationships or influence commercial transactions.

Article 14: Prohibition of Intellectual Property Infringement

The Company, its directors, managers, employees, and substantial controllers shall comply with intellectual property-related laws, the Company's "Confidential Information Protection Management Procedures," and contractual provisions. Without the consent of the intellectual property owner, they shall not use, disclose, dispose of, damage, or engage in other actions that infringe intellectual property rights.

Article 15: Prohibition of Unfair Competition Practices

The Company shall conduct business activities in compliance with relevant competition laws and shall not engage in price fixing, bid rigging, production or quota restrictions, or allocating clients, suppliers, operating regions, or business types to divide or monopolize markets.

Article 16: Prevention of Harm to Stakeholders from Products or Services

The Company, its directors, managers, employees, appointees, and substantial controllers shall adhere to applicable laws and regulations, and international standards during the research and development, procurement, manufacturing, provision, or sale of products and services. They must ensure transparency and safety of product and service information, establish and publicly disclose policies for protecting the rights of consumers and other stakeholders, and implement these policies in operational activities to prevent products or services from directly or indirectly harming the rights, health, or safety of consumers or other stakeholders. If there are sufficient facts to determine that the Company's products or services may endanger the safety or health of consumers or other stakeholders, the Company shall, in principle, immediately recall the effected products or suspend the services.

Article 17: Organization and Responsibility

The Company's directors, managers, employees, and substantial controllers shall fulfill their duty of care as good administrators by supervising the prevention of Dishonest Behavior within the Company, reviewing the effectiveness of its implementation from time to time and continuously improving to ensure that the integrity management policy is effectively implemented.

To ensure the sound management of integrity practices, the Finance Department of the Company shall be responsible for formulating the integrity management policy and Prevention Strategy. The Audit Office shall oversee the implementation and report regularly to the Board of Directors.

The responsibilities include:

1. Assisting in the integration of ethics and moral values into the Company's business strategy and adopting appropriate measures to prevent corruption and malpractice to ensure ethical management in compliance with the requirements of laws and regulations.

2. Regularly analyzing and assessing the risk of Dishonest Behavior within the scope of the business, adopting appropriate programs to prevent Dishonest Behavior, and setting out in each program the standard operating procedures and conduct guidelines relating to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope that are at a higher risk of Dishonest Behavior.
4. Promoting and coordinating awareness and education activities on integrity policies.
5. Planning whistleblowing systems to ensure effective implementation.
6. Assisting the Board of Directors and management in reviewing and assessing whether the prevention measures for integrity management are effectively functioning and preparing reports on the regular assessment of compliance with the ethical management of business processes.

Article 18: Compliance with Laws in Business Practice

The Company's directors, managers, employees, and substantial controllers shall comply with law and regulations and the prevention plan when conducting business activities.

Article 19: Avoidance of interest conflict

The Company has established a "Code of Business Conduct" which includes policies to prevent conflicts of interest. These policies are designed to identify, monitor, and manage the risks of Dishonest Behavior arising from conflicts of interest. The Company also provides appropriate channels for directors and managers to proactively disclose any potential conflicts of interest with the Company.

Directors and managers who have a conflict of interest with respect to proposals listed by the Board of Directors must disclose the material details of such conflicts during the meeting. If there is a risk of damage to the Company's interests, they shall not participate in the discussions or vote on the matter and must recuse themselves during the deliberation and vote. They are also prohibited from acting as proxies for other directors in exercising their voting rights. Directors must also maintain self-discipline and refrain from providing inappropriate assistance to one another.

The Company's directors, managers, employees, and substantial controllers shall not use their positions or influence within the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other persons.

Article 20: Accounting and Internal Control

The Company shall establish effective accounting and internal control systems for business activities involving a higher risk of Dishonest Behavior, shall not maintain off-book or secret accounts, and shall periodically review the design and implementation of the system to ensure that it remains effective.

The Audit Office of the Company shall formulate audit plans, based on the assessment results of Dishonest Behavior risks, including the audit targets, scope, items, and frequency to verify compliance with the prevention plan and prepare audit reports to be submitted to the Board of Directors. The Company may appoint certified public accountants to conduct audits and, if necessary, engage professional experts for assistance.

The results of the audits referred to the previous paragraph shall be reported to senior management and the unit responsible for integrity management, and the audit reports shall be submitted to the Board of Directors.

Article 21: Operational Procedures and Behavioral Guidelines

Pursuant to Article 6, the Company shall establish operating procedures and behavioral guidelines in its "Code of Business Conduct" that clearly specify matters to be observed by directors, managers, employees, and substantial controllers in the conduct of business. The procedures and guidelines shall include at least the following:

1. Standards for identifying improper benefits offered or received.
2. Procedures for offering lawful political donations.
3. Procedures and monetary standards for legitimate charitable donations or sponsorships.
4. Regulations for avoiding conflicts of interest related to duties, including reporting and handling procedures.
5. Confidentiality rules for sensitive business information obtained in the course of business.
6. Regulations and procedures for dealing with suppliers, clients, or business counterparts involved in Dishonest Behavior.
7. Procedures for dealing with violations of the Company's Code of Integrity Management.
8. Disciplinary actions against violators.

Article 22: Education, Training and Assessment

The Company shall regularly organize education, training, and advocacy programs for directors, managers, employees, and substantial controllers. The Company shall also invite parties with whom the Company conducts business to participate and ensure that they fully understand the Company's commitment to integrity management, its policies and prevention programs, and the consequences of violating honest practices.

The Company shall integrate its integrity management policy with employee performance appraisals and human resource policies and establish a clear and effective system of rewards and punishments.

Article 23: Whistle-blowing system

The Company has established a specific whistleblowing system in its "Code of Business Conduct," which at least includes the following:

1. Establish a stakeholder section to provide whistleblowing channel for internal and external personnel.
2. Designation of a dedicated unit to handle whistleblowing cases. Cases involving directors or senior management will be reported to the Audit Committee of the Company. Categories of reportable incidents and their corresponding standard investigation procedures shall be defined.
3. Determine the following-up action to be taken upon completion of the investigation, depending on the severity of the case. When necessary, a case shall be made to the competent authorities or referred to the judicial authorities for investigation.
4. Documenting and maintaining records related to the receipt, investigation process, investigation results, and relevant documents of whistleblowing cases.
5. Confidentiality of whistleblower identities and the report contents, including the possibility of anonymous reporting.
6. Measures to protect whistleblowers from inappropriate treatment as a result of their reporting.
7. Whistleblower incentive measures.

The Company's whistleblowing officer or unit shall promptly prepare a report and notify the independent directors in writing when it discovers material violations or potential material harm to the Company.

Article 24: Disciplinary and Appeal System

The Company shall establish and publicly disclose a disciplinary and appeals system for violations of the integrity management regulations. Information on violators, including their job titles, names, dates of violation, details of the violation and action taken, shall be promptly disclosed on the Company's internal website.

Article 25: Information Disclosure

The Company shall disclose the implementation status of its Code of Integrity Management on its website, in its annual report, and in its prospectus.

Article 26: Review and Amendment of Integrity Management Policies and Measures

The Company shall continuously monitor developments in domestic and international integrity management regulations and encourage directors, managers, and employees to provide suggestions. These inputs shall be used to review and improve the Company's Code of Integrity Management to enhance its effectiveness in promoting integrity practices.

Article 27: Implementation

This Code shall take effect upon approval by the Board of Directors and shall be submitted to the Audit Committee and reported to the Annual General Meeting. The same procedure applies to any amendments.

When the Code of Integrity Management is submitted to the Board of Directors for discussion, the opinions of all independent Directors should be fully taken into account. Any objections or reservations expressed by independent Directors shall be recorded in the minutes of the Board meeting. If an independent Director is unable to attend the Board meeting in person to express his or her objections or reservations, he or she shall, except for legitimate reasons, submit a written statement in advance, which shall also be included in the minutes of the Board meeting.

This Code shall be implemented upon approval by the Board of Directors, and amendments shall follow the same procedure.

This Code was established on March 4th, 2016.

The first amendment was on March 15th, 2019.

The second amendment was on March 18th, 2020.