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The annual report is available at:

I. Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw

II. Realtek website for annual report: http://www.hotron-ind.com/cn/index.php

鴻碩精密電工股份有限公司

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

2025 Annual Report

Printed Date: April 24, 2026

(Translation)

Notice to Readers:

This annual report has been prepared originally in Chinese. The English version is a direct translation of the Chinese version.

I. The Spokesperson:

Name: Lu, I-Hsuan
Job Title: President
Tel: (02) 2792-8558 ext.166
E-mail: robert_lu@hotron-ind.com

The Deputy Spokesperson:

Name: Wu, Hui-Min
Job Title: CFO
Tel: 2792-8558 ext.201
E-mail: jenny_wu@hotron-ind.com

II. Addresses and Telephone Numbers of the Head Office, Branches, and Factories:

The Head Office Address: No. 169, Xing'ai Rd., Neihu Dist., Taipei City 11406, Taiwan
Tel: (02) 2792-8558 (Extension)
Factory Address: 128 Lushuan Road, Gaoxin District, Suzhou City, Jiangsu Province, Mainland China
No. 168 Hotron Avenue, Tianmen Industrial Park, Tianmen City, Hubei Province, Mainland China
Lot CN-10, Dong Van 4 Industrial Park, Kim Bang Town, Gia Lam District, Hanam Province, Vietnam
No. 50-21, Ln. 854, Sec. 1, Shatian Rd., Dadu Dist., Taichung City, Taiwan

III. Name, Address, Website and Telephone Number of the Stock Transfer Agency:

Name: CTBC Bank Transfer Agency Department
Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100003, Taiwan
URL: https://www.ctbcbank.com
Tel: (02) 6636-5566 (Extension)

IV. Name of the Certified Public Accountant and Name of the Accounting Firm for the Most Recent Annual Financial Report, Address, URL and Tel:

Name: CPAs Lin, Ya-Hui and Juanlu, Man-Yu
Firm Name: PricewaterhouseCoopers Taiwan
Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110208, Taiwan
URL: http://www.pwc.com/tw
Tel: (02) 2729-6666

V. Name of the Overseas Securities Exchange Where the Securities Are Listed and Traded, and how to Inquire About the Overseas Securities The way of Information.

None.

VI. Company Website

http://www.hotron-ind.com/

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1. Letter to Shareholders

Dear shareholders,

According to data from the International Monetary Fund (IMF), the estimated global growth rate for 2025 is slightly revised upward compared to 2024, but divergence among major economies reflects differences in national policies and market environments, indicating insufficient growth momentum. The trade and fiscal policies of the new U.S. administration continue to reshape the global landscape. Although some tariff agreements have mitigated the impact, the overall environment remains highly volatile. Geopolitical tensions, rising protectionism under the new U.S. administration's trade policies, and the growing pains of global supply chain restructuring have all contributed to a highly uncertain economic environment. 2025 presents a landscape of coexisting opportunities and risks. Only by strengthening resilience and embracing new technologies and sustainability trends can enterprises maintain their competitiveness amid challenges.

Hotron Group's consolidated revenue for the full year of 2025 was NT$1.639 billion, a decline of approximately 15.25% compared to NT$1.934 billion in 2024. This was primarily attributable to 2025 remaining a transitional period in which partial production capacity was being transferred from mainland China to Vietnam, coupled with the new energy business being in its early stages of international certification, R&D, and market development. As a result, orders fell below expectations, one-time expenses were elevated, and the fixed cost burden was heavy, leading to a full-year net loss of approximately NT$562 million, with a net loss per share of NT$5.14, reflecting unsatisfactory operating results. Despite the disappointing operational performance, Hotron Group continued to actively pursue product upgrades, advancing existing products toward more sophisticated cable products with faster transmission speeds, while actively achieving breakthroughs in technology and market development.

1. 2025 Business Results:

(1) Implementation results of the business plan:

The consolidated revenue for the full year of 2025 was NT$1.639 billion, with a net loss after tax of NT$562 million, and a net loss per share after tax of NT$5.14.

(2) Budget Implementation Status:

The financial forecast for 2025 was not publicly disclosed, so there is no information on budget achievement.

(3) Financial Income and Expenditure and Profitability Analysis:

Unit: NT$/%

Fiscal year **Item**			**2024 (Group consolidation)**	**2025 (Group consolidation)**
Financial income and expenditure	Operating net revenue		1,933,669	1,638,995
	Gross Profit		232,443	71,865
	Profit margin		12.02%	4.38%
	Net income (loss) after tax		(221,919)	(561,933)
Profitability (%)	Return on assets (%)		-3.64%	-11.95%
	Return on Equity (%)		-10.85%	-32.84%
Profitability (%)	Capital-to-Asset Ratio (%)	Operating Profit (Loss)	-24.46%	-52.28%
		Net income (loss) before tax	-21.03%	-53.44%
	Net profit margin (%)		-11.48%	-34.29%
	Basic earnings (deficit) per share (NT$)		(2.08)	(5.14)

(4) Research and development status:

1. Continuously developing advanced digital connector cable products:

In the digital connector cable product segment, to cater to the high transmission demand of 3C products, the Company has successively developed and completed high-end digital signal cables, with sales accounting for more than 90% of the total, including 3C high-frequency cables and automotive cables, among other products. The product sales structure is gradually shifting towards high-end products.

2. Continuously develop automated production technologies:

Actively developing process automation equipment to improve production efficiency and reduce manufacturing costs.

3. Expanding diversified products and customer base:

Connector cable products have a wide range of applications. In addition to existing high-frequency cable products for various 3C devices, the Company leverages its professional cable expertise and experience to manufacture charging guns for electric vehicles, expanding into the electric vehicle, energy storage cabinet, and solar power plant industries. The Company is actively deploying industrial transformation, promoting integrated system products covering generation (solar power plants), storage (energy storage equipment), and charging (charging piles) to broaden the scope of product applications. In terms of customer management, to maintain closer cooperation with existing customers, the Company utilizes its manufacturing bases in Hubei and Vietnam to enhance delivery flexibility and logistics efficiency, thereby supporting global customer demand.

2. Summary of 2025 Business Plan

(1) Management Policy:

The core of the business strategy lies in three dimensions: "innovation and R&D, cost control, and global deployment," while simultaneously focusing on quality improvement and market expansion in order to maintain a competitive advantage in the intensely competitive international market.

1. R&D and technological innovation:
   (1) High-speed transmission and special application design: With the rapid development of AI, 5G, automotive electronics, and other fields, connector cable products must possess higher transmission speeds and reliability. The Company is strengthening R&D efforts and collaborating with leading international manufacturers to raise the technological bar.
   (2) Material innovation: Introducing new high-temperature-resistant plastics and low-resistance electroplating technologies to enhance performance.
2. Cost and supply chain management:
   (1) Raw material price risk control: Signing contracts with key metal (copper, aluminum, tin) suppliers to lock in prices; establishing diversified procurement sources to avoid dependence on a single supplier or region.
   (2) Capacity diversification and localized production and procurement: Establishing multi-site production bases in Hubei, Taiwan, and Southeast Asia to reduce geopolitical risks; strengthening supply chain management through localized procurement to maintain supply chain flexibility.
   (3) Automated production: Introducing automated equipment to reduce reliance on labor and improve yield rates.
3. Global deployment:
   (1) Diversified product market expansion: Establishing long-term partnerships with leading international clients to raise the technological bar; maintaining large-scale production in China while developing high-quality local Chinese customers; establishing a new factory in Vietnam to expand the local consumer market customer base.
   (2) Group transformation deployment: Hotron Group is actively deploying investments and business expansion in the fields of new energy and automotive components. The Group's subsidiary, SmartGreen Solution Co., LTD., primarily supports the Company's medium- and long-term deployment in the automotive market, strengthening its technological and market foundation in automotive and energy-related applications.

(2) Expected Group Sales Volume and Basis:

Main product categories	**Expected sales volume**	**The basis for expected sales quantity**
Various transmission lines and charging guns	81,739 thousand/year	1.Develop new products, expand customer base 2.Increase market share of charging guns

By adjusting the sales product portfolio, and developing new products and new customers, it is estimated that the sales amount for this year (2026) will grow compared to 2025.

(3) Important Production and Marketing Policies

1.Strengthen and stabilize product quality, enhance product competitive advantage, and solidify market leadership position.

2. Closely tracking development trends in 3C products and developing new products in line with market demand.

3. Expanding into new markets and acquiring new customers to broaden revenue streams and implement diversified operations.

4. Continually expand automated production equipment and processes to improve production efficiency and reduce production costs.

5.Diversify the development of equipment and raw material suppliers, and integrate toward upstream key components, to ensure stable supply sources and increase the company's purchasing bargaining power.

6. Manufacturing various charging guns for electric vehicles, expanding into the electric vehicle and green energy industries, and actively deploying the industrial transformation of Hotron Group.

3. Future Company Development Strategy

In response to market demand and competitive conditions, our company has formulated the following future development strategies:

(1) Continuously transform and upgrade the industry, develop towards high-end, high-speed products, and maintain the industry's leading position.

(2) Develop new markets, new customers, and new products, actively transform and implement diversified operations.

(3) Implement quality policies, enhance product quality, and strengthen product competitiveness.

(4) Seeking cross-industry alliances as well as upstream and downstream partnerships to secure autonomy in raw material supply and expand the scale of operations.

(5) Expanding overseas operations, accelerating internationalization, pursuing international deployment, extending business scale to regions including North America and Southeast Asia, and promoting the installation of charging piles and the construction of energy storage systems.

4. Affected by external competitive environment, regulatory environment, and overall operating environment

(1) Impact of External Competitive Environment

Even though the Company holds a leading position in the connector product industry, we continue to operate under prudent principles, accelerating the research and development of new products as well as corporate transformation, and expanding revenue sources. However, geopolitical tensions show no signs of easing, and factors such as U.S.-China competition, the Russia-Ukraine war, and the Middle East conflict may still trigger volatility in energy and raw material markets. Combined with extreme weather events brought about by climate change, these developments continue to exert sustained impacts on agricultural, energy, and trade markets. Market trends are volatile and unpredictable. In addition to closely monitoring developments in industrial and economic conditions and formulating contingency measures in response to changes in the economic climate and market conditions, the Company continues to develop new products and strengthen inventory control, so as to minimize the adverse impacts brought about by external competition and environmental factors.

(2) Impact of Regulatory Environment

A brief description of the changes in regulatory environment and their impact on the company in 2025 is as follows:

1. Amendment to Article 23-3 and Article 24 of the "Rules for Use of Proxies for Attendance at Shareholder Meetings of Public Companies," effective April 25, 2025. (Financial Supervisory Commission No. 1140381624)

   Our company operates in accordance with regulations.

2. Amendment to Article 31 and Article 35 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," effective July 24, 2025. (Financial Supervisory Commission No. 1140383333)

   Our company operates in accordance with regulations.

3. Amendment to Article 1 and Article 6 of the "Regulations Governing Incentive Awards for Reporting Illegal Use of Proxies at Shareholder Meetings of Public Companies," effective October 8, 2025. (Financial Supervisory Commission No. 1140384374)

   Our company operates in accordance with regulations.

4. Amendment to Article 7, Article 10-1, and Article 23 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies," effective November 7, 2025. Financial Supervisory Commission No. 1140385175

   Our Company operates in accordance with compiling the 2025 annual report.

5. Issuance on November 12, 2025 of an order regarding the provisions of Article 10-1 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies" (FSC Securities Examination No. 11403851755) and an order regarding the provisions of Paragraph 2 of Article 7, Subparagraph 7, and Subparagraph 8 of Article 10-1 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies" (FSC Securities Examination No. 11403851756).

   Our Company operates in accordance with compiling the 2025 annual report.

6. Issuance on December 15, 2025 of an order amending Article 6 of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" and Article 23 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies." (Financial Supervisory Commission No. 1140385797)

   Our company will act in accordance with the regulations.

(3) Impact of Overall Business Environment

The overall outlook for global GDP growth in 2025 is expected to be slightly revised upward compared to 2024. The global economy is advancing cautiously amid the tug-of-war between easing inflation and a high-interest-rate environment. The direction of U.S. policy continues to shape the global political and economic landscape, while the ongoing rise of tariff and non-tariff barriers may suppress cross-border investment and supply chain efficiency. Escalating trade barriers and policy uncertainty have become significant challenges for business operations.

Looking ahead to 2026, in addition to consolidating its leading position in existing connector cable, Hotron Group will focus on its core development and deepen its presence in the new energy market, continuing to expand the application share of charging guns (piles), energy storage cabinets, and solar power plant wiring materials, with the goal of increasing the revenue proportion of new energy products to optimize the overall gross margin structure.

For the long-term development of the enterprise, Hotron Group is actively promoting industrial upgrading and corporate transformation to enhance industrial competitiveness. Actively transforming into the solar-storage-charging green energy industry, progressively developing solar photovoltaics, energy storage cabinets, and charging piles — the so-called "PV-storage-charging" integrated system equipment provider transformation. Although the path of transformation is arduous, Hotron Group remains steadfast in its direction of development toward "green energy" and "smart connectivity," and is firmly optimistic about its future development. We will continue to uphold the principles of integrity, stability, and innovation, striving for steady growth and profitability through optimized production efficiency and deepening strategic alliances, in order to deliver long-term value and reward all shareholders.

Hereby I wish all shareholders, ladies and gentlemen

Good health! May all your wishes be fulfilled!

Chairman: Chang, Li-Jung

2. Corporate Governance Report

1. Information on Directors, President, Vice President, Associate Managers, and heads of departments and branch offices

(1) Director Information

Director Information (1)

Record Date: March 29, 2026/Unit: Share

Title	Nationality or place of registration	Name	Gender age	Date of election /appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal Work Experience and Academic Qualification (Note 1)	Positions held concur rently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 2)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Taiwan, Republic of China	Gao Peng Investment Co., Ltd.	28	2023.05.30	Three years	2023.5.30	8,494,978	8.23%	8,749,827	8.20%	0	0	0	0	None	None	None	None	None	None
Chairman	Taiwan, Republic of China	Gao Peng Investment Co., Ltd., Representative: Chang, Li-Jung	Male 64 years old	2023.05.30	Three years	1998.7.15	9,512,228	9.22%	0	0	117,039	0.11%	26,993,641	25.31%	Wu Feng Institute of Technology, Department of Mechanical Engineering R&D Personnel, Silicon Wafer Center, Semiconductor Research Laboratory, Tatung Institute of Technology Section Manager of External Operations Division, Hon Hai Precision Industry Co., Ltd.	Chairman, Fortuna International Holdings Ltd. Chairman, Hotlink Company Limited Chairman, Hotron Precision Electronic Industrial (HuBei) Co., Ltd. Chairman, Hotron Real Estate Development (Tianmen) Co., Ltd. Chairman, SmartGreen Solution Co., Ltd. Chairman, SmartGreen Solution (Thailand) Co., Ltd. Chairman, Gao Peng Investment Co., Ltd. Director, Chuan hung Investment Co., Ltd. Chairman, Hung Rung Investment Co., Ltd. Chairman, Hung Ming Development Co., Ltd. Chairman, Hui Ming Development Co., Ltd. Chairman, Hui Rong Development Co., Ltd.	Vice President, SmartGreen Solution Co., Ltd.	Chen Ying-chen	Spouse	None
Director	Republic of China	Lu, I-Hsuan	Male 64 years old	2023.05.30	Three years	1999.6.1	70,831	0.07%	72,955	0.07%	0	0	0	0	Master, Graduate Institute of Business Administration, National Chengchi University Vice President of Headquarters, Askey Computer Corp.	President of this company President, Fortuna International Holdings Ltd. Director, Hotron Precision Electronic	None	None	None	None

															CFO of Finance Center, Tainet Communication System Corp. President, Honghsuan Information Co., Ltd.	Industrial (Suzhou) Co., Ltd. Chairman and President, Hotron Electron & Telecommunication (Fuqing) Co., Ltd. Director, Hotron Precision Electronic Industrial (HuBei) Co., Ltd. Director and President, Hotron Real Estate Development (Tianmen) Co., Ltd.				
Director	Republic of China	Chen, Tai-Chung	Male 71 years old	2023.05.30	Three years	2010.6.5	0	0	0	0	0	0	0	0	Graduated from Annan National Elementary School in Dongshi Township, Yunlin County	Supervisor, Xiang Yang Land Development Co., Ltd. Chairman, Apex Science & Engineering Corp.	None	None	None	Not applicable
Director	Taiwan, Republic of China	Chen, Shuh	Male 72 years old	2023.05.30	Three years	2023.5.30	0	0	0	0	0	0	0	0	PhD in Business Administration, National Taiwan University Passed the Certified Public Accountant Examination of the Examination Yuan of the Republic of China (No. 866 of the 75th Taiwan Inspection Meeting) Passed the Senior Professional and Technical Examination in Accounting of the Examination Yuan of the Republic of China (No. 94 of the 72nd Specialized High Examination) Chairman, the Financial Supervisory Commission, Executive Yuan Chairman, Taiwan Stock Exchange Corporation Chairman, TPEx Chairman and President, the Taiwan Academy of Banking and Finance Deputy Minister, the Ministry of Finance Chairman, the Securities and Futures Commission, Ministry of Finance Honorary Professor, Chung Yuan Christian University Adjunct Professor, Chinese Culture University	Chairman, Zhong Dao Association of Leadership and Culture Chairman, Central Investment Company	None	None	None	Not applicable
Independent director	Taiwan, Republic of China	Chu, Yann-Fang	Male 69 years old	2023.05.30	Three years	2010.6.5	0	0	0	0	0	0	0	0	PhD in Business Administration, National Taiwan University Project Management Professional (PMP),	Adjunct Associate Professor, Shih Chien University Adjunct Associate Professor, Soochow	None	None	None	Not applicable

															Project Management Institute (PMI) Director, National Project Management Association, 5th–9th Terms	University Adjunct Associate Professor, Department of Information Management, Hsing Wu University of Science and Technology				
Independent director	Taiwan, Republic of China	Chou, Che-Yi	Male 51 years old	2023.05.30	Three years	2010.6.5	0	0	0	0	0	0	0	0	Master of Accounting, National Taipei University Passed the Senior Professional and Technical Examination in Accounting of the Examination Yuan of the Republic of China (No. 341 of the 86th Specialized High Examination) Associate Manager, Audit Department, PricewaterhouseCoopers Taiwan	Certified Public Accountant, Hung Ta CPA Firm Assistant Vice Presidents, Abico Avy Co., Ltd.Independent Director, NAN YANG DYEING & FINISHING CO., LTD. Chairman, 1 Production Film Co. Director, G-yen Hutong Co., Ltd. Director, Avy Co., Ltd. Director, Yallvend Co., Ltd Director, Seinoh Optical Co., Ltd. Supervisor, Power Day Entertainment Co. Supervisor, Abico Plus Entertainment Ltd. Supervisor, Ekeen Precision Co., Ltd. Supervisor, Jabon International Co., Ltd. Supervisor, Ability Venture Management Co., Ltd.Supervisor, Outstanding Management Consultants Co., Ltd.	None	None	None	Not applicable
Independent director	Taiwan, Republic of China	Lin, Hsiao-Chen	Female 52 years old	2025.5.28	1 year	2025.5.28	0	0	0	0	0	0	0	0	School of Law, Soochow University Law Clerk, Taiwan High Court	Partner, Wang Dongshan United Law Firm	None	None	None	Not applicable

Note 1: Experience relevant to the current position, such as having worked at an auditing certified public accountant firm or related company during the aforementioned period: No such situation.

Note 2: The Chairman of the Company and the President or a person of equivalent position (the highest manager) are the same person, or they are spouses or first-degree relatives:No such situation.

Form 1: Major Shareholders of Corporate Shareholders

March 29, 2026

Name of corporate shareholders	**Major Shareholders of Corporate Shareholders**	
	Shareholder	**Shareholdings Ratio**
Gao Peng Investment Co., Ltd.	Hung Ming Development Co., Ltd.	50.00%
	Hung Rung Investment Co., Ltd.	50.00%

Form 2: Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

March 29, 2026

Name of corporate shareholders	**Major Shareholders of Corporate Shareholders**	
	Shareholder	**Shareholdings Ratio**
Hung Ming Development Co., Ltd.	Chang, Li-Jung	99.99 %
Hung Rung Investment Co., Ltd.	Chang, Li-Jung	99.99 %

Director Information (2)

1.Disclosure of information on directors' professional qualifications and independence of independent directors:

Qualifications Name	Professional Qualifications (Note 1)	Independence Status (Note 2)	Number of other public companies in which the independent director also serves
Chairman - Representative of Gao Peng Investment Co., Ltd.: Chang, Li-Jung	1. Chairman Chang, Li-Jung founded Hotron Precision in 1991, leading the company's operational development direction and innovative business development. 2. With work experience in business, industry, marketing, operations management, and corporate operations as required, please refer to the table above: Directors' information. (1) 3. None of the circumstances set forth in Article 30 of the Company Act.	Not applicable	0
Director - Lu, I-Hsuan	1. With experience in business, finance, accounting, industry, marketing, operations management and the work required for company operations, please refer to the table above: Director Information. (1) 2. None of the circumstances set forth in Article 30 of the Company Act.	Not applicable	0
Director - Chen, Tai-Chung	1. With work experience in business, industry, marketing, operations management, and corporate operations as required, please refer to the table above: Directors' information. (1) 2. None of the circumstances set forth in Article 30 of the Company Act.	Not applicable	0
Director - Chen, Shuh	1. Holds a Certified Public Accountant license. 2. Has relevant work experience in business, finance, accounting, business management, and company operations as required, please refer to the table above: Director information. (1) 3. None of the circumstances set forth in Article 30 of the Company Act.	Not applicable	0
Independent Director - Chu, Yann-Fang	1. Serving as a member of the Audit Committee. 2. Holds the Project Management Professional (PMP) certification from the United States. 3. Served as a lecturer in business, finance, and accounting at public and private universities and colleges for more than five years. 4. Has relevant work experience in business, finance, accounting, business management, and company operations as required, please refer to the table above: Director information. (1) 5. None of the circumstances set forth in Article 30 of the Company Act.	1. Meets the conditions for independence. 2. In the two years prior to appointment and during the term of office, there were no occurrences as described in Article 3, Paragraph 1 of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies".	0
Independent Director - Chou, Che-Yi	1. Serve as the convener of the Audit Committee. 2. Holds a Certified Public Accountant license. 3. With experience in business, finance, accounting, industry, marketing, operations management and the work required for company operations, please refer to the table above: Director Information. (1) 4. None of the circumstances set forth in Article 30 of the Company Act.	1. Meets the conditions for independence. 2. In the two years prior to appointment and during the term of office, there were no occurrences as described in Article 3, Paragraph 1 of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies".	1
Independent director - Lin, Hsiao-Chen	1. Serving as a member of the Audit Committee. 2. Has a lawyer's license. 3. With experience in business, finance, accounting, industry, marketing, operations management and the work required for company operations, please refer to the table above: Director Information. (1) 4. None of the circumstances set forth in Article 30 of the Company Act.	1. Meets the conditions for independence. 2. In the two years prior to appointment and during the term of office, there were no occurrences as described in Article 3, Paragraph 1 of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies".	0

Note 1: Professional Qualifications and Experience: Specify the professional qualifications and experience of individual directors and supervisors. For those who are members of the Audit Committee and possess accounting or financial expertise, their accounting or financial background and work experience should be described.It should also be stated whether they have any of the circumstances specified in Article 30 of the Company Act.

Note 2: Independent directors should describe their independence, including but not limited to whether they themselves, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; the number and percentage of shares held by themselves, their spouses, or relatives within the second degree of kinship (or using another person's name); whether they serve as directors, supervisors, or employees of companies with specific relationships with the Company (as specified in Articles 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the past two years for providing the Company or its affiliated enterprises with commercial, legal, financial, accounting, or other services.

2. Board Diversity and Independence:

(1) Board diversification:

For the fair, just, and open election of directors, this company has formulated the "Directors Election Regulations" in accordance with Article 21 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".

The selection of directors of this company takes into account the overall composition of the Board of Directors. The composition of the members of the Board of Directors considers diversity, and formulates appropriate diversity policies based on its own operations, business model, and development needs, which should include but not be limited to the following two major aspects:

1.Gender, age, nationality and culture, etc.

2. Professional Knowledge and Skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Members of the Board of Directors should generally possess the knowledge, skills and qualities necessary for the execution of their duties. The overall capabilities they should possess are as follows:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Operating and management ability.
4. Crisis management ability.
5. Industry knowledge
6. International market perspective..
7. Leadership skills
8. Decision-making ability

The specific goals of our company are to establish an effective corporate governance framework, safeguard shareholders' rights, strengthen the functions of the Board of Directors, exercise the functions of the Audit Committee, respect the rights and interests of stakeholders, and enhance information transparency. Apart from the directors who also serve as managers of the company not exceeding one-third of the total number of directors, the members of the Board of Directors should be selected based on the principle of diversity according to the company's operations, business model, and development needs, with at least two-thirds of the directors possessing relevant core competencies.

The current board of directors consists of seven seats, with all directors elected by shareholders. The board is composed of three natural person directors, one corporate director representative, and three independent directors. The independent directors account for three-sevenths (approximately 43%) of the total number of directors, and none of the independent directors have served for more than three consecutive terms, in compliance with the Company's Articles of Incorporation and Corporate Governance Best Practice Principles. Two members (28.57%) also hold employee positions. The current Board of Directors consists of six male members and one female member. In terms of age distribution, two directors are between 51 and 60 years old, three are between 61 and 70 years old, and two are between 71 and 80 years old. All members are nationals of the Republic of China.

The regular directors all possess the necessary industrial experience in business, legal affairs, finance, accounting, or company operations. Chairman Chang, Li-Jung has extensive background in the electrical and power industry as well as corporate management

ability; Director Lu, I-Hsuan possesses extensive financial expertise and corporate management capabilities; Director Chen, Tai-Chung has abundant experience in construction engineering and corporate management ability; Director Chen, Shuh possesses a rich background in business management and financial/accounting expertise, having previously served as the chairperson of the Financial Supervisory Commission and the chairman of both the Taiwan Stock Exchange and the GreTai Securities Market.

Independent Director Chou, Che-Yi is a certified public accountant with a professional accounting background. Independent Director Chu, Yann-Fang holds a Ph.D. from the Graduate Institute of Business at National Taiwan University and holds the Project Management Professional (PMP) certification. Independent Director Lin, Hsiao-Chen is a licensed attorney with a professional legal background.

For the academic and professional background of the directors and independent directors, please refer to the Directors' Information on pages 6-9 of the annual report. The diversity implementation and overall capabilities of the members of the Company's Board of Directors are summarized in the following Table 1.

In the industry in which the Company operates (electronic components/manufacturing), professionals in relevant fields were predominantly male in the early stages. Furthermore, the educational and professional backgrounds of current board members all meet the Company's operational needs, and their professional competencies are outstanding. Given that the terms of the current directors have not yet expired, and in order to maintain the stability of operational decision-making, the goal of achieving gender diversity of at least one-third among the current board members has not yet been met. When the current board terms expire and re-elections are held, priority will be given to identifying and incorporating female professionals with backgrounds in industry expertise, finance and accounting, or management, so as to implement gender equality and achieve the goal of having at least one seat (or one-third) held by female directors on the board, thereby increasing female participation in decision-making, strengthening the board structure, and striving to maximize the interests of stakeholders.

(2) Independence of the Board of Directors

After the by-election at the 2025 Annual Shareholders' Meeting, the current (10th) Board of Directors will consist of seven directors, including three independent directors (approximately 43%), and none of the independent directors have served for more than three consecutive terms, which complies with the Company's "Articles of Incorporation" and "Corporate Governance Best Practice Principles".

All members of the Board of Directors possess independence and do not have any circumstances stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, nor do the directors have any spousal or second-degree kinship relationships with each other. For information on the professional qualifications of directors and the independence of independent directors, please refer to the explanation in the “Directors’ Information (2)” table above.

Table 1: Summary of Board Diversity Implementation and Overall Capabilities Possessed by Board Members

Title	Directors' Names	Nationality	Gender	Employed by this company concurrently	Director's age			Independent Director Term			Operational judgment	Accounting and Financial Analysis	Business management	Crisis Management	Industry knowledge	International market perspective.	Leadership skills	Decision-making ability
					Under 60 years old	60 to under 70 years old	Over 70 years old	1st session	2nd session	3rd session								
Chairman	Representative of Gao Peng Investment Co., Ltd,: Chang, Li-Jung	Taiwan, Republic of China	Male	✓		✓					✓	✓	✓	✓	✓	✓	✓	✓
Director	Lu, I-Hsuan			✓		✓					✓	✓	✓	✓	✓	✓	✓	✓
Director	Chen, Shuh						✓				✓	✓	✓	✓	✓	✓	✓	✓
Director	Chen, Tai-Chung						✓				✓		✓	✓	✓	✓	✓	✓
Independent director	Chu, Yann-Fang					✓			✓		✓	✓	□✓	✓	✓	✓	✓	✓
Independent director	Chou, Che-Yi				✓				✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent director	Lin, Hsiao-Chen		Female		✓			✓			✓	✓	✓	✓	✓	✓	✓	✓

3. The company's succession plan and operations for members of the Board of Directors and key management personnel:

(1) Board Member Succession Planning and Operation:

The Company has established a comprehensive director selection system, carefully considering the composition and diversity standards of the Board of Directors. The appointment process for all directors is fair, impartial, and transparent, in accordance with the Company's "Articles of Incorporation" which adopts a candidate nomination system. The term of office is three years, and the election is conducted in accordance with the Company's "Director Election Procedures". In addition to taking into account the results of the annual board performance assessment as a reference for the selection or nomination of directors, the Company's "Corporate Governance Best Practice Principles" stipulate the capabilities that board members should possess. Based on the Company's own operations, business model, and development needs, appropriate diversity guidelines should be formulated, including but not limited to the following two main aspects:1.Gender, age, nationality and culture, etc. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or law), professional skills (such as operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, decision-making ability) and industry experience, etc.

In addition to having outstanding strategic thinking skills, the incoming directors should also possess business planning and professional experience in the company's operations. To strengthen the functions of the board of directors, the Company arranges training courses for board members covering topics related to corporate governance, such as finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility, internal control systems, financial reporting responsibilities, etc. This assists directors in acquiring new knowledge, keeping up with the times, and familiarizing themselves with their roles, functions, responsibilities and obligations on the board, effectively implementing the corporate governance system. The company also seeks and evaluates potential suitable candidates to determine their suitability.

(2) Important management succession plan and operation:

The Company's succession planning first carefully evaluates the current organizational situation, positions, organizational characteristics, and possible future strategic directions to determine development that aligns with the organization's strategic direction

Identifying and developing the senior management talent needed for the future in accordance with a succession plan. Important management successors must possess management capabilities and mindset, ability to discern industry changes and respond promptly, and their values must align with the company's corporate culture and business philosophy.

The training plan for important management levels will provide diverse training methods for senior management, including course training to develop leadership, cross-functional management capabilities, and change management abilities. Career development plans will also be formulated for senior management, through job rotations, external assignments, etc., to improve work development opportunities and enhance leadership abilities. This will enable potential successors to enhance their management capabilities and mindsets, systematically strengthening the future management team.

Every year, review the succession status of the company's senior management. Based on the review results, discuss adjustments to the succession plan, and simultaneously seek external talent to join the company as needed.

(2)Information on President, Vice President, Associate Managers, and heads of departments and branch offices

Record Date: March 29, 2026/Unit: Share

Title	**Nationality**	**Name**	**Gender**	**Date of election /appointment to current term**	**Holding shares**		**Shareholding of Spouse and Minor Children**		**Shares held through nominees**		**Principal Work Experience and Academic Qualification (Note 1)**	**Positions Concurrently Held in Other Companies at Present**	**Managers who have a spouse or are within the second degree of kinship**			**Remarks (Note:2)**
					Shares	**Shareholding ratio**	**Shares**	**Shareholding ratio**	**Shares**	**Shareholding ratio**			**Title**	**Name**	**Relationship**	
President	Taiwan, Republic of China	Lu, I-Hsuan	Male	2007.12	72,955	0.07%	0	0	0	0	Master, Graduate Institute of Business Administration, National Chengchi University Vice President of Headquarters, Askey Computer Corp. Chief Financial Officer, Finance Center, Tainet Communication System Corp. President, Honghsuan Information Co., Ltd. Director, Hotron Precision Electronic Industrial Co., Ltd.	President, Fortuna International Holdings Ltd. Director, Hotron Precision Electronic Industrial (Suzhou) Co., Ltd. Chairman and President, Hotron Electron & Telecommunication (Fuqing) Co., Ltd. Director, Hotron Precision Electronic Industrial (HuBei) Co., Ltd. Director and President, Hotron Real Estate Development (Tianmen) Co., Ltd.	None	None	None	None
Chief Financial Officer and Head of Corporate Governance	Taiwan, Republic of China	Wu, Hui-Min	Female	2025.08	0	0	1,112	0.00%	0	0	Master's Degree in International Finance, National Taipei University Audit Department Director, Candor Taiwan CPAs Director of Finance Division and Acting Chief Accounting Officer, Hotron Precision Electronic Industrial Co., Ltd.	Financial Accounting Manager, Fortuna International Holdings Ltd. Director and Chief Financial Officer, Hotron Precision Electronic Industrial (Suzhou) Co., Ltd. Director and Chief Financial Officer, Hotron Electron & Telecommunication (Fuqing) Co., Ltd. Director and Financial Officer, Hotron Precision Electronic Industrial (HuBei) Co., Ltd. Director and Financial Officer, Hotron Real Estate Development (Tianmen) Co., Ltd. Chief Accounting Officer, SmartGreen Solution Co., Ltd.	None	None	None	Not applicable
Vice President, Management Department	Taiwan, Republic of China	Chen, Yueh-Chin	Female	2026.01	44,568	0.04%	0	0	0	0	Taipei Commercial Vocational Annex Accounting Department Financial Manager, Audit Manager of Hotron Precision Electronic Industrial Co., Ltd.	Head of Management Department, Hotron Precision Electronic Industrial (HuBei) Co., Ltd. Head of Management Department, Hotron Precision Electronic Industrial (Suzhou) Co., Ltd. Head of Management Department, SmartGreen Solution (Thailand) Co., Ltd. Head of Management Department, Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	None	None	None	Not applicable

Title	Nationality	Name	Gender	Date of election /appointment to current term	Holding shares		Shareholding of Spouse and Minor Children		Shares held through nominees		Principal Work Experience and Academic Qualification (Note 1)	Positions Concurrently Held in Other Companies at Present	Managers who have a spouse or are within the second degree of kinship			Remarks (Note:2)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Vice President, SmartGreen Solution Co., Ltd.	Taiwan, Republic of China	Chen Ying-chen	Female	2023.09	117,039	0.11%	0	0	26,993,641	25.31%	National Sun Yat-sen University Executive Master of Business Administration Fu Jen Catholic University Department of Spanish Language and Literature Deputy Director, Business Department, Hotron Precision Electronic Industrial Co., Ltd. Business Department Director, Hotlink Company Limited New Energy	None	Chairman	Chang, Li-Jung	Spouse	None
Hotron Hubei President	Taiwan, Republic of China	Yu,Tung-Hua	Male	2022.07	4,000	0.00%	0	0	0	0	Department of Electronic Engineering, Qin Yi Institute of Technology Vice President, Celxpert Energy Corporation Kunshan Plant President, Dexmart Technology Corp.Dongguan Plant General Plant Manager, Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	President, Hotron Precision Electronic Industrial (Suzhou) Co., Ltd. President, Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	None	None	None	Not applicable
Vice President, SmartGreen Solution Co., Ltd.	Taiwan, Republic of China	Chiu, Hsi-Chien	Male	2025.09	1,000	0.00%	54,450	0.05%	0	0	Tatung University Department of Electrical Engineering Graduate Institute Director, Star Trade Assistant Manager, Delta Electronics, Inc. Manager, LITE-ON Technology Corporation	None	None	None	None	Not applicable
Vice President, Hotron Vietnam	Taiwan, Republic of China	Chang, Hsin-Hang	Male	2025.05	0	0	0	0	0	0	Police Junior College Manufacturing Vice President, Dee Van Enterprise Co., Ltd. Special Assistant and Plant Manager, Singatron Enterprise Co., Ltd. Plant Manager, Princeton Technology Corporation	None	None	None	None	Not applicable

Note 1: Experience relevant to the current position, such as having worked at an auditing certified public accountant firm or related company during the aforementioned period: No such situation.

Note 2: The Chairman of the Company and the President or a person of equivalent position (the highest manager) are the same person, or they are spouses or first-degree relatives: No such situation.

(3)If the Chairman and the President or the person in an equivalent position (the highest managerial officer) are the same person, or are spouses or first-degree relatives, the reasons, reasonableness, necessity, and responsive measures (such as increasing the number of independent directors, and that more than half of the directors should not concurrently serve as employees or managerial officers, etc.) shall be stated: No such situation.

2. Recent annual remuneration paid to directors, President, and Vice President

(1) Remuneration of Regular Directors and Independent Directors

Unit: NT$ thousand

Title	Name (Note 1)	Remuneration to Directors								Sum of A+B+C+D and ratio to net income (Not10)		Remuneration Received by Directors for Concurrent Service as an□ Employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10).		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Retirement pay and pension(B)		Director Profit-Sharing Compensation (C) (Note 3)		Expenses and Perquisites (D) (Note 4)				Salary, rewards, and special disbursements (Note 5)		Retirement Pay and Pension(F)		Employee Profit-Sharing Compensation (G) (Note 6)						
		The Company	All consolidated entities (Note:7)	The Company	All consolidated entities (Note:7)	The Company	All consolidated entities (Note:7)	The Company	All Consolidated Entities (Note 7)	The Company	All consolidated entities (Note:7)	The Company	All consolidated entities (Note:7)	The Company	All consolidated entities (Note:7)	The Company		All Consolidated Entities (Note 7)		The Company	All Consolidated Entities (Note 7)	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Representative: Gao Peng Investment Co., Ltd. Chang, Li-Jung	6,272	6,272	0	0	0	0	12	12	6,284 (1.15%)	6,284 (1.15%)	0	0	0	0	0	0	0	0	6,284 (1.15%)	6,284 (1.15%)	None
Director	Lu, I-Hsuan	120	120	0	0	0	0	12	12	132 (0.02%)	132 (0.02%)	3,468	3,468	108	108	0	0	0	0	3,708 (0.68%)	3,708 (0.68%)	None
Director	Chen, Tai-Chung	120	120	0	0	0	0	12	12	132 (0.02%)	132 (0.02%)	0	0	0	0	0	0	0	0	132 (0.02%)	132 (0.02%)	None
Director	Chen, Shuh	120	120	0	0	0	0	10	10	130 (0.02%)	130 (0.02%)	0	0	0	0	0	0	0	0	130 (0.02%)	130 (0.02%)	None
Independent director	Hsieh, I-Ta (Note 12)	20	20	0	0	0	0	0	0	20 (0.00%)	20 (0.00%)	0	0	0	0	0	0	0	0	20 (0.00%)	20 (0.00%)	None
	Chu, Yann-Fang	120	120	0	0	0	0	30	30	150 (0.03%)	150 (0.03%)	0	0	0	0	0	0	0	0	150 (0.03%)	150 (0.03%)	None
	Chou, Che-Yi	120	120	0	0	0	0	30	30	150 (0.03%)	150 (0.03%)	0	0	0	0	0	0	0	0	150 (0.03%)	150 (0.03%)	None
	Lin, Hsiao-Chen	70	70	0	0	0	0	16	16	86 (0.02%)	86 (0.02%)	0	0	0	0	0	0	0	0	86 (0.02%)	86 (0.02%)	None

1.Please explain the policy, system, standards, and structure for compensating independent directors, and describe the correlation between their responsibilities, risks, time commitment, and the amount of remuneration:

(1) The policy, system, standards, and structure for compensating directors and independent directors are based on the laws and regulations, Article 13-2 and Article 20 of the Company's Articles of Incorporation, the "remuneration Committee Organization Rules", and the "Regulations for Directors' remuneration" as the basis for formulating the remuneration policy and performance evaluation.

(2) Directors' remuneration is determined in accordance with Article 13-2 of the Company's Articles of constitution. The remuneration takes into account the degree of participation in the Company's operations, personal contributions (including responsibilities, risks, and time invested), and industry-standard levels. Additionally, overall operational performance and external market factors are considered. The Remuneration Committee and the Board of Directors regularly review and approve reasonable remuneration. The relevant performance evaluations and the reasonableness of remuneration are reviewed by the remuneration Committee and the Board of Directors. The remuneration system is promptly reviewed in light of the actual operating conditions and relevant laws and regulations to strike a balance between the Company's sustainable operations and risk management.

(3) Directors' remuneration shall be allocated from the profits of the Company for the current year at a rate not exceeding 3% of such profits in accordance with Article 20 of the Company's Articles of Incorporation.

(4) Please refer to page 25 of the annual report for "(6))Compare and explain separately the ratio of the total remuneration paid by the Company and all companies covered in the consolidated financial statements to directors, supervisors, President, and Vice Presidents of the Company in the last two years to the net income after tax in the individual or separate financial reports. Also explain the policies, standards, and composition for remuneration payments, the procedures for setting remuneration, and the correlation between remuneration and operational performance as well as future risk exposure

2. Apart from the above disclosure, no remuneration was received by company directors for services provided (such as serving as consultants for the parent company, companies within the financial statements, or invested companies where they are not employees) in the most recent year.None.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Directors' Names			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All Consolidated Entities (Note 9) H	The Company (Note 8)	All Consolidated Entities (Note 9) I
Below 1,000,000 yuan	Lu, I-Hsuan; Chen, Tai-Chung; Chen, Shuh; Hsieh, I-Ta; Chu, Yann-Fang; Chou, Che-Yi, Lin, Hsiao-Chen	Lu, I-Hsuan; Chen, Tai-Chung; Chen, Shuh; Hsieh, I-Ta; Chu, Yann-Fang; Chou, Che-Yi, Lin, Hsiao-Chen	Chen, Tai-Chung ; Chen, Shuh ; Hsieh, I-Ta; Chu, Yann-Fang; Chou, Che-Yi	Chen, Tai-Chung ; Chen, Shuh ; Hsieh, I-Ta; Chu, Yann-Fang; Chou, Che-Yi
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)				
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)				
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)			Lu, I-Hsuan	Lu, I-Hsuan
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Chang, Li-Jung	Chang, Li-Jung	Chang, Li-Jung	Chang, Li-Jung
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
Over NT$100,000,000				
Total	8	8	7	7

Note 1: If a directors who concurrently serve as President or Vice Presidents fill out this table and table below.

Note 2: Refers to the remuneration (including directors' salaries, job allowances, various bonuses, and incentives) for directors in 2025.

Note 3: This refers to the amount of directors' remuneration approved by the Board of Directors for distribution. Due to it was a loss-making year in 2025, no director's remuneration was allocated.

Note 4. Refers to the relevant operating expenses (including transportation, various allowances, etc.) for directors in 2025.

Note 5. Refers to the compensation received by directors who are also employees in 2025, including salaries, job allowances, various bonuses, transportation allowances, various subsidies, provision of company cars, and other benefits etc.

Note 6: Refers to directors who also serve as employees and received employees' compensation (cash) in 2025. The amount of employees' compensation approved by the board of directors for the most recent year should be disclosed. However, as the company suffered a loss in 2025, no employees' compensation was allocated.

Note 7. The total amount of remuneration paid to the directors of the Company by all companies (including the Company itself) included in the consolidated report.

Note 8: The company discloses the names of directors within the respective remuneration band for total remuneration paid to each director.

Note 9: In the consolidated report, disclose the full name of each director of the Company (including this company) and the total remuneration paid to them by all companies (including this company), with their names disclosed under the applicable remuneration range.

Note 10: Net income after tax refers to the net income after tax in the 2025 individual financial report.

Note 11: The directors of the Company do "not" receive compensation from reinvested businesses other than subsidiaries or from the parent company.

Note 12: Independent Director Hsieh, I-Ta resigned on February 17, 2025.

The remuneration content disclosed in this table is different from the concept of the Income Tax Act, so the purpose of this table is for information disclosure only, not for taxation purposes.

(2) Remuneration of Supervisors: Not applicable

(3) Remuneration of the President and Vice President

Unit: NT$ thousand

Title	Name (Note 1)	Salary (A) (Note 2)		Retirement pay and pension(B)		Bonuses and Special Allowances, etc. (C)(Note 3)		Employee Remuneration Amount (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	The Company		All Consolidated Entities (Note 5)		The Company	All Consolidated Entities (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Lu, I-Hsuan	3,192	3,192	108	108	276	276	0	0	0	0	3,576 (0.65%)	3,576 (0.65%)	None

*Regardless of job titles, those whose positions are equivalent to President or Vice President (such as President, Chief Executive Officer, Director-General, etc.) should be disclosed.

Remuneration Range Table

The remuneration level for President and Vice President of the Company	Names of Managing Director and Deputy Managing Director	
	The Company (Note 6)	All Consolidated Entities (Note 7) E
Below 1,000,000 yuan		
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	Lu, I-Hsuan	Lu, I-Hsuan
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)		
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)		
Over NT$100,000,000		
Total	1	1

Note 1: If a directors who concurrently serve as President or Vice Presidents fill out this table and above table (I)

Note 2: Refers to the salary, job allowances, etc. of the President and Vice Presidents in 2025.

Note 3: Refers to various bonuses, incentives, travel allowances, subsidies, company cars and other physical provisions, and other compensation amounts for the President and Vice Presidents in 2025.

Note 4: Due to it was a loss-making year in 2025, no employees' compensation was allocated.

Note 5: In the consolidated report, the total amount of all remuneration paid to the President and Vice President of the Company by all companies (including the Company itself) .

Note 6: The company discloses the total remuneration paid to each President and Vice President under the applicable remuneration range, revealing the names of the President and Vice Presidents.

Note 7: In the consolidated report, disclose the full name of each President and Vice President of the Company (including this company) and the total remuneration paid to them by all companies (including this company), with their names disclosed under the applicable remuneration range.

Note 8: Net income after tax refers to the net income after tax in the individual financial statement for the year 2025.

Note 9: The Company's President "does not" receive any related remuneration from investee companies other than subsidiaries or from the parent company.

The remuneration content disclosed in this table is different from the concept of the Income Tax Act, so the purpose of this table is for information disclosure only, not for taxation purposes.

(4) Remuneration of the top five highest-paid executives

Unit: NT$ thousand

Title	Name	Salary (A) (Note 2)		Retirement pay and pension(B)		Rewards and Special Disbursements (C) (Note 3)		Employee Profit-Sharing Compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remunerationreceived from investee enterprises other than subsidiaries or from the parent company (Note:7)
		The Company	All Consolidated Entities (Note 5)	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Lu, I-Hsuan	3,192	3,192	108	108	276	276	0	0	0	0	3,576 (0.65%)	3,576 (0.65%)	None
Software R&D Assistant Manager, SmartGreen Solution Co., Ltd.,	Tseng, Yu-Chen	1,561	1,561	96	96	530	530	0	0	0	0	2,187 (0.40%)	2,187 (0.40%)	None
Vice President, Management Department	Chen, Yueh-Chin	1,786	1,786	108	108	161	161	0	0	0	0	2,055 (0.38%)	2,055 (0.38%)	None
Software R&D Manager, SmartGreen Solution Co., Ltd.	Chang, Che-Wei	1,289	1,289	72	72	493	493	0	0	0	0	1,854 (0.34%)	1,854 (0.34%)	None
Software R&D Assistant Manager, SmartGreen Solution Co., Ltd.,	Shen Wei-Ting	1,285	1,285	88	88	479	479	0	0	0	0	1,852 (0.34%)	1,852 (0.34%)	None

Note 1: The so-called "top five highest-paid managers" refers to the company's managers. As for the criteria for identifying managers, it is handled in accordance with the scope of application of "managers" as stipulated in the letter No. Taiwan-Finance-Securities-III-0920001301 issued by the former Securities and Futures Commission, Ministry of Finance on March 27, 2003. As for the principle of identifying the "top five highest paid," it is calculated by the total remuneration received by the company's managers from all companies in the consolidated financial statements, including salary, retirement pension, bonus, and special allowances, as well as employees' compensation (i.e., the sum of A+B+C+D). The top five highest paid managers are determined by ranking this total amount. If a director also serves as one of the aforementioned managers, they should be listed in this table and the previous table (1).

Note 2: List the salary, position allowance, severance pay, bonuses, and special disbursements for the top five highest-paid executives in the most recent year.

Note 3: The section should list the various bonuses, rewards, transportation fees, special allowances, various subsidies, housing, company cars and other benefits in kind, and other remuneration amounts for the top five highest-paid managers in the most recent year.

Note 4: Due to it was a loss-making year in 2025, no employees' compensation was allocated.

Note 5: The merger report should disclose the total remuneration paid by all companies (including this company) to the top 5 highest-paid executives of this company.

Note 6: Net income after tax refers to the net income after tax in the individual financial statements for the year 2023.

Note 7: The company's directors did 'none' receive any related remuneration from investee companies other than subsidiaries or from the parent company

The remuneration disclosed in this table is different from the income concept under the Income Tax Act, so the purpose of this table is for information disclosure only, not for taxation purposes.

(5) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Unit: NT$ thousand

	Title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total (Note:2)	As a % of net profit
Managerial officer:	President	Lu, I-Hsuan	0	0	0	0%
	Chief Financial Officer and Head of Corporate Governance	Wu, Hui-Min				
	Vice President, Management Department	Chen, Yueh-Chin				
	Vice President, SmartGreen Solution Co., Ltd.	Chen Ying-chen				
	President, Hotron Hubei	Yu,Tung-Hua				
	Vice President, Hotron Vietnam	Chang, Hsin-Hang				
	Vice President, SmartGreen Solution Co., Ltd.	Chiu, Hsi-Chien				

(Continued from previous page)

Note 1:Names and titles should be disclosed individually, but profit distribution can be disclosed in aggregate.

Note 2: Due to it was a loss-making year in 2025, no employees' compensation was allocated.

Note 3: The scope of application for managers, in accordance with the regulations set forth in the letter No. 0920001301 issued by this Council on March 27, 2003, is as follows:

(1)General manager(s) and equivalent level positions

(2)Assistant general manager(s) and equivalent level positions

(3) Deputy assistant general manager(s) and equivalent level positions

(4) Chief officer of the finance division

(5) Chief officer of the accounting division

(6) Other persons who have the power to manage affairs and sign for the Company

(6) Compare and explain separately the ratio of total remuneration paid by the Company and all companies covered in the consolidated financial statements to directors, supervisors, President, and Vice Presidents of the Company in the last two years to the net income after tax in the individual or separate financial reports. Also explain the policies, standards, and composition for remuneration payments, the procedures for setting remuneration, and the correlation between remuneration and operational performance as well as future risk exposure.

1. Analysis of the ratio of total remuneration paid to the Company's directors, independent directors, President, etc. to the after-tax net profit:

The total remuneration paid to directors, independent directors and President by the Company as a percentage of after-tax net income for the years 2024 and 2025 is as follows:

Items/ name	**Ratio of total remuneration to net profit after tax**			
	2025		**2024**	
	The Company	**All consolidated entities**	**The Company**	**All consolidated entities**
Director, Independent director	1.91%	1.91%	4.55%	4.55%
President	0.65%	0.65%	1.39%	1.39%

2. Policy, standards, and composition of remuneration.

(1) Director, Independent director:

The Company formulates its remuneration policies and evaluation criteria in accordance with relevant laws and regulations, Article 13-2 and Article 20 of the Company's Articles of Incorporation, the "Organizational Rules of the Remuneration Committee," and the "Directors' Remuneration Payment Guidelines." The remuneration paid by the Company to directors and independent directors is divided into two categories: directors' remuneration (business execution remuneration) and directors' remuneration.

A. Directors' remuneration, also known as directors' remuneration for business execution, is determined in accordance with Article 13-2 of the Company's Articles of constitution. Based on the evaluation by the Remuneration Committee and the Company's "Directors' Remuneration Guidelines," the remuneration takes into account the degree of participation in the Company's operations, personal contributions (including responsibilities, risks, and time invested), and industry-standard levels. Additionally, overall operational performance and external market factors are considered. The Remuneration Committee and the Board of Directors regularly review and approve reasonable remuneration. The relevant performance evaluations and the reasonableness of remuneration are reviewed by the remuneration Committee and the Board of Directors. The remuneration system is promptly reviewed in light of the actual operating conditions and relevant laws and regulations to strike a balance between the Company's sustainable operations and risk management.

B. Directors' remuneration shall be allocated from the profits of the Company for the current year at a rate not exceeding 3% of such profits in accordance with Article 20 of the Company's Articles of Incorporation.

(2) President and Vice President:

The remuneration for the Company's President and Vice President includes base salary, allowances, bonuses, and employees' remuneration, which is determined based on their level of participation in the Company's operations, individual contributions, and in accordance with the Company's internal "Salary Determination Management Regulations.

3. Procedure for determining remuneration

To implement corporate governance and establish a sound remuneration system for the Company's directors, independent directors and Managerial officer, the Company has established a remuneration Committee in accordance with Article 14-6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter." The members of this committee possess professionalism and independence, and from an objective and professional standpoint, they evaluate the Company's remuneration policies and systems for directors, independent directors and Managerial officer, and provide recommendations to the Board of Directors for decision-making reference.

In accordance with Article 7 of the "Organizational Rules of the remuneration Committee," the responsibilities of the remuneration Committee shall be:

1. Formulate and regularly review the policies, systems, standards, and structures for evaluating the performance and remuneration of directors and managers.
2. Periodically evaluate and determine the remuneration for directors and managers.

When performing the duties set forth in the preceding paragraph, the committee shall act in accordance with the following principles:

1. The performance evaluation and remuneration of directors and managers should refer to the common levels in the same industry, and consider the reasonableness of the connection with individual performance, company operating performance, and future risks.
2. Directors and managers should not be encouraged to engage in behaviors that exceed the company's risk appetite in pursuit of remuneration and remuneration.
3. Regarding the proportion of bonuses paid to directors and senior managers for short-term performance and the timing of payment for part of the variable salary remuneration, the industry characteristics and the nature of the company's business should be taken into consideration in making the decision.

The "salaries and remuneration" referred to in the preceding two items includes cash remuneration, subscription rights, profit-sharing equity, retirement benefits or severance pay, various allowances, and other substantive incentive measures.

When submitting suggestions for salary and remuneration to the board of directors for discussion, factors such as the amount of remuneration, the method of payment, and the company's future risks should be comprehensively considered.

The remuneration for the President and Vice President is determined in accordance with the internal "Salary Determination Management Regulations," and is adjusted based on the achievement of the company's annual operating goals and the individual's annual performance appraisal. Annual salary adjustments are submitted to the Chairman for approval, reviewed by the remuneration Committee, and then proposed to the Board of Directors for approval before disbursement.

4. Relevance to operational performance and future risks

The various remuneration packages for directors, independent directors and Managerial officer (including President and Vice President) are determined based on their level of participation in the Company's operations, individual contributions, and with reference to the Company's internal "Salary Determination Management Regulations" and "Directors' remuneration Guidelines," as well as the prevailing standards of listed companies. The remuneration is highly correlated with the Company's operational performance and the responsibilities assumed by the directors. The company's management and the Remuneration Committee regularly review and make appropriate adjustments to the remuneration policies to ensure the Company's competitive advantage and risk management in terms of human resources at the management level.

3. Operation of Corporate Governance

(1) Operation of the Board of Directors:

Information on the Operation of the Board of Directors

The Board of Directors held 23 th meetings (A) in the most recent fiscal year (the 10th term), and the attendance of the directors is as follows:

May 30, 2023 to February 26, 2026

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)（B/A）	Remarks
Chairman	Chang, Li-Jung	23	0	100 %	Note 1
Director	Lu, I-Hsuan	23	0	100 %	Note 1
Director	Chen, Tai-Chung	19	2	83 %	Note 1
Director	Chen, Shuh	21	2	91 %	Note 1
Independent director	Hsieh, I-Ta	15	0	100 %	Note 1, Note 2
Independent director	Chu, Yann-Fang	22	1	96 %	Note 1
Independent director	Chou, Che-Yi	23	0	100 %	Note 1
Independent director	Lin, Hsiao-Chen	5	0	100%	Note 1, Note 3

Note 1: At the general shareholders' meeting on May 30, 2023, the Company elected the 10th Board of Directors (including independent directors) for a term of three years, from May 30, 2023, to May 29, 2026

Note 2: Independent Director Hsieh, I-Ta resigned on February 17, 2025.

Note 3: Independent Director Lin, Hsiao-Chen resigned on May 28, 2025

Other matters required to be recorded:

1. (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, so Article 14-3 is not applicable. For relevant information, please refer to the "Operation of the Audit Committee" section in this annual report.

   (2) Any other matters resolved by the Board of Directors that were opposed or reserved by the independent directors and were recorded or issued in a written statement: None.

2. The performance of directors in recusing themselves from proposals involving conflicts of interest should state the names of the directors, the content of the proposals, the reasons for recusal, and their participation in voting:

Board meeting date	Directors' Names	Content of the proposal	Reasons for recusal due to conflict of interest	Voting situation
2025.08.11	Chang, Li-Jung Lu, I-Hsuan	The proposal for salary adjustments of directors and managers in 2025	The two directors are the parties concerned.	The two directors did not participate in the discussion and voting due to a conflict of interest.

3. Listed companies should disclose information about the self (or peer) assessment cycle and period, scope, methods, and content of the board of directors' evaluation, and complete the following table on the implementation of the board evaluation:

Performance of the Board of Directors' evaluation:

Assessment Cycle (Note 1)	Assessment Period (Note 2)	Assessment Scope (Note 3)	Assessment Method (Note 4)	Assessment Content (Note 5)
Run once a year	January 1, 2025 to December 31, 2025	Board of directors	Board of Directors Internal Self-Assessment	A.Degree of participation in company’s operations B. Enhancing the quality of board decisions C. Composition and structure of the board of directors D. Selection and continuing education of directors E. Internal control F. Other items
Run once a year	January 1, 2025 to December 31, 2025	Individual board members	Board members' self-assessment	A. Understanding of the company's goals and tasks B. Awareness of directors' responsibilities C. Degree of participation in company’s operations D. Internal relationship management and communication E. Directors' professionalism and continuing education F. Internal control G. Other items
Run once a year	January 1, 2025 to December 31, 2025	Remuneration Committee Audit Committee	Self-evaluation of the remuneration committee members Self-evaluation of the audit committee	A. Degree of participation in company’s operations B. Understanding of functional committee’s responsibilities. C. Enhancing the decision-making quality of functional committees D. Composition and selection of functional committee members E. Internal control F. Other items

Note 1: To fill in the assessment cycle of the board evaluation, for example: executed once every year.

Note 2: To fill in the assessment period covered by the board evaluation, for example: assessing the performance of the board from January 1, 2025 to December 31, 2025.

Note 3: The assessment scope includes the performance assessment of the Board of Directors, individual directors and functional committees.

Note 4: The assessment methods include self-evaluation by the board of directors, self-evaluation by board members, peer assessment, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

Note: The assessment content shall include at least the following items based on the assessment scope:

(1) Board of Directors Performance Assessment: At least includes the degree of participation in the company’s operations, the quality of board decisions, the composition and structure of the board, the selection of directors and continuing education , internal control, etc.

(2) Individual director performance assessment: At least includes comprehending the company's goals and missions, understanding directors' responsibilities, participating in the company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control, etc.

(3) Functional committee performance assessment: the degree of participation in company's operations, understanding of functional committee's responsibilities, quality of functional committee decisions,composition and selection of functional committee members, internal controls, etc.

4. Objectives for strengthening the functions of the Board of Directors in the current and recent years (e.g. establishing an Audit Committee, enhancing information transparency, etc.) and assessment of their implementation:

1. Enhance information transparency: Our company has formulated the "Board of Directors Meeting Rules" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance purposes. We have also entered the attendance of directors at board meetings on the Market Observation Post System, and disclosed material resolutions of the board of directors on our company website.

2. Establishing Remuneration Committee: The Company approved the appointment of the first Remuneration Committee members at the Board of Directors meeting on December 27, 2011. The committee is re-elected every three years. Currently, it is the fifth remuneration committee The committee is composed of three independent directors, with one serving as the convener, and operates in accordance with the "remuneration Committee Organization Rules." The committee meets at least twice a year and may convene additional meetings as needed. The members of the committee possess professionalism and independence, and are responsible for making recommendations, evaluating and supervising the company's overall remuneration policy, manager remuneration levels, employee profit-sharing plans, or other employee incentive plans from a professional and objective position. The term of office of the remuneration committee members is the same as that of the appointing Board of Directors, with a three-year term for each term. The company convenes a Board of Directors meeting in accordance with the regulations to appoint the members of the new remuneration Committee after the re-election of directors at the shareholders' meeting.

3. Establishment of Audit Committee: Our company established the first Audit Committee after the shareholders' meeting on June 5, 2020, which is re-elected every three years. Currently, it is the second Audit Committee. The committee is composed of three independent directors, one of whom is the convener, and at least one member has accounting or financial expertise. The committee members shall perform their duties stipulated in the Organizational Rules with the due care of a good administrator, act faithfully, and be responsible to the Board of Directors, and submit their proposals to the Board of Directors for resolution. The committee meets at least once every quarter and may call additional meetings as needed. The term of office of the Audit Committee members is the same as the term of the Board of Directors that appointed them, which is three years. The company establishes a new Audit Committee in accordance with regulations after the directors are re-elected at the shareholders' meeting. The main purpose of the committee's operations is to supervise the following matters:

1. The fair presentation of the company's financial statements.

2. Selection of auditors (solution) duty and independence and performance.

3. The effective implementation of internal controls within the company.

4. The company's complies with relevant laws and regulations.

5. The managing and controlling of existing or potential risks of the company.

4. Performance Assessment:

(1) To enhance the operational efficiency of the Board of Directors, the Company formulated the "Performance Assessment Rules for the Board of Directors" on August 29, 2012, which was most recently amended and approved by the Board of Directors on July 10, 2020. This amendment is in accordance with the announcement issued by the Taiwan Stock Exchange Corporation on June 3, 2020 (Ref. No. Taiwan-Stock-Governance-1090009468) to revise certain provisions of the Company's "Performance Assessment Rules for the Board of Directors," "Performance Assessment Indicators for the Board of Directors," "Board Member Self-Assessment Form," and "Performance Self-Assessment Form for Functional Committees," with the aim of improving the operational efficiency of the Board of Directors.

(2)The indicators for evaluating the performance of the Board of Directors shall be regularly reviewed and recommended by the remuneration Committee. The Company shall determine the evaluation criteria for the performance of the Board of Directors, taking into account the Company's circumstances, which shall include at least the following five aspects:

1. The degree of participation in company’s operations.
2. Enhance the quality of board decision-making.
3. Composition and structure of the board of directors.
4. The appointment and continuing education of directors.
5. Internal control.

The Performance Assessment Indicators for Directors (self or peer) are detailed in the attached table, measuring at least the following six aspects:

1. Understanding of the company's goals and tasks.
2. Awareness of directors' responsibilities.
3. The degree of participation in company’s operations.
4. Internal relationship management and communication.
5. Directors' professionalism and continuing education
6. Internal control.

The performance evaluation measures for functional committees should include at least the following five aspects:

1. The degree of participation in company’s operations.
2. Understanding of functional committee’s responsibilities.
3. Enhancing the decision-making quality of functional committees
4. Composition and selection of members of functional committees.

5. Internal control.

The "Board of Directors Performance Assessment Measures" formulated by our company have been fully disclosed on the Public Information Observatory and the Company's website for reference.

(3) According to the "Board Performance Assessment Measures", before the end of the first quarter of the following year, each execution unit shall collect information related to the activities of the board of directors and each functional committee, and distribute the "Board Performance Self-Assessment Questionnaire", "Director Member Performance Self-Assessment Questionnaire" and "Functional Committee Performance Self-Assessment Questionnaire" for completion. Finally, the coordinating execution unit (the Company's Finance Department) will collect the data uniformly, record the assessment results report according to the scoring criteria of the assessment indicators, and submit it to the board of directors for review and improvement. The execution evaluation results for the year 2025 have been reported to the board of directors on January 22, 2026, and simultaneously disclosed on the Company's website for reference.

(4) The Company participated in the 12th (2025) Corporate Governance Assessment, conducted a self-evaluation according to the evaluation indicators of the Corporate Governance Center, and will actively improve on the items that did not score, continuously enhancing the level of corporate governance and fulfilling corporate social responsibility. The areas for improvement and reinforcement identified in the Corporate Governance Assessment were reported to the Board of Directors on January 22, 2026, and have been simultaneously disclosed on the Company's website for reference.

(2) Audit Committee operations:

Information on the Operation of the Audit Committee

The Audit Committee held 9 meetings in the recent year (the 2nd term) (A), and the attendance of independent directors is as follows:

January 1, 2025 to February 26, 2026

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)（B/A）	Remarks
Independent director	Hsieh, I-Ta	14	0	100.00 %	Note 1. Note 2
Independent director	Chu, Yann-Fang	21	1	96 %	Note 1
Independent director	Chou, Che-Yi	14	0	100.00 %	Note 1
Independent director	Lin, Hsiao-Chen	5	5	100.00 %	Note 1. Note 3

Note1: The company elected 3 independent directors at the annual shareholders' meeting on May 30, 2023, and the audit committee of this company was established by these 3 independent directors in accordance with the law. According to the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" and the "Organizational Rules of the Audit Committee" of this company, the term of office for the independent directors of the audit committee is clearly defined as three years (from May 30, 2023 to May 29, 2026), which is the same as the term of office of the current board of directors.

Note 2: Independent Director Hsieh, I-Ta resigned on February 17, 2025.
Note 3: Independent Director Lin, Hsiao-Chen resigned on May 28, 2025

Other matters required to be recorded:

1. If any of the following situations occur in the operation of the Audit Committee, the date, period, agenda items, dissenting opinions, reservations or major recommendations of the independent directors, resolutions of the Audit Committee, and the company's handling of the Audit Committee's opinions should be stated:

   (1) Article 14-5 of the Securities and Exchange Act lists the following matters.

Date of Audit Committee Meeting	**Term**	**Content of the proposal**	**Content of dissenting opinions, reservations, or major recommendations from independent directors**	**Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions**
2025.02-25	2nd Term, 15th Meeting	Appointment of certified public accountants and assessment of their independence and qualifications. (Appointment of CPA Lin, Ya-Hui and CPA JuanLu Mam-Yu for the year 2025)	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		According to the "Self-Assessment Report on the Internal Control System for 2024", the "Statement on Internal Control System" of this company has been formulated.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		The 2024 annual report, individual financial statements and consolidated financial statements.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Deficit Compensation for the 2024	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for "Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.", a subsidiary indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for "SmartGreen Solution Co., LTD.", a subsidiary directly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.

Date of Audit Committee Meeting	**Term**	**Content of the proposal**	**Content of dissenting opinions, reservations, or major recommendations from independent directors**	**Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions**
		Regarding the amendment to the Company's "Articles of Incorporation".	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Amending the "Procedures for Lending Funds to Others and Endorsements Guarantee" and the internal control system's "Management of Lending Funds to Others" for the Company and its group subsidiaries	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2025.04.16	2nd Term, 16th Meeting	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China through a third area indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Cash capital increase by the Company's 100% indirectly held sub-subsidiary Hotlink Company Limited in Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		The Company's fund lending proposal.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		The Company's Chief Internal Auditor change proposal.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Amendment to the Company's "Payroll Cycle" internal control system.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2025.05.08	2nd Term, 17th Meeting	The 2025 First quarter Consolidated Financial Statements	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal

Date of Audit Committee Meeting	**Term**	**Content of the proposal**	**Content of dissenting opinions, reservations, or major recommendations from independent directors**	**Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions**
				without objection.
		Endorsement guarantee case for "Hotron Precision Electronic Industrial (Vietnam) Co., Ltd., a subsidiary indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2025.08.11	2nd Term, 18th Meeting	Second quarter consolidated financial statements for fiscal year 2025	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for "Hotron Precision Electronic Industrial (Vietnam) Co., Ltd."., a subsidiary indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for "Hotron Precision Electronic Industrial (HuBei) Co., Ltd., a subsidiary indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for 'Hotlink Company Limited,' a subsidiary indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China through a third area indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		The Company's fund lending proposal.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Acquisition of right-of-use assets by the Company's 100% owned subsidiary SmartGreen Solution Co., Ltd.	No such situation.	The members of the Audit Committee had no comments. All attending

Date of Audit Committee Meeting	Term	Content of the proposal	Content of dissenting opinions, reservations, or major recommendations from independent directors	Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions
				members unanimously approved the proposal without objection.
		Amendment to the Company's "Internal Control System".	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Amend the case of the "Decision Authority Table" of this company.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Proposal for the change of the Company's Financial and Accounting Officer, Deputy Spokesperson, and Corporate Governance Officer	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2025.11.12	2nd Term, 19th Meeting	Third quarter consolidated financial statements for fiscal year 2025	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2025.12.23	2nd Term, 20th Meeting	The Company's fund lending proposal.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Endorsement guarantee case for "Hotron Precision Electronic Industrial (HuBei) Co., Ltd.", a subsidiary indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Amendment to the Company's "Payroll Cycle" internal control system.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Approval of the Company's annual audit plan for 2026.	No such situation.	The members of the Audit Committee had no

Date of Audit Committee Meeting	Term	Content of the proposal	Content of dissenting opinions, reservations, or major recommendations from independent directors	Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions
				comments. All attending members unanimously approved the proposal without objection.
		Adding the Company's "Internal Control System for Sustainability Information Management" and amending the Company's "General Principles and Implementation Rules of Internal Control System”	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2026.1.22	2nd Term, 21th Meeting	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China through a third area indirectly owned 100% by the Company	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Asset mortgage case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China 100% indirectly held by the Company through a third-region intermediary.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Proposed investment structure reorganization of "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China 100% indirectly held by the Company through a third-region intermediary.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		Proposed liquidation of "Hotron Real Estate Development (Tianmen) Co., Ltd.", a China-based company, by "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China 100% indirectly held by the Company through a third-region intermediary.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
2026.2.26	2nd Term, 22th Meeting	According to the "Self-Assessment Report on the Internal Control System for 2025", the "Statement on Internal Control System" of this company has been formulated.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.
		The 2025 annual report, individual financial statements and consolidated financial statements.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.

Date of Audit Committee Meeting	Term	Content of the proposal	Content of dissenting opinions, reservations, or major recommendations from independent directors	Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions
		Deficit Compensation for 2025.	No such situation.	The members of the Audit Committee had no comments. All attending members unanimously approved the proposal without objection.

(2) Except for the aforementioned matters, there were no other matters resolved by more than two-thirds of all directors without being approved by the Audit Committee: None.

2. The implementation of independent directors' recusal from interested party proposals should state the names of the independent directors, the contents of the proposals, the reasons for recusal, and their participation in voting: No such situation.
3. Communication between independent directors, the head of internal auditing, and accountants (should include major matters, methods, and results of communication regarding the company's financial and business conditions).
   1. After the shareholders' meeting on May 30, 2023, the Company established an Audit Committee. The members of this committee, with the care of good administrators, faithfully fulfill the responsibilities stipulated in the "Audit Committee Organization Rules."
   2. The audit supervisor prepares a monthly report on the audit results for review by the independent directors.
   3. For major financial and business matters, the audit supervisor will immediately contact the independent directors and report the cause of the incident and how the company is handling it.
   4. Prior to the issuance of each quarterly financial report, the accountant shall convene a meeting with the directors, independent directors, chief internal auditor, and chief financial officer to report on the audit of the quarterly financial statements, discuss any improvements or communications needed, and address the impact of new bulletins or laws on the company.

   From the fiscal year 2025 to February 26, 2026, the key communication points from the meetings between the accountants, independent directors, and audit supervisors are summarized in the following table:

Meeting date	**Key points of communication**	**Handling of Company's response**	**Suggestions and corrections from independent directors**
2025.02.25	1. Audit results of the consolidated financial statements and individual financial statements for the fiscal year 2024, as well as the report and discussion on the internal control audit. 2. The auditors issued an unqualified (including other matters section) audit report on February 24, 2025 3. Recent tax laws and regulations promotion.	Improvements or implementation have been carried out according to the key points of communication.	The three independent directors have no objection.
2025.05.08	1.Review report and discussion on the consolidated financial statement for the first quarter of 2025 by the certified public accountant. 2. Recent tax laws and regulations promotion.	Improvements or implementation have been carried out according to the key points of communication.	The three independent directors have no objection.
2025.08.11	1. Review report and discussion on the consolidated financial statements for the second quarter of 2025 by the certified public accountant. 2. Communication and promotion of important sustainability development timelines. 3. Recent updates and promotions on securities regulations and company laws.	Improvements or implementation have been carried out according to the key points of communication.	The three independent directors have no objection.
2025.11.12	1. Review report and discussion on the consolidated financial statements for the third quarter of 2025 by the	Improvements or implementation	The three independent

	certified public accountant. 2. Recent promotion of securities and futures regulations. Communication and promotion of corporate governance practices for the year 2025	have been carried out according to the key points of communication.	directors have no objection.
2025.2.26	1. Audit results of the consolidated financial statements and individual financial statements for 2025, as well as the report and discussion on the internal control audit. 2. The auditors issued an unqualified (including other matters section) audit report on February 26, 2026 3. Recent tax laws and regulations promotion, reminder of corporate governance implementation matters for 2026.	Improvements or implementation have been carried out according to the key points of communication.	Both independent directors have no objections

1. Periodically review the implementation status and internal control deficiencies of internal audits, and the internal audit supervisor regularly holds meetings with independent directors and accountants, and keeps records.

   From the fiscal year 2025 to February 26, 2026, a summary of the communication items between the internal audit supervisors, independent directors, and accountants is as follows:

Date of Discussion	Key points of communication	Handling of Company's response	Accountant, independent director recommendations and corrections
2025.02.25	1. Follow-up on the deficiencies and abnormalities in the previous internal control system and their improvements (including subsidiaries). 2. Status of unresolved deficiencies and irregularities in the internal control system as of January 31, 2025 3. Routine reporting of internal audit operations.	The necessary processing measures or improvement plans have been implemented accordingly.	The accountant and independent directors have no objection.
2025.05.08	1. Follow-up on the deficiencies and abnormalities in the previous internal control system and their improvements (including subsidiaries). 2. Status of unresolved deficiencies and irregularities in the internal control system as of March 31, 2025	The necessary processing measures or improvement plans have been implemented accordingly.	The accountant and independent directors have no objection.
2025.08.11	1. Follow-up on the deficiencies and abnormalities in the previous internal control system and their improvements (including subsidiaries). 2. Status of unresolved deficiencies and irregularities in the internal control system as of June 30, 2025	The necessary processing measures or improvement plans have been implemented accordingly.	The accountant and independent directors have no objection.
2025.11.12	1. Follow-up on improvements to deficiencies in internal control system and abnormal events from the previous period (Including subsidiaries) 2.Status of unresolved deficiencies and irregularities in the internal control system as of September 30, 2025	The necessary processing measures or improvement plans have been implemented accordingly.	The accountant and independent directors have no objection.
2026.1.22	1. Follow-up on improvements to deficiencies in internal control system and abnormal events from the previous period (Including subsidiaries)	The necessary processing measures or improvement plans	The accountant and independent directors have no objection.

Date of Discussion	Key points of communication	Handling of Company's response	Accountant, independent director recommendations and corrections
	2. Status of unresolved deficiencies and irregularities in the internal control system as of December 31, 2025	have been implemented accordingly.	
2026.2.26	1. Follow-up on the deficiencies and abnormalities in the previous internal control system and their improvements (including subsidiaries). 2. Status of unresolved deficiencies and irregularities in the internal control system as of January 31, 2026 3. Routine reporting of internal audit operations. 4. According to the "Self-Assessment Report on the Internal Control System for 2025", the "Statement on Internal Control System" of this company has been formulated.	The necessary processing measures or improvement plans have been implemented accordingly.	The accountant and independent directors have no objection.

(3) Operation of corporate governance and its deviation from the Corporate Governance Best Practice Principles for listed Companies and the reasons:

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the company formulated and disclosed a corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The company has established a "Corporate Governance Best Practice Principles" in accordance with regulations, and has disclosed it on the Company's website and the Market Observation Post System.	No difference.
2. Company Equity Structure and Shareholders' Equity (1) Does the company establish internal operating procedures to handle shareholders' suggestions, doubts, disputes, and litigation matters, and implement them according to the procedures? (2) Does the company keep track of the list of major	✓ ✓		(1) To safeguard shareholders' interests, the Company has established various internal operating procedures, including the "Rules of Procedure for Shareholders' Meetings", "Regulations Governing the Exercise of Rights and Participation in Resolutions by Controlling Juristic Person Shareholders", and "Internal Material Information Processing Procedures". It has also designated spokespersons and deputy spokespersons to properly handle shareholders' suggestions, inquiries, and disputes. (2) The company maintains close contact with major shareholders by monitoring the	No difference. No difference. No difference.

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
shareholders who actually control the company and the ultimate controllers of the major shareholders?			shareholder register provided by the share transfer agency and the monthly reports of changes in shareholdings by directors and managers, allowing it to keep track of changes in shareholdings.	No difference.
(3) Does the company establish and implement risk management and firewall mechanisms with related enterprises?	✓		(3) The company and its subsidiaries operate financially and operationally independently, with the Company exercising control and auditing over them. The company has formulated the "Regulations Governing the Management of Related Party Transactions" and "Regulations Governing the Supervision and Management of Subsidiaries" to implement risk control mechanisms for its subsidiaries.	
(4) Does the company have internal regulations prohibiting insiders from trading securities using non-public market information?	✓		(4) The company has established the "Insider Trading Prevention Measures" to prevent insider trading in the capital market by company insiders. It has also formulated the "Code of Ethical Conduct" to regulate the conduct of its directors, supervisors, and managers, preventing conflicts of interest, avoiding opportunities for personal gain, and ensuring fair dealing. Additionally, Article 15 of the "Ethical Corporate Management Best Practice Principles" stipulates compliance with laws and regulations in business operations. Company personnel must comply with the Securities and Exchange Act and refrain from engaging in insider trading or disclosing undisclosed information to prevent others from engaging in insider trading. The company provides education and promotion on the "Insider Trading Prevention Measures" and relevant laws and regulations to current directors and managers at least once a year. New directors receive such education after assuming office, while new managers receive it during pre-job training. Most recently, on December 23, 2025, the Company conducted educational training and awareness sessions for current directors, independent directors, and managers. The topics covered included disclosure requirements for changes in insider shareholdings, examples of insider trading	

<table>
<tr><th rowspan="2">items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>cases, common types of violations, and confidentiality procedures for material information. Course presentation materials were also distributed to all attendees.</td><td></td></tr>
<tr><td>3. Composition and responsibilities of the Board of Directors
(1) Does the Board of Directors plan to formulate a diversity policy, specific management objectives and implementation?</td><td>✓</td><td></td><td>(1)The company's Board of Directors Diversity Policy is as follows:
Article 20 of the Company's "Corporate Governance Best Practice Principles" states: The Board of Directors as a whole should possess the necessary capabilities, and its composition should take diversity into consideration while formulating appropriate diversity policies based on the Company's operational needs, business model, and development needs.

All members of the Board of Directors should generally possess the knowledge, skills, and qualities necessary to perform their duties. The overall capabilities that the Board of Directors should possess are as follows:
1.Operational judgement ability.
2. Accounting and financial analysis ability.
3. Operating and management ability.
4. Crisis management ability.
5. Industry knowledge.
6. International market perspective.
7. Leadership ability.
8. Decision-making ability.
Currently, the company's Board of Directors consists of seven directors:
1. Three are independent directors, and six are male, one is female.
2. The average age of the directors is 63, and all are of Taiwan, Republic of China nationality.
The non-independent directors possess relevant experience in business, law, finance, accounting, or the company's industry. For the overall capabilities of the Board members, please refer to Table 1 on page 14 of the annual report.
4. All independent directors have professional backgrounds. Director Chou, Che-Yi is a certified public accountant, and Director Chu, Yann-Fang holds a Ph.D. from the</td><td>No difference.</td></tr>
</table>

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			Graduate Institute of Business Administration at National Taiwan University and possesses a Project Management Professional (PMP) Certification from the United States, Director Lin, Hsiao-Chen is a lawyer. The composition of the Company's Board of Directors includes various professional backgrounds, providing diverse operational perspectives. For the educational and professional backgrounds of the directors and independent directors, please refer to the director information on pages 13-16 of the annual report. The company's diversity policy for the Board of Directors is disclosed on the company's website and the Market Observation Post System. Directors maintain high self-discipline and recuse themselves from discussions and voting on proposals in which they have a personal interest, stating the important content of their interests at the Board meeting and not acting as a proxy for other directors in exercising their voting rights. The rules for directors' recusal are stipulated in the Board of Directors Meeting Rules. The Board of Directors is responsible to the shareholders' meeting, and its management objective is to ensure that it exercises its powers in accordance with laws, regulations, the company's Articles of Incorporation, or resolutions of the shareholders' meeting, based on the company's governance system and arrangements. To implement corporate governance, strengthen oversight and management functions, and uphold the concept of corporate social responsibility and sustainable operation, the Company's Board of Directors has established an Audit Committee and a remuneration Committee. The organizational rules for these committees, including the number of members, terms, duties, meeting rules, and	

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			resources to be provided by the Company for exercising their powers, have been approved by the Board of Directors to ensure the division of labor and independent and full exercise of their respective powers.	
(2) In addition to legally establishing a remuneration committee and an audit committee, does the company voluntarily establish other functional committees?	✓		(2) In addition to the legally required Remuneration Committee and Audit Committee, the Company has also established a Sustainability Development Committee. Going forward, in accordance with the principles of corporate governance, other functional committees will be established as needed to support the Company's development.	No difference.
(3) Has the company formulated the Board of Directors' performance evaluation measures and evaluation methods, and regularly conduct performance evaluations every year? Are the results of the performance evaluations reported to the Board of Directors and used as a reference for individual directors' remuneration and nomination for re-appointment?	✓		(3) The company has established "Rules for Performance Assessment of the Board of Directors". According to these rules, the board of directors should conduct an internal performance evaluation annually based on various assessment indicators. The weighting of the evaluation indicators can be adjusted based on actual operational needs. Before the end of the first quarter of the following year, each executive unit will distribute the "Self-Assessment Questionnaire for the Board of Directors' Performance", "Self-Assessment Questionnaire for Directors (Self or Peer)", and "Self-Assessment Questionnaire for Functional Committee Performance" to evaluate the performance of board members, the remuneration Committee, the Audit Committee, and the board of directors overall. The measurement items for the board of directors' performance evaluation include: 1.The degree of participation in the company's operations. 2. Enhance the quality of board decision-making. 3. Composition and structure of the board of directors. 4. Appointment and continuing education of directors. 5. Internal control. The measurement items for directors' performance evaluation include:	No difference.

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			1. Understanding of the company's goals and tasks. 2. Awareness of directors' responsibilities. 3. The degree of participation in the company's operations. 4. Internal relationship management and communication. 5. Directors' professionalism and continuing education 6. Internal control. The measurement items for the performance evaluation of functional committees (remuneration Committee) cover the following five aspects: 1.The degree of participation in the company's operations. 2. Understanding of the functional committee's responsibilities. 3. Enhance the decision-making quality of functional committees. 4. Composition and selection of members of functional committees. 5. Internal control. The "Board of Directors Performance Assessment Measures" formulated by our company have been fully disclosed on the Public Information Observatory and the Company's website for reference. Finally, the coordinating executive unit (Finance Department) will collect the self-evaluation questionnaires, record the assessment results report, and submit it to the board of directors for reporting. The most recent year (2025) Board of Directors' performance evaluation results were reported to the Board of Directors at its meeting on January 22, 2026, and have been simultaneously disclosed on the Company's website for public reference.	No difference.
(4) Does the Company regularly evaluate the independence of the certified public accountants?	✓		(4) The company regularly evaluates the independence and suitability of the appointed accountants every year. Indicators such as the number of consecutive years the accounting firm has provided audit services, the nature and content of non-audit services provided, audit certification fees, whether there have	

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			been any disciplinary actions or penalties imposed on the accountant according to the Accountant Act, and interactions with management and the head of internal audit are assessed. The assessment results of the accountants for the past two years were approved by the board of directors on February 27, 2024, and February 25, 2025, respectively. The assessment results reported to the board of directors on February 25, 2025, are as follows: 1. There was no situation where the accountant was not replaced for seven consecutive years. 2. After checking the list of disciplined accountants published by the Securities and Futures Bureau of the Financial Supervisory Commission in the past five years or the list of those penalized according to Article 37, Paragraph 3 of the Securities and Exchange Act, the appointed accountants of the Company have not been subject to any disciplinary actions or administrative penalties. 3. Based on the evaluation of independence and suitability using the Audit Quality Indicators (AQIs), PricewaterhouseCoopers Taiwan accountants Lin, Ya-Hui and JuanLu, Man-Yu meet the company’s standards for independence and suitability. They are proposed to be appointed as the Company's certifying accountants for 2025. 4. For the evaluation of suitability and independence of the certifying accountants for 2025, please refer to the explanation in the attached table (Note 1).	
4. Do listed companies deploy appropriate and sufficient numbers of corporate governance personnel, and appoint a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing directors	✓		The Company has appointed a Corporate Governance Officer, with the Chief Financial Officer concurrently serving as the Corporate Governance Officer, who possesses more than three years of experience as a supervisor of financial, shareholder services, and corporate governance-related affairs at a publicly listed company. The company's corporate governance working	No difference.

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
and supervisors with the necessary information to perform their duties, assisting directors and supervisors in complying with laws and regulations, legally handling board of directors and shareholders' meeting-related matters, preparing minutes of board of directors and shareholders' meetings, etc.)?			group is responsible for carrying out duties in their respective departments and promoting the following main responsibilities: 1. The Management Department formulates appropriate corporate systems and organizational structures to enhance transparency and legal compliance, implement internal audits and internal controls, and is responsible for evaluating and obtaining appropriate directors' and officers' liability insurance. 2. The Finance Department is responsible for matters related to the Board of Directors and shareholders' meetings. (1) Assisting directors and independent directors in complying with laws and regulations, and arranging at least 6 credits of continuing education courses for Board members. (2) Regularly convening communication meetings with the internal audit supervisor, independent directors, and accountants to implement internal audit and internal control systems. Key points of the communication meetings are summarized on pages 34-35 of the annual report. (3) Prior to Board meetings, soliciting opinions from all directors to plan and draft the agenda, and notifying all directors at least seven days in advance and providing sufficient meeting materials to facilitate directors' understanding of the relevant issues. If any agenda item involves related parties, the relevant parties will be reminded in advance and recuse themselves as appropriate. Meeting minutes will be prepared after the Board meeting. (4) To implement corporate governance, the Finance Department conducts an annual internal performance evaluation of individual directors, the remuneration Committee, and the overall operation of the Board of Directors in accordance with the "Board of Directors Performance Assessment Procedures" established by the company. Additionally, an external performance evaluation by an independent	

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			professional institution or scholar is commissioned at least once every three years. (5) Registering the date of the annual shareholders' meeting within the statutory time limit, preparing and filing the meeting notice, agenda handbook, and meeting minutes before the deadline, and completing the registration of any amendments to the Articles of Incorporation or changes in directors after re-election. The Company's Corporate Governance Officer has carried out relevant operations in accordance with the above-mentioned responsibilities and has participated in continuing education courses as required, in order to continuously strengthen professional competence and ensure regulatory compliance.	
5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website, and properly responded to important corporate social responsibility issues that stakeholders are concerned about?	✓		Our company has contact information and mailboxes available on the Company website and Public Information Observation Station, which can be provided to stakeholders for contact at any time.	No difference.
6. Does the company appoint a professional stock affairs agency to handle the affairs of the shareholders' meeting?	✓		Our company has appointed China Trust Commercial Bank's stock affairs agency as the professional stock affairs agency to handle the affairs of our company's shareholders' meetings.	No difference.
7. Information Disclosure (1) Does the company have a website where it discloses its financial, business operations, and corporate governance information? (2) Does the company adopt other information disclosure methods (such as establishing an English website, designating	✓ ✓		Our company fully discloses financial business and corporate governance information on its official website and public information observation stations. We have established corporate websites in Chinese, English, Japanese, and Korean to implement information disclosure and promptly disclose various company information. Our company also has spokespersons and deputy	No difference. No difference.

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
personnel responsible for collecting and disclosing company information, implementing a spokesperson system, posting records of investor conferences on the company website, etc.)? (3) Does the company announce and file its annual financial reports within two months after the end of the fiscal year, and announce and file its first, second, and third quarter financial reports and monthly operating status within the prescribed time limits?	 ✓		spokespersons to release important information in a timely manner and, when necessary, hold legal entity explanatory meetings to explain important operational conditions. Our company is committed to announcing and filing the annual financial report within two months after the end of the fiscal year. Currently, the first, second, and third quarter financial reports and monthly operating conditions are announced and filed ahead of schedule. The monthly operating conditions are consistently filed on the 9th of the following month, or earlier if it falls on a holiday.	No difference.
8. Does the company have any other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relations, stakeholder rights, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)?	✓		Please refer to the explanation in the attached table (Note 2).	No difference.
9. Please explain the improvements made based on the recent corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and propose priority areas for improvement and corresponding measures for areas that have not yet been	✓		The Company participated in the 12th (2025) Corporate Governance Assessment, conducted a self-evaluation according to the evaluation indicators of the Corporate Governance Center, and will actively improve on the items that did not score, continuously enhancing the level of corporate governance and fulfilling corporate social responsibility. The areas for improvement and reinforcement identified in the Corporate Governance Assessment were reported to the Board of Directors on January 22, 2026, and have	No difference.

items	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
addressed.			been simultaneously disclosed on the Company's website for reference.	

Note 1:

Hotron Precision Electronic Industrial Co., Ltd.
CPAs Competency and Independence Assessment Form

1. Assessment description: According to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies," listed companies should appoint professional, responsible, and independent certified public accountants, and should regularly (at least once a year) evaluate the independence and suitability of the appointed accountants.

2. Assessment subjects: CPA Lin, Ya-Hui and CPA JuanLu Mam-Yu of PricewaterhouseCoopers Taiwan.

Assessment index	items	Assessment result	Whether in compliance Independence
1.Financial interests	1.1 Does the CPAs have a direct or significant indirect financial interest relationship with our company?	No	Yes
	1.2 Does the CPAs have a "significant financial interest" relationship with the controlling subsidiaries of our company?	No	Yes
2.Financing and Guarantee	2.1 Does the CPAs have any financing or guaranteeing activities with the Company or the Company's directors?	No	Yes
3.Close business relations	3.1 Whether the CPAs has a close commercial relationship or potential employment relationship with the Company or the Company's directors, supervisors, or managers.	No	Yes
4.Acceptance of employment or appointment with an audit client	4.1 The term of the CPAs does not exceed 7 years.	Yes	Yes
	4.2 Do the CPAss and members of their audit team currently or in the past two years serve as directors, supervisors, managers, or positions with significant influence on the audit work, or employees of the Company?	No	Yes
	4.3 Has the visa-certified accountant currently or in the past two years served as a director or supervisor of a subsidiary controlled by the Company?	No	Yes
	4.4 Does the CPAs have a relative relationship with any director, manager or personnel with significant influence over the audit case of the Company?	No	Yes
5.Non-audit Matters	5.1 Has the CPAs provided any non-audit services that may directly affect the audit work for the Company?	No	Yes
6.Other Matters	6.1 Does the CPAs have any intermediary role in the stocks or other securities issued by this company?	No	Yes
	6.2 Does the CPAs act as a defense attorney or representative for the Company in coordinating conflicts between the Company and other third parties?	No	Yes

	6.3 Visa accountants do not receive any significant gifts or special favors from the Company or its directors, managers, or major shareholders.	Yes	Yes
	6.4 The accountant or audit team members do not keep custody of the Company's money or securities.	Yes	Yes

3. Assessment content: Established with reference to the Statement of Professional Ethics No. 10 for Certified Public Accountants

Assessment result:

After evaluation, the certified public accountants proposed for appointment by the Company do not have any of the circumstances described in the aforementioned independence assessment items, and it is confirmed that the certified public accountants comply with the independence regulations and there is no doubt about the reliability of the financial reports issued.

Assessment unit: Finance Division

Assessment date: February 25, 2025

Note 2: Other important information that helps understand the operation of corporate governance;

Evaluation Items	Implementation status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Employee Benefits (1) Provide employees with adequate education and training	✓		(1) For employee on-the-job training, each department will arrange appropriate internal education and training courses as needed. The personnel unit also provides appropriate internal training courses for new employees, providing employees with a comprehensive professional skill development and self-growth opportunities. Please refer to the explanation in the attached table (Note 3).	No difference.
(2) Provide employees with sufficient rights to express opinions	✓		(2) Regarding employee opinions in the annual performance appraisal, in addition to appropriate responses from their direct supervisors, relevant opinions are also discussed in higher-level management meetings and responded to one by one. The company holds labor-management meetings quarterly, and employees can communicate through labor representatives in the meetings.	No difference.
(3) Others (such as occupational safety and health management system certified by OHSAS18001 or relevant institutions, providing of reasonable welfare and compensation to employee, etc.) system certified by OHSAS 18001 or relevant organizations, provision of reasonable welfare and remuneration to employees, etc.)	✓		(3) All factories have obtained ISO 45001 Occupational Health and Safety Management System certification; the group provides employees with reasonable benefits and remuneration, please refer to the explanation in "5. Operation Overview" and "5.Labor Relations" in the annual report.	No difference.
2. Employee Care (1) Ensure workplace safety	✓		1. Appoint a security company for building security management. 2. Cooperate with a building public safety inspection company to conduct fire safety inspections to ensure a safe working environment.	No difference.

Evaluation Items	Implementation status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Establish written policies related to labor health and safety (3) Others (such as emphasizing the physical and mental development of employees and their family life, etc.)	✓ ✓		3. Fire and disaster prevention for the building lecture every year. 4. Conduct an annual fire safety training seminar for the building. Purchase public liability insurance for the building to protect the safety of employees and visitors entering and exiting the building. 5. To implement a fire protection plan and other fire management matters to ensure public safety, the Company has assigned personnel to attend training at the Taipei City Apartment Building and Community Service Association and obtain a Certificate of Qualification for Fire Management Training. The company has established a labor safety management unit and formulated the "Safety and Health Work Rules." Employees are encouraged to participate in healthy leisure activities. The Employee Welfare Committee regularly organizes employee (including family members) tours for relaxation and recreation.	No difference. No difference.
3. Investor Relations (1) Enhance operational transparency (2) Emphasize corporate governance (3) Others	✓ ✓ ✓		Our company's financial statements and important financial and business information are publicly disclosed on the Public Information Observation Station website as required, and an "Investor Relations" section has been established on our company's official website to provide sufficient information disclosure to investors. We have recruited industry leaders, as well as accountants and lawyers, to serve as directors of the company to provide advice on business management and have established various corporate governance-related policies to strengthen corporate governance as our goal. With the philosophy of sustainable operation, we aim to maximize economic benefits for our employees, shareholders, customers, and suppliers. Our company has implemented electronic voting at shareholders' meetings as required.	No difference. No difference. No difference.

Evaluation Items	Implementation status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
4. Supplier Relations				
(1) Emphasize reasonableness of procurement prices	✓		Pay attention to market trends and regularly review product cost structure and gross profit margin performance to ensure reasonable procurement prices.	No difference.
(2) Legal and fair trade	✓		Conduct regular supplier audits and guidance, emphasizing legal and fair trade.	No difference.
(3) Others	✓		Qualified suppliers must sign an environmental commitment and integrity commitment to ensure their commitment to the environment and quality. Additionally, products must pass inspection reports from accredited third-party laboratories to ensure product quality.	No difference.
5. Interests of Stakeholders				
(1) Respect intellectual property rights	✓		The company follows the laws and regulations promulgated by the government, and simultaneously applies for patents for the research and development achievements and technologies to protect intellectual property rights. To protect the company's intellectual property rights and avoid infringing upon others' intellectual property rights, the company has established a legal department. Additionally, the company has signed a retainer agreement with an external law firm to provide consultation on intellectual property rights to safeguard the company's interests. So far, the company has not experienced any intellectual property rights disputes.	No difference.
(2)Importance of Customer Relationships (Such as protecting consumer rights, emphasizing product quality, safety and innovation, attaching importance to and immediately handling customer complaints, providing complete product information, etc.)	✓		The company emphasizes customer needs, handles customer complaints promptly, and provides comprehensive product information to maintain optimal customer relationships. It constantly monitors customer dynamics, ensures the progress of new product development, and cooperates with customers' product development projects until successful mass production to strike a balance between delivery time and quality after mass production.	No difference.
(3) Compliance with laws and regulations	✓		The company has formulated operating procedures following the laws and regulations promulgated by the government.	No difference.
			The company's official website has a "Sustainable Development" section that fully discloses the implementation of corporate social responsibility	No difference.

Evaluation Items	Implementation status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(4)Others (such as disclosing the implementation of corporate social responsibility policies on the company's website, etc.)	✓		policies, corporate integrity management, and stakeholder areas, providing communication channels and contact windows for various issues of concern to investors.	
6. Training Status of Directors and Supervisors	✓		All directors and independent directors of the Company have all completed training as required. For details on director training in the most recent year, please refer to the explanation in the attached table (Note 4), which is also announced on the "Market Observation Post System".	No difference.
7. Implementation of risk management policies and risk measurement standards	✓		To strengthen corporate governance and effectively implement the Company's risk management mechanism, our company has approved the "Risk Management Policy and Procedures" on December 14, 2022 by the Board of Directors, as the highest guiding principle for risk management compliance. The Company's annual risk management implementation is divided into three management levels. Each risk management unit regularly adjusts its control and management mechanisms in response to changes in the internal and external operating environment, monitors developments in international and domestic risk management, and identifies emerging risks. The President is responsible for reviewing the integrity of the Company's risk management framework, coordinating and supervising the risk control status of each unit, and reporting to the Board of Directors on the operations of the risk management framework at least once a year, most recently on December 23, 2025.	No difference.
8. Implementation of Customer Policies	✓		Our company strictly adheres to the agreements with our customers and ensures their rights and interests. For customers, we sign environmental protection contracts or add environmental protection clauses to quality contracts, committing our company to comply with environmental protection laws and policies during the production process.	No difference.
9.Information on liability insurance purchased for directors and supervisors	✓		Our company has insured "Directors and Officers Liability Insurance" with Cathay Century Insurance Co., Ltd. The insured parties are the directors and officers of our company, with an insured amount of USD 3 million. The insurance period is from June 6, 2025 to June 6, 2026 After expiration, we will continue to renew the insurance to protect the interests of shareholders.	No difference.
10.The status of the company's establishment of information security	✓		To establish a secure information security environment and strengthen the group's internal information security management system, the Company has formulated the	No difference.

Evaluation Items	Implementation status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
risk management			"Information Security Management Regulations" to maintain the confidentiality, integrity and availability of the Company's information assets, and to protect user data privacy. We conduct information security education and training to promote employees' awareness of information security and enhance their recognition of relevant responsibilities. We implement an information security risk assessment mechanism to improve the effectiveness and timeliness of information security management. We also implement an internal information security audit system to ensure the implementation of information security management. Considering that cyber insurance is still an emerging type of insurance, involving information security level testing agencies, claim appraisal agencies and non-indemnity conditions, etc., the Company is still under evaluation.	

Note 3: 1. The implementation of various training programs provided to employees by our company in 2025 is as follows:

Item	Training and course programs	Number of classes	Number of trainees	Course hours	Training expenses (NTD)
A	New employee training	39	39	78	-
B	Professional skills training	4	4	32	3,200
C	Management skills training	3	3	42	33,400
D	Others training	1	10	6	58,500

A.New Employee Training: Providing new employees with pre-job training, safety and health education training, and general knowledge training.

B. Professional skills training: It refers to the company's internal training provided to colleagues in various units for system operations in sales, manufacturing, finance, etc., as well as external professional training courses attended.

C. Management skill training: It is according to the regulations of the competent authority that only unit supervisors attending external events (financial and accounting supervisors, audit supervisors, corporate governance supervisors) can receive training.

D. Other Training: Notice of explanation meeting for matters to note on insider equity reporting and continuing education courses for directors and supervisors.

2. Regarding personnel related to financial information transparency in our company for the year 2025, their relevant certifications obtained and training received as specified by the competent authority are as follows:

Title	**Name**	**Continuing Education System (Learning Units)**	**Course name**	**Training hours**
Chief Financial Officer	Wu, Hui-Min	Accounting Research and Development Foundation	Securities Dealer Stock Exchange Accounting Supervisor Initial Appointment Training Class	30

3.Audit supervisor training status:

Title	**Name**	**Continuing Education System (Learning Units)**	**Course name**	**Training hours**
Audit Manager	Huang, Hsiu-Nien	The Institute of Internal Auditors	Pre-employment Training Seminar for New Internal Audit Personnel	18

4. The training and continuing education of managerial officers related to corporate governance is as follows:

Title	**Name**	**Continuing Education System (Learning Units)**	**Course name**	**Training hours**
Chairman	Chang, Li-Jung	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3
		Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3
President	Lu, I-Hsuan	Taiwan Corporate Governance Association	Implementing Middle Way Leadership for ESG Sustainable Management Philosophy	3
		Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3
Head of Corporate Governance	Wu, Hui-Min	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3
		Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3
		Financial Supervisory Commission	Net-Zero Transition Seminar - Technology Industry	2

Note 4: Recent year director training status

Title	Name	Date	Continuing Education System (Learning Units)	Course name	Training hours	Is it in compliance with the "Guidelines for Continuing Education of Directors and Supervisors of Listed Companies
Chairman	Chang, Li-Jung	2025/08/21	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3	Yes
		2025/08/21	Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3	Yes
Director	Lu, I-Hsuan	2025/08/21	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3	Yes
		2025/08/21	Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3	Yes
Director	Chen, Shuh	2025/09/18	Securities And Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3	Yes
		2025/10/01	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Enterprise AI Transformation	3	Yes
Director	Chen, Tai-Chung	2025/08/21	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3	Yes
		2025/08/21	Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3	Yes
Independent director	Chu, Yann-Fang	2025/08/21	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3	Yes
		2025/08/21	Greater China Financial and Economic Development	A Memorandum to Taiwan 2030	3	Yes

Title	Name	Date	Continuing Education System (Learning Units)	Course name	Training hours	Is it in compliance with the "Guidelines for Continuing Education of Directors and Supervisors of Listed Companies
			Association			
Independent director	Chou, Che-Yi	2025/08/21	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3	Yes
		2025/08/21	Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3	Yes
Independent director	Lin, Hsiao-Chen	2025/08/21	Greater China Financial and Economic Development Association	The Connection Between SDGs, ESG, and the Application of the Middle Way	3	Yes
		2025/08/21	Greater China Financial and Economic Development Association	A Memorandum to Taiwan 2030	3	Yes
		2025/10/03	Taipei Bar Association	The Price of Greenwashing: Crimes and Penalties in Sustainability Reports	3	Yes
		2025/10/13	Taipei Bar Association	Principles of DNA Identification, Interpretation of Identification Reports, and Recent Developments	3	Yes

(4) If the company has established a remuneration Committee or Nomination Committee, it should disclose the composition and operation of the committee:

1. Composition of the remuneration Committee:

The Company established the Remuneration Committee in December 2011. The Remuneration Committee shall, with the care of a good administrator, faithfully fulfill the following duties and submit its recommendations to the Board of Directors for discussion. The professional qualifications and independence of the members of the current Remuneration Committee all meet the requirements for appointment set forth in Articles 5 and 6 of the Regulations Governing the Powers and Responsibilities of the Remuneration Committee.

Remuneration Committee Member Information

March 29, 2026

Capacity (Note 1)	**Qualifications** / **Name**	**Professional Qualifications (Note 2)**	**Independence Status (Note 3)**	**Number of other public companies at which the person concurrently serves as remuneration committee member**
Convener of the remuneration Committee, Independent director	Chu, Yann-Fang	1. Served as a member of the 4th and 5th Remuneration Committee. 2. Holds the Project Management Professional (PMP) certification from the United States. 3. Served as a lecturer in business, finance, and accounting at public and private universities and colleges for more than five years. 4. Possesses the necessary work experience in business, finance, accounting, operational management, and corporate operations. Please refer to the director's information on page 14 of the annual report for related content. 5. None of the circumstances set forth in Article 30 of the Company Act.	1. Meets the conditions for independence. 2. For the two years prior to the appointment and during the term of office, there were no circumstances as described in Article 6, Paragraph 1 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter".	0

Capacity (Note 1)	Qualifications / Name	Professional Qualifications (Note 2)	Independence Status (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent director	Chou, Che-Yi	1. Served as a member of the 4th and 5th Remuneration Committee. 2. Holds a Certified Public Accountant license. 3. Has work experience in business, finance, accounting, industry, marketing, operations management, and corporate affairs as required, please refer to the relevant information on page 9 of the annual report for directors' information. 4. None of the circumstances set forth in Article 30 of the Company Act.	1. Meets the conditions for independence. 2. For the two years prior to the appointment and during the term of office, there were no circumstances as described in Article 6, Paragraph 1 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter".	1
Independent director	Lin, Hsiao-Chen	1. Served as a member of the 5th Remuneration Committee. 2. Has a lawyer's license. 3. Has work experience in business, law, management, and company operations as required, please refer to the director's information on page 14 of the annual report. 4. Partner, Wang Dongshan United Law Firm, from March 2003 to present. 5. None of the circumstances set forth in Article 30 of the Company Act.	1. Meets the conditions for independence. 2. For the two years prior to the appointment and during the term of office, there were no circumstances as described in Article 6, Paragraph 1 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter".	0

Note 1: The work experience, professional qualifications, and independence of each member of the remuneration Committee have been described.

Note 2: Professional qualifications and experience:Explain the professional qualifications and experience of individual members of the remuneration Committee. For relevant experience, please refer to the Directors' Information (1) on page 9 of the Annual Report.

Note 3: It has been disclosed individually whether the members of the remuneration Committee meet the independence criteria, including but not limited to whether the member, spouse, or second-degree relatives serve as directors, supervisors, or employees of the Company or its affiliated companies; the number and percentage of company shares held by the member, spouse, or second-degree relatives (or in the name of others); whether they serve as directors, supervisors, or employees of companies with specific relationships with the Company (as defined in Articles 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter); and the amount of remuneration received in the last two years for providing business, legal, financial, accounting or other services to the Company or its affiliated companies.

2. Responsibilities and scope of authority of the remuneration Committee:

(1) Formulate and regularly review the policies, systems, standards, and structures for performance evaluation and compensation of directors, supervisors, and managers.

(2) Regularly evaluate and determine the remuneration of directors, supervisors, and managers.

When exercising the duties set forth in the preceding paragraph, this committee shall act in accordance with the following principles:

(1) The performance evaluation and remuneration of directors, supervisors, and managers should be based on the common standards of the same industry, and consider the reasonableness associated with individual performance, company operating performance, and future risks.

(2) Directors and managers should not be encouraged to engage in behaviors that exceed the company's risk appetite in pursuit of remuneration and remuneration.

(3) Regarding the proportion of bonuses paid to directors and senior managers for short-term performance and the timing of payment for part of the variable salary remuneration, the industry characteristics and the nature of the company's business should be taken into consideration in making the decision.

3. The operation of the remuneration Committee:

Information on the Operation of the remuneration Committee

(1) The company's remuneration Committee consists of 3 members.

(2) Term of office for the current committee: From July 11, 2023 to May 29, 2026, the Compensation Committee (5th term) held a total of 8 meetings (A). The attendance of the committee members are as follows:

July 11, 2023 to February 26, 2026

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Note)	Remarks
Convener (Independent Director)	Chu, Yann-Fang	8	0	100%	None
Committee Member (Independent Director)	Chou, Che-Yi	8	0	100%	None
Member	Lin, Hsiao-Chen	2	0	100%	Newly appointed on April 16, 2025
Committee Member (Independent Director)	Hsieh, I-Ta	5	0	83.33%	Resigned on February 17, 2025

Other matters required to be recorded:

1. If the board of directors decides not to adopt or amend the recommendations of the remuneration committee, it should state the date, period, content of the proposal, resolution of the board meeting, and how the company has handled the opinions of the remuneration committee (if the remuneration approved by the board of directors is better than the recommendations of the remuneration committee, the company should explain the deviations and reasons): No such situation.
2. If any member of the remuneration Committee has dissenting or qualified opinions on the items resolved, and these opinions are recorded or stated in writing, the date, period, content of the proposal, opinions of all members, and how these opinions were addressed should be specified: No such situation
3. The discussion agenda and resolution results of the most recent (5th) remuneration Committee, and the company's handling of the remuneration Committee's opinions:

Remuneration Committee Meeting date	**Term**	**Discuss the contents of the proposal**	**Resolution result**	**Company's handling of opinions regarding remuneration Committee on remuneration and benefits**
2025.02-25	5th Term, 6th Meeting	2024 Directors' remuneration for Execution of Duties.	All attending members passed the proposal without objection.	Processed according to resolution.
2025.08.11	5th Term, 7th Meeting	This company's proposal for salary adjustments of directors and managers in the year 2025	All attending members passed the proposal without objection.	Processed according to resolution.
2026.01.22	5th Term, 8th Meeting	1. proposal of annual bonus distribution for directors and managers in the execution of business operations in the company's year 2025 2. 2025 Directors' remuneration for Execution of Duties. 3. Amendment to the Company's "Salary Determination Management Regulations".	All attending members passed the proposal without objection.	Processed according to resolution.

4. Information on the Nomination Committee members and its operational: Not applicable

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Item	**Implementation status**			**Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons**
	Yes	**No**	**Summary description**	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company established a "Sustainable Development Committee" in December 2024, appointing three independent directors as members of the first Sustainable Development Committee. With the authorization from the Board of Directors, they exercise the following duties with the care of good administrators and report to the Board of Directors: 1. Formulating, promoting, and strengthening the company's sustainable development policies, annual plans, and strategies. 2. Review, track, and revise the implementation status and effectiveness of sustainable development. 3. Oversee sustainability information disclosure matters and review the Sustainability Report. 4. Supervise the execution of the Company's Sustainable Development Code of Practice or other sustainability-related tasks resolved by the Board of Directors. The Administrative Department, led by the President as the chief convener, is the finance Department for promoting sustainable development. It convenes and chairs the Sustainable Development Task Force meetings, oversees and resolves related promotion matters, and regularly reports to the Board of Directors on the progress and results of sustainable development work, as well as future plans.	No difference.
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate	✓		To strengthen the Company's corporate governance and risk management framework, the Board of Directors approved the "Risk Management Policy and Procedures" on December 14, 2022, which serves as the highest guiding principle for all to follow. At the operational level, a three-tier management framework is adopted, with the President responsible for reviewing the integrity of the risk management mechanism and overseeing the	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
relevant risk management policies or strategies? (Note) The principle of materiality refers to environmental, social and corporate governance issues that have a significant impact on the company's investors and other stakeholders.			implementation of controls across all units. The President reports to the Board of Directors at least once a year on operational effectiveness and conducts risk assessments on key issues including Environment (E), Social (S), and Corporate Governance (G), in order to continuously optimize management efficiency and ensure operational stability. In terms of the environment, Hotron fulfills its corporate citizenship responsibility by actively promoting energy conservation, carbon reduction, and waste reduction. Each year, the company reviews its reduction results through the ISO14001:2015 environmental management system certification testing. On the social aspect, Hotron values employee's balanced development and is committed to providing a safe and healthy work environment. Through daily operational activities in each department, we identify potential risks and continuously strengthen operational management, fire drills, and other preventive mechanisms. We also regularly conduct hazard identification, risk assessment, and education and training on operating procedures. In terms of products, we are dedicated to developing and producing products that comply with environmental regulations in various countries. Colleagues from R&D, QA, procurement, manufacturing, and other departments jointly discuss and establish product substance management regulations, regularly conduct supply chain management, require suppliers to issue "Supplier Environmental Protection and Safety Production Commitment Letters," and jointly comply with the latest version of the "Responsible Business Alliance Code of Conduct." Regarding corporate governance, our company has appointed a corporate governance officer responsible for corporate governance-related affairs and assisting directors in complying with laws and regulations as well as handling board of directors and shareholders' meetings.	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	✓		Our group headquarters is located in Neihu District, Taipei City, which is not an ecological conservation area or habitat. We do not have any factories, and hence do not have any impact on the natural ecological environment or violate any environmental protection laws or air pollution regulations. The company has established a good and suitable working environment and various management systems. The Company's factories are located in Hotron Science & Technology Industrial Park, Tianmen City, Hubei Province, China, and Dong Van 4 Industrial Park, Ha Nam Province, Vietnam. All factories comply with local environmental regulations and have obtained ISO 14001 Environmental Management System certification and ISO 14064-1 Greenhouse Gas Inventory certification. The Company has incorporated energy conservation, carbon reduction, greenhouse gas reduction, water resource management, and waste reduction into its corporate policies. 1. Environmental management system certifications obtained by our factories: Hubei Factory obtained ISO 14001:2015 for the first time on July 26, 2022 (latest certification period: from March 10, 2021 to March 18, 2024). (latest certification period: from July 11, 2025 to July 25, 2028). Vietnam Factory obtained ISO 14001:2015 for the first time on January 20, 2022 (latest certification period: from February 17, 2025 to February 16, 2028). 2. Greenhouse gas inventory certifications obtained by our factories: Hubei Factory obtained ISO 14064-1:2018 certification for the first time in 2024(latest certification date: March 04, 2026).	No difference.
(2) Does the company committed to improving energy efficiency and using renewable materials with	✓		Due to the nature of our operations, our company does not require a significant amount of electricity and water consumption. The main environmental impact from our operations is the discharge of general	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
low environmental impact?			domestic wastewater and waste generation. We are committed to improving the efficiency of resource utilization, including paper recycling, energy conservation and carbon reduction, air conditioning restrictions, turning off lights when not in use, and minimizing the environmental impact, ensuring the sustainable use of the Earth's resources. Our Hubei plant has obtained third-party certification for the ISO 50001 Energy Management System. Through improving energy efficiency and effective management methods, we aim to reduce energy costs, meet customer requirements, and comply with domestic and international regulations. Energy management system certifications obtained by our factories: Hubei Factory obtained GB/T23331-2020/ISO 50001:2018 for the first time on September 11, 2025 (Latest certification date: September 11, 2025, valid until: September 10, 2028)	
(3)Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		Regarding climate change-related issues, the Company addresses and manages these matters through meetings of the Sustainability Development Committee, chaired by the President. The Committee convenes at least once a year to discuss topics including climate change risks that may affect the Company's operations, energy and resource use efficiency, and other environmental impact issues. The Sustainability Development Committee regularly reports climate change issues and implementation status to the Board of Directors on an annual basis. The Company has identified climate risk as one of its significant operational risks, as climate change and global warming can have a substantial impact on the value chain spanning the upstream supply chain, the Company's operations, and downstream customer demand. In order to fully understand the impacts or potential opportunities that climate-related risks may create for the Company's operations and development, the Company has identified climate-related risks and	No difference. No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			opportunities, and prioritizes the planning of response strategies and management measures for issues that significantly affect finances, alter operational strategies or business models, or have impacts extending across the value chain.	
(4)Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes	✓		Our company has compiled greenhouse gas emissions, water consumption, and total waste weight for the past two years. Please refer to our company website and the publicly accessible information observatory for disclosure. Starting from 2023, the Company's Hubei Factory has begun planning the ISO 14064-1 consultancy and certification program to progressively inventory greenhouse gas emissions across all plant sites, in order to understand greenhouse gas emission conditions and trends and respond proactively. The factory has also signed a carbon neutrality action declaration, committing to implement and enhance carbon emission reduction efforts, adopt more vigorous policies and measures, strive to peak carbon dioxide emissions before 2030, and work toward achieving carbon neutrality before 2050. The emission reduction targets are a 5% reduction in greenhouse gas emissions (Scope 1 + Scope 2) by 2030, and a 15% reduction in greenhouse gas emissions (Scope 1 + Scope 2) by 2040. Currently, production line energy efficiency is being continuously improved through regular reviews, energy-saving effectiveness tracking, and the introduction of improvement operations. In accordance with the "Sustainable Development Roadmap" issued by the Financial Supervisory Commission in March 2022, the Company, with a paid-in capital of NT$5 billion or less, is required to apply greenhouse gas inventory in the third phase (i.e., completing the inventory in 2026 and completing verification in 2028). Starting from 2025, the Company will begin conducting a greenhouse gas emissions inventory project to analyze and evaluate the findings, which will serve as the basis for planning future	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			organizational greenhouse gas emission reductions, and enable Hotron Group to progressively advance toward the goal of Net Zero emissions. (see table below) The Company complies with local government regulations on waste management. The Taiwan headquarters operates as an office environment with no laboratories or factories. The primary source of waste is general domestic waste, which is collected and transported by Environmental Protection Bureau garbage trucks. There is no general industrial waste or hazardous industrial waste requiring outsourcing to third-party waste disposal contractors. The Hubei Factory obtained the UL 2799 Zero Waste to Landfill environmental claim validation certification in October 2025. The Company's Taiwan headquarters is located in Taipei City. The primary water source is tap water (third-party water) drawn from the Xindian River watershed (including the Feitsui Reservoir fed by the Nanshi Creek and Beishi Creek), which is classified as freshwater (≤1,000 mg/L total dissolved solids) and is not located within an ecologically protected water source area. Based on scenario simulation analysis conducted using the Aqueduct tool from the World Resources Institute (WRI), the headquarters is located in a low water stress area. As the site operates solely as an office with no factory, water consumption is minimal and will not cause water resource depletion. There is no large-scale industrial water consumption or significant discharge	

Items	Expected Completion Date
Establish the number of dedicated (or part-time) units and personnel and their scope of responsibilities	2025.06
Conduct educational training for inventory team members	2026.03
Complete greenhouse gas inventory	2026.05
Complete external verification	2027.06

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			of industrial wastewater. Only domestic wastewater generated from employee daily water use is produced, and all wastewater discharged from the office premises is directed to the sewage system in accordance with regulations, causing no significant environmental impact on the ecology of water source areas.	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The company complies with relevant laws and international human rights conventions, and has formulated work rules, attendance management measures, sexual harassment prevention measures, grievance and disciplinary management measures, and other relevant management policies and procedures. It protects the legitimate rights and interests of employees, respects the basic principles of labor rights, and does not infringe upon basic labor rights. The company's management department and labor-management meetings serve as grievance channels for employees, and any employee grievances are handled impartially. The company holds labor-management meetings every quarter to communicate with representatives from various labor groups, providing ample channels for communication. Please refer to the Company's website for the human rights policy and relevant management policies.	No difference.
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		1. Employee remuneration, operating performance reflected in employee remuneration: The company has established the "Salary Determination Management Regulations" to provide equal pay for equal work and appropriate compensation methods. Within the framework of relevant labor laws and regulations, the company has formulated an overall compensation policy to motivate, reward, and retain outstanding talents. The "Business Performance Bonus Management Regulations" and "Employees’ remuneration Distribution Regulations" have been established to	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			incentivize employees to enhance the company's operating performance and share operational results with employees. The "Performance Appraisal Management Regulations" have been established, and employee performance is evaluated regularly every six months, with clearly defined effective reward and disciplinary contents. Through the "Work Rules," the company regulates the company rules or codes of ethics that employees should follow, promotes employees' corporate social responsibility, and requires compliance with relevant laws and regulations when engaging in operational activities. The Company's annual employee compensation distribution is governed by Article 20 of the Articles of Incorporation, which stipulates that if the Company is profitable in the current year, employee compensation of no less than o1% shall be allocated, with no less than 30% of such employee compensation amount to be distributed to entry-level employees. Information regarding employee welfare policies and rights protection measures, average employee salary adjustments, and salaries of full-time non-managerial employees is disclosed by the Company in compliance with regulations on the Public Information Observatory website and the Company's website. 2. Employee welfare measures: The company complies with relevant labor laws and regulations to formulate personnel rules and regulations. Employee leave is granted in accordance with the Labor Standards Act, and special annual leave is provided based on years of service. Employee welfare measures are implemented in accordance with relevant government welfare regulations and are coordinated and planned by the Employee Welfare Committee. Please refer to page 117 of the annual report for "5. Labor Relations."	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			3. Workplace diversity and equality: Equal pay for equal work and equal promotion opportunities are provided for men and women. In 2025, female managers accounted for 36% of managerial positions.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		1.The company values and provides a good and healthy working environment for employees. Employee codes are established to regulate the Company's regulations and ethical codes that employees should follow. There is access control when entering and leaving the office, with 24-hour security personnel stationed on the first floor of the building, and fingerprint settings on each floor to ensure the safety of people entering and leaving. 2.Regular health examinations and safety and health education training are provided for employees, and group accident insurance and business travel safety insurance applicable to employees working abroad are purchased. 3. There were no workplace accidents in the group during the year 2025. All factories have obtained ISO 45001 certification, and every year, a health and environmental testing company is commissioned to test for hazardous factors in the workplace (including workplace dust measurement, toxic substance measurement, lighting measurement, radiation measurement, drinking water testing, wastewater, exhaust gas, noise, etc.), and all tests meet the standards. 4. Occupational safety and health management system certifications obtained by our factories: Hubei Factory obtained ISO 45001:2018 for the first time on July 26, 2022 (latest certification period: from March 10, 2021 to March 18, 2024). (latest certification period: from July 11, 2025 to July 25, 2028). Vietnam Factory obtained ISO 45001:2018 for the first time on January 20, 2022 （latest certification period: from March 12, 2025 to March 11, 2028).	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			5. Number of fires in the year: 0 cases, number of casualties 0, and percentage of casualties to total employees: Not applicable. Relevant improvement measures in response to fires: Not applicable.	
(4) Has the Company established effective career development training programs for employees?	✓		The company provides necessary internal and external education and training based on employees' needs, and adjusts their duties in a timely manner according to their aptitudes and abilities, in order to cultivate their potential for career development. Employees can apply for external education and training courses due to work requirements. Each department will arrange appropriate internal education and training courses as needed for employees' on-the-job training. Appropriate internal training courses are also provided for new employees to provide them with comprehensive professional skills and self-growth development. The training plan covers new employee training, professional development, management training, and more. For the Company's implementation of various continuing education programs for employees, please refer to page 117 "5. Labor Relations" of the annual report.	No difference.
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		Our company complies with relevant laws and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services. We sign environmental protection contracts or add environmental protection clauses in quality contracts with customers, promising that the Company will comply with environmental protection laws and policies during the production process to protect consumer rights and customer interests. The production process of our products is not a polluting industry, and there are no major violations. The products produced by our Hubei plant completed the EU RoHS management mechanism certification in 2005, adhering to the "non-hazardous substance" certification standard system, and developing environmentally friendly halogen-free products as a commitment to environmental protection. We have also passed the IECQ QC 080000: 2017	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			International Electrotechnical Commission Electronic Components Quality Management System Verification, which protects consumers from toxic substances, strengthens the control of hazardous substances in products, and sets standards for material management, supplier management, production and maintenance procedures control, and relevant quality approval processes. The factory obtained the following certificates: Hubei Factory obtained IECQ QC 080000:2017 for the first time on July 28, 2022, the year of establishment (latest certification period: from July 14, 2025 to July 27, 2028). Our company's website has a stakeholder section, providing contact windows and complaint hotlines for employees, customers, procurement suppliers, investors, etc., with dedicated personnel responsible for providing transparent and timely handling procedures for various complaints to ensure reasonable protection of stakeholders' rights and interests.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		Our company has established the "Supplier Management Operating Procedures". Suppliers must comply with the CSR regulations required by our company and our customers, and we require suppliers to sign the "Guarantee of Non-Use of Conflict Minerals", "Metal Source Investigation and Declaration of Non-Use of Conflict Metals", and the "Integrity Commitment". For our subsidiaries engaged in production and manufacturing in mainland China, we have the "Supplier Management Operating Procedures" for suppliers regarding environmental protection, safety, and health, and require suppliers to sign the "Supplier Environmental Protection and Safety Production Commitment". We require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights issues, and implement them well and effectively. Before our company deals with suppliers, we will conduct supplier evaluation operations in accordance with RBA standards, evaluating the	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			sources of raw materials supplied by suppliers and reviewing the production processes. We have assessed whether suppliers have polluted the environment or violated laws in the past to ensure that the suppliers we cooperate with are legally certified factories and that the products they produce comply with international regulations. All suppliers must sign the Supplier Quality Agreement and Environmental Protection Contract Commitment, and add environmental protection clauses to the quality contract, promising to comply with environmental protection laws and policies in the production process, as a commitment to environmental protection. We require that there be no major violations of pollution during the production process. In terms of occupational safety and health, suppliers must comply with relevant safety and health regulations. Our company requires suppliers to sign the RBA (Responsible Business Alliance) compliance declaration to ensure a safe working environment in the supply chain of the electronics industry or industries with electronics as a major component, respect and dignity for workers, and corporate responsibility for environmental protection and compliance with ethical standards. The content includes chapters on labor, health and safety, and the environment. Currently, none of the suppliers our company deals with have been found to be in violation of their corporate social responsibility policies. However, if there are any significant impacts on the environment or society, in order to maintain our company's reputation and product quality, we will terminate or cancel the contract at any time. For supplier management regulations, please refer to our company website.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports		✓	Our company has begun preparing a sustainability report and plans to issue it in mid-2025. In order to achieve the goal of sustainable development, we have referred to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and formulated our own "Sustainable	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
disclosing non-financial information? Have the aforementioned reports obtained assurance or an opinion from a third-party verification unit?			Development Best Practice Principles". We implement relevant policies, strategies, and measures in accordance with these principles. In the future, we will also diligently implement and operate these principles, fulfill our corporate social responsibility, and realize corporate governance. At the end of each year, we will report the implementation status for that year to the Board of Directors and disclose it on the Company website.	
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations: The company operates in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and there are no differences from the "Sustainable Development Best Practice Principles" that it has established. Considering the development trends of domestic and international sustainability issues and their relevance to the Company's core business, as well as the overall impact of the Company's operations on stakeholders, the Company will soon formulate its sustainability development policies, systems, and relevant specific promotion plans, and submit the schedule to the Board of Directors for approval and report to the shareholders' meeting. If shareholders propose motions related to sustainable development, the company's Board of Directors will consider including them as agenda items for the shareholders' meeting.				
7. Other important information to facilitate better understanding of the company’s promotion of sustainable development: Social welfare activities report. The Company, in order to give back to the society and fulfill its social responsibility, participates in social welfare activities, donates and sponsors charitable organizations, and initiates employee participation in charity sales activities to support folk culture inheritance, assist community care and support, and engage in long-term social welfare activities with the hope of bringing positive changes to society. Details of the Company's donations to educational, cultural, and charitable organizations or groups in the most recent year and up to the date of printing the annual report: January 1, 2025 to December 31, 2025				

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
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Field	Recipient	Purpose	Sponsorship Amount
Folk Culture	1. Temples: Mingsheng Temple, Anxi Temple, West Central District, Checheng Fuan Palace, etc.	Religion soothes the hearts of the public and aids in their daily lives	NTD 1,400,000
Community Care	1. Chinese Zhongdao Leadership Culture General Association	Creating a positive cycle of physical and mental integration, accelerating cultural transformation, and continuously improving governance effectiveness	NTD 100,000
	2. Friends of Police Association of the Republic of China Friends of Police Association of the Police Broadcasting Service	Collaborating to prevent crime, promoting police-public cooperation, expanding safety awareness campaigns, and maintaining public security functions	NTD200,000

(6) Climate-related Information for TWSE/TPEx listed Companies:

1. Implementation of climate-related information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.</td><td>1. Regarding climate change-related issues, the Company addresses and manages these matters through meetings of the Sustainability Development Committee, chaired by the President. The Committee convenes at least once a year to discuss topics including climate change risks that may affect the Company's operations, energy and resource use efficiency, and other environmental impact issues. The Sustainability Development Committee regularly reports climate change issues and implementation status to the Board of Directors on an annual basis.</td></tr>
<tr><td>2. Describe how identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term)</td><td>2. The Company has identified climate risk as one of its significant operational risks, as climate change and global warming can have a substantial impact on the value chain spanning the upstream supply chain, the Company's operations, and downstream customer demand. In order to fully understand the impacts or potential opportunities that climate-related risks may create for the Company's operations and development, the Company has identified climate-related risks and opportunities, and prioritizes the planning of response strategies and management measures for issues that significantly affect finances, alter operational strategies or business models, or have impacts extending across the value chain.</td></tr>
<tr><td>3. Describe the financial impacts of extreme climate events and transition actions.</td><td>3.
<table>
<tr><th>Aspect</th><th>Item</th><th>Time Horizon</th><th>Financial Impact on the Company</th></tr>
<tr><td>Physical Risk - Chronic</td><td>Changes in rainfall (water) patterns and extreme variations in climate patterns</td><td>Long-term</td><td>1. Blizzards, typhoons, floods, or heavy rainfall may damage transportation infrastructure (e.g., roads, ports, airports), affecting the supply of raw materials and product distribution
2. Supply chain disruptions may lead to rising costs, insufficient inventory, or delayed orders, affecting corporate revenue and impacting stock prices and investor confidence
3. Extreme climate increases insurance costs (e.g., property insurance, climate disaster risk insurance)</td></tr>
<tr><td>Opportunity - Resource Efficiency</td><td>Recycling and Reuse</td><td>Long-term</td><td>1. Reducing raw material costs: Reducing dependence on new raw materials through recycling and reuse, thereby lowering production costs
2. Improving resource utilization efficiency: Reducing</td></tr>
</table>
</td></tr>
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Item	Implementation status			
				waste to improve supply chain efficiency and lower inventory management and handling costs 3. Reducing waste disposal expenses: Lowering garbage disposal fees and government fines (e.g., for non-compliance with waste management regulations)
	Opportunity - Energy Sources	Use of Low-Carbon Energy Adoption of Incentive Policies Use of New Technologies Participation in Carbon Trading Markets	Long-term	1. Existing assets related to non-low-carbon products may be subject to write-offs and early retirement 2. Declining demand for non-low-carbon products 3. R&D expenditures and capital investments in new and alternative technologies 4. Costs of adopting/implementing new practices and processes
	Opportunities - Products and Services	Development and/or expansion of low-carbon goods and services Development of climate adaptation and insurance risk solutions R&D and innovation for developing new products and services Diversification of business activities	Long-term	Developing low-carbon goods and services can enhance market competitiveness, attract environmentally conscious consumers, comply with ESG regulations, reduce the risk of carbon taxes and penalties, optimize supply chains and costs, improve brand image, and create new revenue streams, positioning the company ahead of the curve in the trend toward sustainable development.
	Opportunities - Markets	Recycling and Reuse	Long-term	1. Increased production costs due to investment in new equipment and R&D for low-carbon products 2. Improved product energy efficiency, resulting in reduced energy costs during the use phase
	Physical Risk - Chronic	Changes in rainfall (water) patterns and extreme variations in	Long-term	1. Blizzards, typhoons, floods, or heavy rainfall may damage transportation infrastructure (e.g., roads, ports, airports), affecting the supply of raw materials

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td>climate patterns</td><td></td><td>and product distribution
2. Supply chain disruptions may lead to rising costs, insufficient inventory, or delayed orders, affecting corporate revenue and impacting stock prices and investor confidence</td></tr>
</table>
</td></tr>
<tr><td>4. Describe the processes for identifying, assessing, and managing climate risks and how they are integrated into the overall risk management system.</td><td>4. To ensure stable operations and reduce operational risks, the Company has designated accountable units responsible for managing operational, environmental, and information-related matters. In 2022, the Company formulated the "Risk Management Policy and Procedures," which was approved and implemented by the Board of Directors, serving as the basis for the Company's risk management. Members of the Sustainability Development Committee also engage in discussions regarding the risks, opportunities, and financial impacts arising from climate change.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.</td><td>5. The company will assess after establishing the risk management task force.</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the plan, as well as the indicators and targets used to identify and manage entity risks and transition risks.</td><td>6.
<table>
<tr><th>Aspect</th><th>Item</th><th>Financial Impact on the Company</th></tr>
<tr><td>Physical Risk - Chronic</td><td>Changes in rainfall (water) patterns and extreme variations in climate patterns</td><td>Supply chain diversification: Collaborating with multiple suppliers to avoid dependence on raw material supply from a single region; Real-time data monitoring: Establishing meteorological early warning systems to proactively adjust logistics and production plans
Distributed warehousing and inventory strategy: Establishing warehouses in different regions to reduce the risk of a single location being affected
Adjusting financial budgets and establishing financial reserves to address climate risks
Purchasing climate risk insurance to reduce financial losses</td></tr>
<tr><td>Opportunity - Resource Efficiency</td><td>Recycling and Reuse</td><td>Developing product lifecycle management from design, production to recycling to ensure products are recyclable or reusable; promoting internal resource recycling, such as reuse of</td></tr>
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Item	Implementation status		
			production waste and reduction of packaging waste; collaborating with suppliers to ensure a stable supply of recycled materials and improve raw material quality control Developing recyclable, biodegradable, and eco-friendly materials to reduce dependence on traditional raw materials Monitoring environmental regulations (such as the EU WEEE Directive and EPR policies) to ensure recycling strategies comply with local requirements; applying for government Green subsidies and tax incentives to reduce initial investment costs; participating in industry alliances to jointly develop recycling technologies and standards with other enterprises
	Opportunity - Energy Sources	Use of Low-Carbon Energy Adoption of Incentive Policies Use of New Technologies Participation in Carbon Trading Markets	Companies can reduce carbon emissions by using low-carbon energy sources (such as solar and wind energy), adopting incentive policies to encourage employees and suppliers to reduce carbon emissions, applying new technologies to improve energy efficiency, and participating in carbon trading markets to buy or sell carbon credits, thereby reducing operational risks and ensuring compliance.
	Opportunity - Resource Efficiency	Development and/or expansion of low-carbon goods and services Developing Climate Adaptation and Insurance Risk Solutions R&D and Innovation for Developing New Products and Services Diversification of business activities	Gradually evaluating eco-friendly materials, improving energy efficiency, implementing circular economy, developing low-carbon technologies, and optimizing supply chains to reduce carbon footprint in the future. Or providing carbon-labeled products, promoting green certifications, and integrating digital services to accelerate low-carbon transition and market competitiveness
7. If an internal carbon price is used as a planning tool, explain the basis for the pricing.	Opportunities - Markets	Entering New Markets	Creating higher unit-price products and services through product diversification to increase revenue; Allocating an R&D budget from annual revenue each year to continuously invest in developing high-performance, low-carbon footprint, environmentally friendly products

Item	Implementation status
	7. The Company has not yet implemented internal carbon pricing.
8. If climate-related targets have been set, provide information on the activities covered, greenhouse gas emission scopes, planning periods, and annual progress; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, disclose the source and quantity of carbon offsets or the number of RECs.	8.
9. Greenhouse gas inventory and assurance status, emission reduction targets, strategies, and specific action plans.	9. Additional information is filled in sections 1-1 and 1-2.

Emission Reduction Targets	Strategic Actions
Compared to the base year 2023: Reduce Scope 1 + Scope 2 greenhouse gas emissions by 5% by 2030 Reduce Scope 1 + Scope 2 greenhouse gas emissions by 15% by 2040	Starting in 2023, the Company began planning an ISO 14064-1 consulting and certification program to progressively inventory greenhouse gas emissions at each plant, in order to understand greenhouse gas emission status and trends and respond proactively. The Hubei Factory completed its inventory report in 2025 and passed verification in March 2026; the Taiwan headquarters plans to begin its inventory in 2025

1.1 Recent two-year greenhouse gas inventory and assurance of the company

1-1-1 Greenhouse Gas Inventory Information

Greenhouse gas emissions in the last two years (tonnes CO2e), intensity (tonnes CO2e / million dollars), and data coverage scope:

1. The Company (Group Headquarters) has planned to complete its greenhouse gas (GHG) emissions inventory for fiscal year 2025 (as the base year) in 2026, and to complete the GHG emissions inventory for the Company and its subsidiaries and disclose the consolidated emissions data (with fiscal year 2026 as the base year) in 2027.
2. Hotron (Hubei), a company 100% indirectly held by the Company, completed its ISO 14064-3:2019 Scope 1, 2, and 3 emissions inventory for both 2024 and 2025. The relevant information has been disclosed on the Company's website and the Market Observation Post System (MOPS).

Unit: Metric tons CO_2e / Metric tons CO_2e per million NTD

Greenhouse gases category/year	**2025**	**2024**	**Data Coverage Range (Note 2)**	**Certification authority**	**Certification standard**
Direct greenhouse gas emissions (Scope 1)	489.21	25.46	Key subsidiaries in the consolidated financial statements - Hotron Hubei	Appliwest (Shanghai) Certification Co., Ltd.	ISO 14064-3
Indirect energy (Scope 2)	7,915.13	5,983.26		Appliwest (Shanghai) Certification Co., Ltd.	ISO 14064-3
Other indirect (Scope 3)	403.46	262.21		Appliwest (Shanghai) Certification Co., Ltd.	ISO 14064-3
Total	8,807.81	6,270.93	(metric tons CO2e)		
Greenhouse gas emission intensity	5.373909	3.243021	(metric tons of CO2e/million dollars)		

Note 1. Direct emissions (Scope 1, i.e., from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from the generation of purchased electricity, heating or cooling), and other indirect emissions (Scope 3, i.e., emissions generated by company activities, not from energy indirect emissions, but from sources owned or controlled by other companies).

Note 2: Data coverage scope — 2024 and 2025 figures are based on inventory data from Hotron Hubei.

Note 3: Greenhouse Gas Inventory Standard: Greenhouse Gas Protocol (GHG Protocol) or the International Organization for Standardization, ISO) published ISO 14064-1.

Note 4: Greenhouse gas emission intensity may be calculated per unit of product/service or revenue. The figures here are calculated based on revenue (in millions of NTD).

1-1-2 Greenhouse Gas Certainty Information

A description of the greenhouse gas assurance status for the most recent two fiscal years as of the annual report's printing date, including the assurance scope, assurance institution, assurance criteria, and assurance opinion:

1. Our company (group headquarters) has planned to complete the assurance of greenhouse gas inventory information in 2028, and complete the assurance of the consolidated financial statements and subsidiary inventory information in 2029.
2. The greenhouse gas inventory information for the past two years of the Hotron Hubei, which is 100% owned by our company, has been verified by a third party, and a "Greenhouse Gas Emissions Verification Statement" and a "Greenhouse Gas Emissions Verification Report" have been issued. The relevant information has been disclosed on the Company's website.

Confidence Information/Year	**2025**	**2024**
Confidence Scope	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.
Confidence institution	Appliwest (Shanghai) Certification Co., Ltd.	Appliwest (Shanghai) Certification Co., Ltd.
Confidence Criteria	ISO 14064-3	ISO 14064-3
Confidence Opinion	1. The responsible party (Hotron Hubei) established an Environmental Safety Committee responsible for promoting greenhouse gas management. The verification process provided adequate resource support, complied with document requirements, and ensured the accuracy of data and information. 2. According to Appliwest (Shanghai) Certification Co., Ltd. verification, the scope, objectives, and criteria were consistent. 3. The audited party (Hotron Hubei) has fairly presented the GHG data and information in their GHG report and statement, achieving a reasonable level of assurance. 4. Appliwest (Shanghai) Certification Co., Ltd. agrees with the verification conclusion.	1. The responsible party (Hotron Hubei) established an Environmental Safety Committee responsible for promoting greenhouse gas management. The verification process provided adequate resource support, complied with document requirements, and ensured the accuracy of data and information. 2. According to Appliwest (Shanghai) Certification Co., Ltd. verification, the scope, objectives, and criteria were consistent. 3. The audited party (Hotron Hubei) has fairly presented the GHG data and information in their GHG report and statement, achieving a reasonable level of assurance. 4. Appliwest (Shanghai) Certification Co., Ltd. agrees with the verification conclusion.

1.2 Greenhouse gas reduction baseline year and data, reduction targets, strategies and action plans, and achievement of reduction targets:

1. The company has planned to prepare a sustainability report starting from the year 2025 A.D., and disclose the sustainability report on the Company's website and the Public Information Observatory before the end of August each year.
2. Our company (group headquarters) has planned to disclose greenhouse gas reduction targets, strategies and concrete action plans in 2027 (with 2026 as the base year).
3. The Hotron Hubei factory, a wholly-owned subsidiary of the Company, has established waste reduction targets and implementation programs. Greenhouse gas reduction targets, strategies, and specific action plans are outlined as follows:

Greenhouse gas reduction baseline year (2024) and 2025 data, reduction targets, strategies and specific action plans, and the status of achieving reduction targets

(1) Greenhouse gas reduction baseline year (2024) and 2025 data:

1. Hotron's Hubei plant's greenhouse gas emissions in 2024 were 6,271 metric tons of CO2e, and in 2025 were 8,808 metric tons of CO2e.
2. Hotron Hubei has passed external verification and obtained certification for both 2024 and 2025. The quantification and reporting of greenhouse gas emissions and removals comply with the relevant requirements of ISO 14064-1:2018.

(2) The company's strategies for addressing climate change or greenhouse gas management:

1. Climate change strategy:
    - (1) Supply Chain Diversification: Collaborating with multiple suppliers to avoid dependence on raw material supply from a single region.
    - (2) Distributed warehousing and stockpiling strategy: Establish warehouses in different regions to reduce the risk of a single location being affected.
    - (3) Real-time data monitoring: Establish a weather early warning system to adjust logistics and production plans in advance.
    - (4) Purchase climate risk insurance to reduce financial losses.
2. Strategies for greenhouse gas management:
    - (1) Firmly establish the concept of green development. Actively respond to the profound changes brought about by the carbon peaking and carbon neutrality, turn challenges into opportunities, carry out in-depth research on the development strategy and path of carbon peaking

and carbon neutrality for the entire plant, scientifically formulate development plans, accelerate the construction of a clean, low-carbon, and efficient industrial system and energy system, and lead the high-quality development of the entire plant.

(2) Promote a clean and low-carbon energy structure, vigorously develop low-carbon energy, and achieve a shift from traditional purchased electricity to integrated clean energy development.

(3) Greatly improve energy efficiency, strengthen overall process energy-saving management, eliminate backward production capacity, significantly reduce resource and energy consumption intensity, comprehensively improve comprehensive utilization efficiency, and effectively control total energy consumption.

(4) Creating higher-priced products and services through product diversification to increase revenue; allocating an R&D budget from annual revenue to continuously invest in the development of high-efficiency, low-carbon footprint, environmentally friendly products.

(5) Gradually evaluating eco-friendly materials, improving energy efficiency, implementing circular economy, developing low-carbon technologies, and optimizing supply chains to reduce carbon footprint in the future. Or providing carbon-labeled products, promoting green certifications, and integrating digital services to accelerate low-carbon transition and market competitiveness

(6) The company can reduce carbon emissions by using low-carbon energy sources (such as solar and wind energy), adopt incentive policies to encourage employees and suppliers to reduce carbon emissions, use new technologies to improve energy efficiency, and participate in carbon trading markets to buy or sell carbon credits, in order to reduce operational risks and ensure compliance.

(3) Corporate greenhouse gas emissions reduction targets:

1. Annual emission reduction of 1%, with continuous compounding reduction every year.
2. Target to reduce total emissions of air pollutants by more than 20%.
3. Target to reduce total emissions of solid waste by more than 5% annually.

(4)The company's specific action plans and progress towards achieving emission reduction targets:

1. In response to global environmental protection policies, the Company has introduced the EASY FLOW enterprise management electronic approval system, achieving energy conservation, carbon reduction, and paperless digitization. In the factory's warehouse system, smart phones are used to scan QR codes for inventory management, and information systems such as attendance management, vehicle management, and supplier management are implemented electronically. High-quality electronic services can be used at any time, integrating intelligent production lines, combining technology and environmental protection, and realizing the vision of being a responsible global village and

environmental protector.

2. Factory environmental protection facility renovation: Increase exhaust gas treatment facilities and other measures to reduce carbon emissions; In 2024, the installation of environmental protection partitions for the composite machines in the aluminum foil workshop and the removal of the top panels in the tin plating workshop were completed, increasing and updating the VOCS exhaust gas environmental protection facilities in the tin furnace, and adding safety, health, and environmental protection facilities and equipment to ensure employee operational safety.
3. Greenhouse gas emissions control: Hubei Factory has passed ISO 14064-1 third-party verification in 2025.

(5) The carbon reduction effect of the company's products or services for customers or consumers:

Our company complies with relevant laws and international standards regarding customer health and safety, customer privacy and labeling of products and services. We sign environmental protection contracts or add environmental protection clauses in quality contracts with customers, promising that the Company will comply with environmental protection laws and policies during the production process to protect consumer rights and customer interests.

(7) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1 Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(1) The company has established "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles". The President reports the implementation status to the board of directors annually. The company strictly implements these principles in internal management and external business activities in a fair, impartial, and open manner. To promote and advocate ethical behavior, the Company continuously provides education and training to all employees, and relevant regulations are placed on the Company's intranet for employees to access at any time.	No difference. No difference.
(2) Has the Company established a risk assessment mechanism for dishonest conduct, regularly analyzing and evaluating business activities within its operational scope that carry a higher risk of dishonest conduct, and formulating a prevention program accordingly? Does such program cover, at a minimum, preventive measures addressing each of the conduct types set forth in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(2) The company conducts business activities based on the principles of fairness, honesty, credibility, and transparency. To implement ethical management policies and actively prevent dishonest behavior, the Company has formulated "Ethical Corporate Management Best Practice Principles and Operating Procedures and Guidelines" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations, specifying matters that personnel should pay attention to when conducting business operations. Furthermore, to avoid providing or obtaining unreasonable benefits, in addition to implementing the "Ethical Corporate Management Best Practice Principles", the Company has established an effective internal control system, and internal auditors	No difference.

Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Has the Company established policies to prevent conflicts of interest, provided appropriate channels for reporting such matters, and ensured effective implementation thereof?	✓		regularly inspect compliance with the aforementioned system. In accordance with the "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles", the Company manages its relationships with suppliers and regularly audits their implementation. When entering into contracts with suppliers, the Company includes a clause stating that if any dishonest behavior occurs, the contract may be terminated or rescinded at any time. (3) To prevent any dishonest behavior, the Company requires employees to proactively explain to the Company and comply with relevant regulations if they encounter ethical concerns or conflicts of interest. The company has set up an employee mailbox to allow employees and relevant personnel to report any improper conduct, which will be handled by designated management personnel. The company has established "Ethical Corporate Management Best Practice Principles" to prevent dishonest behavior and clearly defined "Ethical Corporate Management Best Practice Principles and Operating Procedures and Guidelines", disciplinary measures for violations, and a complaint system. The company regularly reviews and reports the implementation of ethical management to the board of directors at the end of each year and discloses it on the company's website.	
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		(1) Before conducting business transactions with vendors, personnel will review past transaction records and search online for information about the company to confirm if there are any records of unethical behavior. The contract will also stipulate that if any unethical behavior occurs, the	No difference. No difference.

Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			contract may be terminated or rescinded at any time.	
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		(2) Currently, each department within our company is responsible for implementing ethical business practices within their respective areas of responsibility. The dedicated unit responsible for promoting corporate ethical business practices is the Management Department. It regularly checks compliance with the aforementioned system and reports to the Board of Directors at the end of each year on the operation and implementation of promoting corporate ethical business practices, which is also disclosed on the Company's website.	No difference. No difference.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(3) To prevent any unethical behavior, our company requires employees to proactively provide explanations to the Company if they encounter ethical concerns or conflicts of interest.	No difference.
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the auditors?	✓		(4) Our company has established effective accounting and internal control systems to ensure the implementation of ethical business practices. We have also formulated a "Code of Ethical Business Conduct" and "Ethical Business Practice Procedures and Guidelines" to comply with, prevent unethical behavior, and establish effective accounting and internal control systems. Internal auditors regularly audit compliance with various systems and submit audit reports to the Board of Directors.	
(5) Does the company provide internal and external ethical corporate	✓		(5) Our internal and external education and training programs cover courses related to ethical business practices.	

Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
management training programs on a regular basis?			Each year, our company regularly promotes the key points of the "Code of Ethical Business Conduct," "Code of Ethics," and "Insider Trading Prevention Management Procedures" to directors and managers. New employees are also provided with pre-employment training courses on legal compliance, prohibition of unethical behavior, ethical business activities, prohibition of bribery and acceptance of bribes, prohibition of unreasonable gifts and hospitality or other improper benefits, prevention of damage to stakeholders from products or services, and whistleblowing and disciplinary measures, to provide employees with a comprehensive understanding of corporate ethical business practices. Our directors and managers participate in annual corporate governance and other related training courses, as well as various promotional seminars hosted by the stock exchange and securities and futures institutes. The Company completed the 2025 annual education and training on ethical corporate management and integrity, with 75 participants, totaling 225 hours, and a 100% passing rate with scores of 80 or above.	
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle- blowers?	✓		(1) The company has established specific whistleblowing and reward systems. Employees can report to their direct supervisors or through an employee mailbox, and there is a dedicated unit to handle related matters in accordance with the prescribed procedures in the work rules. The company has incorporated integrity into employee performance appraisals and human resource policies, establishing clear and effective reward, punishment, and appeal systems. The company's website has a stakeholder section that	No difference.

Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			provides contact windows and complaint hotlines, with dedicated personnel responsible for handling complaints from employees, customers, procurement suppliers, investors, and others, providing transparent and timely handling procedures to ensure that the rights and interests of stakeholders are reasonably protected.	No difference.
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		(2) The company has established standard operating procedures for handling whistleblowing cases. Upon receiving a whistleblowing case, an investigation team is formed based on the content of the whistleblowing to immediately conduct an investigation and implement confidentiality mechanisms. If the whistleblowing incident is proven to be true, the relevant units of the Company will be instructed to review the related internal control systems and operating procedures, and propose improvement measures to prevent the same behavior from occurring again. The dedicated unit will report the whistleblowing incident, its handling methods, and subsequent review and improvement measures to the board of directors.	No difference.
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		(3) The company keeps the identity of the whistleblower and the content of the whistleblowing confidential, and promises to protect the whistleblower from improper treatment due to the whistleblowing incident.	
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The company has announced the "Code of Ethics" at the Open Information Observation Station and has set up a dedicated section on the Company's website to disclose the "Code of Ethics", "Operational Procedures and Guidelines for Ethical Management" and the Company's implementation of ethical management, as well as the effectiveness of measures taken to promote ethical management, for investors' reference.	No difference.

Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: It complies with the "Ethical Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." There are no differences between its operation and the established code, and it is implemented normally. 6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): 1. The company has established important internal regulations such as the "Code of Ethical Corporate Governance" and "Operational Procedures and Guidelines for Ethical Corporate Governance." From the Board of Directors to the management level, they actively implement the commitment to ethical corporate governance policies. They truly execute ethical corporate governance policies in internal management and business activities, and require all employees to fully participate and comply. At the same time, relevant information is disclosed on the corporate website to allow directors, employees, and stakeholders to understand and ensure the implementation of the Company's ethical corporate governance concept, prevent conflicts of interest, avoid improper benefits and infringement of confidentiality, maintain fair competition and transactions, and conduct internal audits by the internal audit unit, with annual execution reports submitted to the Board of Directors. In 2025, there were no legal proceedings arising from violations. 2. Commitment from directors and senior managers: The company's "Code of Ethical Corporate Governance" specifically stipulates that directors and senior managers should sign a statement of compliance with ethical corporate governance policies, including a commitment to not directly or indirectly provide, receive, promise, or request any improper benefits, or engage in any other acts that violate integrity, illegality, or breach of trust obligations during business operations to obtain or maintain benefits. This year, all directors and senior managers have completed the signing of the statement, fulfilling their commitment to comply with the Company's ethical corporate governance policies. 3. To implement the code of ethical conduct and integrity for directors, supervisors, managers, employees, and those with substantive control over the Company and its group enterprises and organizations, and to encourage stakeholders to report any discovered violations of ethical conduct, in 2025 the Company did not receive any complaints or reports of violations of ethical conduct or any illegal conduct by employees during operations. There were no incidents of corruption or bribery at any operational locations.				

(8) Other important information that helps to understand the company's corporate governance operations: None.

(9) Implementation status of the internal control system:

1. Internal Control System Statement

It has been announced and reported on the Market Observation Post System (MOPS). Please refer to MOPS and the company website for details.

2. When commissioning an accountant to review the internal control system, the accountant's review report should be disclosed: Not applicable

(10) The important resolutions of the shareholders' meeting and the board of directors for the recent fiscal year and up to the date of printing the annual report

1. Important resolutions and execution of the shareholders' meeting are as follows:

Item	Important resolution:	Implementation status
1	Acknowledgment of the 2024 Annual Business Report and Financial Statements.	The resolution passed.
2	Acknowledgment of Deficit Compensation for the 2024	The resolution passed.
3	Approval of case for amending the "Articles of Incorporation".	The resolution passed.
4	Approval of case for amending the "Operating Procedures for Lending Funds and Making Endorsements/Guarantees"	The resolution passed.

2. Important resolutions of the Board of Directors

Important resolutions of the Company from 2025 to the publication date of the 2026 annual report are as follows:

Meeting date	Proposal:	Important resolution:
2025.02-25 Resolution passed by the Board of Directors	1	2024 Directors' remuneration for Execution of Duties.
	2	Appointment of certified public accountants and assessment of their independence and qualifications. (Appointment of CPA Lin, Ya-Hui and CPA JuanLu Mam-Yu for the year 2025)
	3	According to the "Self-Assessment Report on the Internal Control System for 2024", the "Statement on Internal Control System" of this company has been formulated.
	4	The 2024 annual report, individual financial statements and consolidated financial statements.
	5	Deficit Compensation for the 2024
	6	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.", a subsidiary indirectly owned 100% by the Company
	7	Endorsement guarantee case for "SmartGreen Solution Co., LTD.", a subsidiary directly owned 100% by the Company
	8	Regarding the amendment to the Company's "Articles of Incorporation".
	9	Amending the "Procedures for Lending Funds to Others and Endorsements Guarantee" and the internal control system's "Management of Lending Funds to Others" for the Company and its group subsidiaries
	10	Regarding the determination of the nomination acceptance period,

Meeting date	Proposal:	Important resolution:
		acceptance location, and other necessary matters for the by-election of one independent director candidate of the Company.
	11	By-Election of the 10th Independent Directors
	12	Proposal to request the Annual General Meeting of Shareholders to approve the lifting of non-compete restrictions on newly appointed independent directors.
	13	To determine the date, time, location, and agenda items of the Company's 2025 annual general meeting of shareholders, and to allow for the exercise of voting rights through electronic means.
2025.04.16 Resolution passed by the Board of Directors	1	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China through a third area indirectly owned 100% by the Company
	2	Cash capital increase by the Company's 100% indirectly held sub-subsidiary Hotlink Company Limited in Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.
	3	The Company's fund lending proposal.
	4	The Company's Chief Internal Auditor change proposal.
	5	Amendment to the Company's "Payroll Cycle" internal control system.
	6	Proposal to review the list of independent director candidates nominated by the Board of Directors.
	7	Amendment to the agenda of the Company's 2025 Annual General Meeting of Shareholders.
	8	Appointment of the 5th remuneration Committee members.
	9	Appointment of the first-term Sustainable Development Committee members.
	10	Application for the bank credit limit of our company.
2025.05.08 Resolution passed by the Board of Directors	1	The 2025 First quarter Consolidated Financial Statements
	2	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Vietnam) Co., Ltd."., a subsidiary indirectly owned 100% by the Company
	3	Application for the bank credit limit of our company.
2025.08.11 Resolution passed by the Board of Directors	1	Proposal to prepare the Company's "2024 ESG Sustainability Report".
	2	Second quarter consolidated financial statements for fiscal year 2025
	3	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Vietnam) Co., Ltd."., a subsidiary indirectly owned 100% by the Company
	4	Endorsement guarantee case for "Hotron Precision Electronic Industrial (HuBei) Co., Ltd., a subsidiary indirectly owned 100% by the Company
	5	Endorsement guarantee case for ‘Hotlink Company Limited,’ a subsidiary indirectly owned 100% by the Company
	6	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China through a third area indirectly owned 100% by the Company
	7	The Company's fund lending proposal.

Meeting date	Proposal:	Important resolution:
	8	Acquisition of right-of-use assets by the Company's 100% owned subsidiary SmartGreen Solution Co., Ltd.
	9	Amendment to the Company's "Internal Control System".
	10	Amend the case of the "Decision Authority Table" of this company.
	11	Proposal for the change of the Company's Financial and Accounting Officer, Deputy Spokesperson, and Corporate Governance Officer
	12	Proposal to lift the non-compete restrictions on the Company's managers.
	13	Application for the bank credit limit of our company.
	14	The proposal for salary adjustments of directors and managers in 2025
2025.11.12 Resolution passed by the Board of Directors	1	Third quarter consolidated financial statements for 2025
	2	Endorsement guarantee case for "SmartGreen Solution Co., Ltd.", a subsidiary 80% directly owned by the Company.
	3	The Company's fund lending proposal.
	4	Fund lending proposal for the Company's mainland China subsidiary "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", which is 100% invested by the Company through a third-region entity.
	5	Appointment of the Company's Chief Internal Auditor.
	6	Appointment of the Company's Chief Information Security Officer.
	7	Application for the bank credit limit of our company.
2025.12.23 Resolution passed by the Board of Directors	1	The Company's fund lending proposal.
	2	Endorsement guarantee case for "Hotron Precision Electronic Industrial (HuBei) Co., Ltd.", a subsidiary indirectly owned 100% by the Company
	3	Amendment to the Company's "Payroll Cycle" internal control system.
	4	Approval of the Company's annual audit plan for 2026.
	5	Approval of the Company's annual operating plan and budget for 2026.
	6	Application for the bank credit limit of our company.
	7	Application for the bank credit limit.
	8	The proposal for salary adjustments of directors and managers in 2024
2026.01.22 Resolution passed by the Board of Directors	1	1. Proposal of annual bonus distribution for directors and managers in the execution of business operations in the Company's year 2025
	2	2025 Directors' remuneration for Execution of Duties.
	3	Amendment to the Company's "Salary Determination Management Regulations".
	4	Endorsement guarantee case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China through a third area indirectly owned 100% by the Company
	5	Asset mortgage case for "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China 100% indirectly held by the Company through a third-region intermediary.

Meeting date	Proposal:	Important resolution:
	6	Proposed investment structure reorganization of "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China 100% indirectly held by the Company through a third-region intermediary.
	7	Proposed liquidation of "Hotron Real Estate Development (Tianmen) Co., Ltd.", a China-based company, by "Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.", a subsidiary in China 100% indirectly held by the Company through a third-region intermediary.
2026.02.26 Resolution passed by the Board of Directors	1	According to the "Self-Assessment Report on the Internal Control System for 2025", the "Statement on Internal Control System" of this company has been formulated.
	2	The 2025 annual report, individual financial statements and consolidated financial statements.
	3	Deficit Compensation for 2025.
	4	To determine the date, time, location, and agenda items of the Company's 2026 annual general meeting of shareholders, and to allow for the exercise of voting rights through electronic means.
	5	Election of the 11th Board of Directors (including Independent Directors)
	6	It is hereby proposed, in accordance with the law, to request approval from the general shareholders' meeting to lift the non-compete restrictions on new directors and their representatives.
	7	Set the acceptance period, acceptance location, and other necessary matters for nominating candidates for directors (including independent directors) of the Company.
	8	Application for the bank credit limit of our company.
2026.4.10 Resolution passed by the Board of Directors	1	Proposal of the issuance of new shares for the Company's second domestic unsecured convertible corporate bonds (Hotron II).
	2	Proposal of private placement cash capital Increase by issuance of common shares
	3	The Company's fund lending proposal.
	4	Appointment of certified public accountants and assessment of their independence and qualifications.
	5	Proposal to amend the Company's organizational chart.
	6	It is hereby proposed, in accordance with the law, to request approval from the general shareholders' meeting to lift the non-compete restrictions on new directors and their representatives.
	7	Adding agenda items for the Company's 2026 annual general meeting.
	8	Application for the bank credit limit of our company.

(11) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a significant resolution passed by the Board of Directors, and said dissenting opinion has been recorded in the minutes or a written statement has been submitted, the principal content shall be disclosed: No such situation.

4. Information on CPAs Professional Fees

(1) CPA Fees

Amount Unit: NT$ Thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees (Note:1)	Total	Remarks
PricewaterhouseCoopers Taiwan	Lin, Ya-Hui	2025.01.01~2025.12.31	3,800	475	4,275	None
	JuanLu, Mam-Yu					

Note 1:Content of non-audit services:

1. The transfer pricing service fee for our company in 2025 is $275 thousand.
2. Subsidiary of the Group - Hotlink Company Limited has a transfer pricing fee of $200 thousand for 2025.

(2) If the company replaces its accounting firm and the audit fees paid for the fiscal year in which such replacement takes place are lower than those paid for the fiscal year immediately preceding the replacement, the amounts of the audit fees before and after the replacement and the reasons shall be disclosed: No such situation.

(3) If the audit fees decrease by more than 10% compared to the previous year, the amount, percentage, and reason for the decrease in audit fees shall be disclosed: No such situation.

5. Information on change of accountants

(1) Regarding the former CPA

Date of change	Approved by the Board of Directors on April 10, 2026		
Reason and description for the change	In accordance with the internal organizational adjustment of PricewaterhouseCoopers Taiwan, starting from the first quarter of 2026, the Company's signing accountants will be changed from Lin, Ya-Hui and JuanLu Mam-Yu of PricewaterhouseCoopers Taiwan to JuanLu Mam-Yu and Wang, Sung-Tse.		
State whether the former client or the accountants terminated or declined the engagement	Party involved / Situation	CPA	Principal
	Active Termination of Appointment	Not applicable	Not applicable
	No Longer Accepting (Continuing) Appointment	Not applicable	Not applicable
Audit Report Opinions Other Than Unqualified Opinions Issued Within the Past Two Years and the Reasons Thereof	Not applicable		
Whether There Are Any Disagreements with the Issuer	None	Accounting Principles or Practices	
	None	Disclosure of Financial Reports	

	None	Scope or Procedures of Audit
	None	Others
	Description: Not applicable	
Other Disclosure Matters (Items Required to Be Disclosed Under Article 10, Paragraph 6, Subparagraph 1, Items 4 through 7 of These Standards)	None	

(2) Regarding the successor accountant

Name of accounting firm	PricewaterhouseCoopers Taiwan
Name of the accountant	CPA JuanLu, Mam-Yu and CPA Wang, Sung-Tse
Date of appointment	Approved by the Board of Directors on April 10, 2026
Matters Consulted and Results Regarding Accounting Treatment Methods or Accounting Principles for Specific Transactions and Opinions That May Be Issued on Financial Reports Prior to Appointment	Not applicable
Written Opinion of the Successor Auditor Regarding Matters of Disagreement with the Predecessor Auditor	Not applicable

6.The company's Chairman, President, or manager responsible for financial or accounting affairs has been employed by the certified public accountant firm or its affiliated enterprises within the past year, , their names, positions, and the period of service in the certified public accountant firm or its affiliated enterprises shall be disclosed. The affiliated enterprises of a certified public accountant firm refer to companies or institutions in which the certified public accountants of the firm hold more than 50% of the shares or a majority of the directorships, or those listed as affiliated enterprises in the information published or printed by the certified public accountant firm: None

7. Directors, managers, and shareholders with more than 10% shareholdings in the most recent year and up to the date of printing of the annual report, transfer of equity and changes in equity pledges

(1) Changes in shareholding of directors, managers, and major shareholders:

Unit: Share

Title	Name	2025		As of March 29 2026	
		Shareholding Increase (or Decrease)	Pledged Shareholding Increase (or Decrease)	Shareholding Increase (or Decrease)	Pledged Shareholding Increase (or Decrease)
Chairman	Gao Peng Investment Co., Ltd. Representative: Chang, Li-Jung	0	0	0	0
Director	Chen, Tai-Chung	0	0	0	0
Director also serving as President	Lu, I-Hsuan	0	0	0	0
Director	Chen, Shuh	0	0	0	0
Independent director	Hsieh, I-Ta (Date of removal: 2025/2/17)	0	0	0	0
Independent director	Lin, Hsiao-Chen (Date of appointment: 2025/05/28)	0	0	0	0
Independent director	Chou, Che-Yi	0	0	0	0
Independent director	Chu, Yann-Fang	0	0	0	0
Chief Financial Officer (Head of Finance and Accounting) and Corporate Governance Officer	Wu, Hui-Min (Date of appointment: 2025/08/12)	0	0	0	0
Vice President, Management Department	Chen, Yueh-Chin	0	0	0	0
Vice President, SmartGreen Solution Co., Ltd.	Chen Ying-chen	0	0	0	0
President, Hotron Hubei	Yu,Tung-Hua	3,000	0	0	0
Vice President, SmartGreen Solution Co., Ltd.	Chiu, Hsi-Chien (Date of appointment: 2025/09/01)	1,000	0	0	0
Vice President, Hotron Vietnam	Chang, Hsin-Hang (Date of appointment: 2025/05/27)	0	0	0	0
Shareholders with 10% or more ownership	Chang, Li-Jung	0	0	0	0

(2) Information on the Transfer of Equity Interests of Directors, Managers, and Shareholders Holding More Than 10% of Shares: No such situation.

(3) Information on Equity Pledges of Directors, Managers, and Shareholders Holding More Than 10% of Shares: No such situation.

8. Information on the top ten shareholders whose shareholdings are related parties or spouses and relatives within the second degree of kinship.

Information on the relationships between the top 10 shareholders by shareholdings

March 29.2026/Unit: Shares

Serial No.	Name （Note 1）	Shareholders		Shareholding Of Spouse And Minor Children		Total Shareholding By Nominee Arrangements		Specify The Name Of The Entity Or Person And Their Relationship To Any Of The Other Top 10 Shareholders With Which The Person Is A Related Party Or Has A Relationship Of Spouse Or Relative Within The 2nd Degree (Note 3)		Remarks
		Shares	Shareholding Ratio	No. Of Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name Of Entity Or Individual	Relationship	
1	Gao Peng Investment Co., Ltd.	8,749,827	8.20%	-	-	-	-	-	-	Note 4
	Representative: Chang, Li-Jung	-	-	117,039	0.11%	26,993,641	25.31%	Chang, Yu-Ssu Chang, Yu-Wei	Father and son	-
2	Hui Ming Development Co., Ltd.	4,898,797	4.59%	-	-	-	-	-	-	Note 5
	Representative: Chang, Li-Jung	-	-	117,039	0.11%	26,993,641	25.33%	Chang, Yu-Ssu Chang, Yu-Wei	Father and son	-
2	Hui Rong Development Co., Ltd.	4,898,797	4.59%	-	-	-	-	-	-	Note 6
	Representative: Chang, Li-Jung	-	-	117,039	0.11%	26,993,641	25.33%	Chang, Yu-Ssu Chang, Yu-Wei	Father and son	-
4	Hung Ming Development Co, Ltd.	3,583,432	3.36%	-	-	-	-	-	-	Note 7
	Representative: Chang, Li-Jung	-	-	117,039	0.11%	26,993,641	25.33%	Chang, Yu-Ssu Chang, Yu-Wei	Father and son	-
4	Hung Rung Investment Co., Ltd.	3,583,432	3.36%	-	-	-	-	-	-	Note 8
	Representative: Chang, Li-Jung	-	-	117,039	0.11%	26,993,641	25.33%	Chang, Yu-Ssu Chang, Yu-Wei	Father and son	-
6	Li, Wen-Ching	1,322,086	1.24%	-	-	-	-	-	-	-
7	Chuan hung Investment Co., Ltd.	1,279,356	1.20%	-	-	-	-	-	-	Note 9
	Representative: Chang, Li-Jung	-	-	117,039	0.11%	26,993,641	25.33%	Chang, Yu-Ssu Chang, Yu-Wei	Father and son	-
8	Chang, Yu-Ssu	1,189,400	1.12%	-	-	-	-	Chang, Li-Jung	Father and son	-
9	Chang, Yu-Wei	1,189,400	1.12%	-	-	-	-	Chang, Li-Jung	Father and son	-
10	WU,JUNGHUA	979,114	0.92%	-	-	-	-			

Note 1. The names of the top ten shareholders have been listed. For corporate shareholders, the company name and the name of the representative should be listed separately.

Note 2. The calculation of shareholdings refers to calculating the shareholding ratio separately under one's own name, spouse, underage children, or using another person's name.

Note 3. The shareholders listed above, including legal entities and natural persons, shall disclose their relationships with each other in accordance with the regulations regarding the preparation of financial reports by the issuer.

Note: Major shareholders of corporate shareholders March 29, 2026

Note	Name of corporate shareholders	Major Shareholders of Corporate Shareholders		Remarks
		Shareholder	Shareholdings ratio	
Note 4	Gao Peng Investment Co., Ltd.	Hung Ming Development Co., Ltd.	50.00%	Note 7
		Hung Rung Investment Co., Ltd.	50.00%	Note 8
Note 5	Hui Ming Development Co., Ltd.	Chang, Li-Jung	99.99%	None
Note 6	Hui Rong Development Co., Ltd.	Chang, Li-Jung	99.99%	None
Note 7	Hung Ming Development Co., Ltd.	Chang, Li-Jung	99.99%	None
Note 8	Hung Rung Investment Co., Ltd.	Chang, Li-Jung	99.99%	None
Note 9	Chuan hung Investment Co., Ltd.	Chang, Li-Jung	44.00%	None

9. The No of shares held by a company, its directors, managers, and businesses directly or indirectly controlled by the company in the same reinvested enterprise, with the consolidated shareholdings calculated jointly.

Shareholding Ratio

March 29, 2026/Unit: thousand shares; %

Reinvest business (Note 1)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	shares	Shareholdings ratio	shares	Shareholdings ratio	shares	Shareholdings ratio
Fortuna International Holdings Ltd.	12,467	100%	-	-	12,467	100%
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	-	-	註2	100%	註1	100%
Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	-	-	註2	100%	註1	100%
Hotlink Company Limited	-	-	註2	100%	註1	100%
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	-	-	註2	100%	註1	100%
Hotron Real Estate Development (Tianmen) Co., Ltd.			註2	100%	註1	100%
Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	-	-	註2	100%	註1	100%
SmartGreen Solution Co., LTD.	20,000	80%	-	-	25,000	80%
SmartGreen Solution (Thailand) Co., LTD.	-	-	註2	80%	註2	80%

Note 1. It is a long-term equity investment of the Company accounted for using the equity method.

Note 2: It is not a stock company, so it has no shares.

III Fundraising status

1. Capital and Shares

(1) Source of Share Capital

Month/ year	Issued price	Authorized share capital		Paid-in capital		Remarks		
		Shares	Amount(NT$)	Shares	Amount(NT$)	Sources of share (NT$)	Capital paid in by assets other than cash	Others
2022.04	10	120,000,000	1,200,000,000	92,643,569	926,435,690	Corporate bond conversion	None	2022.04.20 Commercial Letter No. 11101065290
2022.06	10	200,000,000	2,000,000,000	92,643,569	926,435,690	-	None	2022.06.14 Commercial Letter No. 11101097710
2022.07	10	200,000,000	2,000,000,000	92,843,040	928,430,400	Corporate bond conversion	None	2022.07.28 Commercial Letter No. 11101139490
2022.11	10	200,000,000	2,000,000,000	93,220,991	932,209,910	Corporate bond conversion	None	2022.11.08 Commercial Letter No. 11101201160
2023.04	10	200,000,000	2,000,000,000	103,220,991	1,032,209,910	Cash capital increase	None	2023.04.07 Commercial Letter No. 11230052700
2023.08	10	200,000,000	2,000,000,000	106,317,621	1,063,176,210	Capitalization of surplus	None	2023.08.29 Commercial Letter No. 11230164010
2023.11	10	200,000,000	2,000,000,000	106,549,253	1,065,492,530	Corporate bond conversion	None	2023.11.02 Commercial Letter No. 11230199230
2024.02	10	200,000,000	2,000,000,000	106,552,030	1,065,520,300	Corporate bond conversion	None	2024.02.15 Commercial Letter No. 11330010390
2026.03	10	200,000,000	2,000,000,000	106,649,250	1,066,492,500	Corporate bond conversion	None	Increase in rated capital

March 29, 2026/Unit: Shares

Types of Shares	Authorized share capital			Remarks
	Outstanding shares (note)	Unissued shares	Total	
Common Stock	106, 649,250	93,350,750	200,000,000	Listed stocks

Note: 1. Types of shares issued by the company in the most recent year and up to the printing date of the annual report. Listed company stock, with a par value of NT$10 per share

2. Overview of the Financial Disclosure System and Compliance Measures: None.

(2) Name of Major Shareholders

March 29, 2026/Unit: Shares

Shareholding Name of Major Shareholders	Number of Shares Held	Shareholdings ratio
Gao Peng Investment Co., Ltd.	8,749,827	8.20%
Hui Ming Development Co., Ltd.	4,898,797	4.59%
Hui Rong Development Co., Ltd.	4,898,797	4.59%
Hung Ming Development Co, Ltd.	3,583,432	3.36%
Hung Rung Investment Co., Ltd.	3,583,432	3.36%
Li, Wen-Ching	1,322,086	1.24%
Chuan hung Investment Co., Ltd.	1,279,356	1.20%
Chang, Yu-Ssu	1,189,400	1.12%
Chang, Yu-Wei	1,189,400	1.12%
WU,JUNG-HUA	979,114	0.92%

(3) The Company's Dividend Policy and Implementation:

1. The dividend policy stipulated in the company's articles of incorporation

If the Company has profits in a year, it shall set aside the employees' remuneration and directors' remuneration. However, if the Company still has accumulated losses, it shall reserve an amount to offset the losses in advance.

The Company shall, after covering accumulated losses, allocate from the current year's profit before tax and before the distribution of employee and director compensation: (1) director compensation not exceeding three percent. (2) Employees' remuneration shall not be less than 1%.

The aforementioned employees' remuneration shall be distributed in stock or cash, resolved by a majority vote in a Board meeting with at least two-thirds attendance, and reported to the shareholders' meeting. Recipients may include qualifying employees of controlled or subordinate companies, subject to conditions determined by the Board.

If the Company's annual final accounts show a surplus, it shall first pay taxes, offset accumulated losses, then set aside 10% as legal reserve, unless the legal reserve has reached the Company's paid-in capital. Thereafter, a special reserve shall be set aside or reversed in accordance with laws or regulations of the competent authority. If there is still surplus, it shall be combined with the accumulated undistributed earnings from the previous period. The Board of Directors shall retain an appropriate amount based on the operational needs and draft a distribution proposal. If new shares are to be issued, the proposal must be submitted to the shareholders' meeting for resolution and distribution.

The Company’s dividend distribution policy takes into account the Company’s current and future operating conditions, capital requirements, while also considering the interests of shareholders and long-term financial planning, with dividends distributed in the form of cash or stock dividends. Cash dividends shall account for no less than 10% of the total dividends distributed.

In accordance with Article 240, Paragraph 5 of the Company Act, the Company authorizes the Board of Directors, with the attendance of more than two-thirds of the directors and the approval of a majority of the attending directors, to distribute dividends, bonuses, or the whole or a part of the statutory surplus reserve and capital reserve as prescribed in Article 241, Paragraph 1 of the Company Act, in the form of cash, and to report the distribution to the shareholders' meeting.

2. To align with the company's sustainable financial and business operations plan, the dividend distribution policy is formulated as follows:

   (1) Conditions and timing for dividend distribution:

   To accommodate future corporate growth, the company's dividend policy is assessed annually by the Board of Directors based on actual profitability, future capital budget planning, operational needs, and sound financial structure. The impact of stock dividends on earnings per share dilution, as well as the impact of cash dividends and stock dividends on shareholders' equity, will be considered. A certain percentage of the distributable profits for the year will be distributed as shareholder dividends, with cash dividends accounting for no less than 10% of the total dividends. If future profits and funds are more abundant, the distribution ratio will be increased. In addition to complying with relevant laws and regulations and the company's articles of incorporation, the dividend distribution plan must be approved by the shareholders' meeting and the competent authority before it can be distributed.

   (2) Special reserve provision:

   In accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, the Company shall set aside a special reserve from profit as necessary.

   (3) The cash and stock dividend payout ratios:

   The Company's dividend distribution policy will adopt stock dividends through capitalization of earnings and capital surplus, as well as cash dividends, in consideration of the Company's current and future operating conditions, capital requirements, and the interests of shareholders and the Company's long-term financial planning. Dividends may be distributed in the form of cash dividends or stock dividends, with cash dividends accounting for no less than 10% of the total dividends.

3. The Company's expected dividend policy, unless otherwise provided by relevant laws and regulations, will not change significantly.

4. Implementation of Dividend Distribution in 2025:

   (1) Due to a pre-tax loss for 2024, the company decided at the board meeting on February 25, 2025 not to distribute dividends to shareholders.

   (2) The amount of cash dividends allocated accounts for 0% of the total shareholders' bonuses.

5. The proposed distribution dividends at the 2026 shareholders' meeting:

   (1) Due to the pre-tax loss for the fiscal year 2025, the Board of Directors resolved on February 26, 2026 not to distribute dividends to shareholders.

   (2) The amount of cash dividends allocated accounts for 0% of the total shareholders' bonuses.

(4) The proposed free share issue for this shareholders' meeting and its impact on the company's business performance and earnings per share:

The Company did not issue financial forecast information for the year 2026, so it is not applicable.

(5) Remunerations of Employees and Directors:

1. The percentage or range of employees and directors remuneration as set forth in the company's articles of incorporation:

According to Article 20 of the Company's Articles of Incorporation, "If the Company makes a profit in a given year, it shall appropriate employees' remunerations and directors' remuneration. However, if the Company still has accumulated losses, it shall reserve an amount to offset the losses in advance. The Company, after offsetting losses and before deducting compensation for employees and directors, shall allocate the remaining balance from the pre-tax profits of the current year : (1) Directors' remuneration shall not exceed 3%. (2) Employees' remunerations shall not be less than 1%.

The employees' remunerations mentioned in the preceding paragraph shall be distributed in stock or cash and shall be resolved by a majority of the directors present at a meeting of the Board of Directors attended by two-thirds or more of the total number of directors and reported to the shareholders' meeting. The recipients of such distribution shall include employees of the Company's controlled or subordinate companies who meet certain conditions, and the conditions shall be determined by the Board of Directors.

2. The basis of estimation for employees' remunerations and directors' remuneration for the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stocks, and the accounting treatment if the actual distribution amount differs from the estimated amount.

(1) The basis for estimating the amount of employees' remunerations and directors' remuneration for the current period, and the basis for calculating the number of shares for employee remuneration in the form of stock distribution:
According to Article 20 of the company's articles of incorporation, the following provisions shall be made after offsetting deficits with the profit before tax, excluding the amounts of employees' and directors' remuneration: (1) Directors' remuneration shall not exceed 3%; (2) Employees' remuneration shall not be less than 1% of the profit.

(2) Basis for calculating the No of Shares in employee remuneration through stock dividends: N/A.

(3) Accounting treatment when the actual distributed amount differs from the estimated amount: Changes in accounting estimates will be treated as expenses for the following year.

3. The Board of Directors' approval of remuneration distribution:

(1) The amount of employees' remuneration and directors' and supervisors' remuneration paid in cash or stock dividends. If there is a difference from the estimated amount recognized as expenses for the year, disclose the difference, reasons, and how it was handled: The remuneration for employees and directors of the Company is estimated based on the profit situation for that year and the ratio stipulated in the Articles of

Incorporation.The Company incurred a pre-tax loss in the year 2025, so the estimated employees' remuneration and directors' remuneration recorded in the accounts is NT$0 and will not be distributed. Due to the pre-tax loss in 2024, the employee and director remuneration amounts are $0, and no distribution will be made.

(2) The employees' remuneration amount paid in stock dividends and its ratio to the net income after tax and the total employee remuneration in the current individual or separate financial statements: Not applicable

4. The actual distribution of employee, director and supervisor remuneration for the previous year (including number of shares, amount and share price distributed), and if there is any difference from the recognized employee, director and supervisor remuneration, an explanation of the difference, reasons and treatment should be provided:

Due to the pre-tax loss in 2024, the employee and director compensation amounts are $0, and no distribution will be made.

(6) Status of the Company's Share Repurchase:

The Company did not repurchase any of its shares in the recent fiscal year and up to the date of printing the annual report, so this is not applicable.

2. Corporate Bond Issuance Status

(1) Corporate Bond Issuance Status:

Type of Corporate Bonds (Note 1)		The Company's second domestic unsecured convertible bonds
Issuance date		July 4, 2023
Face value		One hundred thousand New Taiwan Dollars
Place of Issue and Trading (Note 2)		N/A
Issued price		Issued at 107.33% of the denomination
Issue Amount		NT$ 250,000 thousand(Denomination) NT$ 268,316 thousand(Amount)
Coupon rate		Nominal interest rate (%)
Term		Three-year term, maturity date: July 4, 2026.
Guarantor		N/A
Trustee		Trust Department, SinoPac Business Bank Co., Ltd.
Underwriter		KGI Securities Corp.
Attesting lawyer		FSI- Law firm, Lawyer Chiu, Ya-Wen
Attesting CPAs		PricewaterhouseCoopers Taiwan: CPA Wu, Han-Chi, CPA Lin, Ya-Hui
Redemption Method		Apart from the holders of these convertible bonds converting to the company's common stock in accordance with Article 10 of these Regulations, or the company redeeming them early in accordance with Article 18, or exercising the put option in accordance with Article 19, or the company repurchasing and canceling them through securities firm business premises, the company shall redeem the convertible corporate bonds in cash at par value upon maturity.
Unredeemed Balance		NT$ 249,900 thousand
Conditions for redemption or early redemption		Please refer to Annex 2 "Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds" in the company's prospectus for the second unsecured convertible corporate bonds issued domestically.
Restrictive Covenants (Note 3)		None
Name of rating agency, date and result of rating		N/A
Other rights	The monetary amount of common stock,global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	None
	The issuance and conversion, exchange, or subscription rules	Please refer to Annex 2 "Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds" in the company's prospectus for the second unsecured convertible corporate bonds issued domestically.
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		The total par value of the convertible bonds issued this time is NT$250,000 thousand. Since the duration of these corporate bonds is 3 years, and the bondholders may request conversion at different points, it will delay the impact on earnings per share, and thus should not have a significant impact on the equity interests of existing shareholders. These corporate bonds have a coupon rate of 0% and are issued at a premium conversion price, so they should not have a negative impact on shareholders' equity.
Name of the custodian institution of the exchangeable underlyings		None

Note 1: The status of corporate bonds includes the public and private placement of corporate bonds in progress.

Note 2: Those belonging to overseas corporate bonds, please fill in

Note 3: Such as limiting the distribution of cash dividends, foreign investment, or requiring the maintenance of a certain asset ratio, etc.

Note 4: For convertible corporate bonds, exchangeable corporate bonds, consolidated proceeds from issuance of bonds or corporate bonds with warrants, the nature should be disclosed in the tabular format listed below, including information on convertible corporate bonds, exchangeable corporate bonds, consolidated proceeds from issuance of bonds, and corporate bonds with warrants. Refer to Table (2) Convertible Corporate Bond Information below.

(2) Convertible Bond Data:

Company Bond Types		The Company's second domestic unsecured convertible bonds	
Year Items		2025	As March 29, 2026 (Note 2)
Market price of convertible corporate bonds	Maximum	100.3	100.3
	Minimum	99.2	99.2
	Average	100.3	100.03
Conversion price		36.00	36.00
Issue (transaction) date and conversion price at issuance		Issuance Date: July 4, 2023 Conversion Price of Issuance: NT$37.60 From August 14, 2023, the conversion price is adjusted to NT$36.00	
Method for Performance Conversion Obligations (Note 1)		Issue new shares	Issue new shares

Note 1: Deliver issued shares or issue new shares.

Note 2: The data for the current year up to publication of the annual report should be filled in.

3 Special Share Handling: None.

4 Circumstances of Issuance of Overseas Depositary Receipts: None

5 Employee Stock Options Certificate and Handling New Shares with Restricted Employee Rights: None.

6 rcumstances of issuing new shares for mergers or acquisitions for acceptance of new shares of another company: None

7. Implementation of Capital Utilization Plan

As of the quarter preceding the printing date of the annual report, the plans that have been fully funded but not yet completed: None

4. Operating Overview

1. Business content

(1) Business scope

1. Main content of business operations

The main business is the manufacturing, sales, and services of various signal lines, connection lines, power lines, wire and cable products, copper products, and electric vehicle charging guns for the information industry, communication industry, precision machinery industry, and consumer electronics industry. The product range of the Company's business includes:

- Industrial Plastic Products Manufacturing
- Smelting and Refining of Copper
- Copper Rolling, Drawing and Extruding
- Electric Wires and Cables Manufacturing
- Electronics Components Manufacturing
- Mold Manufacturing Wholesale
- Wholesale of Computers and Clerical Machinery Equipment
- Computer and Peripheral Equipment Manufacturing
- Wholesale of Chemical Feedstock
- International Trade
- Investment
- Motor Vehicles and Parts Manufacturing
- Cable Installation Engineering
- Retail Sale of Electronic Materials
- Energy Technical Services
- Wholesale of Chemical Feedstock

2.Proportion of consolidated business operations of group

Main product categories	2025 proportion of business operations
Various signal power transmission cable	90%
Charging connectors and energy storage equipment	9%
Rental revenue	1%
Total	100%

3. The company's current product items

The Company's current main product items include various high-frequency connection cables for 3C products, automotive cables, electric vehicle charging guns, and integrated system products for solar (solar power plants), storage (energy storage cabinets), and charging (charging stations).

4. Plan for the development and enhancement of new products

(1) Develop advanced products:

In response to the trend toward high speed and high definition in the 3C industry, various high-end signal cables are being developed, with dedicated efforts to enhance the production value and sales value of high-end products. Collaborating with international brands to establish the image of a professional large-scale manufacturer of high-end transmission cables, integrating group enterprise resources, and continuously maintaining the leading advantage in the cable connector market.

(2) Continuously develop automated production technologies:

Actively developing process automation equipment (automatic integrated wire stripping and soldering machines, automatic integrated assembly and riveting iron shell machines, and front-end automated processing production line equipment for signal cables) to improve product production efficiency and reduce production costs.

(3) Expanding Diversified Products and Customer Base:

Connector cable products have a wide range of applications. In addition to existing high-frequency cable connectors for various 3C products, professional cable technology and experience are applied to manufacture charging guns for electric vehicles, expanding into the electric vehicle, energy storage cabinet, and solar power plant industries. The company is actively positioning itself for industrial transformation, promoting integrated system products for power generation (solar power plants), storage (energy storage equipment), and charging (charging piles), thereby expanding the scope of product applications.

(2) Industry Overview

1. Current state and development of the industry

(1)The connector industry

Electronic connectors (cables) refer to all connecting components and their accessories used for electronic signals and power supply. Their main function is to provide a separable interface to connect two subsystems within an electronic system, thereby enabling smooth transmission of signals or electricity. Since electronic connectors (cables) are considered the bridges for all signals, used for connections between components, their product quality will significantly affect the reliability of signal transmission, thereby impacting the operation of the entire electronic device.

The midstream products in the connector industry are connectors and cable materials, with computers and peripherals, network communications, and consumer electronics as the main application fields. Connectors include wire-to-wire connectors, board-to-board connectors, and wire-to-board connectors. The distinction lies in the types of products connected at both ends of the connector. Wire-to-board connectors are connectors that link electrical wires to circuit boards, primarily for transmitting current and signals. The male connector (Pin Header) is fixed on the PCB, while the female connector (Housing) is crimped onto the wire end, enabling the connection between the wire and the motherboard.

Type-C is currently the mainstream in the market. The European Union implemented the "Universal Charging Regulation" at the end of 2024, requiring all devices capable of sending and receiving radio waves to adopt USB Type-C (USB-C) as the universal charging interface. This regulation applies to smartphones, tablets, digital cameras, handheld gaming consoles, keyboards, mice, e-readers, headphones, navigation systems, and other devices. Starting April 28, 2026, it will be mandatorily applicable to laptops, which will help reduce electronic waste and ensure consistency and safety in charging technology in the future. As audio-visual and AI applications require faster transmission of larger amounts of data, Type-C not only offers high data transfer speeds and the ability to output audio-visual signals, but also provides enhanced power support.

With the gradual proliferation of AI, robotics, and 5G, more applications are likely to emerge. Under the high data and high transmission requirements of 5G, connectors (cables) with high-frequency and high-speed characteristics will be needed, which is expected to drive product upgrades and business opportunities. USB and Thunderbolt are also common high-speed connection interfaces for personal computers and home electronics. USB 4, the latest USB standard, integrates the features of Intel Thunderbolt 3 protocol and uses USB-C connectors, with a maximum transfer rate of up to 40 Gb/s. USB 4 can transfer data, support video channel transmission, and deliver up to 240W of power supply. In the future, a single USB 4 cable will be sufficient for both data and video transmission, greatly increasing convenience.

The upcoming Thunderbolt 5 doubles the bandwidth to 80 Gb/s compared to Thunderbolt 4, and its asymmetric mode can be used in scenarios involving high-resolution displays. Intel has integrated Thunderbolt controllers, and an increasing number of laptops and motherboards directly support Thunderbolt/USB 4. The integration of interfaces allows users to connect external devices quickly via USB-C. Thunderbolt and USB 4 make it possible to use external GPUs, high-speed SSD arrays, and more. The widespread adoption of high-speed interfaces also accelerates the convergence of devices. USB-C is gradually becoming a universal port, and in the future, just a few USB 4 cables will be sufficient to simultaneously connect display, storage, networking, and charging functions, evolving toward higher speeds and greater integration for higher resolution and more convenient connectivity experiences.

(2) Electric Vehicle Industry

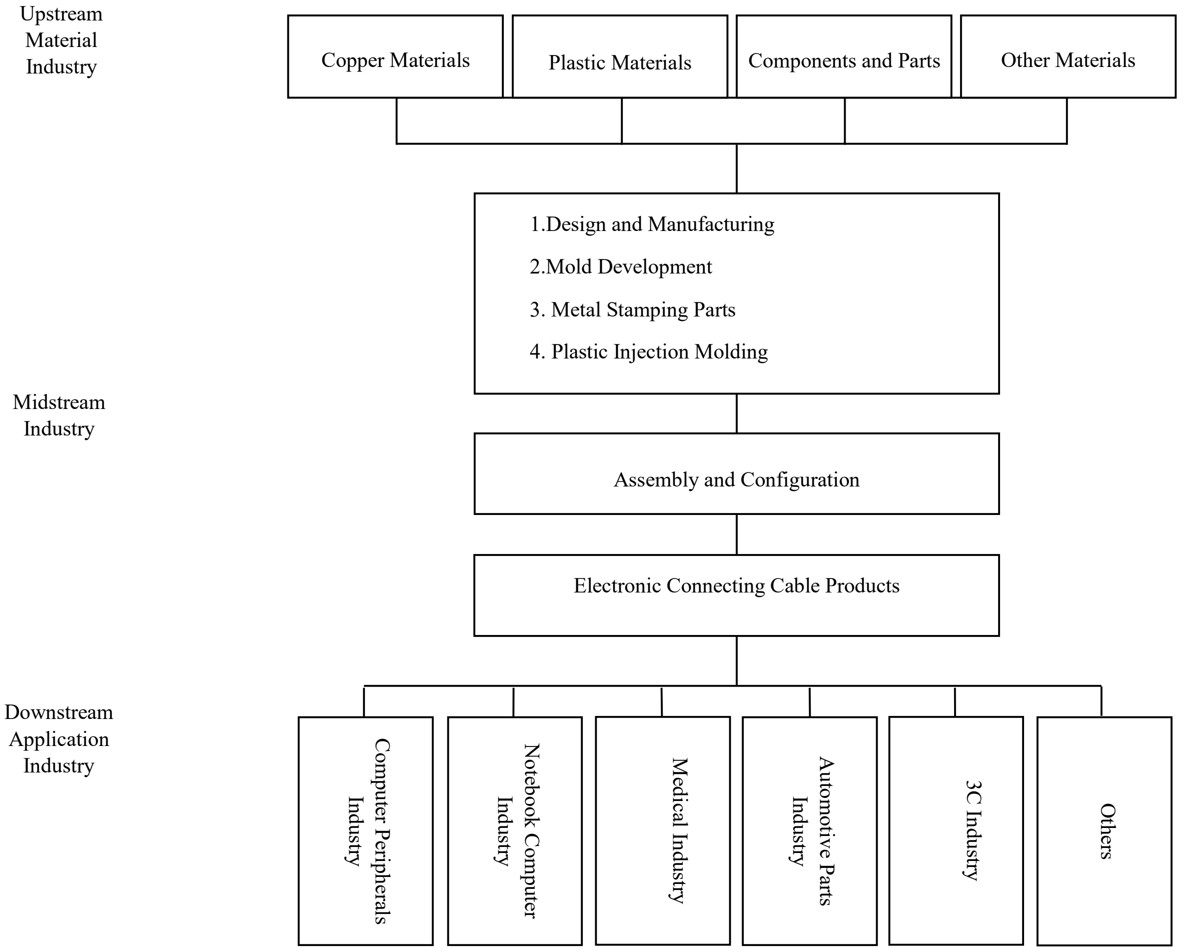
According to analysis by the International Energy Agency (IEA), global electric vehicle sales in 2025 are estimated at 23.7 million units, representing a 33% increase compared to 2024. Electric vehicles account for 25.5% of global new car sales, meaning one in every four new cars sold is an electric vehicle. Despite notable fluctuations in electric vehicle market penetration rates and sales volumes across various regional markets globally, the development of key EV component manufacturing has been significantly impacted. Global electric vehicle sales continue to reach record highs, driven primarily by declining battery costs, government subsidy policies and carbon reduction regulations, as well as the expansion of national charging infrastructure. The rapidly expanding charging network is moving toward fast-charging and smart charging solutions, further consolidating the critical role of electric vehicles in transportation decarbonization.

Global electric vehicle sales continue to rise year after year, with the market's center of gravity gradually expanding from the traditional three major markets (China, the EU, and the United States) to emerging markets. Sales volumes and penetration rates in Asia (excluding China), Latin America, and Africa have increased significantly, primarily benefiting from tax incentives, large-scale procurement, fuel efficiency standards, the price competitiveness of Chinese brands, as well as the gradual formation of local manufacturing and regional trade patterns. The share of electric vehicles in most developed countries is also showing an upward trend. In terms of infrastructure development, the number of public charging stations is increasing rapidly, ultra-fast charging and smart charging are becoming increasingly prevalent, and vehicle-to-grid (V2G) bidirectional charging and discharging technology has entered the demonstration phase. Currently, the adoption of electric vehicles for private passenger cars continues to grow, commercial light-duty vehicles are being introduced at an accelerated pace driven by government policies and corporate demand, while heavy-duty vehicles remain constrained by cost and infrastructure challenges but are steadily progressing. Electric vehicles are expected to become an important part of the transportation system before 2030, but actual progress still depends on trade policies, energy prices, and supply chain stability.

2. Relevance of upstream, midstream, and downstream industries:

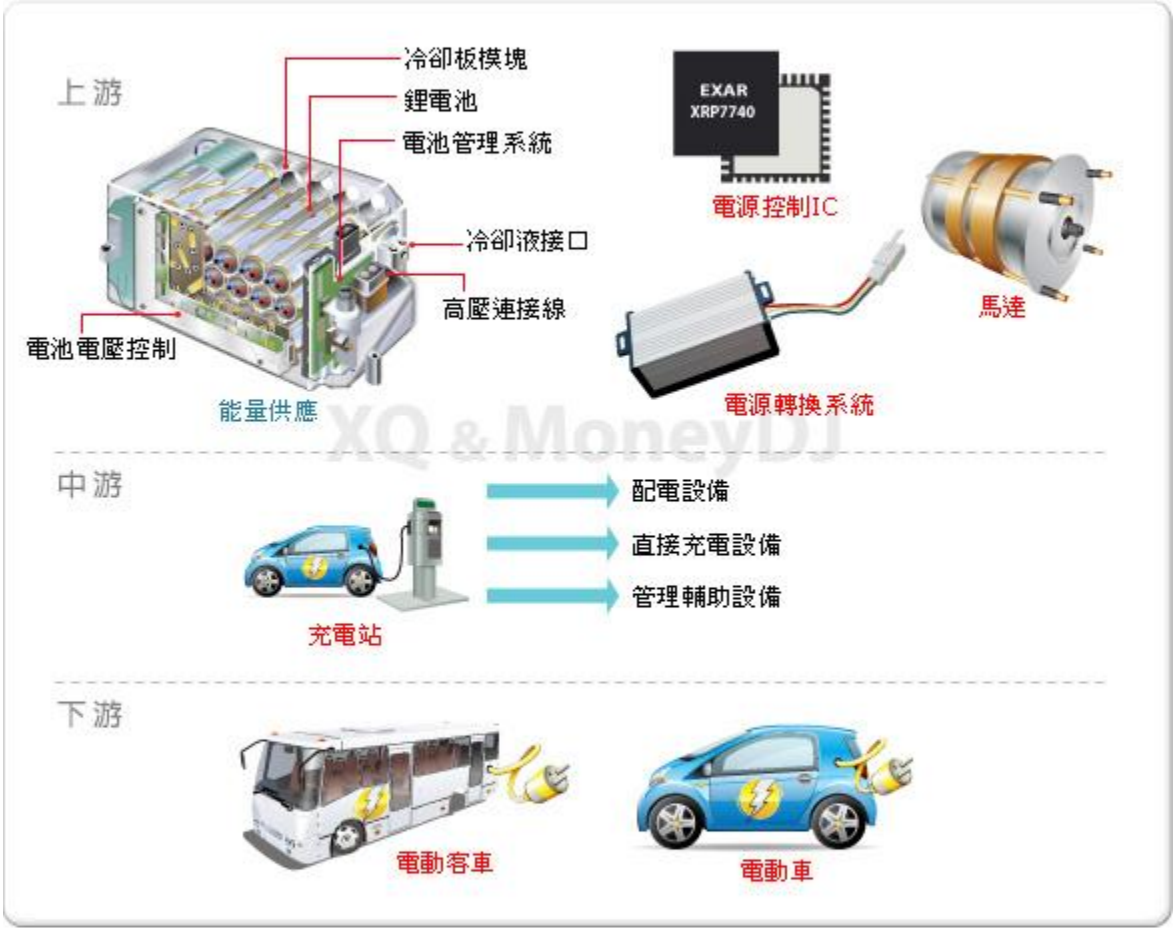
(1) Cable

Our company mainly produces high-purity oxygen-free copper rods, copper wires, copper strands, wire materials, connecting wires, connectors, etc. The structure diagram of its upstream, midstream, and downstream industries is shown below:



(2) Electric vehicles

The global commercial electric vehicle market is expected to grow to $252,970 million by 2026, with a compound annual growth rate of 29.73%. Furthermore, with the construction of electric vehicle infrastructure by various governments, the gradual maturity of electric vehicle research and development technologies, and the formation of an open platform and resource integration market model, the popularization of commercial electric vehicles is imminent. The following shows the upstream, midstream, and downstream sectors related to electric vehicles.



3. Product development trends and competitive situation

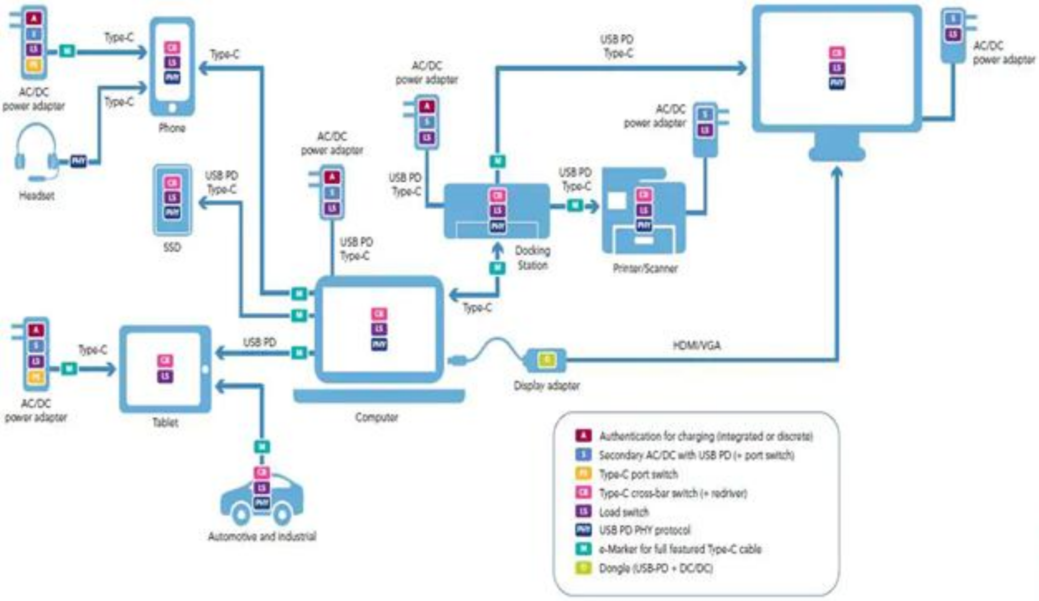
(1) Product development trends

A. Connector Cable and Wire Industry

(a) The adoption of USB Type-C by various 3C products is a market development trend

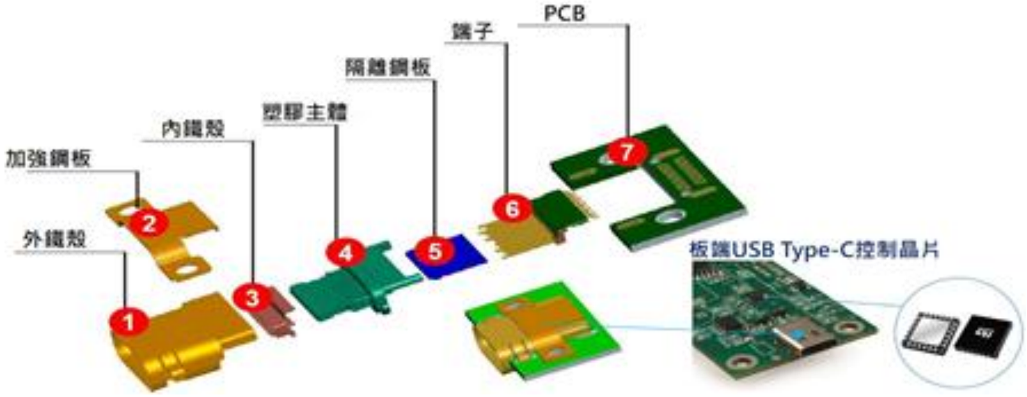
The USB Type-C interface is used in devices such as smartphones, headphones, external solid-state drives, tablets, cars, computers, docking stations, printers/scanners, LCD displays, power supplies etc. Looking at the external interfaces for notebooks, earlier Display Port (DP), Thunderbolt 1 (TBT1), and Thunderbolt 2 (TBT2) used the Mini DP interface. DP 1.4 and later adopted the Type-C interface, Thunderbolt 3 (TBT3) and later adopted the Type-C interface, and USB 3.1 and later adopted the Type-C interface. Earlier MacBooks used the MagSafe power interface; however, MacBooks from 2016 onwards switched to the Type-C interface. Nevertheless, Apple reintroduced the MagSafe interface to MacBooks starting in 4Q21, but still retaining the USB Type-C (TBT3) interface.

Figure 1: USB Type-C Interface User End



Data source: NXP, Hua Nan Securities Investment Advisory compiled

Figure 2: USB Type-C (Female) Connector Exploded View



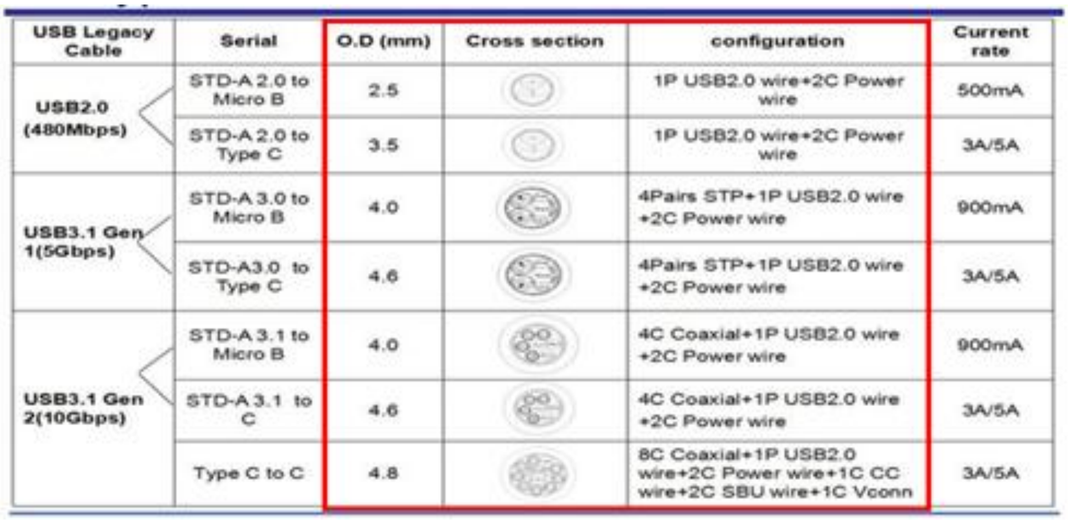
Data source: Zhihu Column, Compiled by Huanan Investment Advisory

The device-side USB Type-C (female) connector is mainly composed of 7 parts, including the outer iron shell (anti-EMI), reinforcing steel plate, inner iron shell, plastic body, isolation steel plate (anti-EMI), terminals, and PCB.

(b) Same USB Type-C transmission cable, but with different transmission speeds.

USB 3.1 transmission cables introduced grounding tabs and required better shielding effectiveness requirements to reduce RF leakage and EMI issues. Traditional Micro USB only has 5 conducting wires, but USB 3.X has at least 9 conducting wires, and those conforming to USB PD specifications even have 12~18 conducting wires.

Table 1: Comparison of USB Type-C Raw Cables



USB Legacy Cable	Serial	O.D (mm)	Cross section	configuration	Current rate
USB2.0 (480Mbps)	STD-A 2.0 to Micro B	2.5		1P USB2.0 wire+2C Power wire	500mA
	STD-A 2.0 to Type C	3.5		1P USB2.0 wire+2C Power wire	3A/5A
USB3.1 Gen 1(5Gbps)	STD-A 3.0 to Micro B	4.0		4Pairs STP+1P USB2.0 wire +2C Power wire	900mA
	STD-A3.0 to Type C	4.6		4Pairs STP+1P USB2.0 wire +2C Power wire	3A/5A
USB3.1 Gen 2(10Gbps)	STD-A 3.1 to Micro B	4.0		4C Coaxial+1P USB2.0 wire +2C Power wire	900mA
	STD-A 3.1 to C	4.6		4C Coaxial+1P USB2.0 wire +2C Power wire	3A/5A
	Type C to C	4.8		8C Coaxial+1P USB2.0 wire+2C Power wire+1C CC wire+2C SBU wire+1C Vconn	3A/5A

Data source:FIT

Figure 3: USB Type-C Transmission Cables for Various Different Transmission Protocols

Data source:iXBT

Figure 4: Thunderbolt 4 Transmission Cable (Outer Diameter 5.24mm)

Data source:ChargerLAB

USB4 is an entirely new USB architecture that provides maximum USB bandwidth and extends USB Type-C performance. The main features of USB4 include dual-lane operation using existing USB Type-C cables, operating speeds of up to 80 Gbps (requiring 80 Gbps certified cables), support for all earlier versions of USB including USB 3.2 and USB 2.0, and compatibility with Thunderbolt 3 hosts and devices. The USB4 architecture allows for dynamic bandwidth allocation to optimally meet the needs of different devices, particularly in the area of video data streaming.

(c)The main differences between Thunderbolt 4 and USB4 are the minimum speed and whether it supports PCIe.

Many new NBs have eliminated USB-A and RJ45 Ethernet interfaces, and offer USB-C as the sole interface for video, networking, data transfer, and charging. This has prompted other protocols (including TBT3, DisplayPort, MHL, and HDMI) to adopt USB-C as their standard connector.

Table 2: Differences Between TBT3, TBT4, and USB4

通訊協定	Thunderbolt 3	Thunderbolt 4	USB4
發布日期	2015年	2020年	2019年
端口介面	USB Type-C	USB Type-C	USB Type-C
最小傳輸速率	40Gbps	40Gbps	20Gbps
最大傳輸速率	40Gbps	40Gbps	40Gbps
最小顯示輸出需求	2台4K顯示器or 1台5K顯示器	2台4K顯示器or 1台8K顯示器	1台顯示器 (No Minimum)
DP隧道模式(DP Tunneling)	DisplayPort 1.2	DisplayPort 1.4	DisplayPort 1.4
DP備選模式(DP ALT Mode)	DisplayPort 2.0	DisplayPort 2.0	DisplayPort 2.0
支援其他通訊協定之最小傳輸速率	PCIe-16Gbps USB 3.2-10Gbps	PCIe-32Gbps USB 3.2-10Gbps	USB 3.2-10Gbps
PCIe頻寬	PCIe Gen 3x2	PCIe Gen 3x4	Optional
喚醒功能支援	Optional	Yes	Optional
最大功率	15W	15W	7.5W
搭配USB PD3.1最大功率	240W	240W	240W
Intel VT-d DMA保護	No	Yes	No
Thunderbolt 3相容	Yes	Yes	Optional
USB4支援	No	Yes	Yes
USB 3.X支援	Yes	Yes	Yes
USB 2.0支援	Yes	Yes	Yes

Data source: Allion Labs, Hua Nan Securities Investment Advisory compiled

TBT4 provides the same 40Gbps as TBT3, also using USB-C ports. Any TBT4 port is also a USB4 port, but not vice versa. The difference between them lies in the support for the PCIe controller and the minimum data transfer speed. In TBT4, the minimum is 40Gbit/s, while in USB4, the data exchange speed is between 20 and 40Gbit/s, while also maintaining backward compatibility. Additionally, TBT4 supports two 4K displays or one 8K display, and also supports Intel VT-D technology, which can prevent DMA attacks.

TBT3/4 supports the PCIe communication protocol, which can be mainly used to connect external graphics cards, NVMe SSDs, RAID cards, sound cards, network cards, video capture cards, etc. The USB-C Type 2.1 specification increases the power capacity of cables and connectors from 100W to 240W (requires a USB PD 3.1 charger), thereby providing power and charging for larger power-consuming devices, such as 4K monitors, electric bicycles, and gaming laptops.

(d) The gradual integration of USB Type-C specifications, and the widespread application of high-speed/high-frequency/miniaturized I/O connectors is one of the major development trends in the global connector market

Regarding the major development trends in the global connector market, firstly, after the gradual technology integration of diversified high-speed transmission interfaces, the USB Type-C interface has entered the stage of application implementation and market penetration rate increase. At the same time, with the development of Big Data applications, as more multimedia content and power need to be transmitted in real-time, it will significantly drive the demand for PD3.0/E-Marker charging interface standards and various peripheral devices to adopt the USB Type-C interface. Moreover, with the synchronous optimization of transmission rate and quality, it will derive new business opportunities for high-end connection cables. Furthermore, apart from the USB-IF (USB Implementers Forum) announcing stricter USB4 specifications for cables, connectors, and chip power supply standards, and collaborating with UL safety certification laboratories to create environments compliant with the USB architecture for vehicular use, the European Union (EU) has passed relevant agreements in 2020 requiring member states to regulate electronic companies to adopt a unified charging standard, aiming to "accelerate the interconnection of data and power for electronic devices within the region" and "reduce electronic waste." Through regulations and policies, it will accelerate the application development of USB4/Thunderbolt 4 and the industry adoption of the unified USB Type-C charging interface. In summary, it is expected that with the continuous evolution and specification integration of various transmission interfaces, USB Type-C will become the standard interface.

Furthermore, due to the apparent acceleration of building mid-to-large data centers (Data Centers) for servers/switches/storage devices across countries driven by digital transformation, to meet the future massive content transmission demands for high capacity and high bandwidth, high-speed/high-frequency/miniaturized connectors for server applications will have significant business opportunities. Finally, the Alder Lake and Ryzen CPUs from Intel and AMD, which support high-speed interfaces and sockets such as USB4/Thunderbolt4 and PCIe 4.0, will undergo platform transitions, thereby accelerating the upgrade process of high-speed I/O (Input/Output) connectors. In summary, the applications of high-speed transmission I/O connectors with high-frequency and miniaturization features will become more widespread.

B. Electric Vehicle Industry

As global environmental awareness rises and battery technology advances, electric vehicles with zero emissions have become the main products that major automakers are striving to promote. As consumer acceptance rises annually and major automakers increase their production capacity, the global electric vehicle market is not only fiercely competitive but also growing rapidly. Unlike in previous years, where Tesla of the United States had consistently held the dominant position in the global electric vehicle market, Chinese EV brand BYD has caught up and become the world's largest electric vehicle manufacturer.

As electric vehicles enter a mature stage, the most prominent technological focus is no longer driving range, but rather battery efficiency, cost, weight, and safety. Traditional lithium batteries use liquid electrolytes, which carry risks of leakage and fire, whereas solid-state batteries completely eliminate these hazards. Furthermore, all-solid-state batteries can achieve energy densities of over 500 Wh/kg, which is twice that of existing liquid lithium batteries, and can withstand temperatures above 300℃. For high-latitude countries, traditional liquid batteries often retain only 30% of their driving range in low temperatures due to the electrolyte becoming viscous, whereas solid-state batteries can maintain over 90% operational efficiency in low-temperature environments, ensuring all-weather green mobility capability. The advantages of solid-state batteries include high safety, thinness and lightness, and extended driving range. Therefore, the adoption of solid-state batteries will redefine the driving range, cost, and user experience of electric vehicles.

In the field of solid-state battery technology for electric vehicles, there are three main directions: sulfide-based, oxide-based, and polymer-based. Among these, the 'sulfide-based' approach is regarded as the most promising mainstream technology due to its good material ductility and high ionic conductivity. Although sulfide materials may generate toxic gases upon contact with moisture, the industry has overcome this side effect through techniques such as coating layers and material doping.

The timeline for solid-state battery demonstration installations by major global automakers is approximately between 2026 and 2027, with true large-scale mass production expected to be achieved around 2030. In this new round of technological competition, China and Japan have the clearest strategic positioning. Chinese manufacturers have already taken a leading advantage in terms of the number of participants and development progress. Currently, six manufacturers including BYD, Changan Automobile, and SAIC Motor plan to introduce solid-state batteries by 2027, while Japan's Toyota and Nissan plan to launch solid-state battery electric vehicles by 2028. It is highly likely that the solid-state battery industry chain will repeat the history of the EV industry, with Chinese automakers taking control of the dominant position.

Furthermore, 2024–2025 have been two years of rapid advancement in autonomous driving technology, transforming autonomous driving from an 'engineering problem' into a matter of time concerning 'autonomous driving model training' and 'data collection,' providing the foundation for gradual consolidation in 2026. In 2026, the electric vehicle industry will enter an era of 'competitive co-existence' and a 'technological deep-water zone' defined by software technology, cost efficiency, and international industrial competition.

(2) Product Development and Competition

The basis for product competition is described as follows:

a. Price and Cost Trade-offs: Personal computer peripherals and information and communications technology (ICT) products remain the primary downstream market applications for the cable and connector industry. Affected by the price competition of consumer electronics products and relatively low product gross margins, downstream large-scale consumer electronics companies will seek to minimize connector and cable prices as much as possible. Therefore, effective cost control and a more competitive pricing strategy form the competitive foundation for companies in this industry.

b. Product Quality: As connector and cable products serve as essential components for ICT and consumer electronics, product quality directly impacts the quality of finished goods produced by downstream manufacturers. Therefore, maintaining high quality and reliable performance of connector and cable products remains a key priority for manufacturers in this industry.

c. After-Sales Service: As the application scope of electronic connectors and cables continues to expand, manufacturers must not only maintain a comprehensive product portfolio capable of addressing diverse customer needs, but also provide end-to-end solutions and related after-sales services to consumers and downstream manufacturers. Accordingly, after-sales service has become a key competitive differentiator in this industry.

d. Mass Production Scale: Electronic connectors and cables are essential components for most ICT and consumer electronics products. Not only is their range of applications extensive, but large usage volumes are also an important characteristic of the cable and connector industry. Therefore, a factory's mass production capacity and scale also become key competitive factors for companies.

e. Raw Material Procurement: The proportion of raw material costs relative to manufacturing costs in the cable and connector industry is relatively high. In addition, certain mid-to-high-grade materials, such as oxygen-free copper sheets and plastic raw materials (PVC), still largely rely on overseas imports. Therefore, how to stably and continuously secure relevant raw material sources is also an important competitive foundation for this industry.

f. Partnership with international major manufacturers: Most orders for connector cable industry manufacturers come from well-known overseas major manufacturers. Therefore, maintaining close OEM or cooperative relationships with foreign major manufacturers and sustaining an important position in their product supply chains will serve as a strong competitive foundation for this industry.

g. Production technology and R&D capabilities: The primary downstream application markets for the connector cable industry are products such as information and communications technology (ICT), consumer electronics, and automotive electronics. Given the rapid development in areas such as ICT, big data, cloud computing, and automotive electronics, electronic connector (cable) manufacturers must be able to timely introduce corresponding products to meet downstream manufacturers' needs. Therefore, a manufacturer's production technology and R&D capabilities will be critical to its long-term competitive foundation.

h. Sales channels: There are numerous manufacturers in the connector cable industry, so cooperative relationships with major electronics manufacturers will affect product sales. Effectively establishing sales channels will become the most important competitive factor beyond product pricing.

i. Product yield: The yield rate of a product is mainly related to the production cost. When a manufacturer has a higher yield rate, it can reduce production costs and thereby increase its profitability. In addition, since the plastic materials used for connectors (wires) must have heat resistance, the quality of upstream raw materials also affects the high or low yield rate of the product.

j. Good relationships with downstream manufacturers: Connectors (cables) have diverse applications, and the same product may vary according to application specifications. Furthermore, given the large number of manufacturers in the connector cable industry, companies must establish good relationships with key downstream partner manufacturers in order to help sustain stable and continuous orders.

k. R&D Talent: As R&D talent is closely tied to process technology, and technology evolves rapidly across the connector and cable industry, including its upstream and downstream supply chains, manufacturers must not only possess advanced production equipment and process technologies, but also attract and retain outstanding R&D talent to continuously develop new products and technologies, in order to effectively strengthen their competitive position in the market.

1. Policy support: If the government can directly promote tax incentives and other policy benefits for the connector (cable) industry or related downstream emerging application industries, it will effectively promote industrial development and enhance the competitive foundation.

(3) Overview of Technology and Research and Development

1. The research and development expenses incurred in the most recent fiscal year and up to the printing date of the annual report:

The consolidated financial statements of the company - the company and 100% reinvested enterprises total investment:

Unit: NT$ Thousand

Item\Year	2023	2024	2025	As of March 31, 2026
Research and development expenses	95,288 thousand	106,616 thousand	123,734 thousand	24,755 thousand

2. Technology or products successfully developed in the most recent fiscal year and up to the printing date of the annual report:

(1) Combined 100% reinvestment in the associates' connector product R&D patents:

Items	Approval date	Patent name	Patent type	Patent number
1	2022.05.13	Magnetic Assembly Fixture	Utility model	202122169424.9
2	2022.05.13	A mechanism for automatic material collection for injection molding machine products	Utility model	202122169422.X
3	2022.04.01	A mechanism for an automatic feeding head of an injection molding machine	Utility model	202122168879.9
4	2021.11.11	Digital connecting cable fully automatic processing and forming technology and its device	Invention	202111145937.4
5	2022.04.05	Digital connecting cable fully automatic processing and forming device	Utility model	202122364646.6
6	2022.04.05	Digital connecting cable forming and processing feeding device	Utility model	202122365616.7

Items	Approval date	Patent name	Patent type	Patent number
7	2022.04.05	Digital connecting cable forming and processing pre-cutting device	Utility model	202122365646.8
8	2022.06.24	A DC test fixture	Utility model	202122664748.X
9	2022.05.13	A knife set for scratch prevention without a core lace	Utility model	202122666697.4
10	2022.05.13	A quick test device for exposed connector dimensions	Utility model	202122664580.2
11	2022.05.13	Double-headed rotary peeler	Utility model	202122837907.1
12	2022.08.12	A POGO PIN cover ultrasonic assembly equipment	Utility model	202122840680.6
13	2022.06.24	An interchangeable mold	Utility model	202122841258.2
14	2022.05.13	A new type of enclosed cable terminal casing	Utility model	202122841083.5
15	2022.08.16	HDMI riveting iron shell forming fixture	Utility model	202220519416.4
16	2022.08.16	Wire row clamp assembly device	Utility model	202220549226.7
17	2024.01.09	Wire automatic stripping device	Utility model	202220564850.4
18	2023.06.06	A horizontal injection molding machine automatic product collection device for injection molded products	Utility model	202223136554.3
19	2023.06.06	A combined bundle fixing wiring clip	Utility model	202223107692.9
20	2022.11.02	Automatic code labeling and scanning integrated machine	Invention	202211528343.6
21	2024.04.23	Wire braided layer thermal cutting device	Utility model	202322324108.3
22	2024.04.23	Wire automatic packaging device	Utility model	202322324101.1
23	2024.04.23	Signal wire aluminum foil automatic removal device	Utility model	202322324079.0
24	2024.06.07	A connector outer iron shell automatic assembly device	Utility model	202322341359.2
25	2024.04.23	Wire braided layer automatic removal device	Utility model	202322369855.9
26	2024.05.28	Wire automatic arrangement laser removal device	Utility model	202322369845.5
27	2024.05.28	Small flat cable clamp auxiliary flat cable arranging fixture	Utility model	202322369835.1
28	2024.04.23	An automatic copper foil wrapping device for wire harness ends	Utility model	202322369688.8
29	2024.12.10	DP plastic shell automatic assembly device	Utility model	202420578865.5
30	2024.11.15	Wire array clamp	Utility model	202420574325.X
31	2024.12.10	An automatic mixing and feeding device for PVC granulation	Utility model	202420574313.7
32	2024.11.15	An automatic isolation tape wrapping device for connector inner molds	Utility model	202420580606.6
33	2024.02.06	Copper wire multi-axis automatic positioning threading device before annealing	Utility model	202420627902.7
34	2024.12.10	A wire break detection device for metal wire harness braiding	Utility model	202420628879.3
35	2024.11.15	An automatic wire winding and tying device for wire materials	Utility model	202420628898.6
36	2024.12.10	An integrated device for automatic cutting of PE film for cables	Utility model	202420627916.9

(2) Research and development patents for new energy products:

Items	Approval date	Patent name	Patent type	Patent number
1	2021.02.08	Electric vehicle charging cable DEKRAK175-1:201/A1:2016/A2:2020	European standard cable certification	33-121487
2	2021.02.08	Electric vehicle charging cable IEC62893-121/ 123	European standard cable certification	33-121560
3	2021.02.08	Electric vehicle charging cable EN50620:2017+A1:2019	European standard cable certification	33-121543
4	2021.02.08	Electric vehicle charging cable IEC62893-1:2017/A1:2020;IEC62893-2:2017;IEC62893-3:2017	European standard cable certification	31-117367

Items	Approval date	Patent name	Patent type	Patent number
5	2021.02.08	Electric vehicle charging cable EN50620:2017+A1:2019	European standard cable certification	31-117366
6	2021.02.08	Electric vehicle charging cable DEKRAK175-1:201/A1:2016/A2:2020	European standard cable certification	31-117353
7	2021.02.20	Electric vehicle charging cable GB/T33594-2017；CQC1122	China standard cable certification	CQC21011287047
8	2021.11.17	Electric vehicle charging cable EN50620:2017+A1:2019	European standard cable certification	6118223.01AOC
9	2022.03.08	Electric vehicle charging cable UL62ANDCSAC22.2NO.49-	American standard cable certification	E516181
10	2022.04.07	Electric vehicle charging cable GB/T33594-2017；CQC1122	China standard cable certification	CQC20011276958
11	2022.04.07	Electric vehicle charging cable GB/T33594-2017；CQC1122	China standard cable certification	CQC22011338059
12	2022.05.30	Electric vehicle charging cable GB/T33594-2017；CQC1122	China standard cable certification	CQC22011341787
13	2022.07.18	Electric vehicle charging cable IEC62893-3:2017	European standard cable certification	31-124651
14	2022.07.18	Electric vehicle charging cable EVC07B_1C3Q_0-F	Dekay standard cable certification	31-124648
15	2022.06.24	PSE cables Japanese Electrical Appliance and Material Safety Law Separate Table 1	Japan standard cable	CJP2021101024-2492
16	2022.11.03	TUV wire certification 62893IEC121&123	European standard cable certification	R50562687
17	2022.11.03	TUV wire certification EVCH05BZ5-F	European standard cable certification	R50562680
18	2022.11.03	TUV wire certification 62893IEC126	European standard cable certification	R50562692
19	2022.10.13	UL energy storage certification UL11627	UL Energy Storage Certification	E529297
20	2023.01.31	International photovoltaic certification 62930IEC131	Photovoltaic cable certification	R50536816
21	2023.01.31	Photovoltaic certification to European standards H1Z2Z2-K2 5~35mm^2	Photovoltaic cable certification	R50568803
22	2023.02.07	In-vehicle high-voltage cable ISO19642-92019	High voltage cable in-vehicle certification	31-127186
23	2023.02.07	In-vehicle high-voltage cable ISO19642-52019	High voltage cable in-vehicle certification	31-127185

(4) Long-term and short-term business development plans

1.Short-term business development plans

(1) In response to the development trend of 3C products, we are developing advanced high-frequency transmission lines to gain a first-mover advantage in the market.

(2) Strictly control inventory and outsourced production efficiency to avoid capital stagnation and reduce production costs.

(3) Continually expand automated production equipment and processes to improve production efficiency and reduce production costs.

(4)Expand into new markets and develop new customers to broaden revenue streams and advance diversified business development.

(5) Actively develop and outsource to external vendors, strengthen management over them, further enhance automated production or seek alternative production solutions in order to reduce production costs.

(6) Manufacture various EV charging connectors, expanding into the electric vehicle, energy storage systems (ESS), and solar power generation sectors, to actively drive business transformation.

2. Long-term business development plans

(1) Accelerate the pace of internationalization, implement an international layout strategy, establish the image of a professional high-end transmission cable manufacturer, and maintain the leading advantage in the connector cable market.

(2) Integrate group enterprise resources, leverage cable expertise and experience, develop electric vehicle partners, and expand the range of applications for electric vehicle-related cables in tandem with the growth of electric vehicles.

(3) Form alliances across different industries and along upstream and downstream industry chains to expand the scale of operations.

(4) Monitor changes in the global investment environment and seek diversified business opportunities.

2. Market and Production/Sales Overview

(1) Market Analysis

1. Main sales regions for the group's products:

Unit: NT$ Thousand

Year Region	2025	
	Sales amount	**Ratio (%)**
Asia	1,613,380	98.44%
Others	25,615	1.56%
Net operating revenue	1,638,995	100.00%

2. Future supply and demand situation and growth potential of the market

(1) The connector industry

The global connector industry has a high degree of concentration, with major suppliers primarily from Japan, the United States, China, and Taiwan. The current top ten global connector market leaders ranked by shipment volume are: TE Connectivity, Amphenol, Molex, Aptiv, Foxconn, Luxshare Precision, Yazaki, Rosenberger, BizLink, and JAE (Japan Aviation Electronics). These ten companies account for more than 50% of the global market share.

The development focus of US connector manufacturers is to expand R&D and production in mainland China, target the automotive market, and continue to expand production scale. The development priorities for Japanese connector manufacturers are to develop new technologies, new applications, and utilize mergers and alliances to strengthen connector solutions. China is the world's largest connector consumer market. Connector manufacturers in China are divided into state-owned and privately-owned enterprises. State-owned enterprises focus on aerospace, military, and industrial-grade products, while private enterprises focus on the consumer electronics, automotive, and communications markets, with a high degree of industry concentration. Furthermore, connector manufacturers in mainland China have entered the largest-scale and highest-value-added smart manufacturing segment. Their technology has gradually reached international standards in emerging fields such as AI, Industry 4.0, aerospace, military industry, the Internet of Things (IoT), the Internet of Vehicles (IoV), electric vehicles, 5G communications, and the metaverse. As Chinese electric vehicle brands expand globally with low-price dumping strategies, the increasing prevalence of automotive electronics is one of the important factors driving connector market growth in the coming years.

Taiwan's connector industry customers are mostly concentrated in the computer and communications sectors. In recent years, as downstream application market demands have shifted, Taiwan's connector manufacturers have also been developing new application product lines. In addition to expanding beyond the 3C sector, the Company is also investing in connectors for IoT and wearable device applications, including servers, high-power/high-frequency I/O connectors, automated warehouse robot wire harnesses, and RF connectors, seeking to capture new growth opportunities in an increasingly competitive market. For future new market demands in connectors, the key focus areas for connector technology development will be 'high-frequency transmission' and 'miniaturization,' with higher reliability, stronger wireless performance, and a certain degree of intelligence, accompanied by high-frequency, high-speed, and wireless transmission capabilities, greater precision, lower cost, and greater automation.

(2) Electric Vehicle Industry

According to Rho Motion data, global electric vehicle sales reached 18.5 million units in the first 11 months of 2025, a year-on-year increase of 21%. Among these, electric vehicle sales in China reached 11.6 million units, accounting for 62% of the global total. Manufacturers such as BYD have not only consolidated their position in the Chinese market but have also achieved successive record highs in overseas exports year after year, with significant growth in the European, Southeast Asian, and South American markets. Among these, the European market demonstrated resilience despite the slowdown in government subsidy policies, with sales reaching 3.8 million units, a year-on-year increase of 33%. Small pure electric vehicles and Chinese-manufactured plug-in hybrid vehicles became the highlights of growth. North America became the only major market to experience a decline, with sales dropping slightly by 1% to 1.7 million units. The primary reason was that the U.S. Big Beautiful Act terminated the electric vehicle tax credit policy on September 30, 2025, leading consumers to concentrate their purchases before the policy deadline, after which the market rapidly cooled. Canada also suspended its Zero-Emission Vehicle incentive program and the 2026 electric vehicle sales quota standards.

Starting January 1, 2026, China implemented license management for complete vehicle exports. This policy will reshape global supply chains and the competitive landscape, as Chinese electric vehicle enterprises are transitioning from 'capacity export' to 'technology + brand' export. In addition, starting in 2026, China will reinstate the 5% vehicle purchase tax. Combined with the release of the '15th Five-Year Plan,' the policy direction has shifted toward pragmatism, and the market will no longer grow at the high speed seen in the previous two years. It is estimated that China's market year-on-year growth rate will fall from 23% in 2025 to 14.4% in 2026, and its share of the global market will also slightly decline to 67.5%, reaching 16.3 million units.

Although some European countries have reduced subsidies, countries such as France have introduced new incentive measures for low-income households. Stricter Euro 7 emission standards will take effect at the end of November 2026, which will continue to drive the electrification process at the regulatory level. At the same time, policy uncertainty in the North American market may prompt European automakers to further solidify their electrification strategies in order to gain a competitive advantage.

The North American market is undergoing a transition. According to North American consumer surveys, interest in pure electric vehicles has declined significantly, while demand for hybrid vehicles (particularly plug-in hybrids) is rising, as they can alleviate range anxiety and are not constrained by charging infrastructure limitations. Gartner predicts that plug-in hybrid vehicle sales in North America will grow by 32% in 2026. Hybrid vehicles are currently the best bridge connecting traditional fuel-powered cars and pure electric vehicles.

The electric vehicle market in 2026 will be a complex, multi-tiered competition. The Chinese market will continue to define scale and cost, the European market is seeking a balance between policy and reality, while the North American market may carve out a distinctive path using hybrid vehicles as a transitional solution. Industry reshuffling and consolidation will accelerate amid divergence, and companies with global deployment capabilities and flexible technology roadmaps will be more likely to prevail.

3. Competitive Niche:

(1) Building a vertically integrated production process

In order to reduce production costs and enhance competitiveness, the Company's primary raw materials — copper wire, wire rods, and various precision stamping dies — are self-manufactured and mass-produced at the Hubei Factory in mainland China, ensuring control over the quality and process efficiency of key materials and component products.

(2) Stable customer relationships

For a long time, our company has maintained a solid relationship with our customers. Not only do we satisfy their diverse product needs, but we also cooperate with them to establish production bases for their overseas factories. Additionally, we constantly monitor their dynamics to ensure the smooth mass production of new models, thereby maintaining a stable cooperative relationship with our customers.

(3) Stable product quality

Our company has always gained long-term trust from customers. Our company and 100% invested subsidiaries have obtained ISO9001, ISO14001, ISO18000, QC080000, OHSAS 18001 and TS16949 certifications for the automotive industry, which are sufficient to provide customers with stable product quality.

(4) Diversified product specifications

In response to market trends and demands, our company's products have also developed accordingly, offering a diverse and comprehensive range of products. We possess advanced product development capabilities to meet the application needs of various 3C products.

(5) Actively promote corporate transformation, and venture into the electric vehicle and storage energy of new energy industries:

Our company has applied cable professional technology and experience to complete the development and shipment of electric vehicle charging guns, thus entering the electric vehicle market. In the future, along with the development of the electric vehicle and energy storage industries, we will integrate electric vehicle-related charging and energy storage equipment, as well as peripheral products for solar power plants, to develop an integrated system product that combines solar power plants (light), energy storage cabinets (storage), and charging piles (charging).

4. Favorable and unfavorable factors and corresponding strategies for future development

(1) Favorable factors

1. Mastering autonomy over raw materials

Our company has completed the vertical integration of the production line, capable of self-producing everything from copper cables, cables to components. We can provide raw materials for production without being limited by external suppliers, thus having autonomy over raw materials.

2. The main customers are well-known manufacturers, with good customer relationships.

The Company's major customers are internationally renowned large manufacturers that hold significant positions in the global market. With a clear trend toward market consolidation, the stable foundation of serving major international manufacturers as primary customers enables steady revenue and market share.

3. Actively promote corporate transformation, and venture into the electric vehicle industries

The electric vehicle charging gun developed by the Company has entered mass production and shipment. In line with the growth of electric vehicles, the Company will expand the application scope of related charging equipment and cable assemblies for electric vehicles, energy storage cabinets, and solar power plants, while integrating EV-related charging and energy storage equipment as well as peripheral products for solar power plants, to develop an integrated system product combining solar generation (solar power plant), storage (energy storage cabinet), and charging (charging pile).

(2) Unfavorable factors and countermeasures

1. Product price competition is intense, gross profit margins are declining

With the mature development of networking products and consumer electronics, competition among peers has become increasingly fierce, product price pressure has intensified, and profitability has declined.

Countermeasures:

The Company continues to invest in the research and development of new products to improve product quality, provide integrated and high-value-added products to enhance competitiveness, and continuously promote automated production to improve production efficiency and reduce unit production costs. Furthermore, we actively develop new customer sources to expand our revenue streams and increase profitability. In recent years, the Company has actively transformed and moved toward the green energy industry. In addition to successfully developing charging guns for electric vehicles, the Company will expand the application scope of related charging equipment and cable assemblies for electric vehicles, energy storage cabinets, and solar power plants.

2. The main raw material prices fluctuate greatly

Affected by global economic changes, raw material prices have fluctuated dramatically, and the prices of copper products, which are precious metals, have also fluctuated significantly.

Countermeasures:

The Company adopts a prudent strategy for copper procurement. The quantity of copper rod purchases is based on in-plant demand, and the purchase unit price is settled using a monthly average price based on the daily LME London international copper price or the daily SHFE Shanghai copper price in China. No futures price operations are conducted in order to avoid the risk of price fluctuations.

3. The labor costs in mainland China continue to rise

As the minimum guaranteed wage under labor contracts in China increases year by year, it is expected that China will continue to accelerate annual increases in the minimum wage and various social insurance minimums, narrowing the gap in labor costs.

Countermeasures:

To mitigate the impact of rising labor costs at its China subsidiaries on product costs, the Company is recruiting specialized talent, advancing manufacturing process automation, and investing in automated production equipment to reduce manpower requirements. The Company is also strengthening contract manufacturing and supply chain management, and expanding production capacity to meet customer order requirements. In addition, the Company has established Hotron Vietnam Factory in the Dong Van Industrial Zone, Ninh Binh Province, Vietnam, in response to customers' needs for diversified production locations, free from the impact of any single country's policies, and to supply customers' production and sales systems in a timely manner.

(2) Major application and manufacturing processes of main products

(1)Major applications of main products

(1) Cable product

Main product	Major Applications
1. Raw Cable	Applicable to computer peripherals such as monitors, printers, CD-ROM drives, and more, as well as computer systems and communication network systems as an electronic signal
2. Connector	Computer, communication system, home appliances, office equipment, etc., various connectors between systems.
3. Cable Assembly	The connecting cable with attached connectors is suitable fo signal transmission in consumer electronics, system products, and automotive applications.
4. Copper Rods	Raw materials for the production of electrical cables and cables.

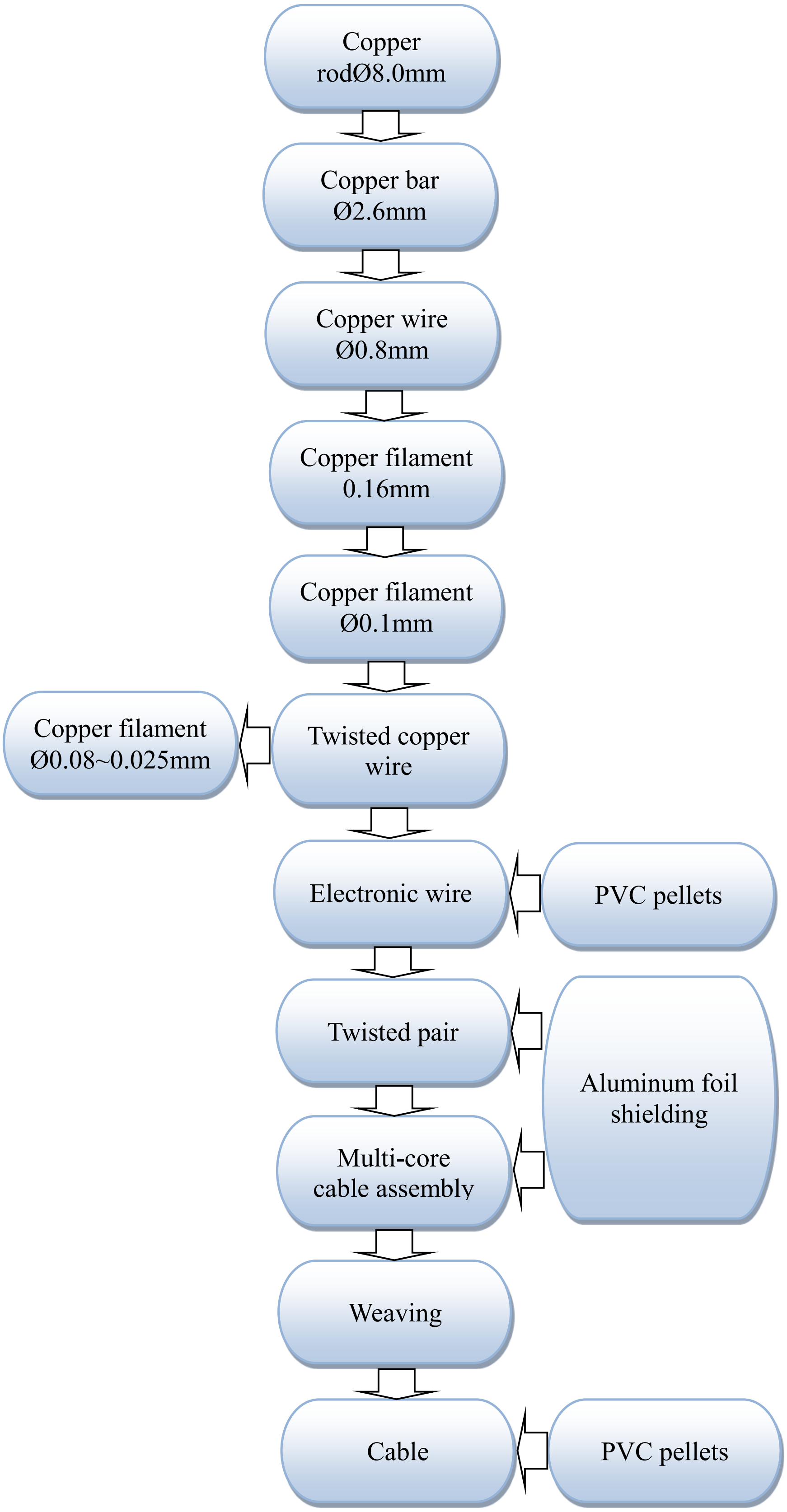
(2) Charging gun products

Main product	Major Applications
1. EV Charging Cable	Applicable to DC charging or AC charging for electric vehicles.
2. Connector	The electric vehicle charging cable and connectors between the vehicle and the power source.
3. Cable Assembly	The connecting cable with attached connector terminal is suitable for use in power transmission for electric vehicles.
4. Copper Rods	Raw materials for the production of electrical cables and cables.

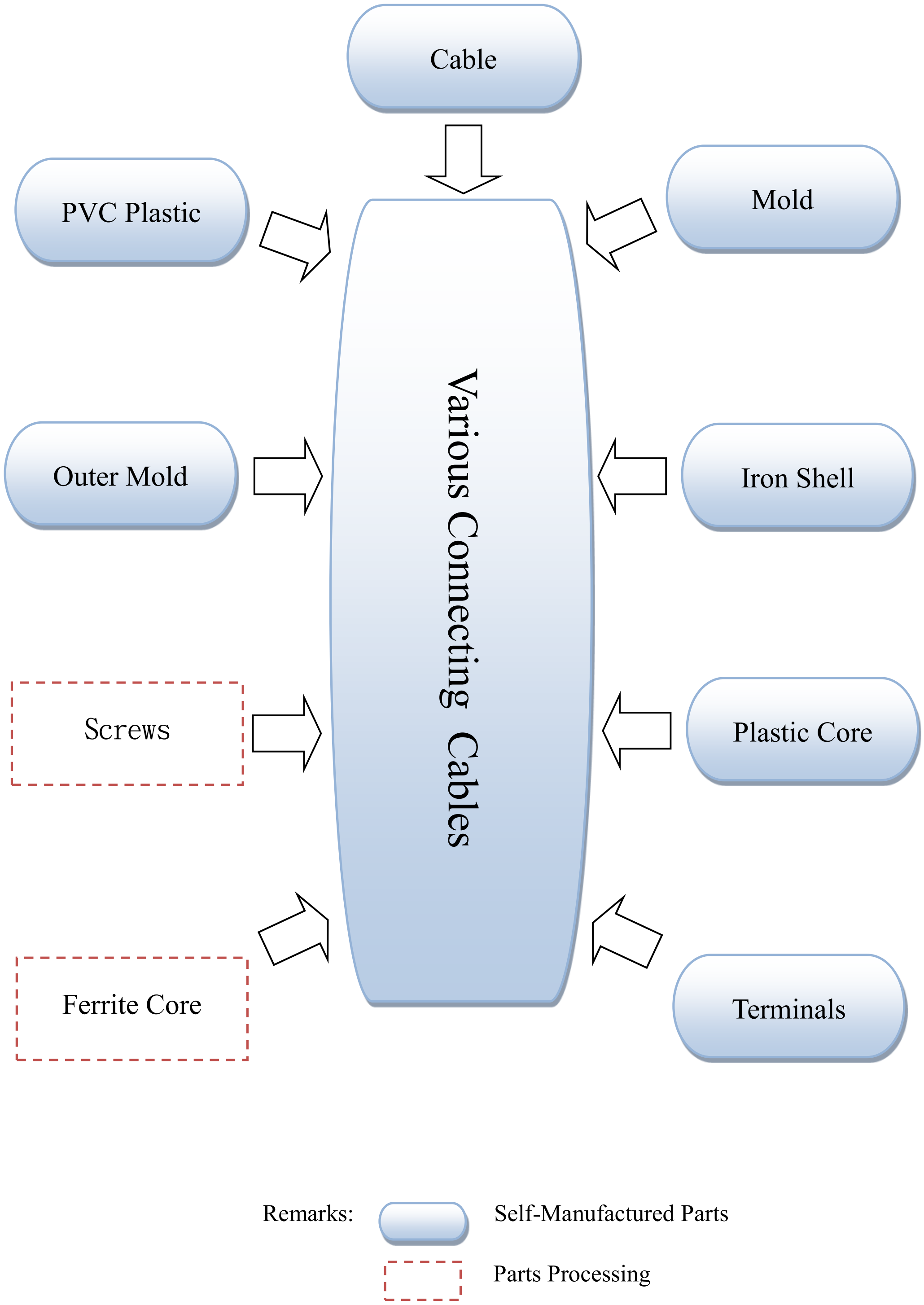
(2)Manufacturing processes of main products:

(1) Cable product

A. Drawing copper cable and copper strands process

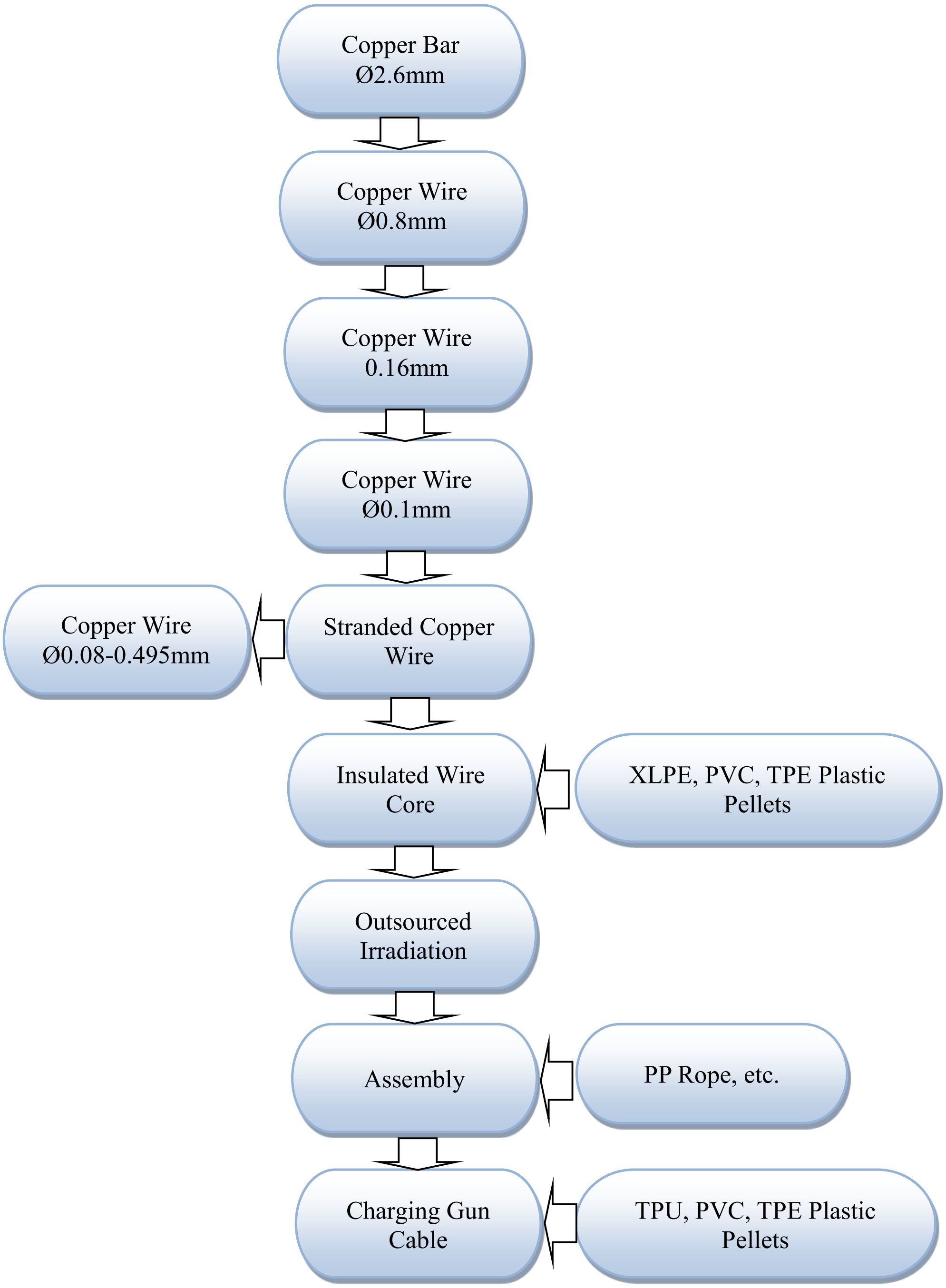


B. Signal Connecting Cable Production Process

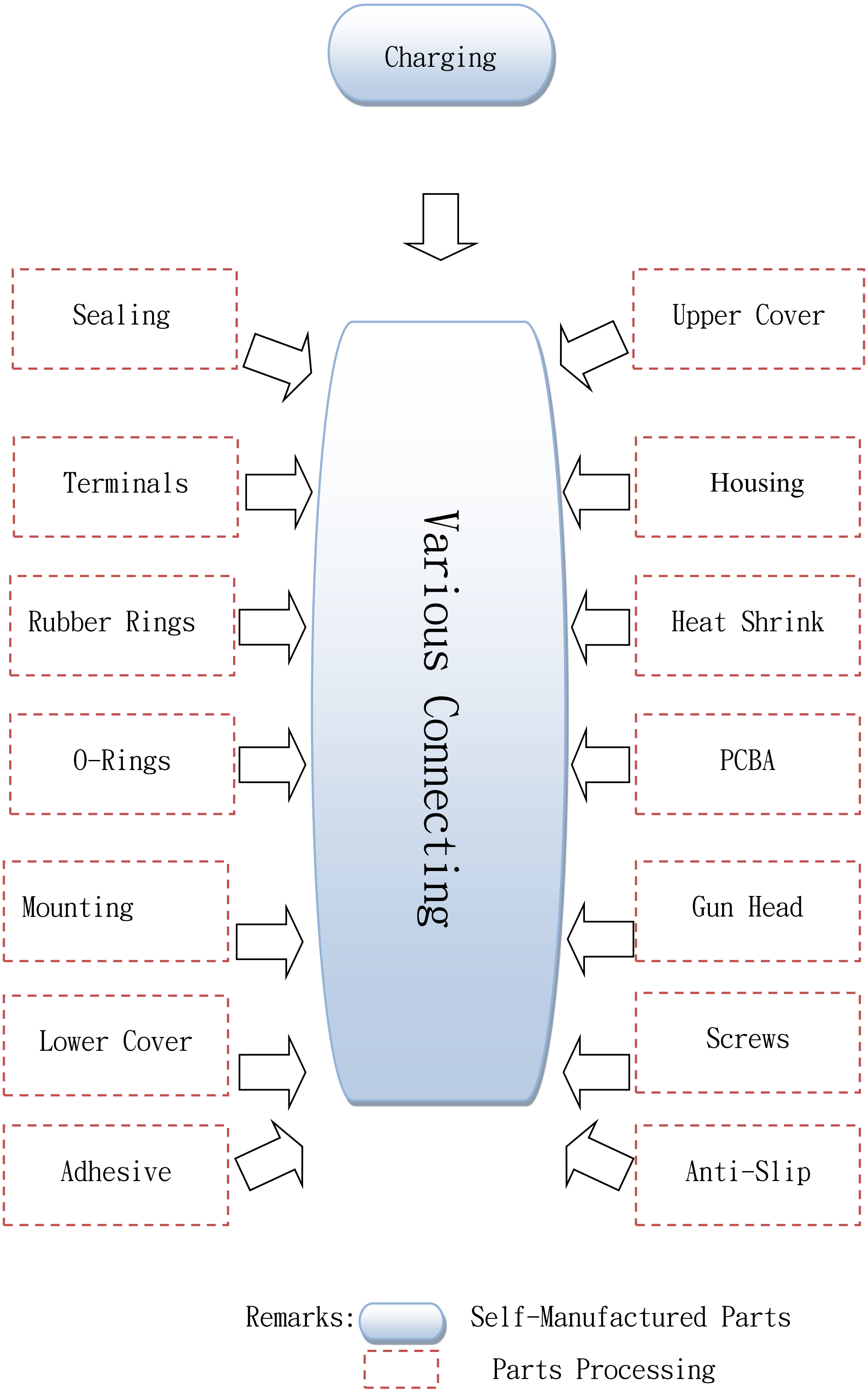


(2) Charging gun products

A. Charging Gun Cable Production Process



B. Charging Gun Production Process



(3) Supply status of major raw materials

Main raw materials	Supply source	Current supply status
Copper bar	SX company	Good
PVC powder	HS Company, OC Company, MY Company	Good
Aluminium magnesium ribbon	GL Company, XY Company, LT Company	Good
Copper-clad steel	BC company, YZSH company	Good
Connector	JQ Company, YFS Company, RF Company, LT Company, QFW Company, CL Company, XEC company, SH company	Good

(4) List of major sales and purchase customers for the most recent two fiscal years

1. Information on major suppliers for the past two years:

Unit: NT$ Thousand

Items	2024				2025				As of first quarter, 2026			
	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the issuer	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the issuer	Name	Amount	Proportion of net annual purchases to previous quarter [%]	Relationship with the issuer
1	SX company	213,772	23%	None	SX company	201,849	20%	None	SX company	66,673	23%	None
2	RJ company	77,824	8%	None	RJ company	67,537	7%	None	XEC company	18,693	6%	None
3	XEC company	69,060	8%	None	XEC company	65,595	7%	None	RJ company	16,765	6%	None
4	Others	571,224	61%	None	Others	661,030	66%	None	Others	188,659	65%	None
	Net Purchases	931,880	100%	-	Net Purchases	996,011	100%	-	Net Purchases	291,752	100%	-

In 2024 and 2025, copper rod and connector raw materials were primarily procured from SX, RJ, and XEC. The primary raw materials purchased remained largely consistent across both years.

2. Information on major Suppliers for the Past Two Years: Unit: NT$ Thousand

Items	2024				2025				As of first quarter, 2026			
	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the issuer	Name	Amount	Proportion of net Annual Sales to Previous Quarter (%)	Relationship with the issuer
1	Company A	599,652	31%	None	Company A	443,768	27%	None	Company B	108,726	26%	None
2	Company B	566,866	29%	None	Company B	358,399	22%	None	Company A	70,724	17%	None
3	Company E	191,743	10%	None	Company F	198,686	12%	None	Company E	56,419	14%	None
4	Company C	155,950	8%	None	Company E	133,462	8%	None	Company F	37,229	9%	None
5	Company F	102,158	5%	None	Company G	85,580	5%	None	Company G	31,263	8%	None
	Others	317,300	17%	None	Others	419,100	26%	None	Others	106,986	26%	None
	Net sales	1,933,669	100%	-	Net sales	1,638,995	100%	-	Net sales	411,347	100%	-

From the ranking of major sales customers in the recent two years, it is known that the company's main sales customers are mainly the world's top ten major LCD display OEMs. The customers have not changed much in the past two years. The company will continue to introduce new customers, maintain and actively expand its performance, and gradually increase its capacity and output according to plan to diversify customer concentration and reduce the risk of excessive sales concentration. The others are customers with a sales ratio of less than 10%.

3. Employee Information

The information of employees incurred in the most recent two fiscal year and up to the printing date of the annual report:

Items / Year		2024	2025	As of March 31, 2026
Number of employees	Managerial officer:	9	8	8
	General staff	70	76	68
	Total	79	84	76
Average age		44	43	42.8
Average years of service		4.12	3.8	4.2
Education distribution percentage (%)	PhD	0%	0%	0%
	Master	21.52%	20.24%	21.05%
	Bachelor	70.89%	75.00%	75.00%
	High School	6.33%	4.76%	3.95%
	Below high school	1.26%	0%	0%
	Total	100%	100%	100%

Note: Disclose only Taiwanese employees of the Taipei headquarters and affiliated companies.

4.Environmental Protection Expenditure Information:

For the most recent fiscal year and up to the date of printing of the annual report, disclose the amount of losses incurred due to environmental pollution, as well as the estimated amount that may occur currently and in the future, along with the corresponding countermeasures. If it is not reasonably possible to estimate, state the fact that reasonable estimation is not possible.

(一) Our group headquarters is located in Neihu District, Taipei City, which is not an ecological conservation area or habitat. We do not have any factories, and hence do not have any impact on the natural ecological environment or violate any environmental protection laws or air pollution regulations.

(二) Due to the nature of our operations, our company does not require a significant amount of electricity and water consumption. The main consumption in our operations is for general domestic wastewater discharge and waste disposal. Therefore, there is no significant environmental protection expenditure.

(三) We are committed to improving the efficiency of resource utilization, including paper recycling, energy conservation and carbon reduction, air conditioning restrictions, turning off lights when not in use, and minimizing the environmental impact, ensuring the sustainable use of the Earth's resources. In line with the government's energy conservation and carbon reduction policies, the company aims to save electricity and reduce waste, contributing its part to environmental protection.

(四) Our company has implemented the following measures in the office:

1. Set air conditioning temperature to 27-28°C.
2. Set air conditioning temperature to 27-28°C. Prohibit smoking in all office and building spaces to reduce air pollution.

3. Turn off lights when not in use, and all office lights are turned off during the noon break.

4. Encourage employees to bring their own utensils for lunch to reduce the use of disposable tableware.

5. After work, designated employees check if any lights or computers are left on. Unplug all electrical appliances except refrigerators in the pantry.

6. In addition to implementing garbage sorting in all workplaces, the company also encourages employees to use eco-friendly cups, chopsticks, and bags, and avoids providing paper cups during meetings to reduce waste generation.

7. Promote double-sided printing to reduce paper consumption and encourage reusing internal envelopes, actively promoting office environmental measures to reduce resource waste.

8. Promote garbage bin reduction to decrease the amount of waste.

(5) Our factory is located in Suzhou High-Tech Industrial Development Zone, Jiangsu Province, Mainland China, which is a high-tech park area. Based on social responsibility and in response to global environmental protection policies, our products completed the RoHS certification required by the European Union in 2004-2005. We have also obtained certifications related to environmentally friendly production, such as ISO 14001, QC 080000. In addition, we have obtained certifications related to production management, such as ISO 9001, ISO 45001, and TS 16949. Adhering to the systematic certification standards of "no harmful substances," we develop environmentally friendly halogen-free products as a commitment to environmental protection. In terms of production, we comply with local laws and regulations. Our product manufacturing processes are not a polluting industry, and there have been no major violations.

(6) In the most recent year and up to the date of publication of the annual report, the Group's operational headquarters located in Neihu District, Taipei City has not been penalized by the environmental protection authorities for environmental pollution, nor has there been any pollution disputes.

5. Labor Relations

(1) List the company's various employee welfare measures, training, retirement systems, and their implementation status, as well as the agreements between labor and management, and the measures taken to protect employee rights and interests:

1. Employee welfare measures, continuing education and training:

(1) In accordance with relevant laws and regulations, the company has organized an employee welfare committee, allocated employee welfare funds, to plan, supervise and handle employee welfare matters, and promote the custody, disbursement and related employee welfare activities of employee welfare funds.

(2) Labor Insurance and National Health Insurance:

The employees participate in labor insurance and national health insurance in accordance with the law.

(3) Group Medical Insurance: Our company provides group accident insurance for employees and business travel insurance applicable to staff deployed outside the company.

(4) Regular health checkups:

Our company regularly arranges physical health check-ups for employees.

(5) Employees' remuneration and year-end bonuses:
The company takes into consideration the operating conditions and individual work performance evaluations of employees for the year, and distributes employees' remuneration and year-end bonuses accordingly.

(6) Year-end party

(7) Allowances for marriage, funerals, congratulatory events, and condolence payments.

(8) Birthday bonus

(9) Holiday bonuses: Dragon Boat Festival and Mid-Autumn Festival employee bonuses.

(10)Employee travel allowance.

(11) Education and Training:

Employees can apply for external education and training courses due to work requirements. Each department will arrange appropriate internal education and training courses as needed for employees' on-the-job training. Appropriate internal training courses are also provided for new employees to provide them with comprehensive professional skills and self-growth development.

The implementation of various training programs provided to employees by our company in 2024 is as follows:

Items	Training and course programs	Number of classes	Number of trainees	Course hours	Training expenses (NTD)
A	New employee training	39	39	78	-
B	Professional skills training	4	4	32	3,200
C	Management skills training	3	3	42	33,400
D	Others training	1	10	6	58,500

Note: A.Provide new employees with pre-job training, safety and health education training, and general education training.

B. Professional skills training: It refers to the company's internal training provided to colleagues in various units for system operations in sales, manufacturing, finance, etc., as well as external professional training courses attended.

C. Management skill training: It is according to the regulations of the competent authority that only unit supervisors attending external events (financial and accounting supervisors, audit supervisors, corporate governance supervisors) can receive training.

D. Other training: Notice of explanation meeting for matters to note on insider equity reporting and continuing education courses for directors and supervisors.

2. Retirement system and its implementation status:

In accordance with the Labor Standards Act, the Company has defined benefit pension plans covering all regular employees' service years prior to July 1, 2005, the effective date of the Labor Pension Act, and service years after the Act took effect for employees who chose to continue applying the Labor Standards Act. For employees who meet the retirement criteria, the pension payment is calculated based on service years and the average salary for the six months prior to retirement. For service years up to 15 years, two base units are given for each year of service; for service years beyond 15 years, one base unit is given for each year of service, with a maximum of 45 base units. The Company contributes 2% of total salaries to a pension fund on a monthly basis, which is deposited in a designated account at the Bank of Taiwan under the supervision of the Pension Fund Monitoring Committee. In compliance with the new labor pension system implemented on July 1, 2005, employees can choose the appropriate system based on their entitlement. If employees are eligible for retirement benefits under the old system, they can continue to choose the old system without affecting the amount of their retirement benefits. If employees choose the new system, an amount equal to 6% of their monthly salaries is contributed to their individual retirement accounts at the Bureau of Labor Insurance. Number of retirement applicants in the past three years (2023-2025): 0.

3. Situation regarding agreements between labor and management and measures to safeguard employee rights and benefits:

We has always placed great emphasis on labor-management relations, and convenes labor-management meetings every quarter to establish smooth internal communication channels. This allows employees' ideas and opinions to be immediately responded to and addressed. As a result, various policies have been formulated that take employee interests into consideration, ensuring that the rights and interests of employees are protected.

4. Measures to protect the work environment and personal safety of employees:

Items	Content
Maintenance and inspection of various equipment	1. According to fire regulations, an external fire inspection of the building is conducted annually. 2. Cooperate with a building public safety inspection company to conduct fire safety inspections to ensure a safe working environment. 3. Our company conducts monthly maintenance and inspections on various equipment such as high and low voltage electrical equipment, elevators, water and electricity, air conditioning, and fire extinguishers.
Access control security	1. Appoint a security company for building security management. 2. Conduct an annual fire safety training seminar for the building. Purchase public liability insurance for the building to protect the safety of employees and visitors entering and exiting the building.
The building is closely monitored by security personnel around the clock.	1. The company has established a labor safety management unit and formulated the "Safety and Health Work Rules.", it clearly specifies the response and task content for relevant major contingencies. 2. Fire and disaster prevention for the building lecture every year.
Physiological hygiene	1. Health Examination: New employees undergo physical health check. Current employees undergo health check annually or every three years in accordance with the Occupational Safety and Health Act. 2. Workplace Sanitation: Smoking is completely prohibited in the business premises according to regulations. A cleaning company is appointed to clean the building daily with fixed cleaning staff. Every Friday is designated as office environment cleaning day, where employees tidy up their own workstations. Additionally, the office is disinfected annually by an outsourced company.
Mental health	1. Expression of opinions: Quarterly labor-management meetings are held quarterly to provide employees with channels for expressing opinions, emotional release, and interaction. 2. Prevention of Sexual Harassment: Relevant regulations have been □ established and a complaint channel has been set up.
Insurance and medical condolences	In accordance with the law, labor insurance (including occupational hazard insurance) and health insurance will be provided. In addition, an insurance company will be contacted for the following: 1. The company will provide employees with an accidental injury insurance policy with a coverage of NT$2 million. For employees who suffer injuries or death due to work-

Items	Content
	related incidents, the insurance claims will be used to assist the employees or their heirs. 2. The company will provide overseas employees with an overseas travel insurance policy with a coverage of NT$5 million, protecting employees' travel safety and providing medical coverage when they travel abroad on business trips.

(2) For the most recent fiscal year and up to the date of printing of the annual report, disclose the amount of losses incurred due to labor-management disputes, as well as the estimated amount that may occur currently and in the future, along with the corresponding countermeasures:

The company has maintained harmonious labor relations. In the most recent fiscal year and up until the date of printing this annual report, there have been no labor disputes or losses, and it is expected that no labor disputes or losses will occur in the future.

6. Information Security Management

(1) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management.

The company's information security policy

1. Purposes of information security risk management:

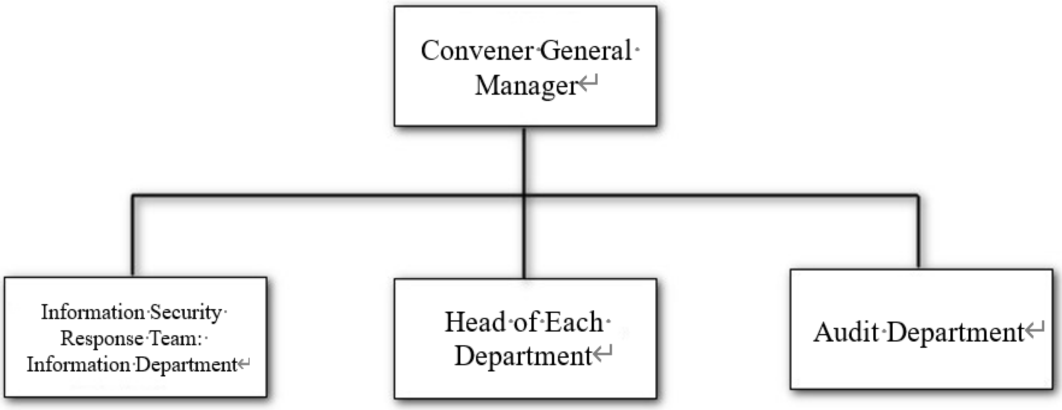
Strengthen information security management, ensure the confidentiality, integrity, and availability of information, information equipment (including computer hardware,software, peripherals) and the reliability of network systems, as well as colleagues' awareness of information security, and ensure that the above resources are protected from any interference, damage, intrusion, or any adverse actions and attempts.

2. Information security risk management organization:

The "Information Security Promotion Team" coordinates, plans, audits and promotes matters related to information security management and establishes a cross-unit information security promotion organization. If there are major changes in the organization (such as organizational adjustments, significant operational changes, etc.), the applicability of this policy will be re-evaluated. This policy will be appropriately revised in accordance with the assessment results, relevant laws and regulations, technological and business developments, and the latest situation to ensure that it meets actual needs.

3. Information Security Promotion Team:

The members of the organization include the highest supervisors from each unit, with the President serving as the convener of this organization. In the event of job transfers, replacements should be immediately assigned and handover procedures should be carried out.



4. Responsibilities on Information Security Implementation:

The highest information department executive appoints information department personnel to serve in the information security response team, responsible for researching, establishing and evaluating information security guidelines, plans and technical specifications, as well as carrying out various information security operations, including information security prevention and incident handling. The audit department is responsible for maintaining information confidentiality and security audits.

5. Information security protection and control measures:

According to the Cybersecurity Framework (CSF) of the National Institute of Standards and Technology (NIST) in the United States, the steps of "Recognition", "Defense", "Detection", "Contingency", "Recovery", and "Training" are taken to safeguard enterprise cybersecurity.

Step 1: Recognition

Understand the organizational environment and key resources and services, conduct risk assessments, and implement risk management strategies that align with daily operations.

Step 2: Defense:

Plan and implement defensive measures to ensure that critical resources and services are not affected by security incidents.

Step 3: Detection:

Establish a mechanism for real-time detection of network security incidents and alerts, and regularly update systems and antivirus software virus codes.

Step 4: Contingency :

Smooth internal and external communication channels to handle cybersecurity incident response, including investigation, forensics, and proposing improvement solutions.

Step 5: Recovery:

Establishing a data backup plan can restore normal operations in the shortest possible time.

Step 6: Training:

Information Security, Everyone's Responsibility" - Continue to strengthen employees' awareness of information security.

Information Security Implementation Plan:

1. Personnel Management and Information Security Education Training:

1. For information-related positions and tasks, security assessments should be conducted, and the suitability of personnel should be carefully evaluated during recruitment, job assignment, and task assignment, and necessary examinations should be carried out.
2. Conduct information security awareness campaigns tailored to the needs of different job categories such as management, business, and information, to establish employee information security awareness and enhance information security levels.

2. Computer System Security Management:

1. For outsourced information operations, information security requirements should be studied in advance, and the information security responsibilities and confidentiality requirements of the contractor should be clearly stated and included in the contract, requiring the contractor to comply.
2. Reproduce and use software in accordance with relevant laws and regulations or contractual provisions, and establish a software usage management system.
3. Implement necessary preventive and protective measures in advance, detect and prevent computer viruses and other malicious software to ensure normal system operation.

3. Network Security Management:

1. For information systems open to external connections, different security levels of technology or measures such as data encryption, identity authentication, electronic signatures, firewalls, and security vulnerability detection should be adopted according to the importance and value of the data and systems, to prevent data and systems from being intruded, damaged, altered, deleted, and accessed without authorization.

2. For network nodes connected to external networks, data transmission and resource access between the external and internal networks should be controlled by firewalls and other necessary security facilities. The firewall settings and work log files should be regularly checked and reviewed by appropriate supervisors.
3. When publishing and disseminating information on the Internet and the World Wide Web, data security level assessments should be implemented. Confidential, sensitive, and personal privacy data and documents without the consent of the parties involved should not be published online.
4. Update virus detection software versions regularly, automatically scan for viruses regularly, and train all personnel in the use of virus detection software to prevent external viruses.
5. Establish regulations for the use of email, and confidential data and documents should not be transmitted via email or other electronic means.
6. Disable unnecessary network services. Any network service needs to be applied for and activated by IT personnel after approval by the person in charge.

4. System Access Control:

1. Establish system access policies and authorization regulations, and inform employees and users of their relevant rights and responsibilities in writing, electronically or by other means.
2. For departing (retiring) employees, all access rights to information resources should be immediately revoked, and this should be included as a necessary procedure for departure (retirement). For personnel job adjustments and transfers, access rights should be adjusted within a limited period in accordance with the system access authorization regulations.
3. Establish a system user registration management system, strengthen user password management, and the user password update cycle should be no longer than three months in principle.
4. For system service providers who remotely log in to perform system maintenance, security control should be strengthened, a personnel roster should be established, and relevant security and confidentiality responsibilities should be imposed.
5. Establish an information security audit system and conduct regular or irregular information security audits.

5. System Development and Maintenance Security Management:

1. For in-house developed or outsourced system development, information security requirements should be taken into consideration from the initial stage of the system life cycle; the maintenance, updates, rollouts, and version changes of the system should be subject to security control to avoid threats to system security such as improper software, backdoors, and computer viruses.
2. For the system setup and maintenance personnel of vendors' software and hardware systems, the systems and data they can access should be regulated and limited, and long-term system IDs and passwords should be strictly prohibited. If necessary for

actual operational needs, short-term and temporary system IDs and passwords may be issued for vendor use, but their access rights should be revoked immediately after use.

3. When outsourcing the setup and maintenance of important software and hardware facilities to vendors, it should only be carried out under the supervision and accompaniment of relevant personnel of the company.

6. Information Asset Security Management:

1. Establish a catalog of information assets related to information systems, and define the items, owners, and security level classifications of information assets.
2. Establish information security protection measures corresponding to relevant laws and regulations such as company confidentiality protection, computer processing of personal data protection, and company information disclosure.

7. Physical and Environmental Security Management:

Establish physical and environmental security management measures for equipment placement, surrounding environment, and personnel access control.

8. Business Continuity Planning and Management:

1. Establish business continuity plans, evaluate the impact of various man-made and natural disasters on business operations, establish emergency response and recovery procedures and the responsibilities of relevant personnel, and conduct regular drills and plan updates.
2. Establish an information security incident emergency response mechanism. In the event of an information security incident, the information unit or personnel should be notified immediately in accordance with the prescribed handling procedures, countermeasures should be taken, and law enforcement agencies should be contacted for assistance in investigation.

Major information security management measures implemented in 2025 :

Items	Contents of the plan
Firewall protection control	The firewall connection rules are set up, and by default, only basic internet access, email sending and receiving, and other connections are allowed. If there are special connection requirements, approval from the department supervisor and the highest authority of the IT department must be obtained before opening. The firewall network connection status is monitored at all times.
Information Room Security Management	The server room has a locked door, and a key is required to enter and exit. Entry is not allowed without permission. The server room has an Uninterruptible Power Supply (UPS) system, so in case of an abnormal power outage, the power supply will not be interrupted. The building's generator will start up, allowing normal operation, and IT personnel will have time to take subsequent measures. The server room inspection record logs the temperature and humidity of the server room, as well as the status of servers and network equipment.
Antivirus Software Management	The company has installed an enterprise endpoint antivirus software server for centralized monitoring and management. All users' computers must install enterprise endpoint antivirus software and update the virus codes regularly to reduce the risk of infection.
Email Security Management	The email server has proactive email threat scanning protection, preventing unsafe attachment files, phishing emails, spam emails, and emails with malicious link content before users receive the emails. After receiving emails, the antivirus software on personal computers will also scan for unsafe attachment files. The email server retains backup data for all incoming and outgoing emails.
Data Backup Mechanism Control	The information system programs and databases are set up for daily full backups, and then a copy is backed up to the NAS backup server. Files from various departments of the company are stored on the file server, and the IT department centrally backs them up to the NAS backup server for storage. Every week, the backup data is transferred to a portable hard drive for offsite backup storage by the management department personnel. Important related documents are version and permission controlled by the document management system, and offsite backups of the hosts and data are performed at different sites.

(2) State the losses, potential impacts and response measures due to major cybersecurity incidents in the most recent fiscal year and up to the date of printing the annual report. If a reasonable estimate cannot be made, explain the fact that a reasonable estimate is not possible.

The Company actively strengthens network firewalls and network controls, as well as prevents the spread of computer viruses across machines and plants. Measures related to malicious software protection are being studied, and it is proposed to allocate an appropriate budget to enhance information technology security, but there is still no guarantee that the company will be free from malicious software attacks. In the most recent year and as of the date of printing of the annual report, there have been no significant losses incurred due to major information and communication security incidents.

7. Important Contracts

Nature of the Contract	Parties	Beginning and End Dates of Contract	Main content	Restrictive Clauses
Endorsement guarantee	Taishin International Bank	2025.07.31~2026.07.31	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Vietnam) Co., Ltd. from Taishin International Bank	None
Endorsement guarantee	CTBC Bank	2025.04.30~2026.04.30	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Vietnam) Co., Ltd. from CTBC Bank	None
Endorsement guarantee	Taipei Fubon Commercial Bank	2025.11.10~2026.10.16	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Vietnam) Co., Ltd. from Taipei Fubon Commercial Bank	None
Endorsement guarantee	Mega International Commercial Bank	2025.11.04~2026.11.03	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Vietnam) Co., Ltd. from Mega International Commercial Bank	None
Endorsement guarantee	Taipei Fubon Commercial Bank	2025.03.07~2045.03.07	Repayment guarantee commitment for the borrowings of SmartGreen Solution Co., LTD. from Taipei Fubon Commercial Bank	None
Endorsement guarantee	Taishin International Bank	2025.12.31~2028.12.31	Repayment guarantee commitment for the borrowings of SmartGreen Solution Co., LTD. from Taishin International Bank	None
Endorsement guarantee	Chang Hwa Commercial Bank Kunshan Huaqiao Sub-branch	2025.10.30~2027.10.31	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Hubei) Co., Ltd. from Chang Hwa Commercial Bank	None
Endorsement guarantee	Fubon Bank (China) Wuhan Branch	2024.10.10~2028.04.30	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Hubei) Co., Ltd. from Fubon Bank (China)	None
Endorsement guarantee	First Commercial Bank Chengdu Branch	2026.02.06~2027.02.06	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Hubei) Co., Ltd. from First Commercial Bank	None
Endorsement guarantee	Hua Nan Commercial Bank Shenzhen Branch	2025.12.11~2026.12.11	Repayment guarantee commitment for the borrowings of Hotron Precision Electronic Industrial (Hubei) Co., Ltd. from Hua Nan Commercial Bank	None
Loan Agreement	Bank of China	2024.11.18~2028.12.31	Comprehensive credit facility for the operations of Hotron Precision Electronic Industrial (Hubei) Co., Ltd.	None
Loan Agreement	Hankou Bank	2025.06.12~2026.06.12	Comprehensive credit facility for the operations of Hotron Precision Electronic Industrial (Hubei) Co., Ltd.	None
Loan Agreement	China Construction Bank	2025.10.22~2026.10.21	Comprehensive credit facility for the operations of Hotron Precision Electronic Industrial (Hubei) Co., Ltd.	None
Loan Agreement	Mega International Commercial Bank	2025.11.04~2026.11.03	Comprehensive credit facility for the operations of Hotlink Company Limited	None
Loan Agreement	CTBC Bank	2025.04.30~2026.04.30	Comprehensive credit facility for the operations of Hotlink Company Limited	None
Loan Agreement	Hua Nan Commercial Bank	2025.10.11~2026.10.11	Comprehensive credit facility for the operations of the Company	None
Loan Agreement	Mega International Commercial	2025.11.04~2026.11.03	Comprehensive credit facility for the operations of the Company	None

Nature of the Contract	Parties	Beginning and End Dates of Contract	Main content	Restrictive Clauses
	Bank			
Loan Agreement	CTBC Bank	2025.04.30~2026.04.30	Comprehensive credit facility for the operations of the Company	None
Loan Agreement	Taishin International Bank	2025.07.25~2026.07.31	Comprehensive credit facility for the operations of the Company	None
Loan Agreement	Agricultural Bank of Taiwan	2025.06.12~2026.06.12	Comprehensive credit facility for the operations of the Company	None
Loan Agreement	First Commercial Bank	2025.05.16~2026.05.16	Comprehensive credit facility for the operations of the Company	None
Loan Agreement	Mega International Commercial Bank	2025.11.04~2026.11.03	Comprehensive credit facility for the operations of SmartGreen Solution Co., LTD.	None
Investment Agreement (including Supplementary Agreement) (Hubei)	Tianmen City People's Government	2019.02. 23	Hotron Precision Electronic Industrial Park project investment	None
Second Supplementary Investment Agreement (Hubei)	Tianmen City People's Government	2019.05. 20	Hotron Precision Electronic Industrial Park project investment	None
Third Supplementary Investment Agreement (Hubei)	Tianmen City People's Government	2019.09. 02	Hotron Precision Electronic Industrial Park project investment	None
Fourth Supplementary Investment Agreement (Hubei)	Tianmen City People's Government	2020.04. 23	Hotron Precision Electronic Industrial Park project investment	None
Fifth Supplementary Investment Agreement (Hubei)	Tianmen City People's Government	2022.03.31	Hotron Precision Electronic Industrial Park project investment	None

5. Review and Analysis of Financial Status and Financial Performance and Risk Items

1. Statement of financial position

The principal causes and impact of significant changes in assets, liabilities, and equity over the past two fiscal years; where the impact is material, the Company's future response plans shall be described.

Unit: NT$ Thousand

Year / **Item**	**2024**	**2025**	**Changes in balances**	
			Amount	**%**
Current Assets	2,497,206	2,147,200	(350,006)	(14.02)
Property, Plants, and Equipment	2,112,064	2,379,379	267,315	12.66
Right-of-Use Assets	93,228	91,178	(2,050)	(2.20)
other assets	108,976	110,352	1,376	1.26
Total assets	5,090,540	5,004,234	(86,306)	(1.70)
Current Liabilities	1,982,961	2,100,463	117,502	5.93
Non-current Liabilities	1,148,104	1,440,857	292,753	25.50
Total liabilities	3,131,065	3,541,320	410,255	13.10
Capital Stock	1,065,520	1,065,520	-	0.00
Capital Surplus	854,045	883,332	29,287	3.43
Retained Earnings	100,704	(446,775)	(547,479)	(543.65)
Total equity	1,959,475	1,462,914	(496,561)	(25.34)

(1) The main reasons and impacts for significant changes in assets, liabilities, and equity over the past two fiscal years.

1. The decrease in current assets is primarily due to lower-than-expected sales in 2025, which led to a decline in operating revenue, resulting in reduced accounts receivable and decreased bank deposits.
2. The increase in property, plant and equipment is primarily due to the subsidiary SmartGreen Solution Co., Ltd. purchasing the Taichung Dadu factory and office space for production and operational needs in 2025.
3. The increase in current liabilities is primarily due to bondholders of the Company's second domestic unsecured convertible bonds issued in July 2023 applying for redemption upon the two-year anniversary, with the Company funding the redemption through bank borrowings, as well as a portion of unredeemed bonds being reclassified as long-term liabilities due within one year or one operating cycle in fiscal year 2025.
4. The increase in non-current liabilities is primarily due to an increase in long-term borrowings, as the subsidiary SmartGreen Solution Co., Ltd. purchased the Taichung Dadu factory and office space for production and operational needs.
5. The decrease in retained earnings is primarily due to a net loss after tax in 2025.

(2) Impact:

No significant influence

(3) Future response plans: Not applicable

2.Financial Performance

Main reasons for significant changes in operating revenue, operating profit, and pre-tax profit over the past two fiscal years and expected sales volume

And the basis thereof, the possible impact on the Company's future financial and business operations, and the response plans.

Unit: NT$ Thousand

Year / **Item**	**2024**	**2025**	**Changes in balances**	
			Amount	**%**
Operating Revenue	1,933,669	1,638,995	(294,674)	(15.24)
Operating Costs	1,701,226	1,567,130	(134,096)	(7.88)
Gross profit	232,443	71,865	(160,578)	(69.08)
Operating Expenses	586,820	578,362	(8,458)	(1.44)
Other Non-operating Income and Expenses	80,421	(63,792)	(144,213)	(179.32)
Operating Loss	(273,956)	(570,289)	(296,333)	108.17
Non-operating Income and Expenses	49,903	824	(49,079)	(98.35)
Net Profit (Loss) Before Tax	(224,053)	(569,465)	(345,412)	154.17
Income Tax Benefit	2,134	7,532	5,398	252.95
Net Loss for the Period	(221,919)	(561,933)	(340,014)	153.22

(1) The main reasons for significant changes in operating revenue, operating loss, and pre-tax net loss over the most recent two fiscal years:

1. Main reasons for the increase in operating loss compared to the same period of the previous year:

(1) The decrease in operating revenue is primarily attributable to the impact of the US-China tariff war in 2025, which led customers to adopt a conservative and wait-and-see ordering strategy in order to digest inventory in China. Combined with intensified competition in the end market and significant price pressure, overall sales performance fell short of expectations, resulting in a decline in revenue.

(2) The decrease in gross profit from operations was primarily due to the dispersion of end customer orders between the Hubei Factory in mainland China and the Vietnam Factory, resulting in factory capacity falling below economical levels, heavier fixed cost burdens, increased operating costs, and declining gross margins.

(3) The decrease in net other income and expenses was primarily due to exchange losses incurred in 2025 as a result of fluctuations in the USD and RMB exchange rates.

In summary, the operating loss for the year 2025 increased by NT$296,333 thousand compared to the same period last year.

2. Main reasons for the increase in net loss for the current period compared to the same period of the previous year:

(1) The increase in operating loss was primarily due to the decrease in gross profit from operations and the increase in operating expenses — research and development expenses in 2025.

(2) The decrease in non-operating income and expenses was primarily due to reductions in interest income and other income, as well as an increase in finance costs in 2025.

In summary, the net loss for the period in 2025 increased by NT$340,014 thousand compared to the same period last year.

(2) Expected Group Sales Volume and its Basis

Main product categories	**Expected sales volume**	**The basis for expected sales quantity**
Various transmission lines and charging guns	81,739 thousand/year	1.Develop new products, expand customer base 2.Increase market share of charging guns

Note: The above expected sales volume and its basis are estimated totals for the Company and its 100% invested businesses. By adjusting the sales product mix and developing new products and customers, it is projected that sales in 2025 will experience significant growth compared to 2024.

(3) Potential Impacts on the Company's Future Financial Operations: No significant impact.

(4) Future response plan: Not applicable.

3. Cash flows

Analysis of changes in cash flows for the recent year, improvement plans for liquidity shortages, and analysis of cash liquidity for the next year.

(1) Analysis of Cash Flow Changes for the Current Year

Unit: NT$ Thousand

Beginning cash balance	**Net cash flows from operating activities in 2025 (2)**	**Cash inflows (outflows) in 2025 (3)**	**Cash surplus (deficit) in 2025(1)+(2)+(3)**	**Remedial measures for anticipated cash deficit**	
				Investment plan	**Financial management plan**
960,832	(358,106)	68,688	671,414	-	-

1.Operating activities:

Net cash outflow from operating activities was NT$358,106 thousand, primarily due to operating losses and increased funding requirements in 2025.

2. Investment and Financing Activities:

(1) Net cash outflow from investing activities was NT$438,469 thousand, primarily due to increased purchases of property, plant, and equipment in 2025, resulting in net cash outflow from investing activities.

(2) Net cash inflow from financing activities was NT$491,150 thousand, primarily due to an increase in short-term borrowings in 2025.

(2) Improvement plan for insufficient liquidity:

1. Our company did not have a cash shortage situation in 2025.

2. Analysis of cash flow for the past two years

Item／ Year	**2024**	**2025**	**Increase (decrease) ratio %**
Cash flow ratio	13.58%	-17.05%	(225.55)%
Cash flow adequacy ratio	35.18%	-0.27%	(100.77)%
Cash reinvestment ratio	6.88%	-9.52%	(238.57)%

The changes analysis description of increase and decrease ratio:

(1) Cash flow ratio: primarily due to net cash outflow from operating activities in 2025.

(2) Cash flow adequacy ratio: This is mainly due to the increase in capital expenditures over the past five years.

(3) Cash reinvestment ratio： Primarily due to a decrease in net cash inflow from operating activities in 2025.

(4) Improvement plans for insufficient liquidity: The company will actively expand its business operations in various products and develop new customers. In the future, depending on the operating conditions, it will increase its credit facility with banks or raise funds at an appropriate time.

(3) Cash flow analysis for the next year:

Unit: NT$ Thousand

Beginning cash balance	**Net cash flows from operating activities in next year (2)**	**Projected annual cash inflow (outflow)(3)**	**Projected cash surplus (deficit) (1)+(2)+(3**	**Remedial measures for anticipated cash deficit**	
				Investment plan	**Financial management plan**
660,832	(231,163)	182,141	611,810	-	-

Cash Flow Analysis for the Next Year

1. Net cash flow from operating activities: estimated net cash outflow of NT$231,163 thousand, primarily due to increased working capital requirements of the Company, resulting in net cash outflow from operating activities.

2. Projected annual cash outflow: estimated net cash inflow of NT$182,141 thousand, primarily due to the Company increasing its working capital through financing activities and bank borrowings.

3. Contingency measures for anticipated cash shortfalls and liquidity analysis: Not applicable

4.Impact of recent major capital expenditures on financial operations: None

5.The recent annual reinvestment policy, the main reasons for its profit or loss, improvement plans, and investment plans for the next year.

(1) Recent Yeas Reinvestment Policy

The company's investment policy is primarily based on operational needs, and investment planning is conducted accordingly. Before making an investment, a comprehensive assessment is carried out on various aspects such as the purpose of the investment, location, market conditions, business development, potential joint venture partners, shareholding ratio, reference prices, and financial status to provide a basis for decision-making by the management. For the businesses that have been invested in, the Company constantly monitors their operating conditions, analyzes the investment effectiveness, and provides information for the decision-making authority to conduct post-investment management tracking and evaluation.

(2) The main reasons for the Company's loss in the most recent year are as follows:

Affected by slowing market demand, sales volumes declined. Combined with increasingly intense price competition among peers, rising raw material costs and labor wages in mainland China and Vietnam, as well as investments in equipment and personnel recruitment to strengthen the Company's presence in the automotive and new energy sectors and enhance market penetration across various product dimensions, along with increased expenditures on international and regional certifications for electric vehicle charging guns, charging stations, and energy storage equipment to ensure product compliance with local regulatory requirements, operating costs increased significantly. With no notable growth in revenue, this resulted in operating losses.

(3) Investment plan for the next year:

In response to the domestic electric vehicle charging market and the recent global supply chain de-Chinaization trend, the Company plans to locally manufacture new energy products, including electric vehicle charging guns, charging equipment, and energy storage cabinet equipment. On December 18, 2024, the Board of Directors approved the acquisition by the Group's subsidiary, SmartGreen Solution Co., LTD., of a factory in Dadu District, Taichung City, for NT$380 million, with a land area of 983.17 ping and a building area of 1,836.28 ping. The facility has officially commenced production and operations in 2025.

The primary functions of Hotron Group's subsidiary, SmartGreen (Taichung Dadu Factory), include:

1. Product design and technology development: integrating market requirements and customer specifications to carry out product planning and technology upgrades.
2. Quality management and customer service: establishing unified quality standards and control mechanisms to ensure product reliability, and providing technical and service support to key global customers.

Hotron Group's new business investments and strategic planning leverage SmartGreen to establish a presence in the new energy, automotive components, and related application sectors, mapping out the Group's medium- to long-term growth momentum.

6.Risk events should be analyzed and evaluated for the most recent fiscal year and up until the date of printing of the annual report.

(1) The impact of interest rate changes, exchange rate fluctuations, and inflation on the company's profit and loss, and future countermeasures:

1.The impact of interest rate changes on the company's profit and loss, and future countermeasures:

As of the end of 2025, the Company's consolidated long-term and short-term bank borrowings amounted to NT$1,800,581 thousand, and consolidated interest expenses amounted to NT$47,831 thousand, representing 2.92% of consolidated net operating revenue. As the proportion of interest expenses is not high, the impact of interest rate fluctuations on the Company's profit or loss remains limited. The ratio of interest expense was not high, so the impact of interest rate changes on the Company's profit and loss was still limited. To mitigate interest rate risk, the Company maintains close contact with financial institutions, keeps abreast of the state of financial markets at all times, and obtains preferential bank financing rates to meet its operational funding needs, thereby reducing interest expenses.

2. The impact of exchange rate fluctuations on the Company's profit and loss, and future countermeasures:

The Company's consolidated net foreign exchange gains (losses) for 2024 and 2025 were NT$80,421 thousand and NT$(63,792) thousand, respectively, representing 4.91% and (3.89)% of consolidated net operating revenue, respectively. As the proportion of exchange gains and losses is not high, and since the Company's purchases and sales are primarily denominated in USD and RMB, partial offsetting effects between purchases and sales can be achieved; therefore, the overall impact of foreign exchange factors on the Company is not significant.

In order to reduce the impact of exchange rate fluctuations on profit and loss, our company has taken the following countermeasures:

(1) Collect relevant information on foreign exchange rate fluctuations at all times, and refer to financial and economic information provided by banks and investment institutions. Maintain close contact with banks to fully grasp market trends, and take timely measures to exchange foreign currency and adjust foreign exchange positions in order to reduce exchange rate risks.

(2) Utilize natural hedging (Natural Hedge), offset foreign currency assets from export revenue with foreign currency liabilities from overseas procurement. In terms of foreign exchange fund scheduling, for confirmed foreign currency assets or liabilities, choose an appropriate timing to conduct hedging operations or spot selling and buying of foreign currencies, in order to achieve the purpose of natural hedging and reduce the impact on profits and losses.

(3) Sales quotes consider foreign exchange rate factors to protect the company's reasonable profits.

(4) The financial personnel of the group update the recent three-month cash flow planning and estimation table for each affiliated enterprise every two weeks to keep abreast of the cash position, reduce idle funds, and manage daily available funds based on the recent three-month cash flow planning and estimation table. After the end of each month, they can observe the changes in market exchange rates according to the overall economic environment at that time, and utilize accounts receivable and pre-arranged bank financing when the timing is right to reduce the risk of exchange rate fluctuations.

3. Impact of changes in inflation on the Company's profit and loss and future countermeasures:

In recent years, due to factors such as geopolitical conflicts, trade wars, and interest rate hikes, the futures market for raw materials has been highly volatile. In addition to closely monitoring changes in the raw material market, our company purchases the necessary raw materials based on actual production needs and enhances inventory control to mitigate the impact of fluctuations in raw material prices on our profitability.

(2) The policies on engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivative product transactions; the main reasons for profits or losses; and future response measures:

1.The main reasons for profit or loss from engaging in high-risk, high-leverage investment policies, and future countermeasures:

Our company has long been focused on operating and developing its core business, and has not engaged in high-risk, high-leverage investments.

2. The policies regarding lending funds to others and endorsement/guarantee transactions, the main reasons for profit or loss, and future countermeasures:

The counterparties to the Company's fund lending to others and endorsement and guarantee transactions are all Group investee companies. The purpose of endorsements and guarantees is to meet the business needs of subsidiaries and sub-subsidiaries, and all transaction procedures are carried out in accordance with the "Operational Procedures for Fund Lending and Endorsements/Guarantees".

3. The policy on engaging in derivative product transactions, the main reasons for profits or losses, and future countermeasures:

The Company is not currently engaged in derivative transactions. However, if necessary in the future, the Company will conduct derivative transactions in accordance with the relevant provisions of the "Procedures for Acquisition or Disposal of Assets".

(3) Future research and development plans and projected R&D expenditures:

1. Future research and development plan:

The key points of our company's future research and development plan are as follows:

(1) Continuously developing advanced digital connector cable products:

In the digital connector cable product segment, to cater to the high transmission demand of 3C products, the Company has successively developed and completed high-end digital signal cables, with sales accounting for more than 90% of the total, including 3C high-frequency cables and automotive cables, among other products. The product sales structure is gradually shifting towards high-end products.

(2) Continuously develop automated production technologies:

Actively developing process automation equipment (automatic integrated wire stripping and soldering machines, automatic integrated assembly and riveting iron shell machines, and front-end automated processing production line equipment for signal cables) to improve product production efficiency and reduce production costs.

(3) Expanding Diversified Products and Customer Base:

The application range of cable and wire products is extensive. In addition to existing high-frequency cable products for various 3C products, the Company leverages its professional cable technology and expertise to manufacture electric vehicle charging guns, expanding into the electric vehicle, energy storage cabinet, and solar power plant industries. The Company is actively pursuing industrial transformation by developing integrated system products encompassing generation (solar power plants), storage (energy storage equipment), and charging (charging stations) to broaden the scope of product applications. In terms of customer management, to maintain closer cooperative relationships with existing customers, the Company utilizes its manufacturing bases in Hubei and Vietnam to enhance delivery flexibility and logistics efficiency in support of global customers.

2. Projected research and development costs:

The Group's consolidated R&D expenditure planned for this year (2025) is NT$102,482, accounting for approximately 3.91% of the consolidated operating net revenue. The Company will continue to invest in key R&D projects, continuously innovate in manufacturing technologies, improve product quality and production efficiency, develop various high-end products towards high transmission, low attenuation, high bandwidth, and high resolution, as well as increase the development of new products to enhance the Company's industrial competitiveness.

(4) Impact of significant domestic and international policy and legal changes on the company's financial operations and corresponding measures:

A brief description of the changes in regulatory environment and their impact on the company in domestic is as follows:

1. Amendment to Article 23-3 and Article 24 of the "Rules for Use of Proxies for Attendance at Shareholder Meetings of Public Companies," effective April 25, 2025. (Financial Supervisory Commission No. 1140381624)

Our company operates in accordance with regulations.

2. Amendment to Article 31 and Article 35 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," effective July 24, 2025. (Financial Supervisory Commission No. 1140383333)

Our company will act in accordance with the regulations.

3. Amendment to Article 1 and Article 6 of the "Regulations Governing Incentive Awards for Reporting Illegal Use of Proxies at Shareholder Meetings of Public Companies," effective October 8, 2025. (Financial Supervisory Commission No. 1140384374)

Our company will act in accordance with the regulations.

4. Amendment to Article 7, Article 10-1, and Article 23 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies," effective November 7, 2025. Financial Supervisory Commission No. 1140385175

Our Company operates in accordance with compiling the 2025 annual report.

5. Issuance on November 12, 2025 of an order regarding the provisions of Article 10-1 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies" (FSC Securities Examination No. 11403851755) and an order regarding the provisions of Paragraph 2 of Article 7, Subparagraph 7, and Subparagraph 8 of Article 10-1 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies" (FSC Securities Examination No. 11403851756).

Our Company operates in accordance with compiling the 2025 annual report.

6. The order announced on December 19, 2025 amending Article 6 of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" and Article 23 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies". (Financial Supervisory Commission No. 1140385797)

Our company will act in accordance with the regulations.

(5) The impact of technological changes and industrial transformation on the company's financial operations and corresponding measures:

Global technology continues to evolve rapidly, and the rise of artificial intelligence, 5G communications, electric vehicles, and new energy applications is profoundly transforming the demand structure of the electronic components and cable assembly industry. The traditional consumer electronics market is gradually slowing down, and industry competition is intensifying;

US-China trade friction and geopolitical risks have accelerated supply chain restructuring, compelling companies to diversify production capacity to Southeast Asia and other regions in order to reduce dependence on and risk exposure to a single market. At the same time, the new energy and automotive electronics markets are growing rapidly, bringing new business opportunities and challenges. Against this backdrop, the Company carefully evaluates the impact of technological changes and industry shifts on its financial performance and business operations, and has proposed specific countermeasures through R&D investment, capacity adjustments, and market expansion to ensure sustainable operations and long-term competitiveness.

1. Impact on the Company's finances and business operations:

   (1) Financial aspect: In the short term, capacity relocation and R&D investment in new energy products have led to increased costs and widening losses.

   (2) Business aspect: Revenue from 3C signal cable products has declined, while revenue from new energy products has yet to materialize.

   (3) Supply chain aspect: Production capacity is being diversified away from a single factory in China to the Hubei Factory and Vietnam Factory, which increases capital expenditure in the short term but helps reduce geopolitical risks in the long term.

2. The Company's countermeasures:

(1) Financial strategy: Strengthen cost control, introduce automated production, and optimize costs.

(2) Business strategy:

Adopt a dual-track operation: Integrate market demand and customer specifications for 3C signal cable products, conduct product planning and technology upgrades, and stabilize customer supply volumes to increase signal cable revenue; leverage the Group's existing cable technology to focus on developing automotive high-voltage cables, electric vehicle charging gun cables, energy storage equipment, and new energy application products, accelerating the commercialization of new energy products to increase new energy product revenue.

Expand into international markets: Actively develop markets in North America, Europe, Japan, and Southeast Asia to enhance revenue diversification.

Strengthen customer collaboration: Partner with system integrators and operators to drive sales of charging stations and energy storage systems.

(3) Supply chain strategy: Diversify production capacity and provide customized products and localized services tailored to the characteristics of different regional markets.

Taichung Dadu Factory, Taiwan: Focuses on new energy product R&D, product design, and technology development; integrates market demand and customer specifications for product planning and technology upgrades, while also handling quality management and customer service.

Hubei Factory, China: Maintains vertical integration across the nine major business units for 3C signal cable products, serving as Hotron Group's full-service manufacturing facility.

Vietnam Factory: This manufacturing base is primarily established to enhance delivery flexibility and logistics efficiency for customers, shorten lead times, and support global customer demand.

Although technological changes and industry shifts have brought short-term financial and business impacts to the Company, they also present a transformation opportunity. Through cost control, capacity diversification, dual-track operations, and international market expansion, Hotron Group will gradually improve its financial structure and establish growth momentum for its new business. Going forward, the Company will continue to monitor technological trends and industry changes, and adjust its strategies accordingly to ensure resilience and sustainable development in the global market.

(6) The impact of corporate image change on corporate crisis management and countermeasures:

The company's corporate image has always been good, and up to now, there has been no incident of a corporate crisis caused by a major change in the corporate image.

(7) Expected benefits, potential risks, and countermeasures for carrying out mergers and acquisitions:

As of the date this prospectus was printed, the Company has no merger or acquisition plans, so this is not applicable.

(8) Expected benefits, potential risks and countermeasures of expanding the plant:

1. Expansion of the Group's subsidiary — SmartGreen Solution Co., Ltd., located at the Taichung Dadu Factory in Taiwan

(1) Expected benefits

Expanding the capacity of the Taichung Factory will help secure more international orders and strengthen the Company's supply capabilities in the Taiwan, North American, Japanese, European, and Southeast Asian markets. This will create local employment opportunities in Taiwan, enhance the Company's R&D and manufacturing capabilities in Taiwan, and strengthen collaboration with local suppliers. As production capacity expands and the new energy business grows, the Group's revenue structure will become more diversified, which will help improve gross margins and profitability.

(2) Potential Risks

The acquisition of the Taichung factory and office premises involves a significant capital investment in equipment, which will increase capital expenditures and financial burdens in the short term. Expansion requires additional technical and managerial personnel, and new equipment and manufacturing systems will need time to be fine-tuned, which may affect initial production efficiency. If the new energy market grows less than expected, it may result in idle personnel and excess production capacity.

(3) Countermeasures

The Group will continue to strengthen its presence in the automotive and new energy sectors, seize growth opportunities in the electric vehicle, energy storage, and related application markets, leverage the platforms of SmartGreen and overseas subsidiaries, expand sales territories and market penetration across product categories, and enhance overall operational efficiency and resource allocation effectiveness.

(9) The risks faced from concentrated purchases or sales and the corresponding countermeasures:

1. Risks and countermeasures faced by centralized purchasing

The main products of the Company are signal cables, and the major raw materials used are copper rods, PVC powder, tin cable and tin bars, connectors, tinplate, ferrite cores, and enameled cables. The total purchases of the Company in 2025 and 2024 were NT$996,011 thousand and NT$931,880 thousand, respectively. The top ten suppliers accounted for 60% and 64% of total purchases, respectively. The largest supplier accounted for 20% and 23% of total purchases, respectively, while the second-largest supplier accounted for 7% and 8% of total purchases, respectively. Overall, the Company does not have a concentration of purchases. Additionally, the main raw materials for the Company's products are common component products in the market with many suppliers, so there is no concern about supply.

2. Risks and countermeasures faced by centralized sales

Our group's main sales customers are all internationally renowned major manufacturers who hold significant positions in the global market, so the risk of concentrated cable sales for our company is not high. Nevertheless, we actively maintain customer relationships to prevent new competitors from easily entering the market, and we continue to develop new products to expand our operational scale, working toward product diversification to reduce the risk of excessive sales concentration in a single product.

(10) Impact, risks and countermeasures for significant transfer of shareholdings or replacements of directors, supervisors or shareholders holding more than 10% of shares:

The Company has not experienced any large-scale transfer or replacement of equity shares, so there has been no impact on the Company's operations.

(11) Impact, Risks and Countermeasures of Changes in Operating Rights on the Company

The company has no facts or plans regarding a change in operational control, so there is no impact on the Company's operations.

(12) Litigation or non-litigation events:

1. The company's lawsuits, non-litigious or administrative disputes that have been finalized or are still pending during the past two fiscal years and up to the date of printing of the annual report, where the results may have a material impact on shareholders' equity or securities prices, including the facts in dispute, the subject amount, the date the litigation commenced, the main parties involved in the dispute, and the current status:

   The company has no litigation or non-litigation matters that would have a material impact on shareholders' equity or securities prices.

2. The company's directors, supervisors, President, substantial responsible persons, major shareholders holding more than 10% of shareholdings, and subsidiaries, for the past two years and up to the date of printing of the annual report, have been definitively adjudicated or are currently involved in major litigations, non-litigious or administrative disputes that may have a material impact on shareholders' equity or securities prices. The disputed facts, subject amounts, litigation commencement dates, main parties involved, and current status of the cases:

   Our company does not have such a situation.

(13) Other Important Risks and Countermeasures

1. Interest rate risk and countermeasures

   The main source comes from bank loans generated to support operating activities. To reduce interest rate risk, the Company mainly uses operating cash inflows, and issues corporate bonds or conducts cash capital increases in a timely manner to meet the funding needs for operations, in order to reduce the interest burden caused by interest rate fluctuations.

2. Exchange rate fluctuation risks and countermeasures

   The Company's sales amounts and manufacturing costs are primarily denominated in USD and RMB. The Company adopts a natural hedging approach by offsetting foreign currency receipts and payments, and adjusts the amount of foreign currency assets and liabilities in a timely manner to mitigate the impact of foreign exchange rate risks.

3. Risks and countermeasures for inflation and deflation

Inflation and deflation often have a significant impact on the global economy. Whether it is high inflation or deflation, it will reduce market efficiency and have adverse effects on both the overall and individual economies. Our company closely monitors changes in upstream raw material prices to mitigate the impact of inflation or deflation on the Company's profits and losses.

4. Risks and Countermeasures for Financing

Due to the rapid changes and increasingly shorter cycles in the electronics industry, there is relative uncertainty in the planning of capital requirements. To meet customer and market demands, our company will require more working capital in the coming years, but financing involves many uncertainties:

(1) The Company's future financial condition, operating performance and cash flows,

(2) Financing conditions in the domestic and international markets (especially China, Vietnam),

(3) Trends in the interaction between Taiwan and the international economic climate.

The company's credit status is good, its operations are stable, and its credit facility is still sufficient. However, if it is unable to obtain sufficient and low-cost funds in a timely manner, it will consider raising funds from the market according to the Company's operating scale.

5. Risks and countermeasures for declining market demand and average selling prices

The Company's revenue is primarily derived from the sale of high-definition signal cables and connection cables for 3C products, which are components of consumer electronic products. Consumer electronic products are characterized by rapid product iteration and intense market competition after launch. As products mature and stabilize following their release, sales prices become difficult to increase and tend to decline as the products become more widespread and commoditized. The decline in market demand has also impacted the Company's revenue, and as sales volumes decrease, the allocation of fixed costs per unit will increase, inevitably affecting the Company's profitability. Conversely, if product demand increases, the fixed cost allocation per unit will decrease, benefiting the company's profitability. In the future, besides increasing sales to existing customers, the Company aims to develop new customers, expand into new application areas for its products to increase product sales volume, and strive for cost reduction. Moreover, to increase revenue and profitability sources, our company has complete the development and shipment of electric vehicle charging guns, entering the electric vehicle market. In the future, we will accompany the development of the electric vehicle industry, developing related charging and energy storage equipment, as well as peripherals for solar power plants.

6. Information Security Risk Management and Response Measures

To establish a secure information security environment and strengthen the Group's internal information security management system, the Company has formulated information security management regulations. In order to maintain the confidentiality, integrity and availability of the Company's information assets and protect user data privacy. We conduct information security education and training to promote employees' awareness of information security and enhance their recognition of relevant responsibilities. We implement an information security risk assessment mechanism to improve the effectiveness and timeliness of information security management. We also implement an internal information security audit system to ensure the implementation of information security management.

Considering that cyber insurance is still an emerging type of insurance, involving information security level testing agencies, claim appraisal agencies and non-indemnity conditions, etc., the Company is still under evaluation.

For the Company's information security management regulations, please refer to our company’s website: http://www.hotron-ind.com/

7. Other important matters: None.

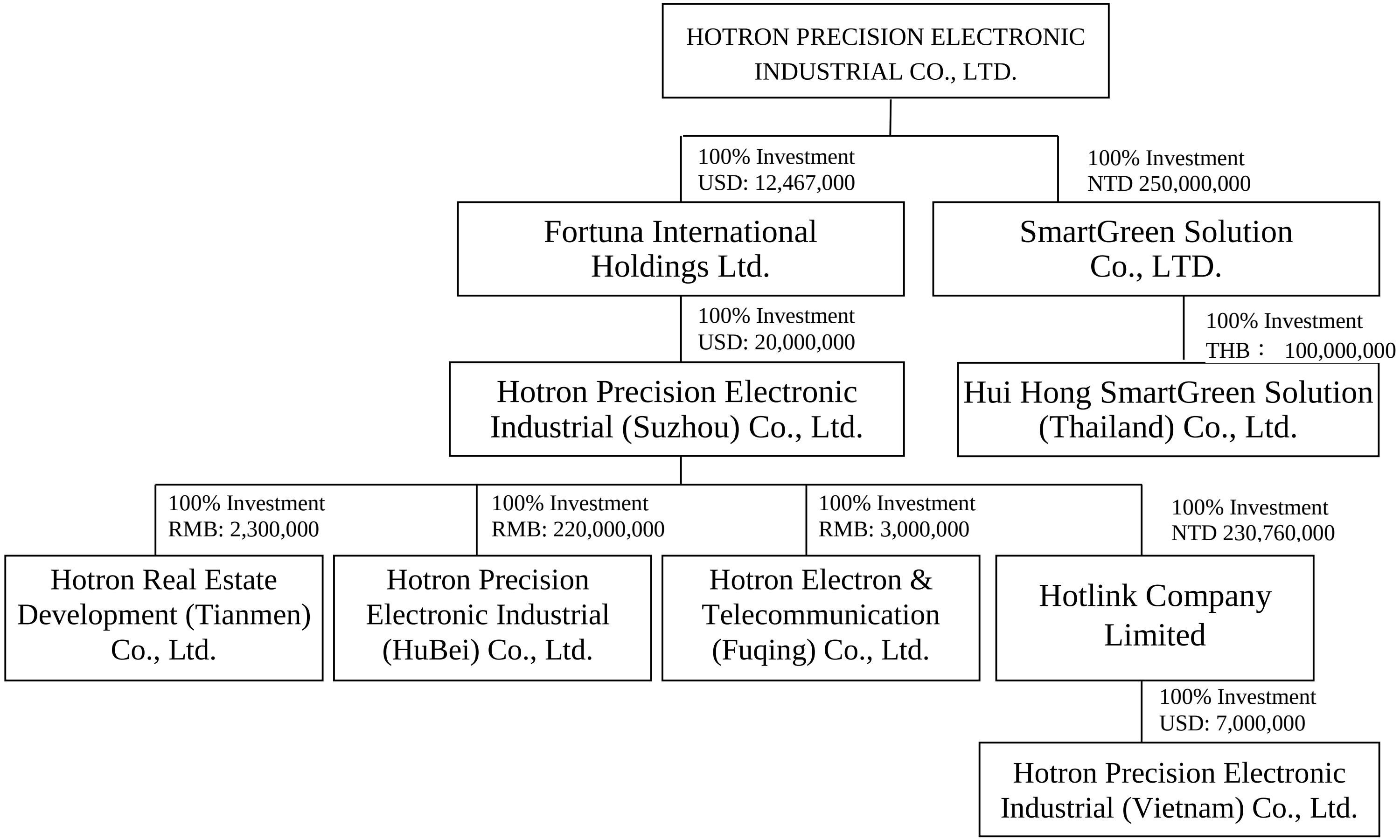
VI. Special Remarks

1. Information on Related Corporations

(1) Consolidated Operating Report for Affiliated Companies

1. Organizational Chart of Related Companies

Date: December 31, 2025



2. The Names, Establishment Dates, Addresses, Paid-In Capital Amounts, and Main Business Activities of Related Companies

As of December 31, 2025

Name of Related Companies	Establishment Date	Address	Paid-In Capital	Main Business or Production Items
SmartGreen Solution Co., Ltd.	2022.09	4F, No. 169, Xing'ai Rd., Neihu Dist., Taipei City	NTD 250,000 thousand	Manufacturing and sale of automobiles and automotive parts, installation of solar thermal equipment, renewable energy self-generation equipment, energy technology services, electric vehicle charging guns, high-voltage automotive cables, and new energy materials.
Hui Hong SmartGreen Solution (Thailand) Co., Ltd.	2025.04	No. 32, Soi Luang Phaeng 23, Khum Thong Subdistrict, Lat Krabang District, Bangkok, Thailand	THB100,000 thousand	Manufacturing and sale of automobiles and automotive parts, installation of solar thermal equipment, renewable energy self-generation equipment, energy technology services, electric vehicle charging guns, high-voltage automotive cables, and new energy materials.
Fortuna International Holdings Ltd.	2002.12	P.O.Box217,Apia,Samoa Western Samoa	USD 12,467 thousand	Investment business and merchandise trade
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	2003.09	128 Lushuan Road, Gaoxin District, Suzhou City, Jiangsu Province	USD 20,000 thousand	Production and operation of 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials
Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	2004.10	Fuqing New High-Tech Industrial Zone, Fuqing City, Fuzhou City, Fujian Province	RMB 3,000 thousand	Processing of various 3C product connection cables and signal cables
Hotlink Company Limited	107.05	5F, No. 169, Xing'ai Rd., Neihu Dist., Taipei City	NTD 230,760 thousand	Merchandise trade
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	2019.02	No. 168 Hotron Avenue, Tianmen Industrial Park, Tianmen City, Hubei Province	RMB 220,000 thousand	Production and operation of copper products, 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials
Hotron Real Estate Development (Tianmen) Co., Ltd.	2019.05	No. 168 Fuxian Avenue, Tianmen Industrial Park, Tianmen City, Hubei Province	RMB 2,300 thousand	Real estate development, construction, sales, leasing, and housing agency services, etc.
Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	2020.02	4 Dongvan Industrial Park, National Highway 38, Hau Nghi Province, Vietnam	USD 7,000 thousand	Production and operation of 3C product cables and signal cables, etc.

3. Matters to Be Disclosed for Those Presumed to Have a Controlling and Subordinate Relationship in Accordance with Article 369-3 of the Company Act: None.

4. The Industries Covered by the Business Operations of the Overall Affiliated Enterprises:

Name of Related Companies	Business Scope	Division of Labor Situation
SmartGreen Solution Co., Ltd.	Manufacturing and sale of automobiles and automotive parts, installation of solar thermal equipment, renewable energy self-generation equipment, energy technology services, electric vehicle charging guns, high-voltage automotive cables, and new energy materials.	Production and operation of electric vehicle charging guns, high-voltage wires, and new energy materials
Hui Hong SmartGreen Solution (Thailand) Co., Ltd.	Manufacturing and sale of automobiles and automotive parts, installation of solar thermal equipment, renewable energy self-generation equipment, energy technology services, electric vehicle charging guns, high-voltage automotive cables, and new energy materials.	Production and operation of electric vehicle charging guns, high-voltage wires, and new energy materials
Fortuna International Holdings Ltd.	Investment business and merchandise trade	Investment holding
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Production and operation of 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials	Production and operation of copper products, 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials
Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	Processing of various 3C product connection cables and signal cables	Processing of various 3C product connection cables and signal cables
Hotlink Company Limited	Merchandise trade	Processing of various 3C product connection cables and signal cables
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Production and operation of copper products, 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials	Production and operation of copper products, 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials
Hotron Real Estate Development (Tianmen) Co., Ltd.	Real estate development, construction, sales, leasing, and housing agency services, etc.	Real estate development, construction, sales, leasing and management of self-built commercial housing and supporting facilities, property management, real estate agency services, interior and exterior decoration design and construction, etc.
Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	Production and operation of 3C product cables and signal cables, etc.	Production and sales of 3C product cables and signal cables, etc.

5. The Names of Directors, Supervisors, and President of Related Companies, and Their Shareholdings or Capital Contributions in Those Companies

The information of directors, supervisors, and President of related companies:

Unit: Thousand shares, %

Name of Related Companies	Job Title	Name or Representative	Shareholding or Investment in the Company (As of December 31, 2025)	
			No of Shares	Shareholding Ratio
SmartGreen Solution Co., Ltd.	Chairman	Chang, Li-Jung	0	0
	President	Chang, Li-Jung	0	0
Hui Hong SmartGreen Solution (Thailand) Co., Ltd.	Chairman	Chang, Li-Jung	0	0
	President	Lu, I-Hsuan	0	0
Fortuna International Holdings Ltd.	Chairman	Chang, Li-Jung	0	0
	President	Lu, I-Hsuan	0	0
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Chairman	Chang, I-Hsuan	0	0
	Director	Lu, I-Hsuan	0	0
	Director	Wu, Hui-Min	0	0
	Supervisor	Chen, Yueh-Chin	0	0
	President	Chang, I-Hsuan	0	0
Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	Chairman	Lu, I-Hsuan	0	0
	Director	Chang, I-Hsuan	0	0
	Director	Wu, Hui-Min	0	0
	Supervisor	Chen, Yueh-Chin	0	0
	President	Lu, I-Hsuan	0	0
Hotlink Company Limited	Chairman	Chang, Li-Jung	0	0
	President	Chang, Li-Jung	0	0
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Chairman	Chang, Li-Jung	0	0
	Director	Lu, I-Hsuan	0	0
	Director	Wu, Hui-Min	0	0
	Supervisor	Chang, I-Hsuan	0	0
	President	Lu, I-Hsuan	0	0
Hotron Real Estate Development (Tianmen) Co., Ltd.	Chairman	Chang, Li-Jung	0	0
	Director	Lu, I-Hsuan	0	0
	Director	Wu, Hui-Min	0	0
	Supervisor	Chang, I-Hsuan	0	0
	President	Lu, I-Hsuan	0	0
Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	Legal representative	Chang, I-Hsuan	0	0
	President	Chang, I-Hsuan	0	0

6. Overview of Operations of Affiliated Companies

Year: 2025 Unit: NT$ Thousand

Name of Related Companies	Capital Amount	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit	Post-tax Profit or Loss Current Period	Earnings per Share After Tax (NTD)
SmartGreen Solution Co., Ltd.	NTD: 250,000 thousand	570,243	407,416	162,827	43,427	(5,734)	(72,269)	(2.89)
Fortuna International Holdings Ltd.	USD: 12,467 thousand	900,330	0	900,330	0	0	(442,565)	(11.29)
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	USD: 20,000 thousand	925,760	25,492	1,352,623	129,762	41,301	(442,536)	(6.95)
Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	RMB: 3,000 thousand	8,299	1,612	6,686	7,643	(446)	(5,399)	(0.40)
Hotlink Company Limited Department Manager	USD: 7,720 thousand	208,491	138,234	70,258	216,229	20,982	(103,325)	(4.48)
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	RMB: 220,000 thousand	2,737,134	2,182,116	555,018	1,491,679	8,325	(263,490)	(2.66)
Hotron Real Estate Development (Tianmen) Co., Ltd.	RMB: 2,300 thousand	5,578	120	5,458	0	0	(826)	(0.66)
Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	USD: 7,000 thousand	803,133	758,900	44,234	530,894	24,631	(49,084)	(2.45)
Hui Hong SmartGreen Solution (Thailand) Co., Ltd.	THB:100,000 thousand	101,727	7,389	94,338	298	(328)	(5,565)	(0.56)

7. Information on endorsements/guarantees for related enterprises, lending loans to others, and engaging in derivative transactions

(1) Endorsements/guarantees provided by related parties:

As of December 31, 2025 Unit: NT$ thousand

Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement s/Guarantees Provided for Single Entity	Maximum Endorsement/ Guarantee Balance for the Period	Endorsement and Guarantee Ending Balance	Actual Amount Drawn	Amount of Endorsements/Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/Guarantees to Net Worth per Latest Financial Statements(%)	Endorsement/ Guarantee Ceiling	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsement s/Guarantees Provided for Subsidiary in Mainland China	Remarks
	Name of Company	Relationship (Note 2)											
Hotron Precision Electronic Industrial Co., Ltd.	Fortuna International Holdings Ltd.	2	$ 1,431,613	$ 66,410	$ -	$ -	$ -	-	$ 2,863,226	Y	N	N	-
Hotron Precision Electronic Industrial Co., Ltd.	Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	2	$ 1,431,61	$431,480	$393,435	$188,580	$ -	27.48	$ 2,863,226	Y	N	N	-
Hotron Precision Electronic Industrial Co., Ltd.	Hotlink Company Limited	2	$ 1,431,61	$80,000	$ -	$ -	$ -	-	$ 2,863,226	Y	N	N	-
Hotron Precision Electronic Industrial Co., Ltd.	SmartGreen Solution Co., LTD.	2	$ 1,431,61	$370,000	$370,000	$300,000	$ -	25.84	$ 2,863,226	Y	N	N	
Hotron Precision Electronic Industrial Co., Ltd.	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	2	$ 1,431,61	$144,180	$ -	$-	$ -	-	$ 2,863,226	Y	N	Y	-
Hotron Precision Electronic Industrial Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	2	$ 1,431,61	$604,600	$425,960	$300,338	$ -	29.75	$ 2,863,226	Y	N	Y	-
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	2	$ 900,268	$472,080	$472,080	$278,752	$ -	52.44	$1,800,536	N	N	Y	-

Note 1: The total amount of endorsements and guarantees provided by the Company to others shall not exceed 200% of its current net worth.

Note 2: The Company’s total amount of endorsements/guarantees provided shall not exceed the Company’s current net worth. The endorsement and guarantee amount for a single enterprise is limited to not exceeding 10 percent of the current net worth, and for a single overseas affiliated company, it is limited to not exceeding 90 percent of the current net worth. The net worth shall be based on the latest financial statements audited or reviewed by certified public accountants.

Note 3: The relationships between endorsers/guarantors and endorsees/guarantees are categorized into the following 7 types. Please specify the type:

(1) Companies who have business relationship.
(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) Companies that directly or indirectly hold more than 50% of the voting shares in the Company.
(4) Companies in which the Company directly or indirectly holds 90% or more of the voting shares.
(5) Companies in the same industry that provide mutual endorsements/guarantees based on contractual requirements for undertaking construction projects or as co-construction contractors.
(6) Companies in which all capital contributing shareholders provide endorsements/guarantees based on their shareholding ratios due to their joint investment relationships.
(7) Companies in the same industry that provide mutual endorsements/guarantees for pre-sale housing contracts based on the consumer protection regulations.

Note 4: The Company shall specify the limits on endorsements/guarantees for individual entities and the maximum amount of endorsements/guarantees based on its operational procedures for endorsements/guarantees, and explain the calculation method for the limits on endorsements/guarantees for individual entities and the total limit in the remarks column.

Note 5: The maximum balance of endorsement/guarantees provided to others during the year.

Note 6: The amount approved by the Board of Directors should be filled in. However, if the Board of Directors has authorized the Chairman to make decisions pursuant to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount decided by the Chairman shall be filled in.

Note 7: The actual amount drawn by the endorsed/guaranteed company within the balance of endorsements/guarantees shall be filled in.

Note 8: For endorsements/guarantees provided by a parent company to subsidiaries, by subsidiaries to a parent company, or in mainland China, “Y” must be filled in.

(2) Loans to others by related enterprises:

As of December 31, 2025 Unit: NT$ thousand

Financing Company	Borrower	The maximum balance for this period	Ending balance (Note 2)	Actual Amount Drawn	Interest rate range%	Nature for Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for bad debts	Collaterals		Lending limit for individual entities (Note 1)	Total Limit on Loans Provided (Note:1)	Remarks
										Name	Value			
Hotron Precision Electronic Industrial Co., Ltd.	Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	$220,010	$220,010	$94,290	Considering market conditions and the cost of capital	Necessity for short-term financing	$ -	Working capital requirements	-	None	-	$572,645	$572,645	-
Hotron Precision Electronic Industrial Co., Ltd.	Hotlink Company Limited	$80,000	$80,000	$11,069	2.30%	Necessity for short-term financing	$ -	Working capital requirements	-	None	-	$572,645	$572,645	-
Hotron Precision Electronic Industrial Co., Ltd.	SmartGreen Solution Co., LTD.	$100,000	$100,000	$41,914	2%	Necessity for short-term financing	$ -	Working capital requirements	-	None	-	$572,645	$572,645	-
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	$89,920	$89,920	$39,337	Non-interest bearing	Business transaction	$39,337	Approved by the Board of Directors as a loan of funds	-	None	-	$360,107	$360,107	-

Note 1: The Company's "Operational Procedures for Loans to Others" stipulates that for loans to companies or firms with business dealings, the total amount loaned and the individual amount loaned shall not exceed the amount of business dealings between the parties in the most recent fiscal year. The term "amount of business dealings" refers to the higher of the amounts of purchases or sales between the two parties. The total amount of short-term financing loans shall not exceed 40% of the Company's net worth, and the individual amount loaned shall not exceed 40% of the Company's net worth. For loans between the Company’s direct and indirect 100%-owned foreign companies, the above restrictions do not apply, but the total amount of short-term financing loans shall not exceed 100% of the Company's net worth, and the individual loan amount shall not exceed 100% of the Company's net worth.

Note 2: The ending balance represents the loan amount approved by the Board of Directors.

(3) Information on derivative transactions of affiliated enterprises: None.

(2) Consolidated financial statements of affiliated enterprises:

In 2025, the companies required to be included in the consolidated financial statements of affiliates under the standards Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Corporation hereby produces this declaration to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

(3) Relationship Report: N/A.

2. Private securities issuance status for the recent fiscal year and up to the date of printing the annual report: None

3. Other necessary supplementary explanatory items: None

VII. Matters having a material impact on shareholders' equity or securities prices

Recent annual events and events occurring up to the date of printing of the annual report that have a material impact on shareholders' equity or securities prices as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None

Company Name:

Hotron Precision Electronic Industrial Co., Ltd.

Chairman: Chang, Li-Jung