

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

2026 Annual Meeting of Shareholders Meeting Minutes

(Translation)

Meeting Time: 9:00 am, Wednesday, May 27, 2026

Meeting Place: 8th Floor, No. 99, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City
(Neihu District Office Auditorium in Taipei City)

Number of shares present: The total number of shares represented by present shareholders and proxies was 58,769,702 (including 2,854,411 shares attended electronic voting), accounting for 55.10% of the Company's 106,649,250 issued and outstanding shares.

Board Members Present: Chang, Li-Jung (Chairman) 、 Lu, I- Hsuan (Director) 、 Chou, Che-Yi (Independent Director) 、 Lin, Hsiao-Chen (Independent Director), 4 members of the Board of Directors are present.

Attendance: Ms. LIN, YA-HUI (CPA of PwC Taiwan) 、
Ms. Wang, Tung-Ying (Manager of PwC Taiwan) 、

Chairman: Chang, Li-Jung (Chairman of the Board of Directors)

Recorder : Sung, Cheng-Kang

I. The Chairman called the Meeting to Order.

Report on number of shares present. The aggregate shareholding of the shareholders and proxies present constituted a quorum.

II. Chairperson Remarks (omitted)

III. Report Items

1. 2025 Business Report.(Please refer to [Attachment 1])
2. 2025 Audit Committee's Review Report.(Please refer to [Attachment 2])
3. 2025 Report on Directors' Remuneration..

Description:

(1)The company's policy, standards, and composition for remuneration of general directors and independent directors, as well as the procedure for determining remuneration:

1)Policy, standards, and composition of remuneration

The Company formulates its compensation 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 Compensation Committee," and the "Directors' Remuneration Payment Guidelines." The remuneration paid by the Company to directors and independent directors is

divided into two categories: directors' compensation (business execution compensation) and directors' remuneration.

- A. Directors' compensation, 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 Compensation Committee and the Company's "Directors' Compensation Guidelines," the compensation 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 Compensation Committee and the Board of Directors regularly review and approve reasonable remuneration. The relevant performance evaluations and the reasonableness of compensation are reviewed by the Compensation Committee and the Board of Directors. The compensation 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). Procedure for determining remuneration

To implement corporate governance and establish a sound remuneration system for the company's directors and independent directors, 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 and independent directors, and provide recommendations to the Board of Directors for decision-making reference.

- (2) The remuneration of the company's directors, the content and amount of individual remuneration, and its relevance to the results of performance evaluation, please refer to [Attachment 3].

4. Report on the Status of Endorsements/Guarantees.

Description:

- (1) According to the Company's "Operating Procedures for Lending Funds and Making Endorsements/Guarantees," as of December 31, 2025, the ending balance of endorsements/guarantees was NT\$1,661,475 thousand, with an actual amount drawn of NT\$1,067,670 thousand.

Unit: NT\$ Thousand

Endorsee/Guarantee	Endorsement and Guarantee Ending Amount	Actual Amount Drawn
SmartGreen Solution Co., LTD.	370,000	300,000
Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	393,435	188,580
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	898,040	579,090
Total	1,661,475	1,067,670

(2) The total amount of external endorsements and guarantees of the Company shall not exceed 200% of the net worth of the current period, and the limit for a single overseas affiliated company shall not exceed 100% of the net worth of the current period.

5. The Report on Reasons and Related Matters for Public Company Bond Issuance.

Description:

The reason for issuing corporate bonds by the Company and the relevant issuance status until March 31, 2026 can be referred to in the following table.

Company Bond Types	The Company's Second Domestic Unsecured Convertible Bonds
Reason for Issuance	Repay bank loan
Issuance Date	July 4, 2023
Denomination	NT\$ 100,000
Place of Issuance and Trading	Taiwan, Republic of China
The Price of Issuance	Issued at 107.33% of the denomination
Total Amount	NT\$ 250,000,000
Nominal Interest Rate	0%
Deadline	Three-year term, maturity date: July 4, 2026.
Ways to Repayment	Apart from the holders of this convertible corporate bond converting to the company's common shares 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

Company Bond Types	The Company's Second Domestic Unsecured Convertible Bonds
	corporate bonds in cash at face value upon maturity.
Principal Outstanding as of the Date of the Annual Report	NT\$ 249,900,000
Transition Situation	The current conversion price per share is NT\$36.0. As of March 31, 2024, one corporate bond has been applied for and converted into 2,777 common shares.

IV. Approval Items

Case 1

Proposed by the Board of Directors

Proposal: 2025 Business Report and Financial Statements Report, please approve.

Description: 1. The individual and consolidated financial statements of the Company for the year 2024 have been audited by Certified Public Accountants LIN, YAHUI and JUANLU, MAM-YU of PricewaterhouseCoopers Taiwan, who have issued audit reports, and the business report has been reviewed by the Audit Committee.

2. The auditor's report, individual financial statements, and consolidated financial statements. Please approve them. , please refer to [Attachment 4-5].

Resolution:

The number of voting rights of shareholders present at the time of voting: 58,769,702

Rights.

Voting Results (Including Electronic Voting)		Percentage of voting rights of shareholders present at the time of voting
approval votes	58,041,764	98.76%
disapproval votes	33,239	0.05%
invalid votes	0	0.00%
abstention votes/no votes	694,699	1.18%

Proposal was approved after voting.

Case 2

Proposed by the Board of Directors

Proposal: Deficit Compensation for the 2025, please approve.

Description: 1. The Company's after-tax net loss for 2025 was NT\$547,478,730, with distributable surplus of NT\$0. It is proposed that no common stock dividends will be distributed.

2. A statement of deficit compensation for the year 2025 is proposed, please approve.

Hotron Precision Electronic Industrial Co., Ltd.

Deficit Compensation Statement

2025

Unit: NTD

Items	Amount
Undistributed earnings at the beginning of the period	0
Plus: Net (loss) after tax for 2025	(547,478,730)
Plus: Reversal of Reserve to Make Up for Deficit	547,478,730
Distributable surplus for the period (Note 1)	0
Undistributed earnings for the ending of period	0

Note 1: Since there were no distributable surplus for the current year, no dividends were paid to common shareholders.

Chairman:
Chang, Li-Jung

President:
Lu, I-Hsuan

Chief Financial Officer:
Wu, Hui-Min

Resolution:

The number of voting rights of shareholders present at the time of voting: 58,769,702 Rights.

Voting Results (Including Electronic Voting)		Percentage of voting rights of shareholders present at the time of voting
approval votes	58,028,874	98.73%
disapproval votes	41,920	0.07%
invalid votes	0	0.00%
abstention votes/no votes	698,908	1.18%

Proposal was approved after voting.

V. Discussions

Case 1

proposed by the Board of Directors

Proposal: Proposal for capital increase by cash issuance of common shares through private placement, submitted for discussion.

Description: 1. To replenish working capital, improve the financial structure, and meet reinvestment needs, and considering the timeliness, convenience, and issuance

cost of fundraising, the Company proposes to handle a capital increase by cash issuance of common shares through private placement.

2. The number of shares for this private placement will not exceed a limit of 15,000,000 shares (par value NT\$10 per share) for the private placement of cash capital increase to issue common shares, and it is expected to be handled in a single tranche within one year from the date of the shareholders' meeting resolution..
3. In accordance with Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities," the related matters for this private placement are explained as follows.
 - (1) Basis and reasonableness of pricing for the private placement: The calculation of the private placement reference price shall be based on the higher of the following two calculations: A. The simple arithmetic average of the closing prices of common shares calculated from either one, three, or five business days prior to the pricing date, minus the ex-rights and ex-dividend adjustments for stock dividends, and adding back the anti-dilution from capital reduction. B. The simple arithmetic average of the closing prices of common shares for the thirty business days prior to the pricing date, minus the ex-rights and ex-dividend adjustments for stock dividends, and adding back the anti-dilution from capital reduction. The issue price of the privately placed common shares this time shall not be lower than 80% of the aforementioned reference price; its pricing method conforms to the current legal regulations and should be considered reasonable, thus no expert opinion is required. The actual pricing date and the actual private placement price, within the range not lower than the percentage approved by the shareholders' meeting, are proposed to be authorized to the Board of Directors to determine based on the situation of negotiating with strategic investors in the future and referring to the Company's operating performance, future prospects, and capital market conditions.
 - (2) Selection method and purpose, necessity, and expected benefits of specific persons for private placement: The target of this private placement of common shares is limited to specific persons and strategic investors who comply with the provisions of Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 1120383220 dated September 12, 2023.
1. List of placees who are insiders and related parties: Because insiders and related parties have a considerable understanding of the Company's operations and can provide direct and indirect benefits to future operations, the placees negotiated for this private placement of securities are proposed to include insiders and related parties.

The list of insiders and related parties is as follows:

Item No.	Subscriber	Relationship with the Company
1	Gao Peng Investment Co., Ltd.	Corporate Director of the Company
2	Chang, Li-Jung	The Company's Chairman
3	Lu, I-Hsuan	The Company's directors and President
4	Chen, Shuh	The Company's directors
5	Chen, Tai-Chung	The Company's directors
6	Wu, Hui-Min	The Company's Chief Financial Officer
7	Chen, Yueh-Chin	The Company's manager
8	Chen Ying-chen	The Group subsidiary's manager
9	Chiu, Hsi-Chien	The Group subsidiary's manager
10	Chang, Hsin-Hang	The Group subsidiary's manager
11	Yu, Tung-Hua	The Group subsidiary's manager
12	Chang, I-Hsuan	Director of a Group Subsidiary and Third-degree Relative of the Company's Chairman
13	Chang, Mei-Li	Supervisor of the Group Subsidiary and Second-degree Relative of the Company's Chairman
14	Hung Ming Development Co., Ltd.	Related Party of the Company's Chairman
15	Hung Rung Investment Co., Ltd.	Related Party of the Company's Chairman
16	Hui Ming Development Co., Ltd.	Related Party of the Company's Chairman
17	Hui Rong Development Co., Ltd.	Related Party of the Company's Chairman
18	Chuan Hung Investment Co., Ltd.	Related Party of the Company's Chairman

If the subscriber is a legal entity, the following information shall be disclosed:

Corporate subscribers	Names and shareholding ratios of its top ten shareholders	Relationship with the Company
Gao Peng Investment Co., Ltd.	Hung Ming Development Co., Ltd.(50%)	Major shareholders of the Company's corporate director
	Hung Rung Investment Co., Ltd.(50%)	Major shareholders of the Company's corporate director
Hung Ming Development Co., Ltd.	Chang, Li-Jung(100%)	The Company's Chairman
Hung Rung Investment Co., Ltd.	Chang, Li-Jung(100%)	The Company's Chairman
Hui Ming Development Co., Ltd.	Chang, Li-Jung(100%)	The Company's Chairman

Corporate subscribers	Names and shareholding ratios of its top ten shareholders	Relationship with the Company
Hui Rong Development Co., Ltd.	Chang, Li-Jung(100%)	The Company's Chairman
Chuan Hung Investment Co., Ltd.	Chang, Li-Jung(44%)	The Company's Chairman
	Chang, Yu-Ssu(26%)	Second-degree relative of the Company's Chairman
	Chang, Yu-Wei(26%)	Second-degree relative of the Company's Chairman
	Hung Ming Development Co., Ltd.(2%)	Related Party of the Company's Chairman
	Hung Rung Investment Co., Ltd.(2%)	Related Party of the Company's Chairman

2. Matters to be explained when the subscribers are strategic investors:

(1) Selection method and purpose of the subscribers:

To select strategic shareholders who can assist in the long-term operational development of the Company.

(2) Necessity:

In response to the intense competition in the industry and the increasingly evident trend of internationalization, it is necessary to introduce strategic investors beneficial to the Company in order to enhance the Company's operational scale, strengthen working capital, implement global strategic deployment, and support the Company's future development.

(3) Expected Benefits :

Through the participation of the subscribers, it is expected to enhance the Company's market competitiveness, strengthen the overall financial structure, and improve the Company's profitability.

The Company has not yet identified specific persons. Matters relating to the identification of specific persons are proposed to be submitted to the shareholders' meeting for authorization to the Board of Directors to handle in full.

(3) Reasons for the necessity of conducting the private placement:

Reasons for not adopting public offering:

The Company raises funds from specific persons through private placement in order to improve the timeliness, convenience, and issuance costs of this fundraising. Private placement has the characteristics of being swift and convenient, and the provision that privately placed securities may not be transferred within three years will further ensure the long-term cooperative relationship between the Company and strategic investors.

Quota of private placement:

The private placement shall be limited to no more than 15,000,000 shares of common stock, and the Board of Directors is authorized to complete the placement on a one-time basis within one year from the date of the shareholders' meeting resolution.

Use of funds and expected achieved benefits:

(1) Use of funds:

To strengthen working capital, improve financial structure, and meet reinvestment needs.

(2) Expected achieved benefits:

It is expected to enhance the Company's market competitiveness and operational efficiency, and to strengthen the overall financial structure.

4. The rights and obligations of the common shares in this private placement are in principle the same as those of the common shares already issued by the Company; however, pursuant to the Securities and Exchange Act, the common shares in this private placement may not be sold to persons other than those specified under Article 43-8 of the Securities and Exchange Act within three years from the delivery date. It is also proposed to submit to the shareholders' meeting for authorization to the Board of Directors to apply to the competent authority for supplemental public offering and listed trading in accordance with relevant regulations after three years from the delivery date of the common shares in this private placement, based on the circumstances at that time.
5. The major terms of the common shares to be issued under this private placement, other than the pricing percentage, shall include the actual issue price, number of shares to be issued, issuance terms and conditions, total amount to be raised, project plans, schedule for the use of proceeds, expected benefits to be generated, and other related matters not yet finalized. Should any adjustments be required in the future due to instructions from the competent authority, operational assessments, or changes in objective circumstances, the shareholders' meeting is requested to authorize the Board of Directors to handle all such matters with full discretion.
6. It is proposed to submit this private placement case to the shareholders' meeting for approval, and to authorize the Chairman to sign all contracts or documents related to the issuance of the common shares in this private placement on behalf of the Company, and to handle all matters necessary for the issuance of the common shares in this private placement.
7. This case has been reviewed and approved by the Audit Committee, and after being resolved by the Board of Directors in accordance with the law, it is submitted for discussion at the 2026 Annual General Meeting of Shareholders

8. The proposal is hereby submitted for discussion.

Resolution:

The number of voting rights of shareholders present at the time of voting: 58,769,702 Rights.

Voting Results (Including Electronic Voting)		Percentage of voting rights of shareholders present at the time of voting
approval votes	57,849,566	98.43%
disapproval votes	179,480	0.30%
invalid votes	0	0.00%
abstention votes/no votes	740,656	1.26%

Proposal was approved after voting.

VI. Election Matters

Proposed by the Board of Directors

Proposal: Proposal for the election of the 11th term of Directors (including Independent Directors)

Description: 1.The term of the 10th Board of Directors of the Company expires on May 29, 2026. It is proposed to hold a full re-election in advance at the 2026 Annual General Meeting of Shareholders.

- 2.Pursuant to Article 13 of the Articles of Incorporation, seven directors are to be elected this time (including three independent directors). The election of directors adopts a candidate nomination system, and the directors shall be elected by the shareholders' meeting from the list of director candidates. Independent directors and non-independent directors shall be elected together, with the number of elected seats calculated separately, and the Audit Committee shall be composed of all newly elected independent directors.
3. In order to coordinate with the re-election date of the Annual General Meeting of Shareholders, the incumbent directors shall be dismissed early from the date of re-election, and the newly elected directors shall take office from the date of re-election, with a term of three years from May 27, 2026 to May 26, 2029.
4. Pursuant to the provisions of the Articles of Incorporation, the election of directors adopts a candidate nomination system. The list of candidates for directors (including independent directors) of the current term has been reviewed and approved by the Board of Directors on April 10, 2026. The list of candidates for directors (including independent directors) is as follows:

Candidate category	Name	Number of shares held	Principal work experience and academic qualifications
Director	Representative of Gao Peng Investment Co., Ltd.: Chang, Li-Jung	8,749,827 shares	Wu Feng Institute of Technology, Department of Mechanical Engineering Chairman, Hotron Precision Electronic Industrial Co., Ltd. R&D Personnel, Silicon Wafer Center, Semiconductor Research Laboratory, Tatung Institute of Technology

Candidate category	Name	Number of shares held	Principal work experience and academic qualifications
			External Operations Team Leader, Hon Hai Precision Industry Co., Ltd.
Director	Lu, I-Hsuan	72,955 shares	Master, Graduate Institute of Business Administration, National Chengchi University Director, Hotron Precision Electronic Industrial Co., Ltd. President, Hotron Precision Electronic Industrial Co., Ltd. Vice President, Headquarters of Management, Askey Computer Corp. Chief Financial Officer, Finance Center, Tainet Communication System Corp. President, Honghsuan Information Co., Ltd.
Director	Chen, Shuh	0 shares	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, Zhong Dao Association of Leadership and Culture Chairman, Central Investment Company 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
Director	Chen, Tai-Chung	0 shares	Graduated from Annan National Elementary School in Dongshi Township, Yunlin County Supervisor, Xiang Yang Land Development Co., Ltd. Chairman, Apex Science & Engineering Corp.
Independent director	Chu, Yann-Fang	0 shares	PhD in Business Administration, National Taiwan University

Candidate category	Name	Number of shares held	Principal work experience and academic qualifications
			Project Management Professional (PMP), Project Management Institute (PMI) Adjunct Associate Professor, Shih Chien University Adjunct Associate Professor, Soochow University Adjunct Associate Professor, Department of Information Management, Hsing Wu University of Science and Technology Director, National Project Management Association, 5th–9th Terms
Independent director	Chou, Che-Yi	0 shares	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) Certified Public Accountant, Hung Ta CPA Firm Finance Associate Manager, Abico Avy Co., Ltd. Associate Manager, Audit Department, PricewaterhouseCoopers Taiwan Independent Director, Nan Yang Dyeing & Fishing 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 Mangement Co., Ltd. Supervisor, Outstanding Management Consultants Co., Ltd.
Independent director	Lin, Hsiao-Chen	0 shares	School of Law, Soochow University Partner, Wang Dongshan United Law Firm Law Clerk, Taiwan High Court

5. The Corporate Governance Officer has reviewed the professionalism and independence of the nominated independent director, who meets all relevant legal requirements.

6. In accordance with the Company's "Directors Election Regulations," the election is hereby proposed.

.Resolution:

After the election results of this case, the list of elected Director (including Independent directors) is as follows:

Category	Number Category	Name	The number of voting rights
Director	29	Representative of Gao Peng Investment Co., Ltd.: Chang, Li-Jung	92,912,888
Director	225	Lu, I-Hsuan	68,815,558
Director	P10198****	Chen, Shuh	63,592,520
Director	P10199****	Chen, Tai-Chung	61,859,520
Independent Director	G10181****	Chu, Yann-Fang	38,560,290
Independent Director	C12084****	Chou, Che-Yi	38,963,169
Independent Director	V22080****	LIN, HSIAO-CHEN	38,106,785

VII. Other matters

Case 1

proposed by the Board of Directors

Proposal: The removal of non-competition restrictions for newly appointed directors and their representatives is hereby submitted for discussion.

- Description:**
1. Pursuant to Article 209 of the Company Act, a director who does an act for himself or on behalf of **another** person that is within the scope of the company's business, shall explain to the shareholders meeting the important facts concerning such an act and secure its approval.
 2. In order to meet actual business needs and without prejudice to the interests of the Company, it is proposed to seek approval at the 2026 Annual General Meeting of Shareholders to exempt the newly elected directors and their representatives from the non-competition restrictions under Article 209 of the Company Act, so as to facilitate the development of business.
 3. Details of the concurrent positions held by the newly elected Directors (including Independent Directors) of the Company are as follows:

Title	Name	Company Name and Position Subject to the Release of Non-Competition Restrictions
Director	Representative of Gao Peng Investment Co., Ltd.: Chang, Li-Jung	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 Ming Development Co, Ltd. Chairman, Hung Rung Investment Co., Ltd. Chairman, Hui Ming Development Co., Ltd. Chairman, Hui Rong Development Co., Ltd.
Director	Lu, I-Hsuan	General Manager, Fortuna International Holdings Ltd. Director, Hotron Precision Electronic Industrial (Suzhou) Co., Ltd. Chairman and General Manager, Hotron Electron & Telecommunication (Fuqing) Co., Ltd. Director, Hotron Precision Electronic Industrial (HuBei) Co., Ltd. Director and General Manager, Hotron Real Estate Development (Tianmen) Co., Ltd.
Director	Chen, Tai-Chung	Supervisor, Xiang Yang Land Development Co., Ltd. Chairman, Apex Science & Engineering Corp.
Director	Chen, Shuh	Chairman, Zhong Dao Association of Leadership and Culture Chairman, Central Investment Company
Independent director	Chu, Yann-Fang	Adjunct Associate Professor, Shih Chien University Adjunct Associate Professor, Soochow University Adjunct Associate Professor, Department of Information Management, Hsing Wu University of Science and Technology Director, National Project Management Association, 9th Terms
Independent director	Chou, Che-Yi	Certified Public Accountant, Hung Ta CPA Firm Finance Associate Manager, Abico Avy Co., Ltd. Associate Manager, Audit Department, PricewaterhouseCoopers Taiwan Independent Director, Nan Yang Dyeing & Fishing 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.
Independent director	Lin, Hsiao-Chen	Partner, Wang Dongshan United Law Firm

4. The proposal is hereby submitted for discussion.

Resolution:

The number of voting rights of shareholders present at the time of voting: 58,769,702

Rights.

Voting Results (Including Electronic Voting)		Percentage of voting rights of shareholders present at the time of voting
approval votes	57,835,912	98.41%
disapproval votes	113,125	0.19%
invalid votes	0	0.00%
abstention votes/no votes	820,665	1.39%

Proposal was approved after voting.

VIII. Extraordinary motions Adjournment

There being no other special motion.

IX.

9:31 a.m., Wednesday, May 27, 2026

There were no questions from shareholders at this 2026 Annual Meeting of Shareholders.

Attachment 1: 2025 Business Report

Business Report

Dear shareholders,

Welcome to the 2026 Annual Shareholder' Meeting.

Reviewing 2025, the global economy navigated a difficult balancing act between moderating inflation and persistently high interest rates. AI and digital transformation sustained strong demand for advanced technology, yet the broader trade environment remained deeply uncertain — shaped by unrelenting geopolitical tensions, the protectionist turn in U.S. trade policy under the new administration, and the disruptions accompanying global supply chain realignment. Against this backdrop, climate change and decarbonization have solidified as global priorities, pushing energy transition from a strategic choice to a structural imperative — and with it, opening meaningful opportunities for companies positioned to lead that shift.

Hotron Group reported consolidated revenue of NT\$1.639 billion for full-year 2025, down approximately 15% from NT\$1.934 billion in 2024. The decline reflected two converging headwinds: the Group was still mid-transition in shifting production capacity from mainland China to Vietnam, while its new energy business remained in the early phases of international certification, R&D, and market development. Together, these factors weighed on order volumes, drove up one-time costs, and increased fixed cost absorption — resulting in a full-year after-tax net loss of approximately NT\$562 million, or NT\$5.14 per share. While the results fell short of expectations, the Group made tangible progress on the product front, advancing its cable lineup toward higher-specification, faster-transmission solutions and achieving meaningful breakthroughs in both technology and market development.

Looking to 2026, Hotron Group will build on its established leadership in cable products while sharpening its focus on the new energy market. The Group will expand its portfolio of charging guns, charging stations, energy storage cabinets, and solar power plant wiring, with a clear objective: grow the revenue contribution from new energy products and improve the overall gross margin profile.

Hotron Group's longer-term transformation strategy centers on becoming an integrated solutions provider in the solar-photovoltaic, energy storage, and EV charging space — what the industry refers to as the "PV-storage-charging" ecosystem. The transition is not without its challenges, but the Group's conviction in the direction of green energy and smart connectivity remains firm, and our outlook for the future is one of grounded optimism. We will press forward with the principles that have always guided us — integrity, prudence, and innovation — pursuing steady, profitable growth through operational discipline and deepening strategic partnerships, with the goal of delivering lasting value to all our shareholders.

We wish all our shareholders good health and every happiness in the year ahead.

Chairman:
Chang, Li-Jung

President:
Lu, I-Hsuan

Accounting Manager:
Wu, Hui-Min

Attachment 2: 2025 Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has submitted the Company's individual financial statements and consolidated financial statements for the year 2025, which have been audited and completed by Certified Public Accountants Lin, Ya-Hui and Juan-Lu, Mam-Yu of PricewaterhouseCoopers Taiwan, along with the business report and deficit compensation proposal. After review by the Audit Committee, it is considered to be in compliance with relevant regulations, and this report is hereby prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please review.

Sincerely,

2026 Annual Shareholders' Meeting of Hotron Precision Electronic Industrial Co., Ltd.

Convener of the Audit Committee: Chou, Che-Yi

February 26, 2026

Attachment 3: 2025 Report on Directors' Remuneration

Unit: NT\$ thousand

Job title	Name	Remuneration Paid to Directors								Sum of A+B+C+D and ratio to net income (Note 7)		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 7)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 8)
		Base compensation (A) (Note 1)		Retirement pay and pension (B)		Director profit sharing compensation (C) (Note 2)		Expenses and perquisites (D) (Note 3)				Salary, rewards, and special disbursements (Note 4)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 5)						
		The Company	All consolidated entities (Note 6)	The Company	All consolidated entities (Note 6)	The Company	All consolidated entities (Note 6)	The Company	All consolidated entities (Note 6)	The Company	All consolidated entities (Note 6)	The Company	All consolidated entities (Note 6)	The Company	All consolidated entities (Note 6)	The Company		All Companies in the Financial Statements (Note 6)		The Company	All consolidated entities (Note 6)	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Chang, Li-Jung	6,272	6,272	0	0	0	0	12	16	6,284 (1.10%)	6,284 (1.10%)	0	0	0	0	0	0	0	0	6,284 (1.10%)	6,284 (1.10%)	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 (0.65%)	3,708 (0.65%)	None
Director	Chen, Tai-Chung	120	120	0	0	0	0	28	28	148 (0.03%)	148 (0.03%)	0	0	0	0	0	0	0	0	148 (0.03%)	148 (0.03%)	None
Director	Chen, Shuh	120	120	0	0	0	0	28	28	148 (0.03%)	148 (0.03%)	0	0	0	0	0	0	0	0	148 (0.03%)	148 (0.03%)	None
	Chu, Yann-Fang	120	120	0	0	0	0	30	30	150 (0.02%)	150 (0.02%)	0	0	0	0	0	0	0	0	150 (0.02%)	150 (0.02%)	None

Independent director	Chou, Che-Yi	120	120	0	0	0	0	30	30	150 (0.02%)	150 (0.02%)	0	0	0	0	0	0	0	0	150 (0.02%)	150 (0.02%)	None
	Lin, Hsiao-Chen (Note 10)	70	70	0	0	0	0	16	16	86 (0.00%)	86 (0.00%)	0	0	0	0	0	0	0	0	86 (0.00%)	86 (0.00%)	None
	Hsieh, I-Ta (Note 9)	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

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

Items/ Name	Ratio of Total Compensation to net Profit After Tax (Note)			
	2025		2024	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Director, Independent director	1.91%	1.91%	4.55%	4.55%

2. Relevance to operational performance and future risks:

The various remuneration packages for directors and independent directors 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.

Note 1: Refers to the remuneration (including directors' salaries, job allowances, various bonuses, and incentives) for directors in the fiscal year 2025.

Note 2: Due to it was a loss-making year in 2025, no director's remuneration was allocated.

Note 3: Refers to the relevant operating expenses (including transportation, various allowances, etc.) for directors in the fiscal year 2025.

- Note 4: Refers to the compensation received by directors who are also employees in the fiscal year 2025, including salaries, job allowances, various bonuses, transportation allowances, various subsidies, provision of company cars, and other benefits etc.
- Note 5: Due to it was a loss-making year in 2025, no employee remuneration was allocated.
- Note 6: 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 7: Net income after tax refers to the net income after tax in the individual financial statements for the year 2025.
- Note 8: The company's directors did 'none' receive any related remuneration from investee companies other than subsidiaries or from the parent company.
- Note 9: Independent Director **Hsieh, I-Ta** tendered his resignation on **February 17, 2025**.
- Note 10: Independent Director Lin, Hsiao- Chen was newly elected at the Shareholders' Meeting held on May 28, 2025.

Attachment 4 2025 Individual Financial Statements and Independent Auditor's Report

Independent Auditors' Report

To: Hotron Precision Electronic Industrial Co., Ltd.

Opinions

The Parent Company Only Balance Sheets of Hotron Precision Electronic Industrial Co., Ltd. (hereinafter "The Company") as of December 31, 2025 and 2024, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of material accounting policies) from January 1 to December 31, 2025 and 2024, have been audited by the CPAs.

In the opinion of the CPAs, the above Parent Company Only Financial Statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, and are sufficient to give a fair representation of the financial position of the Company as of December 31, 2025 and 2024, and the financial performance and cash flow from January 1 to December 31, 2025 and 2024.

Basis for Opinions

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

Key Audit Matters

Key audit matters refer to those which, in accordance with the professional judgment of the CPAs, are most important for the audit of the Parent Company Only Financial Statements of the Company for 2025. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Parent Company Only Financial Statements of the Company for 2025 are listed as follows:

Revenue Recognition Cut-Off for Ex-Works Sales

Description

Please refer to Note 4(22) to the parent company financial statement for the accounting policy for revenue recognition.

The Company's sales models are mainly categorized into recognizing revenue after ex-factory shipments and after ex-warehouse shipments. For ex-works sales, revenue is recognized only when the customer takes delivery and the risks and rewards are transferred. The Company primarily recognizes revenue based on the actual ex-works sales to customers as provided in the reports or other information from warehouse custodians.

As revenue recognition for ex-works sales is based on the information and reports provided by custodians, it typically involves more manual processes. Considering the significant transaction volume of the Company's ex-works sales and the material impact of transactions around the financial statement date on the financial statements, the CPA considers the revenue recognition cut-off for the Company's ex-works sales as one of the most important audit matters this year.

Response Audit Procedures

The key audit procedures performed by the CPA regarding the revenue recognition cut-off for ex-warehouse sales are summarized as follows:

1. Understand the Company's revenue recognition procedures for ex-works sales, evaluate the appropriateness of recognizing ex-works revenue, including understanding relevant internal control procedures, and obtain information and reports provided by custodians.
2. Perform internal control testing on ex-works sales revenue to ensure the Company recognizes revenue only after the customer takes delivery and the risks and rewards are transferred.
3. Perform cut-off testing on ex-works sales revenue transactions for a certain period before and after the balance sheet date, including verifying supporting documents from warehouse custodians, shipping documents, and that revenue is recorded in the appropriate period.
4. Perform sample physical inventory observation and count for ex-works inventory quantities and reconcile with book balances.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the accompanying Parent Company Only Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of and in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements.

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

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

From the communication with the management unit, the accountant decided on the key audit matters for the Parent Company Only Financial Statements of the Company for 2025. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Lin, Ya-Hui

CPA

JuanLu, Mam-Yu

Financial Supervisory Commission

Approval File No.: Jin-Guan-Zheng-Shen-Zi No.
1070323061

Financial Supervisory Commission

Approval File No.: Jin-Guan-Zheng-Shen-Zi No.
0990058257

February 26, 2026

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2025 and 2024

Unit: NT\$ Thousand

Assets			December 31, 2025		December 31, 2024			
			Amount	%	Amount	%		
Current Assets								
1100	Cash and Cash Equivalents	6(1)	\$	454,716	21	\$	761,239	27
1110	Financial assets measured at fair value	6(2)						
	through profit or loss - current			30,036	1		-	-
1150	Net Notes Receivable	6(4)		4,403	-		2,977	-
1170	Net Accounts Receivable	6(4)		25,444	1		60,689	2
1200	Other Receivables			2,681	-		5,098	-
1210	Other Receivables - Related Parties	7		147,788	7		-	-
1220	Current Tax Assets	6(24)		6,902	-		1,816	-
130X	Inventories	6(5)		1,131	-		15,395	1
1410	Prepayments	7		54,978	3		13,640	-
1479	Other Current Assets – Others			206	-		320	-
11XX	Total Current Assets			728,285	33		861,174	30
Non-current Assets								
1550	Investments Accounted for Using the	6(6)						
	Equity Method			1,021,277	46		1,503,762	53
1600	Property, Plants, and Equipment	6(7) and 8		29,822	1		31,462	1
1755	Right-of-Use Assets	6(8)		2,242	-		3,924	-
1760	Investment Property	6(10) and 8		358,321	16		364,190	13
1780	Intangible Assets			1,360	-		569	-
1840	Deferred Income Tax Assets	6(24)		18,328	1		17,789	1
1900	Other Non-current Assets			55,552	3		54,669	2
15XX	Total Non-current Assets			1,486,902	67		1,976,365	70
1XXX	Total Assets		\$	2,215,187	100	\$	2,837,539	100

(Next Page)

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2025 and 2024

Unit: NT\$ Thousand

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term Loans	6(11) and 8	\$ 622,000	28	\$ 515,000	18
2120	Financial liabilities measured at fair value through profit or loss - current	6(13)	-	-	1,624	-
2130	Contract Liabilities - Current	6(19)	2,978	-	2,978	-
2180	Accounts Payable - Related Parties	7	1,329	-	855	-
2200	Other Payables	6(12)	10,548	1	10,903	-
2280	Lease Liabilities - Current		1,693	-	1,676	-
2320	Long-term Liabilities - Current Portion	6(14)	46,009	2	241,595	9
2399	Other Current Liabilities – Others		3,583	-	345	-
21XX	Total Current Liabilities		688,140	31	774,976	27
Non-current Liabilities						
2570	Deferred Income Tax Liabilities	6(24)	91,820	4	97,781	4
2580	Lease Liabilities - Non-current		568	-	2,261	-
2670	Other Non-current Liabilities – Others	7	3,046	-	3,046	-
25XX	Total Non-current Liabilities		95,434	4	103,088	4
2XXX	Total Liabilities		783,574	35	878,064	31
Equity						
	Capital Stock	6(16)				
3110	Common Stock		1,065,520	48	1,065,520	38
	Capital Surplus	6(17)				
3200	Capital Surplus		883,332	40	854,045	30
	Retained Earnings	6(18)				
3310	Legal Reserve		39,910	2	226,931	8
3320	Special Reserve		60,794	3	95,692	3
3350	Undistributed Earnings (Accumulated Deficit)		(547,479)	(25)	(221,919)	(8)
	Other Equity					
3400	Other Equity		(70,464)	(3)	(60,794)	(2)
3XXX	Total Equity		1,431,613	65	1,959,475	69
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events After the Balance Sheet Date	11				
3X2X	Total Liabilities and Equity		\$ 2,215,187	100	\$ 2,837,539	100

Please also refer to the attached Notes to the Parent Company Only Financial Statements as part of these Parent Company Only Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousand
(Except earnings or deficit per share in NT\$)

	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating Revenue	6(19) and 7	\$ 193,422	100	\$ 214,554	100
5000	Operating Costs	6(5) and 7	(169,696)	(88)	(189,706)	(89)
5900	Gross Profit		<u>23,726</u>	<u>12</u>	<u>24,848</u>	<u>11</u>
	Operating Expenses	6(23) and 7				
6100	Selling and Marketing Expenses		(6,574)	(3)	(2,970)	(1)
6200	General and Administrative Expenses		(48,987)	(25)	(47,291)	(22)
6450	Expected Credit Impairment Losses	12(2)	<u>10</u>	<u>-</u>	<u>49</u>	<u>-</u>
6000	Total Operating Expenses		<u>(55,551)</u>	<u>(28)</u>	<u>(50,212)</u>	<u>(23)</u>
6500	Other Non-operating Income and Expenses	6(20)	(32,770)	(17)	64,221	30
6900	Operating Profit (Loss)		<u>(64,595)</u>	<u>(33)</u>	<u>38,857</u>	<u>18</u>
	Non-operating Income and Expenses					
7100	Interest Expenses (Revenue)	7	32,873	17	48,917	23
7010	Other Income		-	-	1,575	-
7020	Other Gains or Losses	6(21)	(5,009)	(3)	(524)	-
7050	Financial Cost	6(22)	(15,187)	(8)	(17,524)	(8)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	6(6)	<u>(502,060)</u>	<u>(259)</u>	<u>(279,331)</u>	<u>(130)</u>
7000	Total Non-operating Income and Expenses		<u>(489,383)</u>	<u>(253)</u>	<u>(246,887)</u>	<u>(115)</u>
7900	Net Profit (Loss) Before Tax		<u>(553,978)</u>	<u>(286)</u>	<u>(208,030)</u>	<u>(97)</u>
7950	Income Tax Benefits (Expenses)	6(24)	6,499	3	(13,889)	(6)
8200	Net Loss for the Period		<u><u>(\$ 547,479)</u></u>	<u><u>(283)</u></u>	<u><u>(\$ 221,919)</u></u>	<u><u>(103)</u></u>
	Other Comprehensive Income (Net)					
	Items That May Be Subsequently Reclassified to Profit or Loss					
8361	Exchange differences on translation of financial statements of foreign operations		<u>(\$ 9,670)</u>	<u>(5)</u>	<u>\$ 49,332</u>	<u>23</u>
8360	Total of items that may be subsequently reclassified to profit or loss		<u>(9,670)</u>	<u>(5)</u>	<u>49,332</u>	<u>23</u>
8300	Other Comprehensive Income (Net)		<u><u>(\$ 9,670)</u></u>	<u><u>(5)</u></u>	<u><u>\$ 49,332</u></u>	<u><u>23</u></u>
8500	Total Comprehensive Income (Loss) for the Period		<u><u>(\$ 557,149)</u></u>	<u><u>(288)</u></u>	<u><u>(\$ 172,587)</u></u>	<u><u>(80)</u></u>
	Deficit per Share	6(25)				
9750	Basic Deficit per Share		<u>(\$ 5.14)</u>		<u>(\$ 2.08)</u>	
9850	Diluted Deficit per Share		<u><u>(\$ 5.14)</u></u>		<u><u>(\$ 2.08)</u></u>	

Please also refer to the attached Notes to the Parent Company Only Financial Statements as part of these Parent Company Only Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

		Capital Surplus						Retained Earnings			Other Equity	
				Recognition of changes in ownership interests in subsidiaries						Undistributed Earnings (Accumulated Deficit)	Exchange differences on translation of financial statements of foreign operations	
Notes	Common Stock	Additional Paid-in Capital	Treasury Stock Transactions		Stock Options Forfeited	Share Option	Others	Legal Reserve	Special Reserve			Total equity
2024												
Balance as of January 1, 2024	\$ 1,065,520	\$ 819,923	\$ 1,615	\$ -	\$ 2,163	\$30,285	\$ 38	\$ 226,931	\$ 82,834	\$ 12,858	(\$ 110,126)	\$ 2,132,041
Net Loss for the Period	-	-	-	-	-	-	-	-	-	(221,919)	-	(221,919)
Other Comprehensive Income (Loss) for the Period	-	-	-	-	-	-	-	-	-	-	49,332	49,332
Total Comprehensive Income (Loss) for the Period	-	-	-	-	-	-	-	-	-	(221,919)	49,332	(172,587)
Appropriation and distribution of earnings in 2023:	6(18)											
Appropriation of special reserve	-	-	-	-	-	-	-	-	12,858	(12,858)	-	-
Overdue dividends converted to capital surplus	-	-	-	-	-	-	21	-	-	-	-	21
Balance as of December 31, 2024	\$ 1,065,520	\$ 819,923	\$ 1,615	\$ -	\$ 2,163	\$30,285	\$ 59	\$ 226,931	\$ 95,692	(\$ 221,919)	(\$ 60,794)	\$ 1,959,475
2025												
Balance as of January 1, 2025	\$ 1,065,520	\$ 819,923	\$ 1,615	\$ -	\$ 2,163	\$30,285	\$ 59	\$ 226,931	\$ 95,692	(\$ 221,919)	(\$ 60,794)	\$ 1,959,475
Net Loss for the Period	-	-	-	-	-	-	-	-	-	(547,479)	-	(547,479)
Other Comprehensive Income (Loss) for the Period	-	-	-	-	-	-	-	-	-	-	(9,670)	(9,670)
Total Comprehensive Income (Loss) for the Period	-	-	-	-	-	-	-	-	-	(547,479)	(9,670)	(557,149)
Appropriation and distribution of earnings in 2024:	6(18)											
Legal Reserve to Make Up For Loss	-	-	-	-	-	-	-	(187,021)	-	187,021	-	-
Reversed Special Reserve	-	-	-	-	-	-	-	-	(34,898)	34,898	-	-
Redemption of Convertible Bonds	-	-	-	-	24,674	(24,674)	-	-	-	-	-	-
Overdue dividends converted to capital surplus	-	-	-	-	-	-	42	-	-	-	-	42
Recognition of changes in ownership interests in subsidiaries	6(6)			29,245	-	-	-	-	-	-	-	29,245
Balance as of December 31, 2025	\$ 1,065,520	\$ 819,923	\$ 1,615	\$ 29,245	\$ 26,837	\$ 5,611	\$ 101	\$ 39,910	\$ 60,794	(\$ 547,479)	(\$ 70,464)	\$ 1,431,613

Please also refer to the attached Notes to the Parent Company Only Financial Statements as part of these Parent Company Only Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting manager: Wu, Hui-Min

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash Flows from Operating Activities			
Net loss before tax for the period		(\$ 553,978)	(\$ 208,030)
Adjustments			
Adjustments to reconcile profit or loss			
Depreciation Expenses	6(7)(10) (23)	10,068	9,366
Amortization Expenses	6(23)	808	244
Expected Credit Impairment Losses	12(2)	(10)	(49)
Interest Expenses	6(22)	11,800	12,141
Interest Expenses (Revenue)		(32,873)	(48,917)
Amortization of Corporate Bond Discounts	6(22)	3,387	5,383
Net gain on financial assets measured at fair value through profit or loss		(36)	-
Net loss (gain) on financial liabilities measured at fair value through profit or loss	6(13)(21)	1,871	524
Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	6(6)		
Loss from redemption of convertible bonds	6(21)	502,060 3,174	279,331 -
Changes in Operating Assets/Liabilities			
Net change in assets related to operating activities			
Notes Receivable		(1,426)	(157)
Accounts Receivable		35,255	163,035
Other Receivables		1,030	237
Other Receivables - Related Parties		(515)	-
Inventories		14,264	(7,092)
Prepayments		(41,338)	(13,374)
Other Current Assets		114	76
Net Defined Benefit Assets - Non-current		-	2,892
Other Non-current Assets		(835)	(2,610)
Net changes in liabilities related to operating activities			
Accounts Payable - Related Parties		474	(3,243)
Contract Liabilities - Current		-	126
Other Payables		(297)	575
Other Current Liabilities		3,237	(81)
Cash inflow (outflow) generated from operations		(43,766)	190,377
Interest Received		35,290	54,993
Interest paid		(11,815)	(12,437)
Income Tax Paid		(6,118)	(5,998)
Net cash inflow (outflow) from operating activities		(26,409)	226,935
Cash Flows From Investing Activities			
Increase in financial assets measured at amortized cost		-	531,553
Cost of acquisition of financial assets measured at fair value through profit or loss		(135,000)	-
Cost of disposal of financial assets measured at fair value through profit or loss		105,000	-
Other Receivables - Related Parties		(147,273)	-
Acquisition of property, plants, and equipment	6(7)	(877)	(169)
Acquisition of Intangible Assets		(1,099)	(58)
Increase in prepayment for purchases of equipment		(548)	(52,000)
Net cash (outflow) inflow from investment activities		(179,797)	479,326
Cash Flows From Financing Activities			
Increase (Decrease) in Short-term Loans	6(26)	107,000	(180,000)
Increase in Refundable Deposits		-	(5)
Lease Principal Repayment	6(26)	(1,676)	(1,108)
Redemption of Corporate Bonds	6(26)	(205,641)	-
Net cash outflow from financing activities		(100,317)	(181,113)
Increase (decrease) in cash and cash equivalents for the current period		(306,523)	525,148

Please also refer to the attached Notes to the Parent Company Only Financial Statements as part of these Parent Company Only Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting manager: Hsu, Kuo-Huang

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

Unit: NT\$ Thousand

	<u>Notes</u>	<u>January 1 to December 31, 2024</u>	<u>January 1 to December 31, 2023</u>
Beginning balance of cash and cash equivalents	6(1)	761,239	236,091
Ending balance of cash and cash equivalents	6(1)	<u>\$ 454,716</u>	<u>\$ 761,239</u>

Please also refer to the attached Notes to the Parent Company Only Financial Statements as part of these Parent Company Only Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting manager: Hsu, Kuo-Huang

Attachment 5 2025 Consolidated Financial Statements and Independent Auditors' Report

Independent Auditors' Report

To: Hotron Precision Electronic Industrial Co., Ltd.,

Opinions

Hotron Precision Electronic Industrial Co., Ltd. and Its Subsidiaries (hereinafter "Hotron Group") as of December 31, 2025 and 2024, in addition to the Consolidated of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2025 and 2024, have been audited by the CPAs.

In the opinion of the CPAs, the above Consolidated Financial Statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation and Interpretation Notices as endorsed and issued into effect by the Financial Supervisory Commission, and are sufficient to give a fair representation of the consolidated financial position of Hotron Group as at December 31, 2025 and 2024, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2025 and 2024.

Basis for Opinions

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

Key Audit Matters

Key audit matters refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the Consolidated Financial Statements of Hotron Group in 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Consolidated Financial Statements of Hotron Group in 2025 are listed as follows:

Inventory Evaluation

Description

Please refer to Note 4(12) of the consolidated financial report for the accounting policy of inventory evaluation; please refer to Note 5(2) of the consolidated financial report for the uncertainty of accounting estimates and assumptions of inventory evaluation; and refer to Note 6(5) to the consolidated financial report for the description of allowance for inventory impairment loss. As of December 31, 2025, the Hotron Group's inventories and allowance for inventory impairment loss amounted to NT\$805,183 thousand and NT\$114,850 thousand, respectively.

The Hotron Group is engaged in the manufacturing and sale of various 3C product cables and signal cables. Due to the short life cycles of electronic products and intense market competition, there is a higher risk of inventory impairment losses. Hotron Group's inventories are measured at the lower of cost and net realizable value, the net realizable value is calculated based on the actual average selling price less variable selling expenses. For the net realizable value used in inventory valuation, it often involves subjective judgments and therefore has a high degree of estimation uncertainty. The CPAs believe that the assessment of the inventory of Hotron Group and its allowance for inventory impairment loss is one of the most important matters in this year's audit.

Response audit procedures

The key audit procedures performed by the CPA regarding the allowance for inventory impairment loss are summarized as follows:

1. Understand the Hotron Group's operations and industry nature, evaluate the reasonableness of the policies and procedures adopted for the allowance for inventory impairment loss, including determining the reasonableness of the basis for the net realizable value.
2. Identify the warehouse management process of Hotron Group, review its annual inventory plan and participate in the annual inventory checking to evaluate the effectiveness of management in distinguishing and controlling inventory.
3. Verify the properness of the inventory age report used by Hotron Group for evaluation to confirm that the report information is consistent with its policies.
4. Execute the verification of the calculation logic of the net realizable value of inventories, and then evaluate the rationality of the allowance for impairment loss determined by Hotron Group.

Revenue Recognition Cut-Off for Ex-Works Sales

Description

Please refer to Note 4(23) to the consolidated financial report for the accounting policy for revenue recognition.

The Hotron Group's sales models are mainly categorized into recognizing revenue after ex-factory shipments and after ex-warehouse shipments. For ex-works sales, revenue is recognized only when the customer takes delivery and the risks and rewards are transferred. The Hotron Group primarily recognizes revenue based on the actual ex-works sales to customers as provided in the reports or other information from warehouse custodians.

As revenue recognition for ex-works sales is based on the information and reports provided by custodians, it typically involves more manual processes. Considering the significant transaction volume of the Hotron Group's ex-works sales and the material impact of transactions around the financial statement date on the financial statements, the CPA considers the revenue recognition cut-off for the Group's ex-works sales as one of the most important audit matters this year.

Response audit procedures

The key audit procedures performed by the CPA regarding the revenue recognition cut-off for ex-warehouse sales are summarized as follows:

1. Understand the Hotron Group's revenue recognition procedures for ex-works sales, evaluate the appropriateness of recognizing ex-works revenue, including understanding relevant internal control procedures, and obtain information and reports provided by custodians.
2. Perform internal control testing on ex-works sales revenue to ensure the Hotron Group recognizes revenue only after the customer takes delivery and the risks and rewards are transferred.
3. Perform cut-off testing on ex-works sales revenue transactions for a certain period before and after the balance sheet date, including verifying supporting documents from warehouse custodians, shipping documents, and that revenue is recorded in the appropriate period.
4. Perform sample physical inventory observation and count for ex-works inventory quantities and reconcile with book balances.

Other Matters - Parent Company Only Financial Statements

We have also audited the Parent Company Only Financial Statements of Hotron Precision Electronic Industrial Co., Ltd. for 2025 and 2024, on which we have issued an unqualified opinion.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers, as well as the IFRS, IAS, Interpretation and Interpretation Notices as endorsed and issued into effect by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

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

Those in charge with Hotron Group's governance (including Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an and accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hotron Group's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Hotron Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Hotron Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of the Group.

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the communication with the management unit, the accountant decided on the key audit matters for the Consolidated Financial Statements of Hotron Group for 2025. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Lin, Ya-Hui

CPA

JuanLu, Man-Yu

Financial Supervisory Commission

Approval File No.: Jin-Guan-Zheng-Shen-Zi No.
1070323061

Financial Supervisory Commission

Approval File No.: Jin-Guan-Zheng-Shen-Zi No.
0990058257

February 26, 2026

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

Unit: NT\$ Thousand

Assets			December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current Assets						
1100	Cash and Cash Equivalents	6(1)	\$ 671,314	13	\$ 960,832	19
1110	Financial assets measured at fair value	6(2)				
	through profit or loss - current		30,036	1	68,206	1
1136	Financial assets measured at amortized	6(3)				
	cost - current		40,689	1	40,370	1
1150	Notes Receivable, net	6(4)	8,762	-	7,099	-
1170	Accounts Receivable, net	6(4)	584,685	12	682,097	13
1200	Other Receivables		11,321	-	8,878	-
1220	Current Tax Assets		5	-	-	-
130X	Inventory	6(5)	690,333	14	649,809	13
1410	Prepayments		59,418	1	28,986	1
1479	Other current assets – others	6(6)	50,637	1	50,929	1
11XX	Total Current Assets		2,147,200	43	2,497,206	49
Non-current Assets						
1600	Property, plants, and equipment	6(7) and 8	2,379,379	48	2,112,064	42
1755	Right-of-use Assets	6(8)	91,178	2	93,228	2
1760	Investment Property	6(10) and 8	202,594	4	206,050	4
1780	Intangible Assets		3,853	-	5,038	-
1840	Deferred income tax assets	6(28)	69,678	1	67,978	1
1900	Other non-current assets	6(11)	110,352	2	108,976	2
15XX	Total Non-current Assets		2,857,034	57	2,593,334	51
1XXX	Total Assets		\$ 5,004,234	100	\$ 5,090,540	100

(Next Page)

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

Unit: NT\$ Thousand

Liabilities and equity		Notes	December 31, 2025		December 31, 2024			
			Amount	%	Amount	%		
Current Liabilities								
2100	Short-term loans	6(12) and 8	\$	1,500,581	30	\$	1,002,608	20
2120	Financial liabilities measured at fair value through profit or loss - current	6(14)		-	-		1,624	-
2130	Contract liabilities - current	6(22)		4,292	-		4,350	-
2170	Accounts Payable			270,437	5		291,851	6
2200	Other Payables	6(13)		244,215	5		245,950	5
2230	Current income tax liabilities			6,999	-		6,971	-
2280	Lease liabilities - current			4,053	-		1,676	-
2320	Long-term liabilities - current portion	6(15)(16) and 8		46,009	1		411,631	8
2399	Other current liabilities – others			23,877	1		16,300	-
21XX	Total Current Liabilities			2,100,463	42		1,982,961	39
Non-current Liabilities								
2540	Long-term Loans	6(15)		300,000	6		-	-
2570	Deferred income tax liabilities	6(28)		70,741	2		76,727	2
2580	Lease liabilities - non-current			3,314	-		2,261	-
2600	Other Non-current Liabilities	6(17)		1,066,802	21		1,069,116	21
25XX	Total Non-current Liabilities			1,440,857	29		1,148,104	23
2XXX	Total Liabilities			3,541,320	71		3,131,065	62
Equity								
Equity attributable to owners of parent company								
	Capital Stock	6(19)						
3110	Common Stock			1,065,520	21		1,065,520	21
	Capital Surplus	6(20)						
3200	Capital Surplus			883,332	17		854,045	16
	Retained Earnings	6(21)						
3310	Legal Reserve			39,910	1		226,931	4
3320	Special Reserve			60,794	1		95,692	2
3350	Undistributed Earnings (Accumulated Deficit)		(	547,479)	(11)	(	221,919)	(4)
	Other Equity							
3400	Other Equity		(	70,464)	(1)	(	60,794)	(1)
31XX	Total equity attributable to owners of parent company			1,431,613	28		1,959,475	38
36XX	Non-controlling Interest			31,301	1		-	-
3XXX	Total Equity			1,462,914	29		1,959,475	38
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
	Significant Events after the Balance Sheet Date	11						
3X2X	Total Liabilities and Equity		\$	5,004,234	100	\$	5,090,540	100

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousand
(Except earnings or deficit per share in NT\$)

	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating Revenue	6(22)	\$ 1,638,995	100	\$ 1,933,669	100
5000	Operating Costs	6(5)(27) and 7	(1,567,130)	(96)	(1,701,226)	(88)
5900	Gross Profit		<u>71,865</u>	<u>4</u>	<u>232,443</u>	<u>12</u>
	Operating Expenses	6(27) and 7				
6100	Selling and marketing expenses		(147,129)	(9)	(150,555)	(8)
6200	General and administrative expenses		(307,527)	(19)	(329,723)	(17)
6300	Research and development expenses		(123,734)	(7)	(106,616)	(5)
6450	Expected credit impairment losses	12(2)	28	-	74	-
6000	Total operating expenses		<u>(578,362)</u>	<u>(35)</u>	<u>(586,820)</u>	<u>(30)</u>
6500	Other non-operating income and expenses	6(23)	(63,792)	(4)	80,421	4
6900	Operating Loss		<u>(570,289)</u>	<u>(35)</u>	<u>(273,956)</u>	<u>(14)</u>
	Non-operating income and expenses					
7100	Interest Expenses (Revenue)		35,649	2	52,978	3
7010	Other Income	6(24)	10,837	1	25,538	1
7020	Other gains or losses	6(25)	(1,113)	-	1,735	-
7050	Financial Cost	6(26)	(51,293)	(3)	(43,711)	(2)
7055	Expected credit impairment losses	12(2)	6,744	-	13,363	-
7000	Total non-operating income and expenses		<u>824</u>	<u>-</u>	<u>49,903</u>	<u>2</u>
7900	Net Profit (Loss) Before Tax		<u>(569,465)</u>	<u>(35)</u>	<u>(224,053)</u>	<u>(12)</u>
7950	Income Tax Benefit	6(28)	7,532	1	2,134	-
8200	Net Loss for the Period		<u>(\$ 561,933)</u>	<u>(34)</u>	<u>(\$ 221,919)</u>	<u>(12)</u>
	Other Comprehensive Income (Net)					
8361	Exchange differences on translation of financial statements of foreign operations		(\$ 9,670)	(1)	\$ 49,332	3
8360	Total of items that may be subsequently reclassified to profit or loss		<u>(9,670)</u>	<u>(1)</u>	<u>49,332</u>	<u>3</u>
8300	Net Amount of Other Comprehensive (Loss) Income After Tax for the Period		<u>(\$ 9,670)</u>	<u>(1)</u>	<u>\$ 49,332</u>	<u>3</u>
8500	Total Comprehensive Loss for the Period		<u>(\$ 571,603)</u>	<u>(35)</u>	<u>(\$ 172,587)</u>	<u>(9)</u>
	Net income attributable to:					
8610	Owners of parent company		(\$ 547,479)	(33)	(\$ 221,919)	(12)
8620	Non-controlling Interest		(14,454)	(1)	-	-
			<u>(\$ 561,933)</u>	<u>(34)</u>	<u>(\$ 221,919)</u>	<u>(12)</u>
	Total comprehensive income (loss) attributable to:					
8710	Owners of parent company		(\$ 557,149)	(34)	(\$ 172,587)	(9)
8720	Non-controlling Interest		(14,454)	(1)	-	-
			<u>(\$ 571,603)</u>	<u>(35)</u>	<u>(\$ 172,587)</u>	<u>(9)</u>
	Deficit per share	6(29)				
9750	Basic deficit per share		(\$ 5.14)		(\$ 2.08)	
9850	Diluted deficit per share		<u>(\$ 5.14)</u>		<u>(\$ 2.08)</u>	

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

Equity attributable to owners of parent company									
Retained Earnings									
Other Equity									
Exchange differences on translation of financial statements of foreign operations									
Total									
Non-controlling Interest									
Total Equity									
Notes	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings (Accumulated Deficit)	Exchange differences on translation of financial statements of foreign operations	Total	Non-controlling Interest	Total Equity
2024									
Balance as of January 1, 2024	\$ 1,065,520	\$ 854,024	\$ 226,931	\$ 82,834	\$ 12,858	(\$ 110,126)	\$ 2,132,041	\$ -	\$ 2,132,041
Net Loss for the Period	-	-	-	-	(221,919)	-	(221,919)	-	(221,919)
Other comprehensive income (loss) for the period	-	-	-	-	-	49,332	49,332	-	49,332
Total comprehensive income (loss) for the period	-	-	-	-	(221,919)	49,332	(172,587)	-	(172,587)
Appropriation and distribution of earnings in 2023:	6(21)								
Appropriation of special reserve	-	-	-	12,858	(12,858)	-	-	-	-
Overdue dividends converted to capital surplus	6(20)	-	21	-	-	-	21	-	21
Balance as of December 31, 2024	\$ 1,065,520	\$ 854,045	\$ 226,931	\$ 95,692	(\$ 221,919)	(\$ 60,794)	\$ 1,959,475	\$ -	\$ 1,959,475
2025									
Balance as of January 1, 2025	\$ 1,065,520	\$ 854,045	\$ 226,931	\$ 95,692	(\$ 221,919)	(\$ 60,794)	\$ 1,959,475	\$ -	\$ 1,959,475
Net Loss for the Period	-	-	-	-	(547,479)	-	(547,479)	(14,454)	(561,933)
Other comprehensive income (loss) for the period	-	-	-	-	-	(9,670)	(9,670)	-	(9,670)
Total comprehensive income (loss) for the period	-	-	-	-	(547,479)	(9,670)	(557,149)	(14,454)	(571,603)
Appropriation and distribution of earnings in 2024:	6(21)								
Legal reserve to make up for loss	-	-	(187,021)	-	187,021	-	-	-	-
Reversed Special Reserve	-	-	-	(34,898)	34,898	-	-	-	-
Overdue dividends converted to capital surplus	6(20)	-	42	-	-	-	42	-	42
Recognition of changes in ownership interests in subsidiaries	6(20)(30)	-	29,245	-	-	-	29,245	-	29,245
Non-controlling Interest Increase	6(30)	-	-	-	-	-	-	45,755	45,755
Balance as of December 31, 2025	\$ 1,065,520	\$ 883,332	\$ 39,910	\$ 60,794	(\$ 547,479)	(\$ 70,464)	\$ 1,431,613	\$ 31,301	\$ 1,462,914

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

	<u>Notes</u>	<u>January 1, 2025 to December 31, 2025</u>	<u>January 1, 2024 to December 31, 2024</u>
<u>Cash flows from Operating Activities</u>			
Net loss before tax for the period		(\$ 569,465)	(\$ 224,053)
Adjustments			
Adjustments to reconcile profit or loss that do not affect cash flow			
Depreciation expenses (including right-of-use assets and investment property)	6(7)(8)(10)(27)	197,065	192,359
Amortization expenses	6(27)	7,231	3,842
Expected credit impairment losses	12(2)	(6,772)	(13,437)
Interest Expenses	6(26)	47,906	38,329
Interest Expenses (Revenue)		(35,649)	(52,978)
Amortization of corporate bond discounts	6(26)	3,387	5,383
Gains on proceeds from disposal or redemption of property, plants, and equipment	6(25)	(4,891)	(1,993)
Lease Amendment Profits	6(23)	(27)	-
Net loss on financial assets and liabilities measured at fair value through profit or loss	6(2)(24)(15)	1,576	318
Amortization of long-term deferred revenue	6(17)	(4,371)	2,355
Loss from redemption of convertible bonds		3,174	-
Changes in operating assets/liabilities			
Net change in assets related to operating activities			
Notes Receivable		(1,663)	4,067
Accounts Receivable		97,440	235,176
Other Receivables		2,759	10,898
Inventory		(40,524)	(29,409)
Prepayments		(30,433)	(2,660)
Other Current Assets		292	(17,680)
Other Non-current Assets		(3,201)	(1,071)
Net changes in liabilities related to operating activities			
Contract Liabilities		(58)	196
Accounts Payable		(21,414)	60,816
Other Payables		14,824	46,912
Other Current Liabilities		7,577	10,014
Other Non-current Liabilities		(6,505)	(8,777)
Cash inflow (outflow) generated from operations		(341,742)	258,607
Interest Received		38,281	59,094
Interest Paid		(48,360)	(37,308)
Income Tax Paid		(6,285)	(6,369)
Net cash inflow (outflow) from operating activities		(358,106)	274,024

(Next Page)

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

	<u>Notes</u>	<u>January 1, 2025 to December 31, 2025</u>	<u>January 1, 2024 to December 31, 2024</u>
<u>Cash Flows from Investing Activities</u>			
Financial assets measured at fair value through profit or loss - current		(\$ 209,000)	(\$ 68,000)
Cost of disposal of financial assets measured at fair value through profit or loss		247,465	-
Financial assets measured at amortized cost - current decreased (increased)		(319)	491,183
Acquisition of property, plants, and equipment	6(31)	(468,234)	(98,840)
Proceeds from disposal or redemption of property, plants, and equipment		16,746	22,568
Acquisition of intangible assets		(1,852)	(567)
Increase in refundable deposits		(773)	(1,968)
Increase in prepayment for purchases of equipment		(9,214)	(66,132)
Increase in other non-current assets		(19,788)	(6,653)
Receipt of property, plants, and equipment award		<u>6,500</u>	<u>23,608</u>
Net cash (outflow) inflow from investment activities		(<u>438,469</u>)	<u>295,199</u>
<u>Cash Flows from Financing Activities</u>			
Increase (decrease) in short-term loans	6(32)	497,973	(40,998)
Decrease in short-term notes payable	6(32)	-	(9,996)
Proceeds from long-term loans	6(32)	300,000	-
Repayment of long-term loans (expiring within 1 year)	6(32)	(170,719)	(18,808)
Redemption of corporate bonds	6(32)	(205,641)	-
Increase (decrease) in refundable deposits		(2,186)	2,169
Lease principal repayment	6(32)	(3,277)	(3,457)
Subsidiary cash capital increase through issuance of new shares	6(30)	<u>75,000</u>	<u>-</u>
Net cash inflow (outflow) from financing activities		<u>491,150</u>	(<u>71,090</u>)
Effect of exchange rate changes		<u>15,907</u>	(<u>23,388</u>)
Increase (decrease) in cash and cash equivalents for the current period		(289,518)	474,745
Cash and cash equivalents at beginning of period	6(1)	<u>960,832</u>	<u>486,087</u>
Cash and cash equivalents at ending of period	6(1)	<u>\$ 671,314</u>	<u>\$ 960,832</u>

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Chang, Li-Jung

Managerial Officer: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min