



鴻碩精密電工股份有限公司
HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

2026 Annual Shareholders' Meeting Handbook

Meeting Method: Physical Shareholders' Meeting

Meeting Time: 9:00 a.m., Wednesday, May 27, 2026

Meeting Venue: 8th Floor, No. 99, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City

(Neihu District Office Auditorium in Taipei City)

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CHAPTER 1

MEETING PROCEDURE

Hotron Precision Electronic Industrial Co., Ltd.

Meeting Procedures for the 2026 Annual Shareholders' Meeting

- I. Commencement of Meeting
- II. Chairperson's Remarks
- III. Report Items
- IV. Matters of Ratification
- V. Discussions
- VI. Election Matters
- VII. Other Matters
- VIII. Extraordinary Motions
- IX. Adjournment

CHAPTER 2

MEETING AGENDA

Hotron Precision Electronic Industrial Co., Ltd.

Meeting Agenda for the 2026 Annual Shareholders' Meeting

Meeting Method: Physical Shareholders' Meeting

Meeting Time: 9:00 a.m., 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**

I. Announce the commencement of the meeting (report on attendance of shareholdings).

II. Chairperson's Remarks

III. Report Items

1. 2025 Business Report
2. 2025 Audit Committee's Review Report
3. 2025 Report on Directors' Remuneration
4. Report on the Status of Endorsements and Guarantees
5. The Report on Reasons and Related Matters for Public Company Bond Issuance.

IV. Matters of Ratification

1. 2025 Annual Business Report and Financial Statements
2. 2025 Deficit Compensation

V. Discussions

Private Placement Cash Capital Increase by Issuance of Common Shares

VI. Election Matters

Election of the 11th Board of Directors (including Independent Directors)

VII. Other Matters

Removal of Non-Competition Restrictions for Newly Appointed Directors and Their Representatives

VIII. Extraordinary Motions

IX. Adjournment

Report Item 1 2025 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

Report Item 2 2025 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

Report Item 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 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. 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 page 27 of this handbook [Attachments 1].

Report Item 4	Report on Reasons the Status of Endorsements/Guarantees
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Description: 1. According to the Company's "Operating Procedures for Lending of Funds and Making Endorsements and Guarantees," as of December 31, 2025, the outstanding endorsements and guarantees at year-end was NT\$1,661,475 thousand, with an actual amount drawn of NT\$1,067,670 thousand.

Unit: NT\$ Thousand

The guaranteed party	Outstanding Endorsements and Guarantees at Year-End	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 aggregate amount of external endorsements and guarantees provided by the Company shall not exceed 200% of its net worth for the current period; furthermore, the amount provided to any single overseas affiliated company shall not exceed 100% of the net worth for the current period.

Report Item 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.

Type of corporate bonds	The Company's second domestic unsecured convertible bonds
Reason for issuance	Repay bank loans
Issuance date	July 4, 2023
Face value	One hundred thousand New Taiwan Dollars
Place of issuance and trading	Taiwan, Republic of China
Issued price	Issued at 107.33% of the denomination
Issue amount	NT\$250,000 thousand
Coupon Rate	0%
Term	Three-year term, maturity date: July 4, 2026.
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.
Outstanding principal as of the date of the annual report	NT\$249,900 thousand
Transition status	The current conversion price per share is NT\$36.0. As of March 31, 2026, one corporate bond has been applied for and converted into 2,777 common stock.

Matters of Ratification

Proposal 1 Proposed by the Board of Directors

Subject: Acknowledgment of the 2025 Annual Business Report and Financial Statements

- Description:**
1. The individual and consolidated financial statements of the Company for the year 2025 have been audited by Certified Public Accountants Lin, Ya-Hui and Juan-Lu, 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, the individual financial statements, and the consolidated financial statements are available for reference on page 30 of this handbook [Attachment 2] and page 40 of this handbook [Attachment 3], submitted for acknowledgment.

Resolution:

Proposal 2 Proposed by the Board of Directors

Subject: 2025 Statement of Deficit Compensation, submitted for acknowledgment.

Description: 1. The Company's 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. 2025 Statement of Deficit Compensation, submitted for acknowledgment.

Hotron Precision Electronic Industrial Co., Ltd.

Deficit compensation statement

2025

Unit: NT\$

Item	Amount
Beginning balance of unappropriated retained earnings	0
Add: Net profit (loss) for 2025	(547,478,730)
Add: Reversal of Capital Surplus — Share Premium	547,478,730
Retained earnings available for distribution (note 1)	0
Ending balance of unappropriated retained earnings	0

Note 1: As there are no retained earnings available for distribution for the current period, no dividends on common shares will be distributed.

Chairman: Chang, Li-Jung

President: Lu, I-Hsuan

Accounting Manager: Wu, Hui-Min

Resolution:

Discussions

Proposed by the Board of Directors

Subject: Private Placement of Cash Capital Increase by Issuance of Common Shares is hereby submitted for discussion.

- Description:**
1. In order to strengthen working capital, improve the financial structure, and meet the needs of equity investments, and after considering the timeliness, convenience, and issuance costs of fundraising, the Company intends to conduct a private placement cash capital increase by issuing common shares.
 2. The number of shares to be issued in this private placement shall not exceed 15,000,000 shares (par value of NT\$10 per share), and it is planned to be completed in one placement within one year from the date of the shareholders' meeting resolution.
 3. Pursuant to Article 43-6 of the "Securities and Exchange Act" and the "Guidelines for Public Companies Conducting Private Placements of Securities," the relevant matters pertaining to this private placement are described as follows:

- (1) Basis and reasonableness for determining the private placement price:

The reference price for the private placement shall be calculated based on the higher of the following two benchmark prices:

1. The simple arithmetic average of the closing prices of common shares for one, three, or five business days prior to the pricing date (selected as one of the three options), adjusted by deducting the ex-rights and ex-dividend effects of bonus share distributions and cash dividends, and adding back the reverse ex-rights effect of capital reductions.
2. The simple arithmetic average of the closing prices of common shares for the thirty business days prior to the pricing date, adjusted by deducting the ex-rights and ex-dividend effects of bonus share distributions and cash dividends, and adding back the reverse ex-rights effect of capital reductions.

The issuance price of the common shares in this private placement shall not be lower than 80% of the above reference price. The method of determination complies with current applicable laws and regulations and is deemed reasonable; therefore, no expert opinion letter 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, shall be determined by the Board of Directors as authorized by the shareholders' meeting, taking into consideration the status of negotiations with strategic investors, the Company's operating performance, future outlook, and prevailing capital market conditions.

(2) Selection method, purpose, necessity, and expected benefits of private placement to specific persons:

The targets of this private placement of common shares are limited to specific persons and strategic investors who comply with the provisions of Article 43-6 of the Securities and Exchange Act and the regulations set forth in the Financial Supervisory Commission's Order No. 1120383220 dated September 12, 2023.

1. List of subscribers who are insiders and related parties:

Since insiders and related parties have a considerable understanding of the Company's operations and can provide direct and indirect benefits to future operations, the subscribers to be approached for this private placement of securities are intended 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
Hui Rong Development Co., Ltd.	Chang, Li-Jung(100%)	The Company's Chairman
Chuan Hung Investment Co., Ltd.	Chang, Li-Jung(44%) Chang, Yu-Ssu(26%) Chang, Yu-Wei(26%)	The Company's Chairman Second-degree relative of the Company's Chairman 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:

1. 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.

2. 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.

3. 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:

Election Matters

Proposed by the Board of Directors

Subject: Election of the 11th Board 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 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.

Candidate category	Name	Number of shares held	Principal work experience and academic qualifications
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 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

Candidate category	Name	Number of shares held	Principal work experience and academic qualifications
			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:

Other Matters

Proposed by the Board of Directors

Subject: 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 Mangement 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:

Extraordinary Motions

Adjournment

CHAPTER 3

ATTACHMENTS

Attachment 1: 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 2 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

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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)	(502,060)	(259)	(279,331)	(130)
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	Stock Options Forfeited	Share Option	Others		Undistributed Earnings (Accumulated Deficit)	Exchange differences on translation of financial statements of foreign operations	Total equity
Notes	Common Stock	Additional Paid-in Capital	Treasury Stock Transactions						Legal Reserve	Special Reserve		
<u>2024</u>												
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
<u>2025</u>												
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

For the Years Ended December 31, 2025 and 2024

Unit: NT\$ Thousand

	Notes	January 1 to December 31, 2025	January 1, to December 31, 2024
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)	10,068	9,366
	(23)	808	244
Amortization Expenses	6(23)	10	49
Expected Credit Impairment Losses	12(2)	(11,800)	(12,141)
Interest Expenses	6(22)	32,873	48,917
Interest Expenses (Revenue)	6(22)	3,387	5,383
Amortization of Corporate Bond Discounts	6(22)	36	-
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)	502,060	279,331
Loss from redemption of convertible bonds	6(21)	3,174	-
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
Beginning balance of cash and cash equivalents	6(1)	761,239	236,091
Ending balance of cash and cash equivalents	6(1)	\$ 454,716	\$ 761,239

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

Attachment 3 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

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

December 31, 2025 and 2024

Unit: NT\$ Thousand

Liabilities and equity			December 31, 2025		December 31, 2024			
			Notes	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			
					Undistributed Earnings (Accumulated Deficit)	Exchange differences on translation of financial statements of foreign operations		Non-controlling Interest	Total Equity
Notes	Common Stock	Capital Surplus	Legal Reserve	Special Reserve			Total		
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

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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

CHAPTER 4

APPENDICES

Appendix 1 Rules of Procedure for Shareholder Meetings

Hotron Precision Electronic Industrial Co., Ltd. Rules of Procedure for Shareholders Meetings

Article 1 These Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies in order to establish a good governance system for the Company's shareholders' meetings, strengthen supervisory functions, and enhance management mechanisms.

Article 2 Unless otherwise specified by laws and regulations or the Articles of Incorporation, Shareholders' Meetings of the Company shall be conducted in accordance with the Rules.

Article 3 Unless otherwise provided by laws and regulations, Shareholders' Meetings of the Company shall be convened by the Board of Directors.

The Company convenes a video conference shareholders' meeting. Unless otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall be stipulated in the Articles of Incorporation, resolved by the Board of Directors, and the video shareholders' meeting shall be convened with the attendance of more than two-thirds of the directors and the consent of a majority of the attending directors.

The change in the Company's Meeting Method shall be resolved by the Board of Directors and made no later than the delivery of the notice of the shareholders' meeting. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of an annual shareholders meeting or before 15 days before the date of an extraordinary shareholders meeting. and upload them to the MOPS before 21 days before the date of the annual shareholders meeting or before 15 days before the date of the extraordinary shareholders meeting. If, however, the Company has paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the annual shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders

meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. To convene a physical shareholders meetings, they shall be distributed on-site at the meeting.
2. To convene hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the Articles of constitution, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Corporation a proposal for discussion at an annual shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. The Board of Directors may disregard shareholders' proposals if the proposed agenda item involves any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act.

Shareholders may put forward proposals urging the Company to promote public interests or fulfill its social responsibilities. The procedure shall be in accordance with the relevant provisions of Article 172-1 of the Company Act. Any proposal exceeding one item shall not be included in the agenda.

Prior to the book closure date before an annual shareholders meeting is held, the

Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles determining the time and place of a shareholders meeting)

Shareholders' Meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9.00 a.m. nor later than 3 p.m.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 (Preparation of documents such as the attendance book)

The Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively

"shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Corporation shall provide an attendance book in which to record the attendance of shareholders; alternatively, attendance cards may be presented instead of requiring shareholders to register their attendance in the attendance book.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance certificate, speech note, ballots, and other information relevant to the meeting. Shareholders shall be given election ballots when there is to be an election of directors or supervisors.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, the Corporation shall upload the meeting agenda book, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, the Corporation shall include the following particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date

to which the meeting is postponed or on which the meeting will resume.

- (2) Stating that any shareholders not having registered to attend the affected virtual Shareholders' Meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the agenda of that shareholders meeting.
 - (4) Stating the actions to be taken if the outcomes of all proposals have been announced and an extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified. Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the company shall at least provide shareholders with the necessary connection equipment and assistance, and specify the period during which shareholders may apply to the company and other matters to be noted.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If the shareholders' meeting is convened by the board of directors, the Chairperson shall preside over the meeting, when the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

The preceding chairperson shall be served by a managing director or director acting on their behalf, preferably a managing director or director who has been in office for more than six months and understands the company's financial and business conditions. The same shall be true for a representative of a juristic person director that serves as chair.

For shareholders' meetings convened by the Board of Directors, the Chairman should preside in person, and more than half of the directors (including at least one independent director) and the convener of the Audit Committee should attend in person, with at least one representative from other functional committees present. The attendance status

should be recorded in the meeting minutes.

If the Shareholders' Meeting is convened by an authorized party other than the Board of Directors, the convener will act as the meeting's Chairperson. If there are two or more conveners present at the same time, one shall be appointed from among them to chair the meeting.

The Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend shareholders meetings in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

The Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chairperson shall call the meeting to order as scheduled and shall begin by announcing relevant information such as the number of non-voting rights and the number of shares in attendance.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If a quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Corporation shall also declare the meeting adjourned on the virtual meeting platform.

If a quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register with the Corporation in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors. In either of the two arrangements described above, the Chairperson cannot dismiss the meeting while an agenda item (including any special motion) is in progress. If the Chairperson violates the meeting policy by dismissing the meeting when not authorized to do so, other members of the board shall immediately assist the attending shareholders to elect another Chairperson with the support of more than half of the voting rights there represented and shall continue the meeting.

The chairperson shall allow ample opportunity for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Where an institutional shareholder has appointed two or more representatives to attend the Shareholders' Meeting, only one representative may speak per agenda item.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing on the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.

When voting rights are exercised by correspondence or electronic means, the method

of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Corporation's Articles of constitution, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the

numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed to have abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Election Matters)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and

a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's full names, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents, or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, in addition to compliance with the requirements in the preceding paragraph, the Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16 (Public disclosure)

On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event of a virtual shareholders meeting, the Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under the Taiwan Stock Exchange Corporation (or TPEx) regulations, the Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Personnel working at the Shareholders' Meeting must wear identification cards or badges.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. Such disciplinary officers or security staff must wear either badges marked "Disciplinary Officers" or identification cards.

The shareholder making oral presentation at the meeting shall use the equipment provided by the Company, or the Chairperson may stop the presentation.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Intermission)

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

The Shareholders' Meeting may resolve to move the meeting to another venue to continue the meeting when the availability of the meeting venue is expired and the meeting is not completed.

Shareholders may resolve to postpone the meeting and to reconvene it within the next five days, according to Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual Shareholders' Meeting, the Company shall disclose the realtime results of votes and elections immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue for at least 15 minutes after the Chairperson has adjourned the meeting.

Article 20 (Location of the Chairperson and secretary of virtual-only shareholders meeting)

When the Company convenes a virtual-only Shareholders' Meeting, both the Chairperson and secretary shall be in the same location, and the Chairperson shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

When the shareholders' meeting is convened by video conference, the Company shall provide simple connection test for shareholders prior to the meeting, and provide relevant services during the meeting to assist in handling technical communication issues.

When a shareholders meeting is held by video conference, the chair shall, when announcing the commencement of the meeting, additionally announce that, except for the circumstances under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies where the meeting should not be postponed or continued, if before the chair announces the adjournment of the meeting, the video conference platform or participation by video is obstructed due to factors such as natural disasters, accidents or other force majeure events, and such obstruction continues for more than 30 minutes, the

meeting shall be postponed or continued within five days, in which case Article 182 of the Company Act shall not apply.

When a meeting is postponed or resumed as described in the preceding paragraph, shareholders who had not registered to participate in the affected Shareholders' Meeting online shall not attend the postponed or resumed session.

For a meeting that has been postponed or resumed under the second paragraph of this Article, the number of shares represented by and the voting rights and election rights exercised by the shareholders who registered to participate in the affected Shareholders' Meeting and who successfully signed into the meeting but who do not then go on to attend the postponed or resumed session shall nevertheless be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.

When the Company convenes a video-assisted shareholders' meeting, and the video conference cannot continue as described in Paragraph 2, if the total number of shares represented by shareholders present at the meeting, after deducting those represented by shareholders attending the shareholders' meeting by video, still reaches the minimum legal requirement for a shareholders meeting, then the shareholders meeting shall continue.

When the Company convenes a hybrid Shareholders' Meeting, and the virtual meeting cannot continue as described in first paragraph of this Article, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual Shareholders' Meeting online, still meets the minimum legal requirement for a Shareholders' Meeting, then the meeting shall continue, and no postponement or resumption thereof is required.

Under circumstances where a meeting should continue as described in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed to have abstained from voting on all proposals on the meeting agenda of that Shareholders' Meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or periods set forth under Article 12 (second half) and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies and under Article 44-5, Paragraph 2; Article 44-15; and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies the Company shall handle the matter based on the date of the Shareholders' Meeting that is postponed

or resumed under the paragraph 2.

Article 22 (Handling of digital divide)

When convening a virtual-only shareholders meeting, the Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the company shall at least provide shareholders with the necessary connection equipment and assistance, and specify the period during which shareholders may apply to the company and other matters to be noted.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 24 These Rules were formulated on December 31, 1998.

The 1st amendment was made on December 07, 2007.

The 2nd amendment was made on June 15, 2015.

The 3rd amendment was made on August 27, 2021.

The 4st amendment was made on May 26, 2022.

The 5th amendment was made on June 3, 2024.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.**Articles of Incorporation****Chapter 1 [General Principles]**

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. English name is HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

Article 2: The business operations of the Company are as follows:

1. C805050 Industrial Plastic Products Manufacturing
2. CA01110 Smelting and Refining of Copper
3. CA01130 Copper Rolling, Drawing and Extruding
4. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
5. CC01020 Electric Wires and Cables Manufacturing
6. CC01080 Electronics Components Manufacturing
7. CC01110 Computer and Peripheral Equipment Manufacturing
8. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
9. CD01030 Motor Vehicles and Parts Manufacturing
10. CD01040 Motorcycles and Parts Manufacturing
11. CD01050 Bicycles and Parts Manufacturing
12. CD01990 Other Transport Equipment and Parts Manufacturing
13. CQ01010 Mold and Die Manufacturing
14. E603010 Cable Installation Engineering
15. EZ05010 Instrument and Meters Installation Engineering
16. F106030 Wholesale of Molds
17. F107200 Wholesale of Chemical Feedstock
18. F113050 Wholesale of Computers and Clerical Machinery Equipment
19. F119010 Wholesale of Electronic Materials
20. F219010 Retail Sale of Electronic Materials
21. F401010 International Trade

22. H201010 Investment
23. H701010 Housing and Building Development and Rental
24. H701020 Industrial Factory Development and Rental
25. H703090 Real Estate Business
26. H703100 Real Estate Rental and Leasing
27. I102010 Investment Consulting
28. I103060 Management Consulting
29. I199990 Other Consulting Service
30. IG03010 Energy Technical Services
31. IZ12010 Manpower Dispatched
32. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: For the needs of its business operations, the Company may provide external guarantees and make investments in other enterprises, with the total amount of such investments exceeding 40% of the Company's paid-in capital.

Article 3: The Company is headquartered in Taipei City. If necessary, the Company may establish branches domestically or abroad upon resolution of the Board of Directors.

Article 4: The method of public announcement of the Company shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 [Shares]

Article 5: The authorized capital of the Company is NT\$2 billion, divided into 200 million shares at par value of NT\$10, the unissued shares may be issued in installments.

Of the aforementioned total capital, NT\$300 million is reserved for the issuance of share subscription warrants, bonds with share subscription warrants or preferred shares with share subscription warrants, totaling 30 million shares at NT\$10 per share, which may be issued in multiple tranches as resolved by the board of directors.

The company's legally repurchased treasury shares, employee stock option certificates, employee new share subscription rights, and employee restricted new shares, may be granted or transferred to employees of controlled or subordinate companies who meet certain conditions. These conditions are to be established by the Board of Directors.

Article 6: (Deleted).

Article 7: The Company's shares shall be in registered form, signed or sealed by the directors representing the Company, and issued after being certified by a bank legally entitled to certify the issuance of shares. The Company is exempt from printing certificates

for shares issued, but the centralized securities depository institution should be contacted for registration.

Article 8: The transfer of shares shall be suspended within 60 days prior to the convening date of a general shareholder' meeting, or within 30 days prior to the convening date of a special shareholder' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Article 8-1: If the Company's shares are proposed to be delisted from public offering, it shall be resolved by the shareholder' meeting, and this provision shall not be altered during the period of trading on the over-the-counter market and the period of listing on the stock exchange.

Chapter 3 Shareholder' Meetings

Article 9: Shareholder meetings are categorized into annual and extraordinary meetings. The annual meeting must be convened by the Board of Directors at least once each year and held within six months following the end of each fiscal year, as required by law. Extraordinary meetings are convened as necessary, also in accordance with the law.

The shareholder' meeting can be held by means of virtual meetings or other methods promulgated by the central competent authority.

Article 10: If a shareholder is unable to attend the shareholder' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on his/her behalf by executing a power of attorney printed by the Company stating the scope of authorization. The shareholder shall sign or affix his/her seal on the power of attorney and appoint a proxy to attend the meeting. The appointment of proxies to attend shareholder' meetings shall be handled in accordance with the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 11: Each shareholder of the Company shall have one vote for each share held, except for shares that have no voting rights as stipulated in Article 179 of the Company Act.

Article 12: Resolutions at shareholder' meetings shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

The Company's shareholders may exercise their voting rights electronically. Shareholders who exercise their voting rights electronically shall be deemed as attending the meeting in person, and relevant matters shall be handled in accordance with the provisions of relevant laws and regulations.

Chapter 4 [Directors and Audit Committee]

Article 13: The Company shall have five to seven directors, who shall be elected at the shareholder' meeting from among the candidates nominated under the candidate

nomination system specified in Article 192-1 of the Company Act. The term of office of directors shall be three years, and they may be re-elected.

The number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of director seats. Matters regarding the professional qualifications, shareholding, restrictions on concurrent positions, nomination and election methods, and other compliance requirements of independent directors shall be handled in accordance with relevant laws and regulations.

When electing directors, the Company shall comply with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected at the same time, with the number of elected seats calculated separately. Those receiving ballots representing the highest numbers of voting rights shall be elected as independent directors and non-independent directors respectively.

The proportion of shareholding by all directors shall be in accordance with the regulations of the securities authorities.

Article 13-1: The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors.

The exercise of power and related matters of the audit committee and its members shall be handled in accordance with the relevant provisions of the Securities and Exchange Act.

Article 13-2: The remuneration of all directors shall be authorized by the Board of Directors based on the evaluation of the Remuneration Committee, the level of participation in the Company's operations, individual contributions, and with reference to the usual standards of the industry.

The Company may purchase liability insurance for directors during their term of office for the compensation liabilities they should bear according to law within the scope of their business execution.

Article 13-3: The convening of the Company's Board of Directors' meeting shall be notified to each director seven days prior to the meeting. In case of emergency, the Board of Directors' meeting may be convened at any time. The convening of the Company's Board of Directors' meeting may be done in writing, by email, or by fax.

Article 14: The Board of Directors shall be composed of directors. The Chairman and Vice Chairman shall be elected by and from among the directors with the approval of a majority of the directors present at a meeting attended by at least two-thirds of the directors. The Chairman shall externally represent the Company.

Article 15: When the Chairman is on leave or unable to exercise his/her powers for some reason, the Vice Chairman shall act on his/her behalf. If the Vice Chairman is also on leave

or unable to exercise his/her powers for some reason, the acting appointee shall be designated in accordance with the provisions of Article 208 of the Company Act.

Article 16: When a director is unable to attend a Board of Directors' meeting for some reason, he/she may appoint another director to attend the meeting on his/her behalf in accordance with the law. However, a director may only accept the appointment from one other director.

Chapter 5 [Managerial Officers]

Article 17: The Company may have one President and several Vice Presidents. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act and with reference to the Company's internal salary approval regulations.

Chapter 6 [Accounting]

Article 18: At the end of each fiscal year, the Board of Directors shall prepare the following statements and records and submit them to the shareholder' meeting for ratification in accordance with the statutory procedures:

1. Business Report.
2. Financial statements.
3. The proposal for distribution of surplus profit or covering of losses.

Article 19: (Deleted)

Article 20: If the Company has profits in a year, it shall set aside the employees' compensation and accumulated losses, it shall reserve an amount to offset the losses in advance.

The Company shall set aside the following based on the profits of the current year before tax, prior to the deduction of employees' and directors' compensation, and after offsetting losses:

(1) Directors' compensation shall not exceed 3%.

(2) Employees' compensation shall not be less than 1%. (Of this employee compensation amount, no less than 30% shall be distributed to non-managerial employees.)

The aforementioned employees' compensation 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. If there is still a surplus, it shall be combined with the accumulated undistributed surplus from the previous period. The Board of Directors shall retain an appropriate amount based on 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.

Chapter 7 [Supplementary Provisions]

Article 21: Any matters not provided for in these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 22: These Articles of Incorporation were established on December 6, 1991.

The 1st amendment was made on January 15, 1992.

The 2nd amendment was made on August 7, 1992.

The 3rd amendment was made on August 1, 1994.

The 4th amendment was made on August 5, 1997.

The 5th amendment was made on November 20, 1997.

The 6th amendment was made on June 20, 1998.

The 7th amendment was made on June 1, 1999.

The 8th amendment was made on June 12, 2000.

The 9th amendment was made on August 10, 2000.

The 10th amendment was made on October 26, 2000.

The 11th amendment was made on April 8, 2002.

The 12th amendment was made on June 30, 2003.

The 13th amendment was made on June 26, 2006.

The 14th amendment was made on June 28, 2007.

The 15th amendment was made on May 21, 2008.

The 16th amendment was made on June 25, 2009.
The 17th amendment was made on May 14, 2010.
The 18th amendment was made on June 9, 2011.
The 19th amendment was made on June 5, 2012.
The 20th amendment was made on June 27, 2014.
The 21st amendment was made on June 6, 2016.
The 22nd amendment was made on June 8, 2017.
The 23rd amendment was made on June 8, 2018.
The 24th amendment was made on June 10, 2019.
The 25th amendment was made on June 5, 2020.
The 26th amendment was made on May 26, 2022.
The 27th amendment was made on May 28, 2025

Hotron Precision Electronic Industrial Co., Ltd.
Rules for Director Elections

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the " Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies ".

Article 2 Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 Elections of directors at the Company shall be conducted in accordance with the provisions of the Company Act. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4 Elections of directors (Including independent directors) at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

Article 5 The qualifications and election for the independent directors of the Company shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 6 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. In order to evaluate the qualifications of the candidates for director, their experience and background, and whether they have any of the matters listed in Article 30 of the Company Act, the Company shall not arbitrarily add any supporting documents of other qualifications and shall provide the results of the evaluation to the shareholders for their reference in order to elect suitable directors.

Article 7 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 8 In the election of directors, ballot boxes are prepared by the board of directors, and shall be opened and inspected in public by the scrutineers before voting. The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 9 If the candidate is a shareholder, the voter shall enter the name of the candidate and the shareholder's account number in the "Candidate" column of the ballot; if the candidate is a non-shareholder, he/she shall enter the name of the candidate and the ID number. However, if a government or a juristic person is the candidate,

the name of the government or juristic person shall be listed in the "name of the candidate" column of the ballot, and the name of the government or juristic person and the name of its representative shall also be entered; if there are several representatives, the names of the representatives shall be entered separately.

Article 10 In the process of election, with independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

Article 11 A ballot is invalid under any of the following circumstances:

- 1.The ballot was not prepared by a person with the right to convene.
- 2.A blank ballot is placed in the ballot box.
- 3.The writing is unclear and indecipherable or has been altered.
- 4.Enter a person whose name is not on the candidate list.
- 5.Other words or marks are entered in addition to the name of the person to be elected (name) or the shareholder's account number (ID number) and the number of voting rights allotted.
- 6.Enter the name of the person to be elected as the same as other shareholders but fail to enter the shareholder's account number or identification document number for identification of the person.

Article 12 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 13 (Deleted.)

Article 14 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Except where the Competent Authority has granted approval, the following relationships may not exist among more than half of a company's directors:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 16 When there are some among the directors who do not meet the preceding paragraph conditions, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.

Article 17 The board of directors of the Company shall each issue a Consent to Act as Director respectively.

Article 18 Any matters not addressed in these Procedures shall be governed by the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.

Article 19 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 20 These procedures were adopted on June 17, 2002.

The 1st amendment was made on June 28, 2007

The 2nd amendment was made on May 21, 2008

The 3rd amendment was made on June 5, 2012

The 4th amendment was made on June 15, 2015

The 5th amendment was made on June 8, 2018

The 6th amendment was made on June 5, 2020

Appendix 4 Directors' Shareholdings

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

Shareholding of Directors and Supervisors

Directors List

March 29, 2026

Position	Name	Election Date	Shareholding while elected			Current shareholding		
			Type	Number of Shares	Shareholding ratio (%)	Type	Number of Shares	Shareholding ratio (%)
Chairman	Gao Peng Co., Ltd. Representative Chang, Li-Jung	May 30, 2023	Common Shares	8,494,978	8.23%	Common Shares	8,749,827	8.20%
Director	Lu, I-Hsuan	May 30, 2023	Common Shares	70,831	0.07%	Common Shares	72,955	0.07%
Director	Chen, Tai-Chung	May 30, 2023	Common Shares	0	0.00%	Common Shares	0	0.00%
Director	Chen, Shuh	May 30, 2023	Common Shares	0	0.00%	Common Shares	0	0.00%
Independent director	Chu, Yann-Fang	May 30, 2023	Common Shares	0	0.00%	Common Shares	0	0.00%
Independent director	Chou, Che-Yi	May 30, 2023	Common Shares	0	0.00%	Common Shares	0	0.00%
Independent director	Lin, Hsiao-Chen	May 28, 2025	Common Shares	0	0.00%	Common Shares	0	0.00%
Total			8,565,809			8,822,782		

Total issued shares as of May 30, 2023: **103,220,991 shares**

Total issued shares as of March 29, 2026: **106,552,030 shares**

Note: The number of shares legally required to be held by all directors of the Company: **8,000,000** shares. As of March 29, 2026, the shares held by all directors: **8,822,782** shares

Since the Corporation has already established an audit committee, the number of shares held by supervisors is not applicable.

Independent directors' shareholding is not counted toward directors' shareholding.