CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHIEFTEK PRECISION CO., LTD.

MARCH 31, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of CHIEFTEK PRECISION CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of CHIEFTEK PRECISION CO., LTD. and subsidiaries (the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

The financial statements and related information disclosed in Note 13 of insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT$212,960 thousand and NT$329,588 thousand, constituting 5% and 8% of the consolidated total assets, and total liabilities of NT$87,412 thousand and NT$91,547 thousand, both constituting 5% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively, and total comprehensive income of (NT$2,976) thousand and NT$9,529 thousand, constituting (11%) and 19% of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Tien, Chung-Yu

Independent Auditors

Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan

Republic of China

May 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	March 31, 2024 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 827,896	20	$ 864,632	21	$ 811,222	20
1136	Financial assets at amortized cost - current	6(2) and 8	87,824	2	119,762	3	33,878	1
1150	Notes receivable, net	6(4)	24,386	1	18,304	-	10,237	-
1170	Accounts receivable, net	6(4) and 12	237,467	6	229,826	6	255,277	6
1200	Other receivables		5,870	-	6,077	-	4,572	-
1220	Current income tax assets	6(23)	10,393	-	11,302	-	10,893	-
130X	Inventories	6(5)	669,617	16	641,086	15	632,004	16
1410	Prepayments		26,612	1	25,904	1	60,788	2
1470	Other current assets		26	-	26	-	-	-
11XX	**Total current assets**		1,890,091	46	1,916,919	46	1,818,871	45
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(3)	44,217	1	48,792	1	-	-
1600	Property, plant and equipment	6(6) and 8	1,946,331	47	1,954,502	47	1,963,757	49
1755	Right-of-use assets	6(7)	80,149	2	81,348	2	84,964	2
1780	Intangible assets	6(8)	52,820	1	55,161	2	61,087	2
1840	Deferred income tax assets	6(23)	35,069	1	36,694	1	33,631	1
1915	Prepayments for equipment	6(6)	54,944	2	51,024	1	22,149	1
1920	Guarantee deposits paid		12,599	-	11,786	-	11,338	-
1990	Other non-current assets		3,447	-	3,701	-	4,858	-
15XX	**Total non-current assets**		2,229,576	54	2,243,008	54	2,181,784	55
1XXX	**Total assets**		$ 4,119,667	100	$ 4,159,927	100	$ 4,000,655	100

(Continued)

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	March 31, 2024 AMOUNT	%
	Liabilities							
	Current liabilities							
2100	Short-term borrowings	6(9) and 8	$ 130,000	3	$ 160,000	4	$ 235,000	6
2130	Current contract liabilities	6(16)	5,620	-	3,259	-	244	-
2150	Notes payable		58,519	2	62,338	1	34,852	1
2170	Accounts payable		45,158	1	33,036	1	35,631	1
2200	Other payables	6(10)(15)	173,021	4	118,386	3	175,830	4
2230	Current income tax liabilities	6(23)	4,655	-	1,144	-	29,315	1
2280	Current lease liabilities	6(7)	4,153	-	4,134	-	4,079	-
2320	Long-term liabilities, current portion	6(11), 8 and 9	317,528	8	295,886	7	118,422	3
21XX	**Total current liabilities**		738,654	18	678,183	16	633,373	16
	Non-current liabilities							
2540	Long-term borrowings	6(11), 8 and 9	904,914	22	969,996	23	919,574	23
2570	Deferred income tax liabilities	6(23)	30,006	1	30,423	1	28,551	1
2580	Non-current lease liabilities	6(7)	81,886	2	82,931	2	86,039	2
2640	Non-current net defined benefit liabilities	6(12)	6,473	-	6,578	-	8,846	-
25XX	**Total non-current liabilities**		1,023,279	25	1,089,928	26	1,043,010	26
2XXX	**Total liabilities**		1,761,933	43	1,768,111	42	1,676,383	42
	Equity							
	Share capital	6(13)						
3110	Common stock		892,619	22	892,619	22	892,619	22
	Capital reserves	6(14)						
3200	Capital surplus		446,121	11	446,121	11	446,121	11
	Retained earnings	6(15)						
3310	Legal reserve		257,422	6	257,422	6	247,879	6
3320	Special reserve		25,061	1	25,061	1	24,491	1
3350	Unappropriated retained earnings		873,189	21	920,644	22	871,083	22
3400	Other equity interest		10,892	-	(2,481)	-	(10,351)	-
3500	Treasury stocks	6(13)	(147,570)	(4)	(147,570)	(4)	(147,570)	(4)
3XXX	**Total equity**		2,357,734	57	2,391,816	58	2,324,272	58
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	**Total liabilities and equity**		$ 4,119,667	100	$ 4,159,927	100	$ 4,000,655	100

The accompanying notes are an integral part of these consolidated financial statements.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Three months ended March 31			
			2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(16)	$ 253,359	100	$ 254,039	100
5000	Operating costs	6(5)(7)(12)(21)(22)	(140,798)	(55)	(153,182)	(60)
5900	Net operating margin		112,561	45	100,857	40
	Operating expenses	6(7)(8)(12)(21)(22), 7 and 12				
6100	Selling expenses		(26,717)	(11)	(22,562)	(9)
6200	General and administrative expenses		(41,261)	(16)	(36,599)	(14)
6300	Research and development expenses		(19,538)	(8)	(16,904)	(7)
6450	Expected credit impairment loss		(2,855)	(1)	(1,988)	(1)
6000	Total operating expenses		(90,371)	(36)	(78,053)	(31)
6900	Operating profit		22,190	9	22,804	9
	Non-operating income and expenses					
7100	Interest income	6(2)(17)	793	-	1,354	1
7010	Other income	6(18)	2,890	1	5,582	2
7020	Other gains and losses	6(3)(19) and 12	5,650	2	18,113	7
7050	Finance costs	6(7)(20)	(8,445)	(3)	(7,087)	(3)
7000	Total non-operating income and expenses		888	-	17,962	7
7900	**Profit before income tax**		23,078	9	40,766	16
7950	Income tax expense	6(23)	(9,450)	(3)	(4,963)	(2)
8200	**Profit for the period**		$ 13,628	6	$ 35,803	14
	Other comprehensive income (net)					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		$ 13,373	5	$ 14,710	6
8300	**Total other comprehensive income for the period**		$ 13,373	5	$ 14,710	6
8500	**Total comprehensive income for the period**		$ 27,001	11	$ 50,513	20
	Earnings per share (in dollars)	6(24)				
9750	Basic		$ 0.16		$ 0.41	
9850	Diluted		$ 0.16		$ 0.41	

The accompanying notes are an integral part of these consolidated financial statements.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other Equity Interest		
	Notes	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury stocks	Total equity
For the three-month period ended March 31, 2024									
Balance at January 1, 2024		$ 892,619	$ 446,121	$ 247,879	$ 24,491	$ 905,089	($ 25,061)	($ 147,570)	$ 2,343,568
Profit for the period		-	-	-	-	35,803	-	-	35,803
Other comprehensive income for the period		-	-	-	-	-	14,710	-	14,710
Total comprehensive income for the period		-	-	-	-	35,803	14,710	-	50,513
Appropriation of 2023 earnings:									
Cash dividends	6(15)	-	-	-	-	(69,809)	-	-	(69,809)
Balance at March 31, 2024		$ 892,619	$ 446,121	$ 247,879	$ 24,491	$ 871,083	($ 10,351)	($ 147,570)	$ 2,324,272
For the three-month period ended March 31, 2025									
Balance at January 1, 2025		$ 892,619	$ 446,121	$ 257,422	$ 25,061	$ 920,644	($ 2,481)	($ 147,570)	$ 2,391,816
Profit for the period		-	-	-	-	13,628	-	-	13,628
Other comprehensive income for the period		-	-	-	-	-	13,373	-	13,373
Total comprehensive income for the period		-	-	-	-	13,628	13,373	-	27,001
Appropriation of 2024 earnings:									
Cash dividends	6(15)	-	-	-	-	(61,083)	-	-	(61,083)
Balance at March 31, 2025		$ 892,619	$ 446,121	$ 257,422	$ 25,061	$ 873,189	$ 10,892	($ 147,570)	$ 2,357,734

The accompanying notes are an integral part of these consolidated financial statements.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 23,078	$ 40,766
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on valuation of financial assets at fair value through profit or loss	6(3)(19)	4,575	-
Expected credit impairment loss	12	2,855	1,988
(Reversal of) loss on inventory market price decline	6(5)	(832)	3,781
Depreciation	6(6)(7)(21)	18,804	14,498
Amortization	6(8)(21)	2,627	2,542
Interest income	6(17)	(793)	(1,354)
Interest expense	6(20)	8,445	7,087
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(6,082)	5,419
Accounts receivable		(11,073)	(32,926)
Other receivables		207	(1,612)
Inventories		(28,793)	10,657
Prepayments		(708)	(3,049)
Changes in operating liabilities			
Current contract liabilities		2,361	(196)
Notes payable		(7,593)	(6,211)
Accounts payable		12,122	17,656
Other payables		(4,904)	(5,021)
Non-current net defined benefit liabilities		(105)	(90)
Cash inflow generated from operations		14,191	53,935
Interest received		793	1,354
Interest paid		(8,473)	(7,732)
Income tax paid		(3,822)	(11,039)
Net cash flows from operating activities		2,689	36,518

(Continued)

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortized cost - current		$ 31,938	($ 1,239)
Cash paid for acquisition of property, plant and equipment	6(25)	(1,936)	(24,696)
Acquisition of intangible assets	6(8)	(227)	(292)
Increase in prepayments for equipment		(4,795)	(18,843)
(Increase) decrease in guarantee deposits paid		(813)	761
Decrease (increase) in other non-current assets		254	(2,360)
Net cash flows from (used in) investing activities		24,421	(46,669)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(26)	110,000	110,000
Decrease in short-term borrowings	6(26)	(140,000)	(240,000)
Payments of lease liability	6(26)	(1,026)	(944)
Increase in long-term borrowings	6(26)	36,361	501,708
Decrease in long-term borrowings	6(26)	(87,836)	(397,166)
Net cash flows used in financing activities		(82,501)	(26,402)
Effect of foreign exchange rate changes on cash and cash equivalents		18,655	13,682
Net decrease in cash and cash equivalents		(36,736)	(22,871)
Cash and cash equivalents at beginning of period	6(1)	864,632	834,093
Cash and cash equivalents at end of period	6(1)	$ 827,896	$ 811,222

The accompanying notes are an integral part of these consolidated financial statements.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) CHIEFTEK PRECISION CO., LTD. (the "Company") was incorporated on October 19, 1998 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other related regulations. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the research, development, manufacture and sales of miniature linear guides, miniature ball screws, miniature linear modules, electro-optics equipment and semiconductor process equipment.

(2) The common stocks of the Company were originally listed on the Taipei Exchange from December 28, 2012, and have been authorized to trade in Taiwan Stock Exchange since December 23, 2020.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements':

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. The consolidated financial statements of the Group should be read together with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'Critical accounting judgments, estimates and key sources of assumption uncertainty'.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is the same as the consolidated financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of investor	Name of subsidiary	Business activities	March 31, 2025	December 31, 2024	March 31, 2024	Note
CHIEFTEK PRECISION CO., LTD. ("CHIEFTEK PRECISION")	CHIEFTEK PRECISION HOLDING CO., LTD.	Professional investment	100	100	100	-
CHIEFTEK PRECISION CO., LTD.	CHIEFTEK PRECISION INTERNATIONAL LLC	Lease of real estate property	100	100	100	Note 1
CHIEFTEK PRECISION CO., LTD.	CHIEFTEK PRECISION USA CO., LTD. ("cpc USA")	Sales of high precision linear motion components and rendering after-sales service	100	100	100	Note 2
CHIEFTEK PRECISION CO., LTD.	cpc Europa GmbH ("cpc Europa")	Sales of high precision linear motion components and rendering after-sales service	100	100	100	-
CHIEFTEK PRECISION HOLDING CO., LTD.	Chieftek Machinery (Kunshan) Co., Ltd. ("Chieftek (Kunshan)")	Production, processing and sales of high precision linear motion components and after-sales service	100	100	100	-

Note 1: The financial statements of the entity as of and for the three-month periods ended March 31, 2025 and 2024 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The financial statements of the entity as of and for the three-month period ended March 31, 2024 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes as of March 31, 2025. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash:			
Cash on hand	$ 1,621	$ 1,781	$ 1,181
Checking accounts and demand deposits	793,070	762,851	808,578
	794,691	764,632	809,759
Cash Equivalents:			
Time deposits	33,205	100,000	1,463
	$ 827,896	$ 864,632	$ 811,222

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others as of March 31, 2025, December 31, 2024 and March 31, 2024.

(2) Financial assets at amortized cost - current

	March 31, 2025	December 31, 2024	March 31, 2024
Restricted time deposits	$ 8,700	$ 8,700	$ 8,700
Time deposits with maturity of over 3 months	79,124	111,062	25,178
	$ 87,824	$ 119,762	$ 33,878

A. The Group recognized interest income of $200 and $259 (listed as "Interest income") from financial assets at amortized cost for the three-month periods ended March 31, 2025 and 2024, respectively.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was its book value.

C. For more information about the Group's time deposits pledged to others as collateral as of March 31, 2025, December 31, 2024 and March 31, 2024, refer to Note 8, 'Pledged assets'.

D. Information relating to credit risk is provided in Note 12(2), 'Financial instruments'. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Financial assets at fair value through profit or loss - non-current

	March 31, 2025	December 31, 2024
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 50,000	$ 50,000
Valuation adjustment	(5,783)	(1,208)
	$ 44,217	$ 48,792

There was no such situation as of March 31, 2024.

A. The Group recognized net loss of $4,575 on financial assets at fair value through profit or loss (listed as "Other gains and losses") for the three-month period ended March 31, 2025.

B. The Group has no financial assets at fair value through profit or loss pledged to others as of March 31, 2025 and December 31, 2024.

(4) Notes and accounts receivable, net

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 24,386	$ 18,304	$ 10,237
Accounts receivable	$ 261,967	$ 250,894	$ 277,766
Less: Allowance for doubtful accounts	(24,500)	(21,068)	(22,489)
	$ 237,467	$ 229,826	$ 255,277

A. The ageing analysis of the Group's notes and accounts receivable is as follows:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 24,076	$ 166,596	$ 17,349	$ 178,085	$ 9,335	$ 195,281
Up to 30 days	-	29,636	-	19,461	726	19,245
31 to 90 days	127	41,968	776	30,019	-	31,410
91 to 180 days	-	6,863	-	5,536	-	12,703
181 to 365 days	-	1,875	-	3,022	-	5,679
Over 365 days	183	15,029	179	14,771	176	13,448
	$ 24,386	$ 261,967	$ 18,304	$ 250,894	$ 10,237	$ 277,766

The above ageing analysis was based on past due date.

B. The Group's notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2024, the balances of notes receivable and accounts receivable from contracts with customers amounted to $260,496.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was its book value.

D. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group does not hold any collateral as security for accounts receivable.

E. Information relating to credit risk is provided in Note 12(2), 'Financial instruments'.

(5) Inventories

	March 31, 2025		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 70,975	($ 6,487)	$ 64,488
Supplies	80,121	(24,266)	55,855
Work in process	324,234	(20,937)	303,297
Finished goods	288,519	(42,542)	245,977
	$ 763,849	($ 94,232)	$ 669,617

	December 31, 2024		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 68,378	($ 7,278)	$ 61,100
Supplies	74,255	(24,063)	50,192
Work in process	306,632	(22,342)	284,290
Finished goods	285,791	(40,287)	245,504
	$ 735,056	($ 93,970)	$ 641,086

	March 31, 2024		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 55,265	($ 4,729)	$ 50,536
Supplies	73,848	(19,325)	54,523
Work in process	316,930	(25,808)	291,122
Finished goods	270,904	(35,081)	235,823
	$ 716,947	($ 84,943)	$ 632,004

The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	2025	2024
Cost of goods sold	$ 141,648	$ 149,611
(Reversal of allowance) loss on inventory market price decline (Note)	(832)	3,781
Loss (gain) on physical inventory	31	(121)
Revenue from sale of scraps	(49)	(89)
	$ 140,798	$ 153,182

Note: For the three-month period ended March 31, 2025, the Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the average cost of inventory decreased due to the increase in production capacity.

(6) Property, plant and equipment

At January 1, 2025	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements and other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ 408,069	$1,596,339	$ 988,122	$ 7,088	$ 26,495	$ 198,253	$ 123,527	$ 3,347,893
Accumulated depreciation	-	(268,818)	(923,209)	(4,602)	(23,799)	(172,963)	-	(1,393,391)
	$ 408,069	$1,327,521	$ 64,913	$ 2,486	$ 2,696	$ 25,290	$ 123,527	$ 1,954,502
Three-month period ended March 31, 2025								
At January 1, 2025	$ 408,069	$1,327,521	$ 64,913	$ 2,486	$ 2,696	$ 25,290	$ 123,527	$ 1,954,502
Additions	-	876	474	-	-	750	2,094	4,194
Transferred from prepayments for equipment	-	-	-	-	-	-	875	875
Transferred after acceptance inspection	-	3,692	-	-	-	149	(3,841)	-
Depreciation	-	(9,556)	(5,336)	(159)	(326)	(2,228)	-	(17,605)
Disposals－Cost	-	-	-	-	(94)	-	-	(94)
－Accumulated depreciation	-	-	-	-	94	-	-	94
Net currency exchange differences	2,529	1,425	335	9	10	57	-	4,365
At March 31, 2025	$ 410,598	$1,323,958	$ 60,386	$ 2,336	$ 2,380	$ 24,018	$ 122,655	$ 1,946,331
At March 31, 2025								
Cost	$ 410,598	$1,602,901	$ 990,030	$ 7,143	$ 26,626	$ 199,432	$ 122,655	$ 3,359,385
Accumulated depreciation	-	(278,943)	(929,644)	(4,807)	(24,246)	(175,414)	-	(1,413,054)
	$ 410,598	$1,323,958	$ 60,386	$ 2,336	$ 2,380	$ 24,018	$ 122,655	$ 1,946,331

At January 1, 2024	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements and other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ 401,691	$ 773,878	$ 965,344	$ 4,535	$ 24,710	$ 179,440	$ 922,224	$ 3,271,822
Accumulated depreciation	-	(234,967)	(900,786)	(3,836)	(23,144)	(166,826)	-	(1,329,559)
	$ 401,691	$ 538,911	$ 64,558	$ 699	$ 1,566	$ 12,614	$ 922,224	$ 1,942,263
Three-month period ended March 31, 2024								
At January 1, 2024	$ 401,691	$ 538,911	$ 64,558	$ 699	$ 1,566	$ 12,614	$ 922,224	$ 1,942,263
Additions	-	5,005	1,034	-	258	288	16,807	23,392
Transferred from prepayments for equipment	-	-	-	-	-	-	4,071	4,071
Transferred after acceptance inspection	-	43,732	156	-	-	110	(43,998)	-
Depreciation	-	(5,682)	(5,692)	(99)	(317)	(1,592)	-	(13,382)
Disposals－Cost	-	-	-	(133)	(120)	(19)	-	(272)
－Accumulated depreciation	-	-	-	133	120	19	-	272
Net currency exchange differences	2,718	4,552	112	4	10	17	-	7,413
At March 31, 2024	$ 404,409	$ 586,518	$ 60,168	$ 604	$ 1,517	$ 11,437	$ 899,104	$ 1,963,757
At March 31, 2024								
Cost	$ 404,409	$ 828,757	$ 967,215	$ 4,428	$ 25,007	$ 179,904	$ 899,104	$ 3,308,824
Accumulated depreciation	-	(242,239)	(907,047)	(3,824)	(23,490)	(168,467)	-	(1,345,067)
	$ 404,409	$ 586,518	$ 60,168	$ 604	$ 1,517	$ 11,437	$ 899,104	$ 1,963,757

A. Property, plant and equipment of the Group were all for operating purposes as of March 31, 2025, December 31, 2024 and March 31, 2024.

B. For the three-month periods ended March 31, 2025 and 2024, no borrowing costs were capitalized as part of property, plant and equipment.

C. Information about the property, plant and equipment that were pledged to others as collateral as of March 31, 2025, December 31, 2024 and March 31, 2024 is provided in Note 8, 'Pledged assets'.

(7) Leasing arrangements－lessee

A. The Group leases land in Southern Taiwan Science Park Bureau of the Ministry of Science and Technology. Rental contracts are typically made for a period of 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

Carrying amount:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	$ 80,149	$ 81,348	$ 84,964

Depreciation charge:

	For the three-month periods ended March 31,	
	2025	2024
Land	$ 1,199	$ 1,116

C. For the three-month periods ended March 31, 2025 and 2024, there were no additions to right-of-use assets; revaluations to right-of-use assets were $－ and $8,610, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the three-month periods ended March 31,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 390	$ 382
Expense on short-term lease contracts	$ 3,297	$ 3,403

E. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases were $4,713 and $4,729, respectively.

(8) Intangible assets

	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
At January 1, 2025						
Cost	$ 752	$ 14,840	$ 13,977	$ 90,718	$ 60,000	$ 180,287
Accumulated amortization	(610)	(6,671)	(12,486)	(45,359)	(13,500)	(78,626)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 142	$ 8,169	$ 1,491	$ 45,359	$ -	$ 55,161
Three-month period ended March 31, 2025						
Net value at January 1, 2025	$ 142	$ 8,169	$ 1,491	$ 45,359	$ -	$ 55,161
Additions－acquired separately	-	227	-	-	-	227
Amortization	(4)	(213)	(142)	(2,268)	-	(2,627)
Net currency exchange differences	-	-	59	-	-	59
Net value at March 31, 2025	$ 138	$ 8,183	$ 1,408	$ 43,091	$ -	$ 52,820
At March 31, 2025						
Cost	$ 752	$ 15,067	$ 14,113	$ 90,718	$ 60,000	$ 180,650
Accumulated amortization	(614)	(6,884)	(12,705)	(47,627)	(13,500)	(81,330)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 138	$ 8,183	$ 1,408	$ 43,091	$ -	$ 52,820

	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
At January 1, 2024						
Cost	$ 685	$ 12,981	$ 14,885	$ 90,718	$ 60,000	$ 179,269
Accumulated amortization	(595)	(5,899)	(13,166)	(36,287)	(13,500)	(69,447)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 90	$ 7,082	$ 1,719	$ 54,431	$ -	$ 63,322
Three-month period ended March 31, 2024						
Net value at January 1, 2024	$ 90	$ 7,082	$ 1,719	$ 54,431	$ -	$ 63,322
Additions－acquired separately	-	292	-	-	-	292
Amortization	(3)	(187)	(84)	(2,268)	-	(2,542)
Net currency exchange differences	-	-	15	-	-	15
Net value at March 31, 2024	$ 87	$ 7,187	$ 1,650	$ 52,163	$ -	$ 61,087
At March 31, 2024						
Cost	$ 685	$ 13,273	$ 14,934	$ 90,718	$ 60,000	$ 179,610
Accumulated amortization	(598)	(6,086)	(13,284)	(38,555)	(13,500)	(72,023)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 87	$ 7,187	$ 1,650	$ 52,163	$ -	$ 61,087

A. For the three-month periods ended March 31, 2025 and 2024, no borrowing costs were capitalized as part of intangible assets.

B. Details of amortization on intangible assets are as follows:

	For the three-month periods ended March 31,	
	2025	2024
General and administrative expenses	$ 73	$ 9
Research and development expenses	2,554	2,533
	$ 2,627	$ 2,542

(9) Short-term borrowings

Nature	March 31, 2025	Interest rate range	Collateral
Bank unsecured borrowings	$ 130,000	1.73%～1.90%	None

Nature	December 31, 2024	Interest rate range	Collateral
Bank unsecured borrowings	$ 160,000	1.52%～2.05%	None

Nature	March 31, 2024	Interest rate range	Collateral
Bank secured borrowings	$ 30,000	1.81%	Buildings
Bank unsecured borrowings	205,000	1.37%～1.62%	None
	$ 235,000		

For more information about interest expense recognized by the Group for the three-month periods ended March 31, 2025 and 2024, refer to Note 6(20), 'Finance costs'.

(10) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Dividends payable	$ 61,083	$ -	$ 69,809
Accrued salaries and bonuses	46,920	56,468	44,515
Employees' compensation and directors' remuneration payable	14,325	12,200	16,853
Equipment payable	3,122	4,638	3,663
Miscellaneous payable	3,671	3,698	3,272
Others	43,900	41,382	37,718
	$ 173,021	$ 118,386	$ 175,830

(11) Long-term borrowings

Nature	Expiry date	March 31, 2025	Interest rate range	Collateral
Long-term bank borrowings				
Secured borrowings	November 29, 2027～ February 15, 2031	$ 630,296	1.86%～ 2.81%	Land, buildings
Unsecured borrowings	August 21, 2025～ February 19, 2029	592,146	1.82%～ 3.25%	None
		1,222,442		
Less: Current portion		(317,528)		
		$ 904,914		

Nature	Expiry date	December 31, 2024	Interest rate range	Collateral
Long-term bank borrowings				
Secured borrowings	November 29, 2027～ February 15, 2031	$ 582,996	1.86%～ 2.81%	Land, buildings
Unsecured borrowings	August 21, 2025～ February 19, 2029	682,886	1.82%～ 4.00%	None
		1,265,882		
Less: Current portion		(295,886)		
		$ 969,996		

Nature	Expiry date	March 31, 2024	Interest rate range	Collateral
Long-term bank borrowings				
Secured borrowings	May 15, 2027～ February 15, 2031	$ 762,217	1.69%～ 2.81%	Land, buildings
Unsecured borrowings	February 25, 2025～ February 19, 2029	275,779	1.89%～ 4.43%	None
		1,037,996		
Less: Current portion		(118,422)		
		$ 919,574		

For more information about interest expense recognized by the Group for the three-month periods ended March 31, 2025 and 2024, refer to Note 6(20), 'Finance costs'.

(12) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.

(b) No pension cost was recognized under the aforementioned defined benefit pension plan of the Company for the three-month periods ended March 31, 2025 and 2024.

(c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to $420.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The other subsidiaries are subject to local government sponsored defined contribution plan. In accordance with related laws of the respective local government, the independent pension fund of employees is administered by the government. Other than the monthly contributions, these subsidiaries do not have further obligations. The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were $3,518 and $3,430, respectively.

(13) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the three-month periods ended March 31,	
	2025	2024
Balance at beginning and end of period	87,262	87,262

B. Treasury stocks

(a) Reason for share reacquisition and movements in the number of the Company's treasury stocks are as follows (in thousands of shares):

	Balance at beginning and end of the three-month periods ended March 31,	
Reason for reacquisition	2025	2024
To be reissued to employees	2,000	2,000

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus. As of March 31, 2025, December 31, 2024 and March 31, 2024, the treasury shares both amounted to $147,570.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should be reissued to the employees within 5 years from the reacquisition date and shares not reissued within the 5 year period are to be retired.

C. As of March 31, 2025, the Company's authorized capital was $1,500,000 (including $30,000 reserved for employee stock options), and the paid-in capital was $892,619 (89,262 thousand shares) with par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(14) Capital reserve

For the three-month periods ended March 31, 2025 and 2024	Share premium	Treasury share transactions	Others	Total
Balances at beginning and end of period	$ 440,553	$ 5,454	$ 114	$ 446,121

Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(15) Retained earnings

A. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks, or to distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.

B. According to the Company's Articles of Incorporation, the Company's dividend policy is to distribute the current year's earnings, if any, in the following order:

(1) pay all taxes and dues;

(2) offset any loss of prior years;

(3) set aside 10% as legal reserve;

(4) set aside or reverse special reserve as required by regulations or the Competent Authority;

(5) The appropriation of the remaining amount after deducting items (1) to (4), along with the unappropriated retained earnings of prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the shareholders' meeting. However, the distribution of dividends shall not be lower than 20% of the current year's profit after deducting items (1) to (4). In order to continually expand the scale of operations, increase competitiveness and support the Company's long-term development plans, future capital requirements and long-term financial plan, the Company's dividend policy is to distribute stock dividends and partially as cash dividends. Cash dividends shall not be less than 10% of the total dividends distributed to shareholders. The Board of Directors of the Company shall adopt a resolution by a majority of more than two-thirds of the directors present to distribute whole or a part of the distributable dividends, bonuses, capital reserves or legal reserve in the form of cash, and report to the shareholders during their meetings. The above is not subject to provisions that require shareholders' approval.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. As of March 31, 2025, the above special reserve amounted to $25,061.

D. The Company recognized cash dividends distributed to owners amounting to $61,083 ($0.7 (in dollars) per share) and $69,809 ($0.8 (in dollars) per share) from 2024 and 2023 earnings, respectively.

(16) Operating revenue

A. The Group derives revenue from the transfer of goods at a point in time in segments. Revenue is broken down by product category as follows:

	For the three-month periods ended March 31,	
	2025	2024
Miniature linear guides	$ 150,527	$ 130,514
Large linear guides	85,021	90,518
Linear motor	17,762	32,737
Others	49	270
	$ 253,359	$ 254,039

B. The Group has recognized revenue-related contract liabilities amounting to $5,620, $3,259, $244 and $440 as of March 31, 2025, December 31, 2024, March 31, 2024 and January 1, 2024, respectively. Revenue recognized that were included in the contract liability balance at the beginning of 2025 and 2024 for the three-month periods ended March 31, 2025 and 2024 were $3,097 and $403, respectively.

(17) Interest income

	For the three-month periods ended March 31,	
	2025	2024
Interest income from bank deposits	$ 593	$ 1,095
Interest income from financial assets measured at amortized cost	200	259
	$ 793	$ 1,354

(18) Other income

	For the three-month periods ended March 31,	
	2025	2024
Income from sales of solar energy power	$ 1,463	$ 4,186
Other income-other	1,427	1,396
	$ 2,890	$ 5,582

(19) Other gains and losses

	For the three-month periods ended March 31,	
	2025	2024
Currency exchange gain	$ 10,618	$ 18,134
Net loss on financial assets at fair value through profit or loss	(4,575)	-
Other losses	(393)	(21)
	$ 5,650	$ 18,113

(20) Finance costs

	For the three-month periods ended March 31,	
	2025	2024
Interest expense:		
Interest expense on bank borrowings	$ 8,055	$ 6,705
Interest expense on lease liabilities	390	382
	$ 8,445	$ 7,087

(21) Expenses by nature

	For the three-month period ended March 31, 2025		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 50,129	$ 42,925	$ 93,054
Depreciation	9,546	9,258	18,804
Amortization	-	2,627	2,627
	$ 59,675	$ 54,810	$ 114,485

	For the three-month period ended March 31, 2024		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 46,659	$ 42,216	$ 88,875
Depreciation	8,855	5,643	14,498
Amortization	-	2,542	2,542
	$ 55,514	$ 50,401	$ 105,915

(22) Employee benefit expense

	For the three-month period ended March 31, 2025		
	Operating cost	Operating expense	Total
Wages and salaries	$ 41,128	$ 37,211	$ 78,339
Labor and health insurance expense	4,880	3,112	7,992
Pension costs	2,134	1,384	3,518
Other personnel expenses	1,987	1,218	3,205
	$ 50,129	$ 42,925	$ 93,054

	For the three-month period ended March 31, 2024		
	Operating cost	Operating expense	Total
Wages and salaries	$ 37,847	$ 37,089	$ 74,936
Labor and health insurance expense	4,683	2,667	7,350
Pension costs	2,073	1,357	3,430
Other personnel expenses	2,056	1,103	3,159
	$ 46,659	$ 42,216	$ 88,875

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 3% to 15% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the three-month periods ended March 31, 2025 and 2024, the Company's employees' compensation were $1,700 and $2,812, respectively; while directors' remuneration were $425 and $563, respectively. The aforementioned amounts were recognized in salary expenses and were estimated and accrued based on the earnings of current period and the percentage specified in the Articles of Incorporation of the Company.

The employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were $10,000 and $2,200, respectively. The employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were equal to the amounts recognized in the 2024 financial statements. The employees' compensation will be distributed in the form of cash.

Information about the appropriation of employees' compensation and directors' remuneration of the Company as proposed by the Board of Directors is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense:

Components of income tax expense:

	For the three-month periods ended March 31,	
	2025	2024
Current income tax:		
Income tax incurred in current period	$ 8,242	$ 3,759
Prior year income tax over estimation	-	(4,178)
Total current income tax	8,242	(419)
Deferred income tax:		
Origination and reversal of temporary differences	1,208	5,382
Income tax expense	$ 9,450	$ 4,963

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. There were no disputes existing between the Company and the Tax Authority as of May 7, 2025.

(24) Earnings per share ("EPS")

	For the three-month period ended March 31, 2025		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 13,628	87,262	$ 0.16
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 13,628	87,262	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	48	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 13,628	87,310	$ 0.16

	For the three-month period ended March 31, 2024		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 35,803	87,262	$ 0.41
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 35,803	87,262	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	102	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 35,803	87,364	$ 0.41

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the three-month periods ended March 31, 2025	2024
Acquisition of property, plant and equipment	$ 4,194	$ 23,392
Add: Beginning balance of notes payable	124	1,487
Beginning balance of payable for equipment	4,638	4,117
Less: Ending balance of notes payable	(3,898)	(637)
Ending balance of payable for equipment	(3,122)	(3,663)
Cash paid for acquisition of property, plant and equipment	$ 1,936	$ 24,696

B. Investing and financing activities with no cash flow effects:

	For the three-month periods ended March 31, 2025	2024
(a) Prepayments for equipment reclassified to property, plant and equipment	$ 875	$ 4,071
(b) Cash dividends appropriation	$ 61,083	$ 69,809

(26) Changes in liabilities from financing activities

	Short-term borrowings	Lease liability	Long-term borrowings	Liabilities from financing activities-gross
At January 1, 2025	$ 160,000	$ 87,065	$ 1,265,882	$ 1,512,947
Changes in cash flow from financing activities	(30,000)	(1,026)	(51,475)	(82,501)
Effect of changes in foreign exchange rate	-	-	8,035	8,035
At March 31, 2025	$ 130,000	$ 86,039	$ 1,222,442	$ 1,438,481

	Short-term borrowings	Lease liability	Long-term borrowings	Liabilities from financing activities-gross
At January 1, 2024	$ 365,000	$ 82,452	$ 928,174	$ 1,375,626
Changes in cash flow from financing activities	(130,000)	(944)	104,542	(26,402)
Revaluations	-	8,610	-	8,610
Effect of changes in foreign exchange rate	-	-	5,280	5,280
At March 31, 2024	$ 235,000	$ 90,118	$ 1,037,996	$ 1,363,114

7. RELATED PARTY TRANSACTIONS

(1) Significant transactions and balances with related parties

None.

(2) Key management compensation

	For the three-month periods ended March 31,	
	2025	2024
Salaries and other short-term employee benefits	$ 7,313	$ 7,421

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value			Purpose of
Asset pledged	March 31, 2025	December 31, 2024	March 31, 2024	collateral
Restricted time deposits (Note 1)	$ 8,700	$ 8,700	$ 8,700	Performance guarantee
Land (Note 2)	375,459	374,718	373,332	Guarantee for long-term borrowings
Buildings - net (Note 2)	511,339	513,582	521,735	Guarantee for long and short-term borrowings
	$ 895,498	$ 897,000	$ 903,767	

(Note 1) Listed as 'Financial assets at amortized cost - current'.

(Note 2) Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the endorsements and guarantees provided by the Company to the subsidiary, cpc Europa GmbH, amounted to $323,730, $307,260 and $258,450, respectively, and the actual amounts drawn down were $136,686, $128,025 and $125,779, respectively.

(2) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's remaining balance due for construction in progress and prepayments for equipment were $70,440, $92,048 and $158,338, respectively.

(3) On January 3, 2024, the Company entered into a mid-term secured syndicated loan contract for a credit line facility of $2,000,000 with 10 financial institutions including Mega International Commercial Bank Co., Ltd. The credit term is 7 years. Under the terms of the syndicated loan, the Company agrees that:

A. The financial ratios stated in the Company's semi-annual reviewed financial statements and annual audited financial statements shall meet the following financial ratios which will be assessed semi-annually:

(a) Current ratio (current assets/current liabilities): At least 100%.

(b) Liability ratio (total liabilities/net equity): Less than 220% from 2023 to 2025; less than 200% in 2026 and 2027; less than 180% from 2028.

(c) Tangible net value (shareholders' equity less intangible assets): At least $1,300,000.

B. If the Company violates the above financial covenants, the Company should improve within 9 months after the fiscal year or half fiscal year. It will not be considered as default, if the audited or reviewed financial ratios comply with the covenants after the improvement period. During the improvement period, the credit line which has not been withdrawn will be frozen, until the financial covenants are met. In addition, for withdrawn credit, its financing rate shall be increased by an additional 0.125% per annum from the date after the notification by the management bank to the date after the completion of improvement.

As of March 31, 2025, the Company has not violated any of the above covenants.

(4) For the details of operating lease agreements, refer to Note 6(7), 'Leasing arrangements－lessee'.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the level of debt.

(2) Financial instruments

A. Details of the Group's financial instruments by category are provided in Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

(i) The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries denominated in various functional currency, primarily with respect to USD, EUR and JPY. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

(ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

(iii) The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, as the objective of the net investments in foreign operations is for strategic purposes, the Group does not hedge the investments.

(iv) The Group’s businesses involve some non-functional currency operations (the Company’s functional currency: NTD, the subsidiaries’ functional currency: USD, EUR and CNY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 6,430	33.205	$ 213,505
JPY:NTD	70,522	0.2227	15,705
EUR:NTD	2,002	35.97	72,009
Financial liabilities			
Monetary items			
EUR:NTD	699	35.97	25,237

	December 31, 2024			
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$	4,680	32.785	$ 153,433
JPY:NTD		52,621	0.2099	11,045
EUR:NTD		2,003	34.14	68,377
Financial liabilities				
Monetary items				
EUR:NTD		611	34.14	20,979

	March 31, 2024			
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$	6,953	32.00	$ 222,490
JPY:NTD		15,160	0.2115	3,206
EUR:NTD		2,415	34.46	83,214
Financial liabilities				
Monetary items				
EUR:NTD		720	34.46	24,895

Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at financial reporting date. If the exchange rate of NTD to other currencies had appreciated/depreciated by 1% with all other factors remaining constant, the Group's net profit after tax for the three-month periods ended March 31, 2025 and 2024 would decrease/increase by $2,208 and $2,272, respectively.

(v)The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to $10,618 and $18,134, respectively.

II. Price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio and set stop-loss amounts for these instruments. The Group expects no significant market risk.

III. Cash flow and fair value interest rate risk

(i) The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. However, partial interest rate risk is offset by cash and cash equivalents held at variable rates. For the three-month periods ended March 31, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in NTD, EUR, and USD.

(ii) The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

(iii) If the borrowing interest rate had increased/decreased by 10% with all other variables held constant, profit, net of tax for the three-month periods ended March 31, 2025 and 2024 would have decreased/increased by $644 and $536, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

II. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored.

III. The Group manages its credit risk, whereby if the contract payments are past due over based on the terms, there has been a significant increase in credit risk on that instrument. If the contract payment are past due over 365 days based on the terms, the default has occurred.

IV. The Group classifies customers' accounts receivable in accordance with the credit rating of customers and credit risk on trade. The Group applies the simplified approach using the provision matrix and the forecast ability to adjust historical and timely information to estimate expected credit loss. The Group's provision matrix as of March 31, 2025, December 31, 2024 and March 31, 2024 is as follows:

March 31, 2025	Current	Up to 180 days	More than 181 days past due	Total
Expected loss rate	0.03%~2%	0.03%~37.69%	0.03%~100%	
Total book value	$ 166,596	$ 78,467	$ 16,904	$ 261,967
Loss allowance	1,335	7,603	15,562	24,500

December 31, 2024	Current	Up to 180 days	More than 181 days past due	Total
Expected loss rate	0.03%~2%	0.03%~37.63%	0.03%~100%	
Total book value	$ 178,085	$ 55,016	$ 17,793	$ 250,894
Loss allowance	893	4,374	15,801	21,068

March 31, 2024	Current	Up to 180 days	More than 181 days past due	Total
Expected loss rate	0.03%~2%	0.03%~36.78%	0.03%~100%	
Total book value	$ 195,281	$ 63,358	$ 19,127	$ 277,766
Loss allowance	842	5,336	16,311	22,489

V. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the three-month periods ended March 31,	
	2025	2024
	Accounts receivable	Accounts receivable
At January 1	$ 21,068	$ 20,131
Provision for impairment	2,855	1,988
Effect of foreign exchange	577	370
At March 31	$ 24,500	$ 22,489

(c) Liquidity risk

I. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

II. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. The Group is expected to readily generate cash inflows for managing liquidity risk.

III. The Group has the following undrawn borrowing facilities:

	March 31, 2025	December 31, 2024	March 31, 2024
Floating rate:			
Expiring within one year	$ 1,054,050	$ 1,024,050	$ 994,050
Expiring beyond one year	1,473,089	1,368,025	1,632,671
	$ 2,527,139	$ 2,392,075	$ 2,626,721

IV. The table below analyzes the Group's non-derivative financial liabilities and relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 130,377	$ -	$ -	$ -
Notes payable	58,519	-	-	-
Accounts payable	45,158	-	-	-
Other payables	173,021	-	-	-
Lease liability	5,665	5,665	16,995	75,060
Long-term borrowings (including current portion)	341,315	348,686	212,104	408,985

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 160,404	$ -	$ -	$ -
Notes payable	62,338	-	-	-
Accounts payable	33,036	-	-	-
Other payables	118,386	-	-	-
Lease liability	5,665	5,665	16,995	73,644
Long-term borrowings (including current portion)	321,462	360,835	259,043	410,093

March 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 235,318	$ -	$ -	$ -
Notes payable	34,852	-	-	-
Accounts payable	35,631	-	-	-
Other payables	175,830	-	-	-
Lease liability	5,665	5,665	16,995	77,893
Long-term borrowings (including current portion)	141,939	312,425	257,631	415,871

V. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost - current, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion)) are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets is as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 44,217	$ 44,217

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 48,792	$ 48,792

There was no such situation as of March 31, 2024.

D. The fair value of financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

E. For the three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3:

	For the three-month period ended March 31, 2025
	Equity instrument
At January 1	$ 48,792
Losses recognized in profit or loss	(4,575)
At March 31	$ 44,217

There was no such situation for the three-month period ended March 31, 2024.

G. Group treasury is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Equity securities	$ 44,217	Net asset value	Not applicable	—	Not applicable

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Equity securities	$ 48,792	Net asset value	Not applicable	—	Not applicable

There was no such situation for the three-month period ended March 31, 2024.

13. SUPPLEMENTARY DISCLOSURES

(According to the regulatory requirement, only information for the three-month period ended March 31, 2025 is disclosed.)

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting period: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the operating segments based on how the Group's chief operating decision maker regularly reviews information in order to make decisions. The Group's chief operating decision maker manages the business from an entity's perspective. The Group's corporate composition, the basis for division and the basis for measuring departmental information have not changed significantly during the current period.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month period ended March 31, 2025					
	CHIEFTEK PRECISION	Chieftek (Kunshan)	cpc Europa	cpc USA	Others	Total
Segment revenue	$ 168,510	$ 19,975	$ 94,197	$ 60,244	$ 2,936	$ 345,862
Inter-segment revenue	(89,437)	-	(130)	-	(2,936)	(92,503)
External revenue	79,073	19,975	94,067	60,244	-	253,359
Interest income	577	118	-	97	1	793
Depreciation and amortization	19,819	35	638	57	882	21,431
Capital expenditures	9,216	-	-	-	-	9,216
Interest expense	6,373	-	1,469	-	603	8,445
Segment pre-tax income (loss)	19,131	(3,751)	4,969	11,453	(46)	31,756
Segment assets	3,285,088	181,203	267,847	172,525	213,004	4,119,667
Segment liabilities	1,512,241	995	156,074	5,211	87,412	1,761,933

	For the three-month period ended March 31, 2024					
	CHIEFTEK PRECISION	Chieftek (Kunshan)	cpc Europa	cpc USA	Others	Total
Segment revenue	$ 188,164	$ 33,597	$ 84,650	$ 47,173	$ 2,806	$ 356,390
Inter-segment revenue	(99,545)	-	-	-	(2,806)	(102,351)
External revenue	88,619	33,597	84,650	47,173	-	254,039
Interest income	42	248	-	644	420	1,354
Depreciation and amortization	15,414	24	703	55	844	17,040
Capital expenditures	41,820	146	530	31	-	42,527
Interest expense	5,113	-	1,372	-	602	7,087
Segment pre-tax income	43,493	1,510	3,467	3,932	1,423	53,825
Segment assets	3,210,621	211,800	248,604	121,752	207,878	4,000,655
Segment liabilities	1,440,107	2,268	142,462	4,346	87,200	1,676,383

(3) Reconciliation for segment income

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segments pre-tax income to profit before income tax from continuing operations is provided as follows:

	For the three-month periods ended March 31,	
	2025	2024
Reportable segments pre-tax income	$ 31,802	$ 52,402
Other segments pre-tax (loss) gain	(46)	1,423
Inter segments gain	(8,678)	(13,059)
Profit before income tax	$ 23,078	$ 40,766

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2025

Table 1

Expressed in thousands of NTD

Nunber (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor （Note 2）	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount during the period	Outstanding endorsement/ guarantee amount at March 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	CHIEFTEK PRECISION CO., LTD.	cpc Europa GmbH	1	$ 1,178,867	$ 323,730	$ 323,730	$ 136,686	$ -	14%	$ 1,178,867	Y	N	N	—

(Note 1) The numbers filled in for the endorsements/gurantees provided by the Company or subsidiaries are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

(Note 2) The following code respresents the relationship with the Company:
(1) The Company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(Note 3) (1) The limit of total amount of endorsements/guarantees is 50% of the Company’s net worth of the latest financial statements, and the limit of total amount of endorsements/guarantees for a single party is 20% of the Company’s net worth of the latest financial statements. Between companies whose voting shares are held by the Company directly and indirectly more than 90%, an endorsement guarantee may be made and its amount shall not exceed 10% of the Company’s net worth of the latest financial statements. However, this does not apply to inter-company endorsement guarantees where the Company directly or indirectly holds 100% of the voting shares.
(2) For any endorsements or gurantees provided by the Company due to business dealings, except for the abovementioned limit, the amount of endorsements or gurantees shall be limited to the business dealing amount of the most recent year. The business deeling amount is product purchase or sale amount between the entities, whichever is higher.
(3) Between companies whose voting shares are 100% held by the Company directly and indirectly, and the limit of total amount of endorsements/guarantees is 50% of the company’s, who provide endorsement guarantee, net worth of the latest financial statements, and the limit of total amount of endorsements/guarantees to a single party is 50% of the company’s, who provide endorsement guarantee, net worth of the latest financial statements.
(4) The limit of total amount of endorsements/guarantees provided by the Company and subsidiaries is 50% of the Company’s net worth of the latest financial statements, and the limt of total amount of endorsements/guarantees provided by the Company and subsidiaries to a single party is 50% of the Company' s net worth of the latest financial statements.

(Note 4) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:33.205) as of March 31, 2025.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2025

Table 2

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with thesecurities issuer	General ledger account	As of March 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
CHIEFTEK PRECISION CO., LTD.	Stocks:							
	Phoenix VI Innovation Investment Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	5,000,000	$ 44,217	2.54%	$ 44,217	—

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the three-month period ended March 31, 2025

Table 3

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	CHIEFTEK PRECISION CO., LTD.	cpc Europa GmbH	1	Endorsements and guarantees	$ 323,730	–	8%
				Sales revenue	54,084	180 days after monthly-closing, T/T	21%
				Accounts receivable	33,978	–	1%
		CHIEFTEK PRECISION USA CO., LTD.	1	Sales revenue	28,081	180 days after monthly-closing, T/T	11%
				Accounts receivable	41,252	–	1%
		Chieftek Machinery (Kunshan) Co., Ltd.	1	Sales revenue	7,272	180 days after monthly-closing, T/T	3%
				Accounts receivable	21,316	–	1%
1	CHIEFTEK PRECISION USA CO., LTD.	CHIEFTEK PRECISION INTERNATINAL LLC	3	Rent payment	2,936	–	1%
				Guarantee deposits paid	1,660	–	–

(Note 1) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

(Note 2) Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

(Note 3) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

(Note 4) Only transactions over 1 million are disclosed.

(Note 5) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:33.205) as of March 31, 2025.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

For the three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as of March 31, 2025	Balance as of December 31, 2024	Number of shares	Ownership (%)	Book value			
CHIEFTEK PRECISION CO., LTD.	CHIEFTEK PRECISION HOLDING CO., LTD.	Samoa	Professional investment	$ 152,263	$ 152,263	5,100,000	100%	$ 159,179	($ 3,757)	($ 3,757)	Subsidiary
	CHIEFTEK PRECISION INTERNATIONAL LLC	United States of America	Lease of real estate property	110,054	110,054	-	100%	123,888	(40)	(40)	Subsidiary
	CHIEFTEK PRECISION USA CO., LTD.	United States of America	Sales of high precision linear motion components and rendering after -sale services	50,027	50,027	1,660,000	100%	127,721	9,177	9,177	Subsidiary
	cpc Europa GmbH	Germany	Sales of high precision linear motion components and rendering after -sale services	98,695	98,695	-	100%	77,795	3,298	3,298	Subsidiary

(Note) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:33.205) as of March 31, 2025.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Basic information

For the three-month period ended March 31, 2025

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee for the three-month period ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2025 （Note 2）	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chieftek Machinery (Kunshan) Co., Ltd.	Production, processing and sales of high precision linear motion components and rendering after-sale services	$ 169,346	Note 1	$ 169,346	$ -	$ -	$ 169,346	($ 3,751)	100%	($ 3,751)	$ 172,605	$ 275,964	—

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
CHIEFTEK PRECISION CO., LTD.	$ 169,346	$ 169,346	$ 1,414,640

(Note 1) Through investing in an existing company in the third area (CHIEFTEK PRECISION HOLDING CO., LTD.) which then invested in the investee in Mainland China.
(Note 2) The investment income (loss) is recognized based on the investees’ financial statements that were reviewed by the parent company’s auditors for the three-month period ended March 31, 2025.
(Note 3) The ceiling amount is 60% of the higher of net worth or consolidated net worth.
(Note 4) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:33.205) as of March 31, 2025.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

For the three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD

	Sales (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at March 31, 2025	%	Balance at March 31, 2025	Purpose	Maximum balance during the three-month period ended March 31, 2025	Balance at March 31, 2025	Interest rate	Interest during the three-month period ended March 31, 2025	Others
Chieftek Machinery (Kunshan) Co., Ltd.	($ 7,272)	3%	$ -	-	$ 21,316	1%	$ -	-	$ -	$ -	-	$ -	$ -