CHIEFTEK PRECISION CO., LTD.

cpcCells cpcSystem cpcRobot cpcStudio

2025 Annual Report

Stock Code: 1597

CHIEFTEK PRECISION CO., LTD.

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1. **NAME, POSITION, CONTACT NUMBER and E-MAIL ADDRESS of SPOKESPERSON AND DEPUTY SPOKESPERSON IN OUR COMPANY:**

   Spokesperson
   Name: LI PAI-TSANG
   Position: Chief financial officer
   Tel: (06)505-5858
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   Deputy Spokesperson
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   Position: Special assistant for chairman
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2. **ADDRESS AND CONTACT NUMBER OF HEADQUARTERS, BRANCH AND FACTORY:**

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   Tainan Science Park Factory
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3. **NAME, ADDRESS, WEBSITE AND CONTACT NUMBER OF SHARE TRANSFER AGENCY:**

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   Add: 11 F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City 100
   Web: https://www.fubon.com/securities/home/index.htm
   Tel: (02)2361-1300

4. **CPA’S NAME, NAME, ADDRESS, WEBSITE AND CONTACT NUMBER OF ACCOUNTING FIRM IN 2025 FINANCIAL REPORT:**

   Accountant’s name: Accountant TIEN ZHONG-YU and Accountant YEH FANG-TING
   Firm name: PricewaterhouseCoopers (PwC) Taiwan
   Add: 12 F, No. 395, Sec. 1, Linsen Rd., East Dist., Tainan City
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5. **TRADING PLACES OF OVERSEAS NEGOTIABLE SECURITIES FLOTATION AND MODE OF INQUIRY INFORMATION ON OVERSEAS NEGOTIABLE SECURITIES: NONE.**

6. **COMPANY WEBSITE**：http://www.chieftek.com

CHIEFTEK PRECISION CO., LTD.
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I.LETTER TO SHAREHOLDERS

Distinguished shareholders, ladies and gentlemen：

Thank you to all shareholders for your encouragement and strong support to **cpc** Corporation over the long term. In 2025, although affected by uncertainties such as geopolitical conflicts, the Russia-Ukraine war, and conflicts in the Middle East, as well as strained cross-strait political relations and the continued downturn in the machine tool industry, the semiconductor and AI-related industries experienced vigorous growth. As a result, the Company's consolidated revenue for 2025 was NT$1,138,316 thousand, an increase of NT$101,735 thousand compared to NT$1,036,581 thousand in 2024, representing a growth rate of 9.81%. The net profit after tax for 2025 was NT$79,421 thousand, a decrease of NT$14,392 thousand compared to NT$93,813 thousand in 2024, representing a decline of 15.34%. Earnings per share were NT$0.91, a decrease of NT$0.17 compared to NT$1.08 in 2024. We hereby present the report on the operating results for 2025 and the business plan for 2026.

A. Operating Results for the Previous Year (2025)

(A) Results of Implementation of the Previous Year's Business Plan

The Company's consolidated statements of comprehensive income and product sales by category for the most recent two years are presented in the following tables:

1. Comparison Table of Consolidated Statements of Comprehensive Income for the Most Recent Two Years

Unit: NT$ in thousand

Items	2025	2024	Increase (decrease)
Net operating income	1,138,316	1,036,581	101,735
Operating cost	(671,765)	(612,422)	59,343
Operating gross profit	466,551	424,159	42,392
Operating expense	(361,045)	(329,182)	31,863
Operating profit	105,506	94,977	10,529
Net non-operating income (expense)	5,694	22,978	(17,284)
Net profit before tax	111,200	117,955	(6,755)
Net profit after tax	79,421	93,813	(14,392)
Other Comprehensive income/loss	(1,849)	24,244	(26,093)
Comprehensive income/loss for the year	77,572	118,057	(40,485)
Net operating income	0.91	1.08	(0.17)

2. Sales by product category for the most recent two years: please refer to Section IV, Business Overview, under Sales Proportion.

Unit: NT$ in thousand

Product type	2024		2023		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Miniature type	676,031	59.39%	590,757	57.00%	85,274	14.43%
Large type	377,625	33.17%	360,545	34.78%	17,080	4.74%
Linear motor	84,016	7.38%	84,728	8.17%	(712)	(0.84%)
Other	644	0.06%	551	0.05%	93	16.88%
Total	1,138,316	100.00%	1,036,581	100.00%	101,735	9.81%

(1) Revenue

a. Revenue from miniature linear guides was NT$676,031 thousand, an increase of 14.43%; revenue from large linear guides was NT$377,625 thousand, an increase of 4.74%; revenue from linear motors was NT$84,016 thousand, a decrease of 0.84%.

b. By region, China decreased by 12.84%, Europe increased by 13.81%, the United States increased by 22.37%, domestic sales in Taiwan decreased by 1.32%, and other regions increased by 12.68%.

(2) Gross Profit Margin

In 2025, consolidated revenue increased by 9.81%, and the utilization rate slightly increased accordingly, resulting in a gross profit margin of 40.99% in 2025, an increase of 0.07% compared to 40.92% in 2024.

(3) Profit

a. Net profit after tax in 2025 was NT$79,421 thousand, a decrease of NT$14,392 thousand, or 15.34%, compared to NT$93,813 thousand in 2024.

b. Earnings per share after tax in 2025 was NT$0.91, a decrease of NT$0.17 compared to NT$1.08 in 2024.

(B) Implementation of Budget

The financial prediction of 2025 was not publicized; it was not likely to estimate the achievement of goals.

(C) Analysis of receipts/expenditures, and profitability

Items			2025	2024
Financial structure (%)	Ratio of liabilities to assets		41.16	42.50
	Ratio of long-term funds to real property, factory and equipment		168.66	178.14
Debt paying ability (%)	Current ratio		248.41	282.66
	Quick ratio		162.61	184.30
	Interest coverage ratio		4.41	4.67
Profit structure (%)	Return on assets (ROA)		2.58	2.80
	Return on equity (ROE)		3.31	3.96
	Ratio on paid-in capital	Operating profits	11.82	10.64
		Profits before tax	12.46	13.21
	Net profit ratio		6.98	9.05
	Basic EPS ($)		0.91	1.08

(D) Overview on the current research and development

Since its establishment, **cpc** has continuously focused on the research, development, and manufacturing of core technologies in automation and mechatronic integration. Its application fields span semiconductors, optoelectronics, biotechnology and medical industries, electronics, precision measurement, machine tools, automation and intelligent manufacturing, and industrial digital transformation. With strong capabilities in mechanical design, motion control, and system integration, **cpc** has established a complete solution from precision components and modular products to systems and software platforms, becoming a

key automation technology provider with strong in-house R&D capabilities and continuously creating value for customers across various industries.

Core Products and Technological Innovation

cpc's main products and services currently include cpcCells, cpcSystem, cpcRobot, and cpcStudio. Based on these, the Company has built a complete product architecture from key components and modular systems to complete machine solutions and software platforms, comprehensively strengthening its overall solution capabilities in the automation and semiconductor equipment markets。

1. **cpcCells**

   cpc has long been deeply engaged in high-end precision linear motion and transmission component technologies, continuously investing in the development of products with high precision, low noise, and high reliability. In addition to existing silent-type linear transmission components, the Company continues to expand product lines such as crossed roller types, ball screws, and high-rigidity linear modules to meet the stringent requirements of semiconductor equipment, high-end automation, and precision manufacturing in terms of performance, stability, and service life, further consolidating its core component technology advantages.

2. **cpcSystem**

   With the increasing demand for system integration and delivery efficiency in the automation and semiconductor industries, **cpc** continues to expand its cpcSystem product line, focusing on linear motor modules, subsystem modules, and complete automation solutions to provide customers with higher value-added system-level solutions.

   Based on its self-developed linear motion and motor control technologies, cpcSystem integrates high-precision linear motor modules, motion control, sensing, and mechanical design to form rapidly deployable subsystem units, further extending to complete equipment solutions widely applied in semiconductor processes, automation equipment, and high-end manufacturing industries. Through modular and systemized design, **cpc** helps customers shorten development time, reduce integration risks, and improve overall equipment performance and reliability.

3. **cpcRobot**

   In response to the rapid growth of global automation, intelligent manufacturing, and robot applications, **cpc** continues to expand its robot product line. In addition to existing miniature six-axis robotic arms, the Company is actively investing in next-generation robot technologies and product development, including applications such as humanoid robots and robotic dogs.

   The Company focuses on the development of core robot components and modular technologies, including high-efficiency motors, ultra-flat encoders, high-response drivers, robot joint modules, and integrated robot modules, to enhance robot dynamic performance, power density, and system stability, and to strengthen its product positioning in the high-end and professional robot markets。

4. **cpcStudio**

   cpc continues to deepen its software PLC/IDE platform, cpcStudio, which is designed based on the concepts of smart factories and flexible manufacturing, assisting users in integrating diverse hardware equipment, system architectures, and control processes to build highly customized central control and management platforms.

   With the advancement of artificial intelligence and data-driven technologies, cpcStudio is gradually incorporating intelligent functions to enhance equipment integration, motion control, and system collaboration capabilities, providing users with a more flexible, efficient, and scalable automation software environment, and realizing deep integration of hardware, systems, and software.

In 2025, **cpc** invested NT$84,845 thousand in research and development, an increase of NT$9,016 thousand compared to NT$75,829 thousand in 2024. The ratio of R&D expenses

to net operating revenue increased from 7.32% in 2024 to 7.45% in 2025, demonstrating **cpc**'s strong commitment to research and development.

B. Summary of Business Plan for the Current Year (2026)

(A) Business Policy for the Year

1. Implement Information Transparency and Practice Integrity
   (1) Implement information transparency and practice good corporate governance.
   (2) Uphold integrity and sustainable operation to establish **cpc** as a global leading brand.
   (3) Cultivate a team with filial piety, charity, global vision, professional expertise, and a strong sense of honor.
2. Strengthen Environmental, Safety, and Health Awareness and Implement Environmental Protection
   (1) Provide a high-quality and healthy working environment to achieve the goal of zero disasters and zero accidents.
   (2) Protect the environment, preserve the natural ecology, and conserve energy and reduce waste.
   (3) Comply with regulations, implement risk management, prevent pollution, and enforce 6S activities.
   (4) Environmental protection and safety are continuous activities for all employees.
3. Education Based on Ethics to Create a Harmonious Society
   (1) Promote the foundation of Chinese culture and build a benevolent and righteous enterprise.
   (2) Cultivate a team with both virtue and professional skills to form a model of corporate management.
   (3) Practice corporate social responsibility to create a harmonious society。

(B) Expected Sales Volume and Basis

At present, the impacts of inflation and interest rate hikes in various countries have not subsided, and geopolitical risks remain high in some regions. The global economic situation is uncertain. The Company will take a prudent and conservative approach toward the expected sales volume and strive to achieve it.

(C) Important Production and Sales Policies

1. Sales Policy
   (1) The Company will continue to promote its own brand, **cpc**, in the global market, maintain the existing customer base, and expand into new application fields.
   (2) Adjust the product mix according to market demand to increase the proportion of niche and high value-added products。
   (3) Strengthen cooperation with existing distributors to maintain stable sales channels.
   (4) Continuously enhance technical service capabilities in response to customer demand for integrated solutions.
   (5) Gradually expand related product applications in line with automation development trends.
2. Production Policy
   (1) Leverage core technological competitiveness and continuously reduce production costs.
   (2) Do not accept defects, do not produce defects, and do not pass on defects.
   (3) Gradually promote intelligent manufacturing to enhance production competitiveness.
   (4) Become a technology service manufacturer integrating hardware, mechatronics, and software.

C. III. Future Development Strategies

(A) Deployment of Humanoid Robots and Intelligent Robot Technologies

In response to the global trend toward humanoid, intelligent, and highly mobile robot technologies, **cpc** regards humanoid robots and robotic dog-related technologies as important

medium- to long-term development directions. The Company will continue to deepen its R&D investment in key robot components, joint modules, and system integration, and combine its existing advantages in motion control and mechatronic integration to gradually establish a competitive intelligent robot product line.

(B) Artificial Intelligence Vision and Robot Learning Applications

cpc actively introduces technologies such as AI vision, robot learning, and data-driven control, and integrates them with its existing robot and automation products to enhance the autonomy and intelligence of robots in perception, decision-making, and operation. Through the adoption of AI technologies, the Company will expand the depth of robot applications in complex environments and diverse scenarios, strengthening product value and market differentiation.

(C) Energy Saving, Carbon Reduction, and Sustainable Development

In line with the global emphasis on sustainable development and environmental protection, **cpc** continues to adopt energy saving, carbon reduction, and high-efficiency design as key principles in product development. Through high-efficiency motors, low-energy-consumption drives, and optimized system design, the Company helps customers reduce energy consumption and operating costs, fulfill corporate social responsibility, and move toward long-term sustainable operation.

D. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

(A) External Competitive Environment

1. Sustainable finance will become an important industry trend. In particular, the banking sector will continue to issue related sustainable bonds, sustainability-linked loans, and green financial products, guiding industries toward net-zero transformation, reducing carbon emissions in investment and financing, and achieving key ESG sustainability benefits.
2. Due to the conflicts in the Middle East, rising energy product costs have driven up prices and other input costs, intensifying market concerns about accelerating inflation. Enterprises are experiencing weakened demand due to uncertainties caused by conflicts and rising living costs.
3. Geopolitical uncertainties are also reflected in the supply chain, especially with the effective closure of the Strait of Hormuz, which carries one-fifth of the world's oil supply. Threats to shipping from Iran have caused tanker transportation to nearly halt, and it remains unclear when or how the strait will reopen. The Federal Reserve will need to balance the risks of rising inflation against weakening economic growth, largely depending on the duration of the conflict and its impact on energy prices and global supply chains.

(B) Regulatory Environment

In addition to investing in Taiwan and deepening domestic operations, Taiwan's technology industry continues its global expansion, establishing production capacity in the United States, Europe, Japan, and Southeast Asia. The implementation of domestic carbon fees indicates the arrival of a carbon pricing era. In addition, obtaining ISO-related certifications requires certain labor costs and certification expenses.

(C) Overall Business Environment

Since 2025, the domestic industries have faced a complex and rapidly changing business environment, including Taiwan's AI supply chain occupying a leading global position, the U.S.-China semiconductor technology conflict with dual measures of controls and tariffs, the electric vehicle market entering a highly competitive stage with U.S. tariffs of 100% on Chinese products affecting market dynamics, geopolitical and war factors causing fluctuations in raw material prices, the Red Sea crisis and Panama Canal drought leading to rising container and bulk shipping rates, the termination of 134 ECFA items creating transformation pressure for certain traditional industries, and the upcoming carbon fee policy ushering Taiwan into a carbon pricing era. These factors indicate that the overseas business

environment faced by domestic enterprises in 2025 is influenced by geopolitics, the U.S.-China technology conflict, and war, affecting the overall performance of domestic industries. The joint U.S.-Israel attack on Iran has triggered a blockade crisis in the Strait of Hormuz. As crude oil prices continue to surge, many raw material prices are also affected. Economists point out that the scale of supply shocks in this event far exceeds those in the past, and global economic growth will slow down. High oil prices will directly erode household disposable income and increase corporate production costs.

Regarding the impact of sustained high oil prices, global inflation is expected to rebound comprehensively. Oil prices will transmit along the industrial chain, leading to sharp increases in costs across industries such as energy, food, transportation, and chemicals. Economies highly dependent on energy imports, such as Europe, Japan, and India, will face more severe pressure. High oil prices will reverse the previous trend of declining inflation and significantly alter market expectations for interest rate cuts. A prolonged high interest rate environment will directly suppress the real estate market and corporate financing, slow global economic growth, crowd out non-energy consumption, and increase production costs for enterprises.

cpc will continue to closely monitor the economic environment and market fluctuations and respond in a timely manner to avoid potential losses, while continuously strengthening its R&D capabilities and integrating intelligent operations with long-term manufacturing development trends to achieve sustainable operation and growth.

cpc will continue to uphold the principle of integrity as the foundation of sustainable development, expand the scale of the Group, create maximum value for shareholders and customers, and provide employees with the best career development and welfare. The Company aims to build a team with both virtue and expertise, give back to society, promote positive social values, and achieve a harmonious and prosperous environment.

I hereby wish all the shareholders

good health and happiness.

Chairman: CHEN LI-FEN

II.CORPORATE GOVERNANCE REPORT

A. Information on Directors, General Manager, Vice General Managers, Assistant Managers, and Heads of Each Department and Each Branch

(A) Board directors

1. Information of board directors

March 31, 2026

Job Title	Nationality or place of registry	Name	Gender Age	Date of Election	Tenure of First office	Date of First Election (Note 3)	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Chairman and CEO	The Republic of China	CHEN LI-FEN	Female (66-70)	May 26, 2023	3 years	October 14, 1998	4,019,675	4.50%	4,009,675	4.49%	6,127,271	6.86%	0	0.00%	Art History of Universität Stuttgart, Founding President of National Cheng Kung University Innovation & Incubation, Alumni Association of National Tainan Girls' Senior High School 20th President of "Yi Chia Association" Vice Chairman, Taiwan Science Park Industry Association	CEO of Chieftek Precision Co., Ltd., Chairman of Deneng Sunshine Chairman, Tainan Tree Valley Park Industry Promotion Association Investment Co., Ltd, Chairman of Deyuan Management Consulting Co., Ltd, Chairman of Zhenshanmeihui Investment Co., Ltd, Chairman of Gueirendefu Investment Co., Ltd, Chairman of Yijhihde Management Consulting Co., Ltd, Chairman of GuangmingPuyuan Investment Co., Ltd, Chairman of Xinzhide Investment Co., Ltd, Chairman of Sunshine Bio Technology Co., Ltd, Chairman of Jiajhihde Investment Co., Ltd, Chairman of Rongxin Investment Co., Ltd., Standing Director of Academia-	Director and General Manager, and Chief Technology Officer of the R&D Center	HSU MING-CHE	Spouse	Note 4

Job Title	Nationality or place of registry	Name	Gender Age	Date of Election	Tenure of First office	Date of First Election (Note 3)	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
																Industry Consortium for Southern Taiwan Science Park, Director of Fong Huang Innovation Investment Co., Ltd., Director of Tainan Traditional Chinese Cultural College Foundation, Supervisor of The Hatta Yoichi Memorial Foundation for the Culture and Arts.(Note 2)				
Director and General Manager, and Chief Technology Officer of the R&D Center	The Republic of China	HSU MING-CHE	Male (66-70)	May 26, 2023	3 years	October 14, 1998	6,137,271	6.88%	6,127,271	6.86%	4,009,675	4.49%	0	0.00%	Master of Mechanical Engineering of Universität Stuttgart General Manager and R&D Supervisor of Chieftek Precision Co., Ltd.	General Manager, and Chief Technology Officer of the R&D Center of Chieftek Precision Co., Ltd.	Board Chairman and CEO	CHEN LI-FEN	Spouse	Note 4
Board Director	The Republic of China	LI AN	Female (76-80)	May 26, 2023	3 years	June 16, 2016	1,507,752	1.69%	1,507,752	1.69%	0	0.00%	0	0.00%	Bachelor of Nutrition, Fu Jen Catholic University; Master of Nutrition, New York University; Master of Computer, University of Denver; Computer Engineer of NREL; Senior Computer Engineer of US West Inc.;	Nil	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender Age	Date of Election	Tenure of First office	Date of First Election (Note 3)	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
															Information Chief of Motech Industries Inc.					
Board Director	The Republic of China	WANG CHEN PI-HSIA	Female (81-85)	May 26, 2023	3 years	December 30, 2004	610,890	0.68%	610,890	0.68%	57,866	0.06%	0	0.00%	Provincial Tainan Girls' Senior High School Chairman of Yucheng Starch Co., Ltd. Supervisor of ST&T Electric Corp	Chairman of Yucheng Starch Co., Ltd., Supervisor of ST&T Electric Corp.	Nil	Nil	Nil	
Board Director	The Republic of China	CHEN JIA-HAO	Male (66-70)	May 26, 2023	3 years	May 26, 2023	1,030,895	1.15%	1,030,895	1.15%	2,300	0.00%	0	0.00%	Bachelor of Systems and Naval Mechatronic Engineering of National Cheng Kung University, Master of Mechanical Engineering of Old Dominion University, Doctor of Mechanical Engineering of University of Florida, Teaching Assistant of Mechanical Engineering of Shu-Teh Junior College of Technology, Compressors Engineer of Panasonic Taiwan, Co., Ltd, Associate Professor of Mechanical Engineering of National Cheng Kung University, Visiting Researcher of Green Design and Manufacturing Research Group of National Institute of Advanced Industrial Science and	Director of David Enterprise Co., Ltd.	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender Age	Date of Election	Tenure of First office	Date of First Election (Note 3)	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
															Technology(AIST), Professor of Mechanical Engineering of National Cheng Kung University, Adjunct Professor of Mechanical Engineering of Cheng Kung University					
Independent Director	The Republic of China	HO MING-ZIH	Male (56-60)	May 26, 2023	3 years	June 22, 2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Engineering, National Cheng Kung University Master of Electrical Engineering, Texas A&M University Doctor of Electrical Engineering, Texas A&M University Researcher of Research headquarters, Ritek Corporation Assistant Professor of Engineering, National Cheng Kung University Associate Professor of Engineering, National Cheng Kung University	Associate professor of Engineering, National Cheng Kung University	Nil	Nil	Nil	
Independent Director	The Republic of China	ZENG XU-WEN	Male (71-75)	May 26, 2023	3 years	May 26, 2023	93,150	0.10%	93,150	0.10%	15,400	0.02%	0	0.00%	Bachelor of Business Administration of National Cheng Kung University, Planning Supervisor of General Manager's Office of TECO Electric & Machinery Co., Ltd,	Nil	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender Age	Date of Election	Tenure of First office	Date of First Election (Note 3)	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
															Supervisor of Chieftek Precision Co., Ltd (From June 17, 2011 to June 21, 2020)					
Independent Director	The Republic of China	WU LING-LING	Female (66-70)	May 26, 2023	3 years	May 26, 2023	37,747	0.04%	37,747	0.04%	0	0.00%	0	0.00%	Master of Special Education of University of Southern California, Supervisor of Chieftek Precision Co., Ltd (From November 12, 2010 to June 20, 2012)	Chairman of Lubao Fashion Agriculture Co., Ltd., Chairman of FusenXushi Planning Co., Ltd., Director of Volando Hotel Co., Ltd., Director of Tsuiyuan Investment Co., Ltd., Director of Jiaying Industrial Co., Ltd., Supervisor of Jiajuan Industrial Co., Ltd., Supervisor of Shin Kong Chao Feng Co., Ltd., Chairman of ChengYi Culture Co., Ltd., Supervisor of Tsaoshan Co., Ltd., Supervisor of Plant Essence International Inc., Supervisor of Jung Hao Investment Co., Ltd. Supervisor, Lofu Securities Investment Consulting Co., Ltd.	Nil	Nil	Nil	
Independent Director	The Republic of China	WANG YONG ZHANG	Male (71-75)	May 26, 2023	3 years	May 26, 2023	177,943	0.20%	89,943	0.10%	16,173	0.02%	0	0.00%	Director of Chieftek Precision Co., Ltd (From March 17, 2011 to June 16, 2014), Master of Electrical and Computer Engineering of Princeton University,	Nil	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender Age	Date of Election	Tenure of First office	Date of First Election (Note 3)	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
															Vice President of Great King Electronics Co., Ltd., Vice President of Acer Incorporated, Vice President of Hong Hai Precision Ind., Co., Ltd., Hsinchu Science Park Branch, Vice President of Antuo Technology Co., Ltd., CEO of Guangquan Technology Co., Ltd., General Manager of DSG Technology Inc, General Manager Assistant of Chimei Corporation					

Note 1: Board directors of the company have not taken office in CPA Firm or its affiliated enterprise during the past year.

Note 2: Posts concurrently occupied in the company and other companies at present by Chairman CHEN LI-FEN include: Board Director of subsidiary corporations like CHIEFTEK PRECISION HOLDING CO., LTD., **cpc** Europa GmbH, CHIEFTEK PRECISION USA CO., LTD, CHIEFTEK Machinery (Kunshan) Co., Ltd., and Chieftek Precision International LLC.

Note 3: First time as company director or supervisor. Should there be any interruptions, please refer to Main Experience/Education Background.

Note 4: Director Chen, Li-Fen and General Manager Hsu, Ming-Che are spouses, and founded Chieftek Precision Co., Ltd. together, and not only do they have expertise of their own, they achieve their common life goals by establishing the company, helping Chieftek Precision Co., Ltd gradually grow stronger, and the husband and wife each has their specializations, their knowledge of the industry and operations is beneficial to the increase of the company's operating efficiency, creating maximum interest for the shareholders.
In light of these matters, Chieftek Precision has taken the following steps to strengthen the board's supervising functions:
(1) More than half of the Company's board members are not employees or managerial personnel.
(2) At the shareholders' meeting held on June 8, 2020, three independent directors were elected and an Audit Committee was established. In order to strengthen the supervisory function of the Audit Committee and comply with regulatory requirements, at the shareholders' meeting held on May 26, 2023, during the election of the ninth-term directors, the number of independent directors was increased from three to four. Among them, Mr. Zeng Xu-wen meets the qualification of an "accounting or financial expert" as an independent director.

(1) Principal shareholder of corporate shareholder: no such situation.

(2)As to that principal shareholder of corporate shareholder is legal person, its principal shareholders: No such situation.

2. Professional knowledge and independence situation of board directors:

March 31, 2026

Condition / Name	Professional knowledge and experiences	Independence situation	Post concurrently occupied in the company and other companies at present
Chairman CHEN LI-FEN	Mrs. CHEN LI-FEN has served as the Company director and chairman since foundation. Co-founding the Company with the general manager, together they strive to achieve mutual goals and lead **cpc** to a continuous growth. The couples have their distinguished specialties and are profoundly familiar with the industry and operation. Being keen on social welfare, she has earned herself a reputation of "Auntie Sunshine." She has work experience required to deal with business matters, financial matters and management. She also serves as Chairman of the Tainan Tree Valley Park Industry Promotion Association, Executive Director of the Southern Taiwan Science Park Industry-Academia Association, Director of the Tainan Guoxue Academy Traditional Culture Foundation, and Director of the Hatta Yoichi Memorial Cultural and Arts Foundation. None of the provisions of Article 30 of the Company Act apply. The helmsman of the Chieftek Group.	Not applicable	0
Director HSU MING-CHE	Co-founding the Company with Mrs. CHEN LI-FEN, together they strive to achieve mutual goals and lead **cpc** to a continuous growth. The couples have their distinguished specialties and are profoundly familiar with the industry and operation. Mr. HSU MING-CHE graduated with a master degree of mechanical engineering from the University of Stuttgart. He has served as the director, general manager, and Technology Officer of the R&D Cent since foundation. With the accumulation of industrial experiences and innovative leadership, he is qualified to deal with business management. None of the provisions of Article 30 of the Company Act apply. ◦	Not applicable	0

Condition / Name	Professional knowledge and experiences	Independence situation	Post concurrently occupied in the company and other companies at present
Director LI AN	Mrs. LI AN graduated with a bachelor from Fu Jen Catholic University, a computer master from University of Denver, and a master from New York University. She was the former Computer Engineer of NREL, Senior Computer Engineer of US West Inc., Information Chief of Motech Industries Inc. She has work experience required to deal with information and operational management. None of the provisions of Article 30 of the Company Act apply.	Not applicable	0
Director WANG CHEN PI-HSIA	Mrs. WANG CHEN PI-HSIA serves as the Chairman of Yucheng Starch Co., Ltd and the Supervisor of ST&T Electric Corp. She has practical experiences in managing companies and abilities in business, finance, and management. None of the provisions of Article 30 of the Company Act apply.	Not applicable	0
Director CHEN JIA-HAO	Mr. CHEN JIA-HAO graduated with a bachelor of Systems and Naval Mechatronic Engineering from National Cheng Kung University, a master of Mechanical Engineering from Old Dominion University, a doctor of Mechanical Engineering from University of Florida. His abundant career experiences in management include the Teaching Assistant of Mechanical Engineering of Shu-Teh Junior College of Technology, the Compressors Engineer of Panasonic Taiwan, Co., Ltd, the Associate Professor of Mechanical Engineering of National Cheng Kung University, the Visiting Researcher of Green Design and Manufacturing Research Group of National Institute of Advanced Industrial Science and Technology(AIST), the Professor of Mechanical Engineering of National Cheng Kung University, the Adjunct Professor of Mechanical Engineering of Cheng Kung University, and the Director of David Enterprise Co., Ltd. None of the provisions of Article 30 of the Company Act apply.	Not applicable。	0

Condition / Name	Professional knowledge and experiences	Independence situation	Post concurrently occupied in the company and other companies at present
Independent Director HO MING-ZIH	Mr. HO MING-ZIH graduated with a bachelor of Engineering from National Cheng Kung University and a doctor of Electrical Engineering from Texas A&M University. He has taken the positions of the Researcher of Research headquarters of Ritek Corporation, the Assistant Professor, and the Associate Professor of Engineering of National Cheng Kung University. With the abundant and diverse experiences, he is familiar with the technique in the industry. None of the provisions of Article 30 of the Company Act apply.	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; not holding shares of the Company; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0
Independent Director ZENG XU-WEN	Mr. ZENG XU-WEN graduated from Business Administration of Cheng Kung University with an expertise in accounting and financing. He excelled in corporate operation and management as the Planning Supervisor of General Manager's Office of TECO Electric & Machinery Co., Ltd. He further fulfilled his duty as the Supervisor of Chieftek Precision Co., Ltd from June 17, 2011 to June 21, 2020. None of the provisions of Article 30 of the Company Act apply.	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; holds 93,150 shares of the Company, shareholding ratio 0.10%; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0
Independent Director WU LING-LING	Mrs. WU LING-LING graduated with a master of Special Education from University of Southern California and was the Supervisor of Chieftek Precision Co., Ltd. from November 12, 2010 to June 20, 2012. With her abundant work experiences, her current positions are Chairman of Lubao Fashion Agriculture Co., Ltd., Chairman of FusenXushi Planning Co., Ltd., Director of Volando Hotel Co., Ltd., Director of Tsuiyuan Investment Co., Ltd., Director of Jiaying Industrial Co., Ltd., Supervisor of Jiajuan Industrial Co., Ltd., Supervisor of Shin Kong Chao Feng Co., Ltd., Chairman of ChengYi Culture Co., Ltd., Supervisor of Tsaoshan Co., Ltd., Supervisor of Plant Essence International Inc., and Supervisor of Jung Hao Investment Co., Ltd., Supervisor, Lofu Securities Investment Consulting Co., Ltd. None of the provisions of Article 30 of the Company Act apply.	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; holds 37,747 shares of the Company, shareholding ratio 0.04%; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

Condition / Name	Professional knowledge and experiences	Independence situation	Post concurrently occupied in the company and other companies at present
Independent Director WANG YONG-ZHANG	Mr. WANG YONG-ZHANG graduated with a master of Electrical and Computer Engineering from Princeton University and served as the Director of Chieftek Precision Co., Ltd. from March 17, 2011 to June 16, 2014. He has also served as the Vice President of Great King Electronics Co., Ltd., Vice President of Acer Incorporated, Vice President of Hong Hai Precision Ind., Co., Ltd., Hsinchu Science Park Branch, Vice President of Antuo Technology Co., Ltd., CEO of Guangquan Technology Co., Ltd., General Manager of DSG Technology Inc, General Manager of DSG Technology Inc, and General Manager Assistant of Chimei Corporation, all with excellent corporate operation and practical management. None of the provisions of Article 30 of the Company Act apply.	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; holds 89,943 shares of the Company, shareholding ratio 0.10%; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

(II) Diversity policy and independence of the Board of Directors:：

The Company's Board of Directors resolved on May 9, 2014 that the Corporate Governance Best Practice Principles includes rules of diversity in chapter III, Enhancing the Functions of the Board of Directors. The company shall adhere to the articles of incorporation for nomination and election of the Board of Directors. It shall adopt the candidate nomination system, evaluate the criteria of candidates' experience and education, and refer to opinions of stakeholders. By following Director Election Procedure as well as Corporate Governance Best Practice Principles, we shall assure the diversity and independence of Board of Directors.

1. Diversity of the Board of Directors:

The Company has set up 9 directors (including 4 independent directors) according to the current operation scale and development needs. The professional backgrounds cover the fields of industry, law, management and other fields to implement the policy of diversifying the composition of the Board of Directors. Key policy objectives include:

(1) The composition of the board of directors should consider diversity, and formulate an appropriate diversity policy according to its own operations, operation type and development needs, which should include but not limited to the following standards:

A. Basic conditions and values: gender, age, nationality and culture, etc.

B. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

(2) The members of the Board of Directors of the Company should generally have the knowledge, skills and qualities necessary to perform their duties, and their overall capabilities should be as follows:

A. Operational judgment.

B. Accounting and financial analysis skills.

C. Management ability.

D. Crisis handling ability.

E. Industry knowledge.

F. International Market View.

G. Leadership ability.

H. Decision-making ability.

(3) Board Members' Diversification Implementation Situation：

Title	Name	Gender	Operation judgment	Accounting and financial analysis	Management	Crisis handling	Industry knowledge	International market view	Leadership capability	Decision-making ability	Risk managing knowledge and ability
Chairperson	CHEN LI-FEN	Female	✓		✓	✓	✓	✓	✓	✓	✓
Director	HSU MING-CHE	Male	✓		✓	✓	✓	✓	✓	✓	✓
Director	LI AN	Female			✓			✓			
Director	WANG CHEN PI-HSIA	Female			✓			✓			
Director	CHEN JIA-HAO	Male						✓			
Independent Director	HO MING-ZIH	Male				✓	✓	✓			✓
Independent Director	ZENG XU-WEN	Male		✓		✓	✓	✓			✓
Independent Director	WANG YONG-ZHANG	Male				✓	✓	✓			✓
Independent Director	WU LING-LING	Female				✓	✓	✓			✓

2. Independence of the Board of Directors:

(1) Independent directors account for 44.44% of the company's board members, and directors with employee status account for 22.22%; one of the four current independent directors has served a term of office for 7 to 9 years; three of the current independent directors have served a term of office for 3 years and below.

A. In order to achieve gender equality in the composition of directors, the goal is to have at least two female directors. The future goal is still to elect independent directors for each term, with a consecutive term of no more than 9 years and at least two female directors.
The description of the independent directors, Mr. ZENG XU-WEN being qualified as accounting or financial professionals is as follows:
In consideration of his bachelor's degree of Business Administration of National Cheng Kung University and the positions held as Planning Supervisor of General Manager's office of TECO Electric & Machinery Co., Ltd. and Supervisor of Chieftek Precision Co., Ltd., dating from June 17, 2011 to June 21, 2020, it is recognized that Mr. Zeng meets the qualifications of accounting or financial professionals. He is equipped with the expertise of accounting and auditing and is familiar enough with company business to provide consultancy on operational management. Having just set up its first audit committee, the Company especially relies on specialists like him with complete experience and education and with confidence in the Company's affairs in order to run business successfully. Additionally, he is able to reach his full potential, supervise, and provide professional advice while exercising his duty as an independent director.

B. On June 8, 2020, three independent directors were elected at the general meeting of shareholders, and the first audit committee was established; On May 26, 2023, four independent directors were elected at the general meeting of shareholders, and the second audit committee was established.

C. The chairperson of the Company, CHEN LI-FEN, and the general manager, HSU MING-CHE, are spouses, and jointly established **cpc**. They not only have their skills, but also through the establishment of the company to achieve a common life goal, also let **cpc** continue to grow and expand, and the husband and wife have their own expertise. They are very familiar with the industry and operations, which is beneficial to the improvement of the Company's operating efficiency and maximizes the interests of shareholders. In response to the above situation and to strengthen the supervisory function of the Audit Committee in compliance with legal regulations, the board of directors has decided on May 26, 2023, to increase the number of independent director seats from three to four at the shareholders' meeting when the ninth term of the board of directors were elected.

(2) The independence situations of the Board of Directors

The Company's current Board of Directors consists of 9 seats including four independent directors accounting for 44.44% with more than one third of the whole. As of the end of 2024, all of the independent directors have complied with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors.

II. Information on General Manager, Vice-General Manager, Assistant Manager and Heads of Each Department and Each Branch

March 31, 2026

Job Title	Nationality	Name	Gender	Date of Election	Shareholdings		Shareholdings of the Spouse and Minor Children		Shareholdings in the Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in other companies at present	Manager with the relationship of spouse or that within the second degree of kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
CEO	The Republic of China	CHEN LI-FEN	Female	October 14, 1998	4,009,675	4.49%	6,127,271	6.86%	0	0.00%	Studied Art History at Universität Stuttgart, Germany, Founding President of the National Cheng Kung University Incubation Association, Chairman of the Centennial Anniversary Alumni Association of National Tainan Girls' Senior High School, 20th President of the Tainan Yizai Association, Vice Chairman of the Taiwan Science Park Industry Association.	CEO of Chieftek Precision Co., Ltd., Chairman, Tainan Tree Valley Park Industry Promotion Association,Chairman of Deneng Sunshine Investment Co., Ltd, Chairman of Deyuan Management Consulting Co., Ltd, Chairman of Zhenshanmeihui Investment Co., Ltd, Chairman of Gueirendefu Investment Co., Ltd, Chairman of Yijhihde Management Consulting Co., Ltd, Chairman of GuangmingPuyuan Investment Co., Ltd, Chairman of Xinzhide Investment Co., Ltd, Chairman of Sunshine Bio Technology Co., Ltd, Chairman of Jiajhihde Investment Co., Ltd, Chairman of Rongxin Investment Co., Ltd., Standing Director of Academia-Industry Consortium for Southern Taiwan Science Park, Director of Fong Huang Innovation Investment Co., Ltd., Director of Fong Huang II Innovation Investment Co., Ltd., Director of Fong Huang VI Innovation Investment Co., Ltd., Director of Tainan Traditional Chinese Cultural College Foundation, Supervisor of The Hatta Yoichi Memorial Foundation for the Culture and Arts.(Note 2)	General Manager, and Chief Technology Officer of the R&D Center Manager of Domestic Business Department	HSU MING-CHE HSU WEN-PU	Spouse Mother/ Daughter	Note3
General Manager, and Chief Technology Officer of the R&D Center	The Republic of China	HSU MING-CHE	Male	October 14, 1998	6,127,271	6.86%	4,009,675	4.49%	0	0.00%	Master of Mechanical Engineering of Universität Stuttgart	Director of CHIEFTEK PRECISION CO., LTD.	CEO Manager of Domestic Business Department	CHEN LI-FEN HSU WEN-PU	Spouse Father/ Daughter	Note3
Vice-General Manager of Domestic Business Department	The Republic of China	CHEN MIN-CHANG	Male	February 5, 2021	53,597	0.06%	0	0.00%	0	0.00%	WYGL Textile Machinery Department Vice President, Domestic Sales Department of CHIEFTEK PRECISION CO., LTD.	General Manager of CHIEFTEK Machinery (Kunshan) Co., Ltd	Nil	Nil	Nil	

Job Title	Nationality	Name	Gender	Date of Election	Shareholdings		Shareholdings of the Spouse and Minor Children		Shareholdings in the Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in other companies at present	Manager with the relationship of spouse or that within the second degree of kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Assistant Manager of International Sales Department	The Republic of China	PENG CHIUNG-YIN	Female	December 17, 2010	601,040	0.67%	0	0.00%	0	0.00%	German Department of Universität Trier Assistant Business Manager of cpc Europa GmbH	Nil	Nil	Nil	Nil	
Chief Financial Officer Corporate Governance Officer	The Republic of China	LI PAI-TSANG	Male	June 8, 2012	3,440	0.00%	0	0.00%	0	0.00%	NCKU Department of Accountancy; Financial Manager of Univacco Technology Inc.	Supervisor of CHIEFTEK Machinery (Kunshan) Co., Ltd	Nil	Nil	Nil	
HR manager	The Republic of China	YEH CHING-CHING	Female	July 7, 2011	584,003	0.65%	0	0.00%	0	0.00%	German Language Teaching Department of Universität Trier	Nil	Nil	Nil	Nil	
Manager of Product Development	The Republic of China	WU HSUAN-CHUN	Male	March 31, 2015	0	0.00%	0	0.00%	0	0.00%	National Cheng Kung University, Department of Mechanical Engineering	Nil	Nil	Nil	Nil	
Manager of Domestic Business Department	The Republic of China	HSU WEN-PU	Female	May 21, 2024	589,359	0.66%	0	0.00%	0	0.00%	Bachelor of Architecture, Universität Kassel	Supervisor of Bright Biomedical Co., Ltd	CEO General Manager, and Chief Technology Officer of the R&D Center	CHEN LI-FEN HSU MING-CHE	Mother/Daughter Father/Daughter	
Production Management Manager, Production Center	The Republic of China	CHU YU-KU	Male	January 22, 2026	15,000	0.02%	0	0.00%	0	0.00%	Bachelor of Department of Information Management, Southern Taiwan University of Science and Technology; Assistant Manager of Health Division， CHIEFTEK PRECISION CO., LTD.	Nil	Nil	Nil	Nil	
Deputy Manager of	The Republic	HUANG KUN-	Male	February 18, 2022	0	0.00%	0	0.00%	0	0.00%	Bachelor of Department of Automation Engineering, National	Nil	Nil	Nil	Nil	

Job Title	Nationality	Name	Gender	Date of Election	Shareholdings		Shareholdings of the Spouse and Minor Children		Shareholdings in the Name of Others		Main Experience/ Education Background (Note 1)	Post concurrently occupied in other companies at present	Manager with the relationship of spouse or that within the second degree of kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Equipment Maintenance Division and Factory Affairs Division	of China	WEI									Formosa University Section Chief of Equipment Maintenance Division and Factory Affairs Division, CHIEFTEK PRECISION CO., LTD.					
Manager of Accounting Department (Accounting Supervisor)	The Republic of China	WU CHIA-YUNG	Female	January 01, 2019 (February, 26 2024)	40,000	0.04%	0	0.00%	0	0.00%	Bachelor of Department of Accounting Information, Shih Chien University Assistant manager of Deloitte Touche Union Accountants firm Deputy Manager of Accounting Department，CHIEFTEK PRECISION CO., LTD.	Nil	Nil	Nil	Nil	
Audit Supervisor	The Republic of China	LIN, SHU-SING	Female	February 5, 2021	0	0.00%	0	0.00%	0	0.00%	Master in Accounting, National Chung Cheng University Auditor of C.T.I. Ltd. Cashier, FU LUONG Hi-Tech co. ltd Audit of CHIEFTEK PRECISION CO., LTD.	Nil	Nil	Nil	Nil	

Note 1:General Manager, Vice-General Manager, Assistant General Manager and Heads of Each Department and Each Branch of the company didn't take office in CPA Firm or its affiliated enterprise during the past year.

Note 2:Posts concurrently occupied in the company and other companies at present by Chairman CHEN LI-FEN include: Board Director of subsidiary corporations like CHIEFTEK PRECISION HOLDING CO., LTD., cpc Europa GmbH, CHIEFTEK PRECISION USA CO., LTD, CHIEFTEK Machinery (Kunshan) Co., Ltd and Chieftek Precision International LLC, etc.

Note 3:Company chairman Chen,Li-Fen and general manager Hsu,Ming-Che are spouses or relatives within the first degree, its reasoning, rationality, necessity, and countermeasures, please view the details in I. Information on directors, general manager, vice general managers, assistant managers, and heads of each department and branch: (I) Board directors: 1. Information of board directors: Note 4. ◦

III.Remuneration paid to Directors (including Independent Directors), General Manager, and Vice-General Managers in the Most Recent Fiscal Year (2025)

(1) Remuneration paid to Director and Independent Director

Unit: NT$ thousand /share in thousand

Job Title	Name	Director's remuneration								Proportion of total amount of A, B, C and D in profit after tax (%)		Remuneration received by employee concurrently served								Proportion of total amount of the first seven items (A, B, C, D, E, F and G) in profit after tax (%)		Whether receiving the remuneration from re-investment career beyond the subsidiary company
		Remuneration (A)		Resignation retirement pay (B)		Director's remuneration (C)		Business execution cost (D)				Salary, bonus, extraneous charges, etc. (E)		Resignation retirement pay (F)		Employee rewards (G)						
																The company		All companies in the financial reports				
		The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The company	All companies in the financial reports	
Chairman and CEO	CHEN LI-FEN	0	0	0	0	1,160	1,160	120	120	1,280 1.61%	1,280 1.61%	14,051	14,051	0	0	684	0	684	0	16,015 20.16%	16,0152 0.16%	Nil
General Manager, and Chief Technology Officer of the R&D Center	HSU MING-CHE																					
Board Director	LI AN																					
Board Director	WANG CHEN PI-HSIA																					
Board Director	CHEN JIA-HAO																					
Independent Director	HO MING-ZIH	560	560	0	0	640	640	150	150	1,350 1.70%	1,350 1.70%	0	0	0	0	0	0	0	0	1,350 1.70%	1,350 1.70%	Nil
Independent Director	ZENG XU-WEN																					
Independent Director	WANG YONG-ZHANG																					
Independent Director	WU LING-LING																					

Note 1: Please state the policy, system, standards and structure of independent directors ’remuneration payment, and describe the relevance to the amount of remuneration according to the responsibilities, risks and time invested:

(1) According to the provisions of Articles 16, 19 and 21 of the company’s articles of association, the board of directors shall agree on the degree of participation and contribution of the directors to the company's operations and refer to industry standards.

(2) Distribute directors for compensation at a profit not less than 3% in the current year

Note 2: It refers to the subscribed shares (excluding the executed part) on employee share subscription warrants that may be done by board directors with additional post of employees (including general manager, deputy general manager, other managers and employees) as of the date of annual report print.

Note 3: The Company provides a vehicle to CHEN LI-FEN, Chairman and CEO. Annual rental cost paid in 2025 is NT$634 thousand.

Note 4: The Company provides a vehicle to HSU MING-CHE, General Manager, and Chief Technology Officer of the R&D Center. Annual rental cost paid in 2025 is NT$175 thousand, and fuel expense is around NT$16 thousand

Note 5: The proposed distribution of employee compensation and director remuneration for the year 2025 has not yet been approved by the Remuneration Committee, Audit Committee, and Board of Directors.

Note 6: Remuneration and salary are calculated by salary and meal allowance.

Note 7: Business execution fee means traffic allowance.

Note 8: The remuneration received by the directors of the company in the latest fiscal year for providing services to the company (such as serving as non-employee consultants, etc.): None.

Remuneration Interval Table

1.Board Directors:

Interval of remuneration paid to each board director of the company	Names of board directors			
	The amount of remuneration of the first four items (A+B+C + D)		The amount of remuneration of the first seven items (A+B+C + D+E+F+G)	
	The company	All companies in the financial reports	The company	All companies in the financial reports
<NT$1,000,000 dollars	CHEN LI-FEN, HSU MING-CHE, LI AN, WANG CHEN PI-HSIA, CHEN JIA-HAO	CHEN LI-FEN, HSU MING-CHE, LI AN, WANG CHEN PI-HSIA, CHEN JIA-HAO	LI AN, WANG CHEN PI-HSIA, CHEN JIA-HAO	LI AN, WANG CHEN PI-HSIA, CHEN JIA-HAO
NT$1,000,000 dollars (included) ~ NT$2,000,000 dollars (excluding)	0	0	0	0
NT$2,000,000 dollars (included) ~ NT$3,500,000 dollars (excluding)	0	0	0	0
NT$3,500,000 dollars (included) ~ NT$5,000,000 dollars (excluding)	0	0	0	0
NT$5,000,000 dollars (included) ~ NT$10,000,000 dollars (excluding)	0	0	CHEN LI-FEN, HSU MING-CHE	CHEN LI-FEN, HSU MING-CHE
NT$10,000,000 dollars (included) ~ NT$15,000,000 dollars (excluding)	0	0	0	0
NT$15,000,000 dollars (included) ~ NT$30,000,000 dollars (excluding)	0	0	0	0
NT$30,000,000 dollars (included) ~ NT$50,000,000 dollars (excluding)	0	0	0	0
NT$50,000,000 dollars (included) ~ NT$100,000,000 dollars (excluding)	0	0	0	0
>NT$100,000,000 dollars	0	0	0	0
In total	5 persons	5 persons	5 persons	5 persons

2.Independent Directors

Interval of remuneration paid to each board director of the company	Names of board directors			
	The amount of remuneration of the first four items (A+B+C＋D)		The amount of remuneration of the first seven items (A+B+C＋D+E+F+G)	
	The company	All companies in the financial reports	The company	All companies in the financial reports
<NT$1,000,000 dollars	HO MING-ZIH, ZENG XU-WEN, WANG YONG-ZHANG, WU LING-LING	HO MING-ZIH, ZENG XU-WEN, WANG YONG-ZHANG, WU LING-LING	HO MING-ZIH, ZENG XU-WEN, WANG YONG-ZHANG, WU LING-LING	HO MING-ZIH, ZENG XU-WEN, WANG YONG-ZHANG, WU LING-LING
NT$1,000,000 dollars (included) ~ NT$2,000,000 dollars (excluding)	0	0	0	0
NT$2,000,000 dollars (included) ~ NT$3,500,000 dollars (excluding)	0	0	0	0
NT$3,500,000 dollars (included) ~ NT$5,000,000 dollars (excluding)	0	0	0	0
NT$5,000,000 dollars (included) ~ NT$10,000,000 dollars (excluding)	0	0	0	0
NT$10,000,000 dollars (included) ~ NT$15,000,000 dollars (excluding)	0	0	0	0
NT$15,000,000 dollars (included) ~ NT$30,000,000 dollars (excluding)	0	0	0	0
NT$30,000,000 dollars (included) ~ NT$50,000,000 dollars (excluding)	0	0	0	0
NT$50,000,000 dollars (included) ~ NT$100,000,000 dollars (excluding)	0	0	0	0
>NT$100,000,000 dollars	0	0	0	0
In total	4 persons	4 persons	4 persons	4 persons

(2) Remuneration of General Managers and Deputy General Managers

Unit: NT$ in thousand

Job Title	Name	Salary (A)		Resignation retirement pay (B)		Bonus, extraneous charges, etc. (C)		Employee rewards (D)				Proportion of total amount of the first four items (A, B, C, D) in profit after tax (%)		Remuneration received from non-subsidiary reinvestment business or parent company
		The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company		All companies in the financial reports		The company	All companies in the financial reports	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager, and Chief Technology Officer of the R&D Center (Note 1)	HSU MING-CHE	10,376	10,446	0	0	489	489	688	0	688	0	11,553 14.55%	11,623 14.63%	Nil
Vice-General Manager of Domestic Business Department (Note 2 and 3)	CHEN MIN-CHANG													

Note 1: The Company provides a vehicle to HSU MING-CHE, Board Director and General Manager, and Chief Technology Officer of the R&D Center. Annual rental cost paid in 2025 is NT$175 thousand, and fuel expense is around NT$16 thousand.

Note 2: Chieftek Machinery Kunshan Co., Ltd., the Company's owned company in China, provides a vehicle to CHEN MIN-CHANG, Vice-General Manager of Domestic Business Department in 2015 with the cost of RMB226 thousand.

Note 3: The Company provides a vehicle to CHEN MIN-CHANG, Vice-General Manager of the Business Department. Annual rental cost paid in 2025 is NT$280 thousand (personal responsibility for fuel expenses).

Remuneration Interval Table

Interval of remuneration paid to each general manager and deputy general manager of the company	Names of general managers and vice-general managers	
	The company	All the companies in the financial reports (E)
<NT$1,000,000 dollars	0	0
NT$1,000,000 dollars (included) ~ NT$2,000,000 dollars (excluding)	0	0
NT$2,000,000 dollars (included) ~ NT$3,500,000 dollars (excluding)	0	0
NT$3,500,000 dollars (included) ~ NT$5,000,000 dollars (excluding)	CHEN MIN-CHANG	CHEN MIN-CHANG
NT$5,000,000 dollars (included) ~ NT$10,000,000 dollars (excluding)	HSU MING-CHE	HSU MING-CHE
NT$10,000,000 dollars (included) ~ NT$15,000,000 dollars (excluding)	0	0
NT$15,000,000 dollars (included) ~ NT$30,000,000 dollars (excluding)	0	0
NT$30,000,000 dollars (included) ~ NT$50,000,000 dollars (excluding)	0	0
NT$50,000,000 dollars (included) ~ NT$100,000,000 dollars (excluding)	0	0
NT$100,000,000 dollars or above	0	0
In Total	2 persons	2 persons

(3) Name and Distributed Status of the Manager Who Distributed the Employee's Remuneration

March 31, 2026; Unit: NT$ in thousand

	Job Title	Name	Stock amount	Cash amount	Total	Proportion of total amount in profit after tax(%)
Manager	CEO	CHEN LI-FEN	0	2,578	2,578	2.75%
	General Manager, and Chief Technology Officer of the R&D Center	HSU MING-CHE				
	Vice-General Manager of Business Department (Note 1)	CHEN MIN-CHANG				
	Assistant Manager of International Sales Department	PENG CHIUNG-YIN				
	Chief Financial Officer (Financial Supervisor and Corporate Governance Officer)	LI PAI-TSANG				
	Manager of Accounting Department	WU JIA-YUNG				

Note 1: The proposed distribution of annual employee remuneration for 2025 has not yet been approved by

the Remuneration and Remuneration Committee, the Audit Committee and the Board of Directors.

(IV) Compare and explain the analysis of the ratio of the total remuneration of the company and all companies in the consolidated statements to the directors, supervisors, general managers and deputy general managers of the company in the net profit after tax of the individual or individual financial reports, and explain the policy of remuneration, standards and portfolios, remuneration procedures and the relationship between operating performance and future risks:

1. Analysis of the ratio of the total remuneration paid by the company and all companies in the consolidated reports to the directors, independent directors, supervisors, general managers and deputy general managers of the company to the net profit after tax of the individual financial reports in the last two years:：

Summary	2025		2024	
	Proportion in profit after tax (%)		Proportion in profit after tax (%)	
	The company	All companies in the Financial reports	The company	All companies in the Financial reports
Board Director	20.16%	20.16%	17.82%	17.82%
Independent Director	1.70%	1.70%	1.65%	1.65%
General Manager and Vice-general Manager	14.55%	14.63%	12.31%	13.05%

2. Remuneration policies, standards and portfolios, the procedure for determining remuneration of the company, and its linkage to operating performance and future risk exposure:
   (1) Remuneration policy of board directors, independent directors, general manager and deputy general manager of the company:
   Implemented in accordance with Articles 16, 19, and 21-1 of the Articles of Association, the details are below:
   Article 16: The directors and supervisors of the company are allowed to receive remuneration such as transportation fees and salaries. The remuneration of the board of directors authorizes the board of directors and supervisors to agree on the degree of participation and contribution of the directors and supervisors to the operation of the company, and to negotiate in accordance with industry standards
   Article 19: The company may have a manager, and its appointment, termination and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Act
   Article 21-1: The Company shall allocate 3% to 15% of its annual profit as employee compensation. No less than 25% of the allocated amount shall be distributed to basic-level employees. In addition, no more than 3% of the annual profit may be allocated as director remuneration. However, if the Company still has accumulated losses, such losses shall be offset first.
   Employee compensation can be paid in cash or stock, and the recipients of cash or stock can include employees of subordinate companies that meet certain conditions, which are determined by the board of directors.
   The profit status of the year refers to the current year's pre-tax benefits before deducting the distribution of employees' compensation and the benefits of directors and supervisors' compensation.

(2) Remuneration standards and portfolios for board directors, independent directors, general managers, and deputy general managers：

(1) Remuneration standards and structure for board directors and independent directors	
Remuneration of directors	Distribute remuneration for directors by no more than 3% of the fiscal year's profitability
Salary	1. Normal directors do not have monthly salaries 2. Independent directors have a monthly salary of NT$10,000
Transportation Fee	1. Receive a transportation fee of NT$6,000 from each board meeting attendance
(2) Remuneration System, Standards and Structure for Managers	
Basic Monthly Salary	Refer to the company's salary and remuneration for the same position in recent years
Monthly Manager Bonus	Standard payment according to the company position's compensation
Year-End Bonus	According to the company's annual surplus status assessment, the payment is calculated based on the base of salary in accordance to the method for other employees
Employee Remuneration	If the Company has profits for the year, it shall first reserve an amount to cover accumulated losses, and then allocate 3% to 15% of the remaining balance based on the profitability of the year as employee compensation, of which not less than 25% shall be distributed to grassroots employees.
Pension	The method of accounting for the total pension benefits in accordance with the provisions of the Pension Management Committee

(3) Remuneration payment determination procedure for directors, general managers and deputy general managers:

A. The Remuneration Committee considers and approves the proposal for the remuneration policy and system for directors, general managers and deputy general managers, and submits it to the board of directors for resolution and implementation

B. The Remuneration Committee reviews and approves the performance evaluation system for directors, supervisors, general managers and deputy general managers, and regularly assesses and evaluates individual business performance as a reference for remuneration

(4) Relevance of directors, independent directors, supervisors, general managers and deputy general managers' remuneration to operating performance and future risks

A. Remuneration payment varies according to the degree of participation and contribution value of each director, independent director, general manager and deputy general manager to the company

B. The remuneration of directors and employees in the remuneration structure are directly related to operating performance

C. Prior to the start of the operating year, the proposed remuneration for directors, supervisors, and employees will be based on profitability, and submitted for approval of a fixed amount by the general manager and chairman. After the end

of the year, the individual distribution amount will be determined based on the actual profitability, degree of personal participation in the company's operation and contribution value, and the achievement rate of performance goals.

IV. Implementation of corporate governance

(I) Information of operation and situation of the board of directors:

1. The number of board meetings held by the ninth Board of Directors in the most recent fiscal year was (2025): 5(A). The attendance by the directors was as follows:

Job Title	Name	Actual attendance time (B)	Entrusted attendance time	Actual attendance ratio (%) (B/A)	Remark
Chairman	CHEN LI-FEN	5	0	100.00%	
Director	HSU MING-CHE	5	0	100.00%	
Director	LI AN	5	1	100.00%	
Director	WANG CHEN PI-HSIA	4	1	80.00%	
Director	CHEN JIA-HAO	5	0	100.00%	
Independent Director	HO MING-ZIH	5	0	100.00%	
Independent Director	ZENG XU-WEN	5	0	100.00%	
Independent Director	WANG YONG-ZHANG	5	0	100.00%	
Independent Director	WU LING-LING	5	0	100.00%	

Other Essential Matters:

I. Should the following situations occur in the board's operations, the board meeting's date, period, motion contents, the independent directors' opinions and the board's response:

(I) Items listed under Item 3, Article 14 of Securities Exchange Act:

1. On January 24, 2025, the board of directors discussed the "Manager's 2024 Year-end Bonus Proposal Reviewed by the Remuneration Committee." Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
2. On January 24, 2025, the board of directors discussed the "Salary and Compensation Regulations for Managers in 2024 Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
3. On August 6, 2025, the board of directors discussed the "Distribution of 2024 Remuneration for Directors Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
4. On August 6, 2025, the board of directors discussed the "Distribution of Employee Compensation for Managers in 2024 Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
5. On February 12, 2026, the board of directors discussed the "Manager's 2025 Year-end Bonus Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director

HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.

6. On February 12, 2026, the board of directors discussed the "2025 Salary and Compensation Regulations for Managers Reviewed by the Remuneration Committee". Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
7. At the Board of Directors meeting held on February 12, 2026, the proposal on the "revision and review of managerial compensation as reviewed by the Remuneration Committee" was discussed. Except for Director Chen Li-fen and Director Hsu Ming-che, who did not participate in the discussion and voting due to conflict of interest, the remaining directors (including independent directors) approved the proposal without objection.

(II) Other resolution matters of the board of directors that independent directors hold the objection or reservations and have related record or written statement:
The decisions of the independent directors at the 2025 Board of Directors are summarized as follows (For details, please refer to (9) Important Resolutions of the Shareholders 'Meeting and the Board of Directors for the recent fiscal year and as of the date of publication of the annual report):

1. Independent director's opinion: Nil.
2. The company's handling of the opinions of independent directors: Nil.
3. Results of the resolution: All attending the independent directors agreed to pass

II. As for implementation situation that board directors avoid the proposal in which they have a stake, items like director's name, motion content, reasoning for avoidance and voting participation situation shall be detailed:

1. Except for the items listed in Article 14-3 of the (1) Securities and Exchange Act above, all directors present agreed to pass
2. It shall refer to sub-item 1 of the first item.

III. Public companies should disclose information such as the board's self (and peer) evaluation's assessment cycle and period, range, method, and content.
The Company established the Board Assessment Scheme on 9 February 2018 through the Board Meeting. The Scheme includes an annual assessment cycle and the method of self-assessment questionnaire for the Board Directors. The assessment report reviewed by the Board would be released on the Company's website.
The self-assessment questionnaires for 2025 have been completed in February 2025 and would be released after review by the Board Meeting on February 12, 2026.
The performance assessment of the Board of Directors in the most recent fiscal year (2024) is as follows:
The performance assessment for the current year included the internal self-evaluation of the Board as a whole as well as the performance of each functional committee and individual director. The evaluation results were Excellent (The average score of the evaluation results is above 4 points: Excellent; above 3 points but below 4 points: Ordinary; above 2 points but below 3 points: Poor; below2 points: Very Poor.)

Assessment Cycle	Assessment Period	Assessment Range	Assessment Method	Assessment Content
Once every year	January 1, 2025 to December 31, 2025	The Board	The Board's Internal Assessment	1. The level of participation in the company's operations 2. The quality of the board's decisions 3. The composition and structure of the board 4. The selection and continuous training of directors 5. Internal control
		Individual Board Members	Board Members' Self Evaluation	1. The company's objectives and tasks 2. The recognition of directors' responsibilities 3. The degree of participation in the company's operations 4. Internal relationship management and communication 5. The professional and continuous training of directors 6. Internal control, etc.

IV. Objectives to enhance the function of the board of directors (such as setting up audit committee and promoting information transparency) in the current year and in the most recent fiscal year and related execution situation evaluation:

(I) The company's Fifth term of the Remuneration Committee consists of four independent directors, responsible for conducting periodic evaluations and establishing the overall compensation policy for the company, establishing and regularly (at least once a year) reviewing policies, systems, standards, and structures for director and executive performance evaluations and compensation, conducting periodic evaluations and establishing compensation for directors, executives, and employee bonus plans or other employee incentive plans.

(II) Article 13 of the Articles of Association stipulates: the company shall set an Audit Committee in accordance with the regulations of Securities Exchange Act; the Audit Committee shall be composed of the whole independent directors, whose number shall be not less than 3, and at least 1 person should have accounting or financial expertise; function and power execution, organizational rules and other observable matters of the Audit Committee shall be handled according to relevant statutes or the company regulations; the company is due to establish Audit Committee after the re-election of the 2020 Board of Directors to strength the board's functions, and further set various functional committees in accordance with Articles of Association, so as to perfect the decision-making function and strengthen the management mechanism.

(III) According to the annual audit plan, the audit supervisor performs internal control audit operations on the financial and business conditions, and submits a summary report of the last month's verification of missing deficiencies and improvements and tracking to the three independent directors in writing before the end of the next month. Independent directors can also direct case audit reports based on the need for missing circumstances

(IV) The communication between the independent directors and the internal audit supervisors or accountants (such as the methods, matters and results on the Company's financial reports and financial and business conditions) is disclosed on the Company's website

1. The internal audit supervisor of the Company regularly reports the internal audit report to the independent directors, and the independent directors have no dissent.
2. The internal audit supervisor is present at the board of directors and reports the auditing results of the internal audit to the independent directors. The supervisors have no dissent.
3. When an independent director attends the board of directors, he or she will directly consult with the accountant. If necessary, he or she must contact the accountant directly to communicate with the financial condition.
4. Disclosed on the Company's website in due course.

(V) Improvement of information transparency

After each director board meeting is held, important resolutions of the board of directors shall be handled for announcement and regularly updated on the company website according to relevant regulations.

(VI) In order to increase the protection of directors, the directors and officers' responsibilities are rationalized through the insurance of directors and officers' liability insurance. The company has insured liability insurance for directors and officers, with an insurance amount of USD 1 million and an insurance period from September 26, 2025 to September 26, 2025. The report was submitted to the board of directors on November 5, 2025.

(VII) Provided relevant executive education courses for the directors to enhance the function of the board of directors. The total hours of course taken in 2025 was 54 hours with 9 members of the Board.

(VIII) As requested by the relevant laws and regulations, the Company has approved the amendments to some provisions in the "Corporate Governance Code" in the Board Member Meeting held on June 12, 2019.

V. Communication between the independent directors, internal audit supervisors, and accountants (should include items, methods, and results of communication regarding the company's finance and operation)

(1) Communication between the independent directors and audit supervisors:

1. In accordance with the annual audit plan, the audit supervisor performs internal control audit operations on the financial and business conditions, and submits a summary report of the last month's inspections of missing deficiencies and improvements and tracking to the three independent directors for review before the end of the following month, independent directors can also direct case audit reports according to the need of deficiencies

2. The audit supervisor regularly reports the implementation of the newest audit plans to the board, the major items of communication are listed in the form below:

Date	Communication Points	Opinions of opposition or reservation from the board
February 26, 2025	Audit Business Implementation and Deficiency Improvement Tracking Report of December 2024, and January 2025 (summary of internal audit report)	None
May 7, 2025	Audit Business Implementation and Deficiency Improvement Tracking Report of February and March 2025 (summary of internal audit report)	None
August 6, 2025	Audit Business Implementation and Deficiency Improvement Tracking Report of April, May 2025 (summary of internal audit report)	None
November 5, 2025	Audit Business Implementation and Deficiency Improvement Tracking Report of June, July, August, and September 2025 (summary of internal audit report)	None
February 12, 2026	Audit Business Implementation and Deficiency Improvement Tracking Report of October and November , December 2025 (summary of internal audit report)	None
April 8, 2026	Audit Business Implementation and Deficiency Improvement Tracking Report of January and February 2026 (summary of internal audit report)	None

(2) The company's board of directors (including independent directors) and the CPA have a smooth communication channel. In addition to the communication letter with the governance unit when the annual review plan is completed, the CPA holds a face-to-face seminar after the regular quarterly financial report review (reading) to communicate matters including the significant deficiencies of internal control recognized during the verification process, other communication items required by relevant laws and regulations, and the sharing of the latest laws and regulations.

In 2025, up to the date of publication of the annual report, the main communication issues with the accountants through the forum are excerpted as follows:

Date	Communication Points	Opinions of opposition or reservation from the board
January 24, 2025	1. Reminders and explanations on significant regulations and legislative updates 2. Latest legal and regulations development	Good communication with mutual exchange.
February 26, 2025	1. Audit Business Implementation and Deficiency Improvement Tracking Report of 2024 (summary of internal audit report) 2. Annual financial and operation situation of the company 3. Latest legal and regulations development	Good communication with mutual exchange.
May 7, 2025	1.Audit Business Implementation and Deficiency Improvement Tracking Report of Quarter 1 of 2025 (summary of internal audit report) 2.Quarterly financial and operation situation of the Company 3.Latest legal and regulations development	Good communication with mutual exchange.
August 6, 2025	1.Audit Business Implementation and Deficiency Improvement Tracking Report of Quarter 2 of 2025 (summary of internal audit report) 2.Quarterly financial and operation situation of the Company Latest legal and regulations development	Good communication with mutual exchange.

Date	Communication Points	Opinions of opposition or reservation from the board
November 5, 2025	1.Audit Business Implementation and Deficiency Improvement Tracking Report of Quarter 4 of 2025 (summary of internal audit report) 2.Quarterly financial and operation situation of the company 3. Latest legal and regulations development	Good communication with mutual exchange.
February 26, 2026	1.Audit Business Implementation and Deficiency Improvement Tracking Report of 2025 (summary of internal audit report) 2. Annual financial and operation situation of the company 3. Latest legal and regulations development	Good communication with mutual exchange.

(II) State of operations of the Audit Committee:

1. It is stipulated in the Articles of Association that the company shall set the audit committee; the audit committee shall be composed of the whole independent directors, whose number shall be not less than 3, besides, at least 1 person shall have the accounting or financial expertise. The company formally established its first audit committee on June 8, 2020 after the regular shareholders' meeting elected three independent directors; and its second on May 26, 2023 after the regular shareholders' meeting elected four independent directors. With various functional committees in accordance with the Articles of Association, decision-making functions shall be perfected and the management mechanism strengthened.
   The purpose of the Audit Committee is to assist the Board of Director in fulfilling its responsibility to oversee the quality and integrity of the Company's execution of relevant accounting, auditing, financial reporting processes, and financial controlling. The Audit Committee of the Company consists of all the independent directors and reviews matters including financial reporting, the effectiveness of internal control system, the appointment, dismissal, compensation, and independence assessment of CPA, and the appointment or dismissal of financial, accounting, or internal auditing supervisors.
2. Powers of the Audit Committee:
   (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.
   (2) Assessment of the effectiveness of the internal control system.
   (3) Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
   (4) A matter bearing on the personal interest of a director.
   (5) A material asset or derivatives transaction.
   (6) A material monetary loan, endorsement, or provision of guarantee.
   (7) The offering, issuance, or private placement of any equity-type securities.
   (8) The hiring or dismissal of a certified public accountant, or the compensation given thereto.
   (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
   (10) Annual and semi-annual financial reports. The major financial Statements shall also be signed or sealed on each page by the issuer's chairperson, managerial officer, and principal accounting officer.
   (11) Any other material matter so required by the company or the Competent Authority.

2025 Work highlights:

(1) Regularly communicating with the internal audit supervisor about the results of the audit report in accordance with the annual audit plan.
(2) Regularly communicating with the Company's CPAs regarding the review or audit results of the quarterly financial statements.
(3) Reviewing the quarterly financial reports.
(4) Evaluating the effectiveness of the internal control system.
(5) Evaluating the independence and suitability of CPAs in providing audit and non-audit services.
(6) Reviewing assets, derivatives, loans and endorsements, and endorsement/guarantee transactions.
(7)Legal compliance.

4. The operation of the Audit Committee:
The number of Audit Committee meetings held in the most recent fiscal year (2024) is as follows:
(1)5(A) meetings were held by the second Audit Committee
(2)The attendance of independent directors is as follows:

Job Title	Name	Actual attendance time (B)	Entrusted attendance time	Actual attendance ratio (%) (B/A)	Remark
Independent Director	HO MING-ZIH	5	0	100.00%	
Independent Director	ZENG XU-WEN	5	0	100.00%	
Independent Director	WU LING-LING	5	0	100.00%	
Independent Director	WANG YONG-ZHANG	5	0	100.00%	

Other Essential Matters:

1. If any of the following circumstances occur in the operation of the audit committee, the date of the audit committee meeting, the session number, the content of the agenda, the opinions of independent directors who opposed, reserved or made significant recommendations, the results of the audit committee's decisions, and the company's response to the audit committee's opinions should be stated.
   (1) Matters listed in Article 14-5 of the Securities Exchange Law: None.
   (2) In addition to the previous matters, other matters that have not been approved by the Audit Committee but been approved by more than two-thirds of all directors: None.
2. The implementation of independent directors' avoidance of conflict of interest shall be stated with the name of the independent director, the content of the proposal, the reason for the avoidance of interest, and the voting status: None.
3. The communication between independent directors and internal audit supervisors and external accountants (should include methods and results of communication on the company's major financial and business conditions, etc.):
   (1) The internal audit of the Company regularly communicates with the independent directors about the results of audit reports, and if there are special circumstances, they will also report to independent directors in a timely manner. There was no such special situation in the last fiscal year.
   (2) The Company provides independent directors with the contact information of the external accountants to communicate with each other when necessary. The independent directors can meet and communicate with the accountants at the shareholders meeting or the meeting of the board of directors. Independent directors have met and communicated with accountants at the shareholders meeting and the board of directors in the last fiscal year.
   (3) Please refer to the description in the previous section for the company's instructions and independent directors and accountants.

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
I. Does the company formulate and discloses the Corporate Governance Best Practice based on "Corporate Governance Best Practice Principles for Listed Companies"?	✓		The company has formulated the "Corporate Governance Codes" according to "Corporate Governance Best Practice Principles for Listed Companies", including the provisions of guaranteeing the shareholder's equity, enhancing of functions of the Board, taking advantages of supervisor's functions, respecting stakeholder's rights and benefits, and improving information transparency. For more details, please visit the corporate website (www.chieftek.com).	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
II. Corporate equity structure and shareholders' equity				
(I) Does the company formulate the internal operation procedure to handle shareholder proposal, doubt, dispute and litigation and implement it in accordance with the procedure?	✓		(I) The company has formulated related internal operation procedures such as the "Corporate Governance Code", "Integrity Management Code", "Prevention of Insider Transaction Management Measures" and "Code of Ethical Conduct" to handle the shareholders related matters. There are also spokesperson and agent spokesperson system, and the Chairman's Office and the Financial Department are in charge of the related matters, so as to guarantee the timely and proper information disclosure. In addition, the special mailbox is set up to handle shareholder's proposal, doubt, dispute and litigation affairs.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
(II) Does the company master the principal shareholders actually controlling the company and the final controller list of principal shareholders?	✓		(II) The company has stock contractors responsible for handling related matters, and is assisted by a professional stock agency "Fubon Securities Co., Ltd.", which can master the main shareholders and the final list of main shareholders and maintain good contact with them Relationship, and change situation of stock rights held by insiders including board directors, supervisors, managers and major shareholders holding 5% of shares is declared in MOPS as required by the competent authority in accordance with codes and regulations.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
(III) Does the company establish and execute the risk control and firewall mechanism with the affiliated enterprise?	✓		(III) The company's internal control system covers enterprise-level risk management and operation-level operational activities, and has "Subsidiary Management Measures" to implement the risk control and firewall mechanism for subsidiaries Assets, finance and accounting of the Company and affiliated enterprise are operated independently, and the company formulates "Management on Transactions with Related Parties" handling related matters according to the regulations of the internal control system of the Company and shall be able to really execute the risk control and firewall mechanism.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
(IV) Does the company formulate the internal specification to prohibit the corporate insiders to buy or sell negotiable securities by using the information undisclosed in market?	✓		(IV) The company formulates "Management Method to Prevent Insider Trading", "Ethics Codes" and other internal control methods to standardize all employees, managers, board directors, supervisors and all people knowing about the company information based on occupation or control relation and prohibit any behavior involving insider trading and irregularly makes internal training education and advocacy.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
III. Composition and duties of the board of directors (I) Does the board of directors draft the diversification policy and implement it in terms of the member composition?	✓		(I) The company has a board member diversity policy in the "Corporate Governance Code" 1. The "Corporate Governance Codes" is carried out practically. 2. Currently, all board members are specialists in various fields or personnel experienced in corporate businesses. It shall meet the diversification policy of composition of the Board and implement it in practice. 3. As required in Article 20 of the	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
			"Corporate Governance Codes": The Board of the Company shall provide instruction for the corporate strategies, and supervision management level, which shall report to the Company and the shareholder's meeting. In terms of various operations and arrangements related to corporate governance system, it shall ensure the Board to exercise rights based on the applicable laws, the regulations of the Articles of Association or the resolution of the shareholder's meeting. As for the structure of the Board, it shall consider the business development scale of the company and the shareholding of the major shareholders, as well as the practical demands of operation, which shall determine the appropriate number of members more than 5. The composition of the Board shall consider diversification. The number of directors concurrently serving as the manager shall not exceed one third of the total number. Moreover, it shall formulate appropriate diversification policies based on the business, operation pattern and development demands, including but not limited to the standards of the following two dimensions: (1) Basic conditions and values: gender, age, nationality, culture, etc. (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience. The members of the Board shall acquire the knowledge, skills and character required to exercise the rights. To achieve the ideal goal of corporate governance, the overall Board shall possess the abilities	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			listed below: (1) Operating adjustment. (2) Accounting and financial analysis (3) Business management (4) Crisis handling (5) Industrial knowledge (6) International market view (7) Leadership (8) Decision-making The diversification policies of the board composition are disclosed on the official website of the Company and MOPS. 4. According to our company's articles of incorporation, starting from the date that electronic voting is established as one of the channels for exercising voting rights, the election of directors (including independent directors) shall adopt a nomination system, and the candidates shall be elected from the list of nominees by the shareholders' meeting. 5. The Company's board members have extensive experience and expertise in the fields of finance, business and management. In addition, the company also pays attention to the gender equality of the members of the board of directors. The female director ratio target is more than 25%. The 9th board of directors consists of 9 members, including 5 directors and 4 independent directors, among which the 3 female directors and 1 female independent director take up 44.44%.	
(II) Does the company voluntarily set other functional committees apart from the Remuneration committee and Audit Committee?	✓		(II) In order to improve the decision-making function and strengthen the management mechanism, the company has set up various functional committees in the charter, and the organizational	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			rules of each committee are determined by the board meeting. In addition to the establishment of a remuneration committee in accordance with the law and an audit committee after the 2020 regular shareholders meeting, the company will also set up other functional committees at an appropriate time.	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(III) In order to implement corporate governance and enhance the functions of the company's board of directors, establish performance targets to enhance the efficiency of the board 's operation, the company discussed and adopted the "Board Performance Evaluation Method" after discussion by the board of directors on February 9, 2018. 1. 2025 performance evaluation method adopts questionnaire self-evaluation method to conduct overall internal evaluation of the board of directors and self-evaluation of individual directors: (1) The measurement items of the board performance evaluation include: participation in the company's operations, improving the quality of the board's decision-making, composition and structure of the board, selection and continuous training of directors, and internal control. (2) The measurement items of the director members' self-performance evaluation include: mastering the company's goals and tasks, director's responsibilities, participation in the company's operations,	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			internal relationship management and communication, professional and continuous training of directors and internal control. 2. Internal evaluation steps: In the first stage of internal board performance evaluation, individual directors self-assessed by questionnaire, and then submitted to the chairman for the second stage evaluation and overall board self-evaluation. 3. 2025 Internal board performance self-assessment results: (1) Comprehensive comments on overall board performance evaluation: The overall operation of the board of directors is mostly in line with the spirit of corporate governance. (2) Self-assessment score results of directors: The self-assessment results of the director 's questionnaire are between "agree" and "very agree". The average result is nearly full marks, which shows that the board is functioning well and will continue to strengthen the effectiveness of the board. (3) Application of evaluation results: According to the company's "Board Self-assessment or Peer Evaluation Operation Method", the company will use the performance evaluation results of the	

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			board of directors as the reference basis for selecting or nominating directors; and the performance evaluation results of individual directors are used as the reference basis for determining their individual salary and remuneration. In the future, the performance evaluation of the internal board of directors should be performed at least once a year, and an external professional independent institution or a team of external experts and scholars should perform the performance evaluation once every three years.	
(IV) Does the company regularly evaluate the independence of certified public accountant?	✓		(IV) The company's accounting department assesses the independence of CPAs regularly on a yearly basis and reports the evaluation results to the board of directors after obtaining the CPAs' "transcendental independence statement." (In 2024, CPA was changed in line with PwC Taiwan's internal adjustment on administrative organization.) Only after the company confirms that the accountant and the company have no other financial interests and business relationships except for certification and taxation expenses, and members of the accountant family do not violate the independence requirements, will the accountant's appointment be reviewed. 1. To regulate the review of CPA	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

<table>
<tr><th rowspan="2">Item evaluated</th><th colspan="3">Operation situation (Note)</th><th rowspan="2">Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary documentation</th></tr>
<tr><td></td><td></td><td></td><td>appointment of the Company and build good corporate governance system, Article 29 of the “Corporate Governance Codes” of the Company shall be based to evaluate the independence of CPA and handle, enhance and promote financial report quality.
2. In line with the internal adjustment on administrative organization of PwC Taiwan, the Company proceeds with the review and evaluation on independence elements, independence operation, and competence of CPA YEH FANG-TING and CPA TIEN ZHONG-YU. All CPAs are appointed upon the resolution by the Board on February 2, 2024.
3. The CPA review and evaluation content are listed as below:
<table>
<tr><th colspan="2">I. Review of independence elements</th><th>Yes</th><th>No</th></tr>
<tr><td>01</td><td>The CPA, or the spouse or a minor child thereof, has not invested in the Company, or shares in financial gains therewith.</td><td>✓</td><td></td></tr>
<tr><td>02</td><td>The CPA, or the spouse or a minor child thereof, has not lent or borrowed funds to or from the Company. However, this does not apply if the client is a financial institution, and the borrowing or lending is part of a normal business relationship.</td><td>✓</td><td></td></tr>
<tr><td>03</td><td>The accounting firm doesn’t present the assurance service report for the effective</td><td>✓</td><td></td></tr>
</table></td><td></td></tr>
</table>

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	

	operation of the designed or assistive executing financial information system.		
04	The CPA or the members of the Audit Service Team are not appointed as the director, or manager, or take up the post that has material influence on the audit case currently or in the last two years.	✓	
05	There is no key item of non-audit service provided by the Company that will show direct influence on the audit case.	✓	
06	The CPA or the members of the Audit Service Team is not engaged in the publicity or brokerage for the shares or other securities issued by the Company.	✓	
07	Except for the businesses permitted by laws, the CPA or the members of the Audit Service Team doesn't serve as the defender for the Company or coordinate the conflict with a third party on behalf of the Company.	✓	
08	The CPA or the members of the Audit Service Team does not have a relationship of spouse, direct kinship, direct affinity or sub blood kinship within two degrees with the personnel who are appointed as the director or manager of the Company or take up the post that shows	✓	

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	material influence on the audit case.		
09	A former partner of CPA doesn't serve as the director or manager of the Company or take up the post that shows material influence on the audit case within one year of the disappointment.	✓	
10	The CPA or the members of the Audit Service Team doesn't accept valuable gifts or preferential treatment from the Company, the director, manager, or major stockholder.	✓	
11	The CPA is not employed by the client or the audit subject to take up a regular post with fixed payment or is appointed as director or supervisor.	✓	
12	Publicly listed companies: The CPA doesn't provide audit service for the Company for 7 consecutive years.	✓	
II.	Review of independence operation		
01	Does the CPA avoid and refuse the engagement when s/he may have been involved in any direct or material indirect interests that may impair their impartiality and independence?	✓	
02	Does the CPA maintain Independence of Mind and in Appearance in the work of assurance services including an audit or review of financial statements, or	✓	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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	a special audit case?		
03	Are the members of the audit team, the CPA partners or shareholders of corporate accounting firms, accounting firms, any of its affiliates, and network firms, always independent with the Company?	✓	
04	Does the CPA provide professional service based on a straightforward and prudent attitude?	✓	
05	Does the CPA maintain an unbiased and objective basis and avoid bias, conflict of interest, or stakes from affecting professional judgment when exercising professional services?	✓	
06	The CPA shall be always honest, unbiased and objective, which shall not be influenced due to the lack of independence.	✓	
III. Review of competence			
01	The CPA has no disciplinary records of the Disciplinary Commission of the CPA in the last two years.	✓	
02	Does the Accounting Firm have adequate scale, resources, and coverage for handling enterprise audit service?	✓	
03	Does the Accounting Firm have a clear quality control procedure, which covers the levels and key points of audit procedures, the method of handling audit issues and judgment,	✓	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			<table><tr><td></td><td>independent quality control review, and risk management?</td><td></td><td></td></tr><tr><td>04</td><td>Does the Accounting Firm timely notify the Board (the Audit Committee) of the significant issues and development in terms of the risk management, corporate governance, financial & accounting and the related risk control?</td><td>✓</td><td></td></tr></table>	
IV. Does the publicly listed company set up special (concurrent) unit or personnel responsible for the corporate governance related affairs (including not limited to providing the data required by the directors to implement business, dealing with the matters related to the board meeting and shareholders' meeting, handling the corporate registration and change registration, making minutes of board meeting and shareholders' meeting)?	✓		On March 23, 2017, the board of directors discussed and approved the use of the Ministry of Finance as a full-time (part-time) unit for corporate governance. On May 2, 2019, the board of directors discussed and approved that CFO LI, PAI-TSANG is the director of corporate governance, responsible for corporate governance-related matters, while cooperating with the chairman's office and various departments provide necessary assistance to protect shareholders 'rights and strengthen the functions of the board of directors. Chief Financial Officer LI, PAI-TSANG has more than three years of experience in the management of legal affairs and other public offering companies. The main responsibility of corporate governance personnel is to provide directors and independent directors with information required to execute business, assist directors and independent directors to comply with laws and regulations, and handle matters related to board of directors and shareholders' meetings in accordance with law. The business performance in 2025 is as follows: 1. Assist independent directors and general directors to perform their duties, provide necessary information and arrange directors' further training: (1) Regularly notify the members of	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

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			the board of directors regarding the revision and development of the latest laws and regulations related to the company's business field and corporate governance. (2) Review the level of relevant information confidentiality and provide company information required by directors to maintain smooth communication and communication between directors and business executives. (3) In accordance with the Corporate Governance Code of Conduct, independent directors meet with internal audit supervisors or visa accountants individually to understand the company's financial business needs and assist in arranging related meetings. (4) Assist independent directors and general directors in formulating annual refresher plans and arranging courses in accordance with the company's industrial characteristics, directors' academic and experience background. 2. Assist the board of directors and shareholders in meeting procedures and resolution compliance matters: (1) Report to the board of directors, independent directors, and supervisors on the company's corporate governance operations and confirm whether the company's shareholders' meeting and directors' meeting comply with relevant laws and corporate governance codes. (2) Assist and remind the directors of the laws and regulations that should be observed when performing business or making a formal resolution of the board of directors and make suggestions when the board of directors will	

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			make an illegal resolution. (3) After the meeting, it is responsible for reviewing the important information release matters of important resolutions of the board of directors, ensuring the legality and correctness of the content of the important information, so as to protect the investor's transaction information equivalence. 3. Maintain investor relations: Arrange exchanges and communication between directors and major shareholders, institutional investors or general shareholders as necessary, so that investors can obtain sufficient information to evaluate and determine the reasonable capital market value of the enterprise and protect shareholders' rights and interests. 4. To draw up the agenda of the board of directors, notify the directors seven days ago, convene the meeting and. provide meeting materials and give advance reminders if the topic needs to be avoided and complete the minutes of the board meeting within seven days after the meeting. 5. Handle pre-registration of shareholders' meeting date in accordance with the law, prepare meeting notices, discussion manuals, and minutes of proceedings within the statutory time limit, and handle changes in registration by revising the articles of association or re-election of directors 6. In order to implement corporate governance, regularly conduct the performance evaluation of directors and the overall board of directors. 7. Added "Operating Procedures for Dealing with Directors' Requests"	
V. Does the Company establish the communication channel with the interested parties (including but not limited to the shareholders, employees,	✓		The company establishes a spokesperson, agent spokesperson and investor relations liaison in accordance with the law and sets up a stakeholder area on the company's website to expose the channel	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

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customers and suppliers), sets the interested party zone on the corporate website, and properly responds to the corporate social responsibility issues concerned by the interested parties?			information and contact information of complaints other than investors and properly respond to the concerns of stakeholders CSR issues. The company's operations on issues of concern to stakeholders: 1. Creditors: In addition to regularly providing sufficient financial information to the correspondent banks, and having someone in charge of communication and communication, the company's operating and financial status will be fully and transparently disclosed. 2. Customers: Frequent interactions with customers, in addition to regular visits by dedicated business leaders, and dedicated lines and the Internet to establish a customer relationship management system. 3. Supplier: Committed to maintaining a harmonious relationship with third-party manufacturers, and achieving mutual benefit in the process of mutual learning and growth 4. Investors: The company immediately publishes the information on the public information observatory and the company's website, and has a spokesperson and agent spokesperson mechanism. Investors who still feel insufficient about the information provided by the company or need more detailed understanding can use the dedicated line or e-mail contact. 5. Government: Follow the laws and regulations, continue to operate, and actively give back to the society. 6. Employees: (1) The company maintains close relations with employees through communication channels such as labor-management meetings and grievance systems. Through good corporate culture, retain outstanding talents and work hard with	

<table>
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<tr><td></td><td></td><td></td><td>employees.
(2) Analysis of Employee Satisfaction Survey Results and Corporate Governance Improvement Plan
A. Overall Description of Survey Results
A total of 314 valid questionnaires were collected in this employee satisfaction survey, covering the Company and its overseas subsidiaries. There were 15 scored questions, using a 5-point scale. The survey questions were categorized into four major areas: clarity of job content and direction, clarity of management communication and expectations, company support and employee care, and future development and retention intention.
B. Based on the aggregated analysis of total scores for each question, the overall results indicate that employees have a certain level of recognition of the Company’s development direction, work engagement, and willingness for continuous growth. However, there is still room for further improvement in areas such as internal communication, workload care, system support, and clarity of future development.
<table>
<tr><td>Survey Target</td><td>All Employees</td></tr>
<tr><td>Survey Questions</td><td>Clarity of job content and direction, management communication and clarity of expectations, company support and employee care, future development and retention intention</td></tr>
<tr><td>Number of Respondents</td><td>314 respondents</td></tr>
<tr><td>Coverage Rate</td><td>88%</td></tr>
<tr><td>Responsible Unit</td><td>Human Resources Department</td></tr>
<tr><td>Survey Period</td><td>December 15, 2025 – December 31, 2025</td></tr>
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			Overall Satisfaction: 4.02 points (minimum: 1 point; maximum: 5 points) Survey Results: This employee satisfaction survey consisted of 15 scored questions, evaluated using a five-point Likert scale, with overall average scores ranging from 3.75 to 4.29. The survey results indicate that employees demonstrate a high level of recognition regarding their job responsibilities, the Company's development direction, and their willingness to continue growing together with the Company. However, there remains room for continuous improvement in areas such as internal communication, support for work engagement, and institutional support mechanisms. Improvement Plan: Based on the survey results, the following improvement plan directions have been identified. The Company will continue to monitor the implementation and effectiveness of improvement measures and make rolling adjustments to relevant management practices based on the results. ■Improvement Direction 1: Strengthening Internal Communication and Decision-Making Transparency Improvement Measures: Enhance cross-departmental information sharing and communication channels to improve management transparency, adjust organizational communication mechanisms, reduce information gaps, and strengthen employees' trust in the Company. ■Improvement Direction 2: Focusing on Work Engagement and Optimizing Institutional Support。 Improvement Measures: Department heads will regularly review workload and working conditions, strengthen management care and feedback mechanisms, and balance corporate growth with employees' physical and mental	

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			well-being ■Improvement Direction 3: Promoting Career Development and Optimizing the Work Environment Improvement Measures: Continuously review and improve the working environment, and engage employees in discussions regarding the development of secondary skills and future career paths, thereby enhancing employee retention and organizational stability.	
VI. Does the company entrust the professional stock service agent to handle the affairs of shareholder meeting?	✓		The company has entrusted the professional service agent- Fubon Securities Co., Ltd to handle the shareholders' meeting affairs and various share affairs of the company.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
VII. Information disclosure (I) Does the company set up a website, discloses the financial business and corporate governance information?	✓		(I) The company has set up a website (www.chieftek.com) to introduce the company, related financial business and corporate governance information.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
(II) Does the company implement other forms of information disclosure (for instance, setting English website, assigning special person to take charge of collection and disclosure of corporate information, implementing spokesperson system, placing the corporate explanation meeting on the corporate website)?	✓		(II)The company's website has Chinese, English, and Japanese pages, as well as a spokesperson, agent spokesperson, and investor relations liaison, and a person is assigned to collect information about the company's finances, business, and corporate governance. It is detailed, correct, and timely Disclosure of the company's operating performance, operating conditions and major information, and the spokesperson and acting spokesperson will make a unified external statement and expose the information on the company's website for the convenience of inquiries	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
(III) Does the Company publish and release its annual financial report within two months since the end of fiscal year and announce and submit its financial reports of the first three quarters of the	✓		(III) The company has announced and filed its financial report for the fiscal year 2024 on February 26, 2025. In addition, the financial reports for the first, second, and third quarters of 2025 and the monthly operating conditions have been announced and filed prior to	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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year and the review of operation in each month?			the prescribed period. In addition, the Company has announced and filed the 2025 annual financial report on February 26, 2026.	
VIII. Does the company has other important information to help understand the corporate governance operation situation (including but not limited to rights and interests of employees, employee caring, investor relations, supplier relationship, right of interested party, study situation of board directors, execution situation of risk management policy and risk measurement standard, execution situation of customer policy, situation of liability insurance purchased by the company for board directors)?	✓		(I) Rights and interests of employees: with the establishment of healthy and safe work environment as the duty, the company abides by the corporate social responsibility policy and environmental and occupational health and safety regulations, implements emission reduction and energy saving, guarantees employee benefit and operation safety, and safeguards legitimate interest of employees according to the Labor Standard Law. (II) Employee caring: Measures like tidying work environment, guaranteeing personal safety, regularly implementing employees' health examination, arranging consultation of occupational physician are adopted, besides, employee life is enriched by welfare system and excellent educational training system, finally establishing a good relationship with mutual trust and interdependence. (III) Investor relations: The company honestly discloses the company information according to the related regulations to ensure basic rights and interests of investors, fulfills its duty to shareholders, handles the suggestions of shareholders through the company spokesperson and agent spokesperson, sets "investors zone" on the company website to help investors understand the financial and business situation of the company, replies the questions of shareholders in detail, increases the communication with investors of professional institutes and promotes transparency of the	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

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			company operation. (IV) Supplier relationships: The company exchanges experience with suppliers concerning environment, health, safety, enterprise social responsibility and other related issues, and maintain a smooth communication channel and good relationship with suppliers. (V) Rights of interested parties: The company discloses the company financial and business information according to regulations. Besides, correspondent banks, creditors, employees, shareholders and other interested parties may understand the company operation situation through the company spokesperson and agent spokesperson. Moreover, it sets the “interested party zone” on the official website to disclose the channel and contact information for complaints made by others rather than the investors and properly responds the enterprise social responsibility issues concerned by the interested parties. (VI) Study situation of board directors: To implement the corporate governance system, the company actively notices board directors of corporate governance information and study message. The board directors have studied in accordance with “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies ”; please see the following table for detail. (VII) Execution situation of risk management policy and risk measurement standard: (1) The company’s major operational policies, investment cases, acquisition or disposal of assets, endorsement guarantees, capital loans and other matters	

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			are evaluated and analyzed by the relevant authority and can only be implemented after the resolution of the board of directors is passed. (2) The Audit Office draws up and implements an annual audit plan based on the results of the risk assessment and implements the supervision mechanism and controls various risks. (VIII)Execution situation of customer policy: The company maintains a stable and good relationship with clients, attaches great importance to the customer satisfaction and takes the promotion of client value and competitive power as target. Apart from mastering and checking the delivery situation at any time and conducting real-time improvement, the company also regularly conducts the satisfaction survey for clients, striving to become the long-term partner of clients' career and creating a win-win result. (IX) The company purchased liability insurance for directors and managerial officers: The company has purchased liability insurance for directors, supervisors and managers, and submitted a report of the board of directors on November 6, 2024.	

6 Schedule

The directors, independent directors, managerial officers, audit supervisors, and corporate governance officer of the Company participated in the training in 2025, and all the directors and independent directors have obtained the 6-hour training certificate. The training situation is as follows:

Job Title	Name Sponsor	Sponsor	Refresher course	Study hours
Chairman	CHEN LI-FEN	Taiwan Corporate Governance	Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3

Item evaluated		Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
		Yes	No	Summary documentation	
		Association		Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Board Director	HSU MING-CHE	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Board Director	LI AN	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Board Director	WANG CHEN PI-HSIA	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Board Director	CHEN JIA-HAO	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Independent Director	HO MING-ZIH	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Independent Director	ZENG XU-WEN	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Independent Director	WU LING-LING	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Independent Director	WANG YONG-ZHANG	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Accounting Supervisor	WU CHIA-YUNG	Accounting Research and Development Foundation		Practical analysis of internal control management for corporate greenhouse gas inventory	6
				Continuing Education Program for Chief Accountants of Issuers, Securities Firms, and Stock Exchanges	12
				Continuing Education Program for Chief Accountants of Issuers, Securities Firms, and Stock Exchanges	12
		Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
Audit Manager	LIN SHU-HSING	Taiwan Corporate Governance Association		Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
				Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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		The Institute of Internal Auditor-Chinese Taiwan	Regulations and Practical Analysis of Loans to Others, Endorsements and Guarantees, and Acquisition or Disposal of Assets	6
			Seminar on "Sustainability Information Management" and Key Practices of Internal Control and Internal Audit	6
Corporate Governance Officer	LI PAI-TSANG	Taiwan Academy of Banking and Finance	Corporate Governance Forum, Issue No. 104	3
		TAIWAN INSTITUTE OF DIRECTORS	Embracing the AI Wave: Mastering the Business Secrets of Generative AI	3
		Securities and Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3
		Taiwan Corporate Governance Association	Deconstructing the risks of capital outflows from Mainland China and potential response strategies	3
			Trump 2.0: Corporate response strategies to global tax reform and supply chain restructuring	3
		Securities and Futures Bureau, Financial Supervisory Commission, R.O.C.、Securities and Futures Institute	Seminar on "New Corporate Hedging Strategies: Addressing Exchange Rate Challenges and Asset Management Trends"	3

IX. Detail the improvement based on the corporate governance assessment result announced by the TWSE Corporate Governance Center in the latest year; propose the urgent matters and actions for the items not improved:

For the 11th Corporate Governance Evaluation, the Company was ranked within the 36%–50% range among listed companies. For the evaluation indicators where no points were obtained, the Company has commenced improvements or prioritized strengthening actions and measures as follows:

Unscored evaluation index	Improved or prioritized enhancements and measures
Has the Company been invited to (or held on its own) at least two investor conferences, with a gap of more than three months between the first and the last conferences during the year under evaluation? (Please refer to the description of indicators for additional bonus.)	Improving.
Does the Company upload its English version of sustainability report on the MOPS and the Company website?	Improving
Does the Company invest in environmentally-friendly and sustainable machines and equipment related to energy conservation or green energy; or invest in Taiwan's green energy industry (e.g., renewable energy power plants), etc.; or with its capital issue/invest in financial products of green or social benefit investment projects that have substantial benefits of sustainable development and disclose the	Has commenced research for improvement

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
investment status and the specific benefits thereof?				
Does the Company put into resources to support the development of domestic culture and disclose the means and results of such support on the Company website, in annual reports or sustainability reports?			Has commenced research for improvement	

(IV) If the Remuneration Committee is established, the Company must disclose its composition, duties and operation situation:

To perfect the corporate governance, enhance the remuneration management function of the board of directors, assist in executing and evaluating the remuneration of the company board directors and managers, the company set the Remuneration committee through the resolution of the board resolution on December 22, 2011, and passed the organizational rules of the Remuneration Committee. Composition, duties and operation situation of the Committee are and follows

1. Information of Members of the Remuneration Committee (5th term)

March 31, 2026

Qualifications / Capacity	Name	Professional qualifications and work experience	Independence situation	Number of independent directors concurrently occupied in other public offering companies
Independent Director	HO, MING-ZIH	Bachelor's Degree, Department of Engineering Science, National Cheng Kung University, Master's Degree in Electrical Engineering, Texas A&M University, USA, Ph.D. in Electrical Engineering, Texas A&M University, USA, Researcher, Research Division, Ritek Corporation, Assistant Professor, Department of Engineering Science, National Cheng Kung University, Associate Professor, Department of Engineering Science, National Cheng Kung University.	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; not holding shares of the Company; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0
Independent Director	ZENG XU-WEN	Bachelor of Business Administration of National Cheng Kung University, Planning Supervisor of General Manager's Office of TECO Electric & Machinery Co., Ltd, Supervisor of Chieftek Precision Co., Ltd (June 17, 2011 - June 21, 2020)	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; The individual holds 93,150 shares of the company, representing a 0.10% ownership; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

Independent Director	WU LING-LING	Master of Special Education of University of Southern California, Supervisor of Chieftek Precision Co., Ltd (November 12, 2010 - June 20, 2012)	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; The individual holds 37,747 shares of the company, representing a 0.04% ownership; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0
Independent Director	WANG YONG-ZHANG	Director of Chieftek Precision Co., Ltd (March 17, 2011 - June 16, 2014), Master of Electrical and Computer Engineering of Princeton University, Vice President of Great King Electronics Co., Ltd., Vice President of Acer Incorporated, Vice President of Hong Hai Precision Ind., Co., Ltd., Hsinchu Science Park Branch, Vice President of Antuo Technology Co., Ltd., CEO of Guangquan Technology Co., Ltd., General Manager of DSG Technology Inc, General Manager Assistant of Chimei Corporation	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; The individual holds 89,943 shares of the company, representing a 0.10% ownership; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

2. Information of operation situation of the Remuneration Committee
   (1) Remuneration Committee of the company includes 4 members, who are all independent directors.
   (2) Tenure of this term of members:
   The fifth term runs from May 26, 2023 to May 25, 2026. In the most recent fiscal year (2025), 2 meeting(A) was held by the Remuneration Committee. Qualifications and attendance situation of the committee members are as follows:

Job Title	Name	Actual attendance time (B)	Entrusted attendance time	Actual attendance ratio (%) (B/A) (Note)	Remark
Convener	HO MING-ZIH	2	0	100.00%	
Committee	WANG YONG-ZHANG	2	0	100.00%	
Committee	WU LING-LING	2	0	100.00%	
Committee	ZENG XU-WEN	2	0	100.00%	

Other matters that require reporting:
1. Circumstances in which the Board of Directors does not accept or amend the recommendation of the Remuneration Committee in the most recent fiscal year: None.
2. Circumstances in which members have objection, reservation, records, or written statements towards the resolutions of the Remuneration Committee in the most recent fiscal year: None.

(3) Responsibilities of the Remuneration Committee

The function of the Remuneration Committee of the Company is to evaluate the remuneration policies and systems of the Company's directors and managers from a professional and objective position. The Remuneration Committee shall hold at least two meetings a year and shall convene meetings when deemed necessary. The Remuneration Committee also makes recommendations for the board of directors to reference in decision-making.

From a professional and objective perspective, the Compensation and Remuneration Committee faithfully performs the following duties:

(1) To formulate proposals for remuneration of directors, supervisors and managers, as well as regular evaluation reports.
(2) To formulate and regularly review the performance evaluations of directors, supervisors and managers.
(3) To formulate and regularly review the company's salary and remuneration policies, systems, standards and structures.
(4) Other matters to be discussed by the board of directors.

When the Compensation and Remuneration Committee performs its duties, it shall follow the following standards:

(1) Salary management should be in line with the company's philosophy on salaries.
(2) The performance evaluation and remuneration of directors, supervisors and managers shall refer to the usual level of payment in the industry and consider the rationality of the relationship between individual performance and the company's operating performance and future risks.
(3) Directors and managers should not be led to engage in behaviors that exceed the risks of the company in the pursuit of remuneration.
(4) The proportion of short-term performance bonuses for directors and senior managers and the timing of payment of certain variable salaries should be determined in consideration of industry characteristics and the nature of the company's business.
(5) Contents of the resolutions of the 2025 1st to 2nd meetings and the 2026 1st meeting of the fifth Remuneration Committee are as follows:

1st Meeting in 2025 by the fifth term-January 24, 2025			
Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2024 Year-End Bonus Distribution for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2	2024 Review on Remuneration and Relevant Regulations for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
3	2024 Remuneration for Directors and Employees	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2nd Meeting in 2025 by the fifth term-Augus 6, 2025			

Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2024 Managers Allotment of Remuneration for Employees	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2	2024 Remuneration Allotment for Directors	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
1st Meeting in 2026 by the fifth term-February 2, 2026			
Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2025 Year-End Bonus Distribution for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2	2025 Review on Remuneration and Relevant Regulations for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
3	Revision and review of managerial compensation proposal.	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
4	2025 Remuneration for Directors and Employees	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
5	Revision of the definition of grassroots employees for 2026 and disclosure of the number of employees meeting the definition and the total amount of employee compensation distribution in accordance with regulations.	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.

3. If the company has set up a nomination committee, it should disclose its composition, responsibilities and operations: the company has not set up a nomination committee, so it is not applicable.

(V) Implementation status of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEx listed companies and the reasons thereof:

Item Promoted	Implementation situation (note 1)			Differences and reasons from the "Code of Practice for Sustainability of Listed Companies"
	Yes	No	Abstract Statement	
(I) Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company has established a "Sustainability Development and Promotion Committee." The Board of Directors has designated the Chairman's Office as the dedicated (or concurrent) unit for promoting sustainable development, responsible for proposing and implementing sustainability policies, systems, or related management guidelines and specific action plans, and reporting regularly to the Board of Directors on February 12, 2026. (1) Through four working groups—environmental sustainability, corporate governance, product and service, and employee care/social participation-the Company actively promotes the execution of various operations, conducts regular performance monitoring, and adjusts relevant strategies and objectives in a timely manner through continuous communication with stakeholders, integrating sustainability concepts into the overall business strategy. (2) Meetings are convened at least once a year as needed to report on the implementation status of sustainable development. (3) Responsible for ensuring that the sustainability report is complete and complies with disclosure principles.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(II) Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		1. The Company has established the "Corporate Social Responsibility Best Practice Principles" and the "Corporate Social Responsibility Policy" in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies," which were approved by the Board of Directors on May 9, 2014. The "Corporate Social Responsibility Best Practice Principles" were subsequently amended and approved by the Board of Directors on January 20, 2017; and on February 22, 2023, the Board of Directors approved the amendment of the "Corporate Social Responsibility Best Practice Principles" to the "Sustainability	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Development Best Practice Principles." The implementation results are reported to the Board of Directors at least once a year, such as reporting the 2025 implementation results to the Board of Directors on February 12, 2026.

2. Based on the materiality principle of sustainable development, the Company conducts risk assessments on environmental, social, and governance (ESG) issues related to its operations, and formulates relevant risk management policies or strategies as follows:

Risk Type	Cause	Response Measures
Operational risk – exchange rate fluctuations	Impact on the Company's profit and loss due to exchange rate fluctuations.	1.Strengthen monitoring and management of domestic and international exchange rate fluctuations, and consider appropriate timing for foreign currency conversion to minimize exchange risk.
Credit management	Customer credit limits are not reviewed regularly, resulting in excessive expansion of credit limits.	1.Credit risk arises from customers' inability to settle accounts receivable in accordance with payment terms. 2.Re-evaluate at least once a year. 3.Before shipment, review whether the credit limit exceeds the approved amount. If the customer's credit limit has been exceeded, shipment may only proceed after approval by the responsible supervisor.
Transaction risk	Contracts entered into lack legal validity, involve unauthorized actions, have inadequate provisions, omissions in terms, or other factors, resulting in contract invalidity and potential losses.	1.Before signing, submit the contract to legal counsel for review and comments. 2.Use contract review and co-signing procedures as the first line of defense.
Climate change	Extreme climate and other natural disasters may cause damage to buildings and injuries to personnel, affecting normal operations.	1.Establish a disaster response mechanism, including prevention, detection, response, and post-disaster recovery, to maintain normal operations. 2.Continue to emphasize the management and improvement of issues such as energy, water resources, waste, and air pollution, and strengthen employees' related knowledge through training to enhance the Company's emergency response capabilities and reduce the risk of operational disruption caused by natural disasters, environmental incidents, and climate change.

						3.Properly insure company assets to reduce the impact on operations and profit losses when hazards occur.		
				Operational risk – product compliance	The Company's products do not comply with government regulations or contain hazardous substances.	1.Suppliers must provide an inspection report for each shipment, which shall be sent by e-mail or attached with the goods to the Quality Assurance Department. 2.For shipments involving chemicals, suppliers must provide the Safety Data Sheet (SDS) by e-mail or attach it with the goods to the Occupational Safety Department before shipment. 3.Processing drawings shall indicate "Complies with EU directive in RoHS" and must comply with relevant EU RoHS regulations. 4. Require the supply chain to provide self-declarations, including compliance with the Restriction of Hazardous Substances (RoHS) Directive and REACH regulations on Substances of Very High Concern (SVHC). 5. Require the supply chain to reduce the use and restriction of environmentally hazardous substances.		
				Human resource risk – difficulty in recruiting talent	Labor shortages in production and loss of key talent may create gaps in workforce continuity and affect operations.	1.Introduce automation in production lines to reduce reliance on manual labor. 2.Develop multiple recruitment channels, including industry-academia collaboration, and expand domestic and international talent development. 3.Create a friendly work environment, expand recruitment channels, and improve talent recruitment and retention rates. 4.When an employee resigns, not only HR should assist in handling the process, but department supervisors should also understand the reasons and explore whether improvements can retain the employee; even if retention is not possible, sincere communication should provide real feedback for the Company and departments to improve. 5.Arrange emergency overtime manpower, implement overtime and production incentive programs, and fully commit to resuming operations.		
				Operational risk – occupational safety and health	1.Risks related to occupational safety and health, chemical management, safety protection and emergency response, and other improper	1. Strengthen injury prevention measures and improve poor health conditions through ISO 45001 occupational health and safety management certification. 2. Conduct regular annual training on safety and health, emergency response, and fire safety to develop employees' emergency response and self-safety management capabilities.		

					or erroneous human operations. 2.Risks arising from violations of regulations, which in severe cases may cause injuries to personnel and result in negative perceptions and evaluations of the Company by the public and supply chain partners.	3. Establish a comprehensive occupational safety and health management system, and reduce occupational hazard risks through continuous improvement to ensure employee safety and health.	
				Energy management	1.Energy shortages, global warming, and climate change are becoming increasingly severe. 2. Adjustments in electricity prices or power outages may lead to price increases, supply disruptions, or quality issues of key materials in the supply chain. 3.Personnel fail to report to the Bureau of Energy within the required deadline.	1.Promote energy-saving awareness among employees and actively implement various energy-saving actions to achieve energy conservation, such as turning off unnecessary office lighting for one hour during lunch breaks, controlling appropriate air-conditioning temperatures, and ensuring that the last person leaving the office turns off lights and air-conditioning power, thereby reducing unnecessary electricity consumption and cultivating long-term energy-saving habits among employees. 2.Continue to phase out high energy-consuming traditional lighting and replace them with LED lighting equipment. 3.Promote energy-saving replacement of official vehicles, gradually replacing them with hybrid or electric vehicles. 4.Gradually plan to introduce the ISO 50001 energy management system standard in the future to more effectively and accurately control energy usage and implement energy management. 5.Assign dedicated personnel to submit the “Energy Audit Reporting Form” to the Bureau of Energy, Ministry of Economic Affairs, by paper, electronic file, or online method around the end of January each year.	
(III) Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I)1. The Company’s Occupational Safety Department is responsible for managing the Company’s environment and establishing and controlling the environmental management system, and has established a Safety and Health Committee to jointly handle environmental, safety, and health issues. 2. In addition to complying with environmental regulations, the Company obtained ISO 14001 Environmental Management System certification in				In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

September 2014.

3. In August 2023, the Company completed ISO 14001:2015 Environmental Management System.

Certification Certificate	ISO 14001:2015
Certification Body	SGS
Validity Period	2023/09/08-2026/09/08
Verification Date	2023/07/18~08/11
Certificate Number	TW14/10645

4. Implementation in compliance with regulatory systems: regularly track and update changes in government environmental regulations; supervisors at all levels lead by example and fulfill their supervisory responsibilities to ensure compliance with regulations.
5. Energy-saving measures:
   The Company is gradually replacing all lighting with high-efficiency LED lighting and energy-saving equipment, and implements a fixed lights-off mechanism during lunch breaks. The office air-conditioning temperature is set between 26–28°C to reduce energy consumption.
6. Waste classification and recycling: resource recycling stations are set up to classify and recycle paper, plastics, scrap iron, scrap aluminum, and organic solvent waste. Qualified contractors are entrusted to handle waste organic solvents to ensure compliance with waste disposal regulations.
7. Environmental education and promotion: promote energy saving and carbon reduction, and encourage employees to implement sustainability concepts through practical actions.
   A total of 23 employees have completed ISO 14001 Environmental Management System internal auditor training to strengthen internal audit professional capabilities and ensure the effectiveness of the management system; the environmental management-related courses held in 2025 are as follows.

Item No.	Course Title	Training Method	Hours (HR)	Number of Participants
1	Environmental and Occupational Safety and Health Risk Assessment	Internal	3	15persons

			<table><tr><td>2</td><td>Significant Environmental Aspects – Hazard Identification</td><td>Internal</td><td>3</td><td>15persons</td></tr><tr><td>3</td><td>Waste Classification and Recycling Training for New Employees</td><td>Internal</td><td>0.5</td><td>56persons</td></tr><tr><td>4</td><td>Waste Reporting and Waste Resource Recycling Professional Training</td><td>Internal</td><td>1</td><td>2persons</td></tr><tr><td>5</td><td>ISO 45001, ISO 14001 Internal Audit</td><td>Internal</td><td>6</td><td>2persons</td></tr><tr><td>6</td><td>Environmental Protection (Waste Management Procedure, Water Pollution Prevention Management Procedure, Drinking Water Management Work Standard, Noise Management Work Standard)</td><td>Internal</td><td>1</td><td>2persons</td></tr></table>	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(II) The Company is committed to improving the efficiency of resource utilization, such as: 1. Promote the energy-saving replacement of official vehicles, gradually replacing them with hybrid or electric vehicles. 2. Reuse pallets and wooden crates for shipment packaging or inventory management. 3. Rainwater recycling: use rainwater collected in storage tanks for urinals, toilet flushing, and plant watering to reduce tap water usage. 4. Continue to phase out high energy-consuming traditional lighting and replace them with LED lighting equipment. 5. Promote energy-saving awareness among employees and actively implement various energy-saving actions, such as turning off unnecessary office lighting for one hour during lunch breaks, controlling appropriate air-conditioning temperatures, and ensuring that the last person leaving the office turns off lights and air-conditioning power, thereby reducing unnecessary electricity consumption and cultivating long-term energy-saving habits among employees. 6. Improvement of energy use efficiency in 2025: **cpc** installed renewable energy equipment with a solar photovoltaic system at Tree Valley Phase I, with an installed capacity of 268.46 KW, an installation area of 1,403.52 square meters, 866 solar panels installed, and each panel having	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

a generation capacity of 310 W. The solar power generation in 2025 was 337,192 kWh. Based on the latest announced power emission factor of 0.474 kg CO2/kWh for 2024 by the Bureau of Energy, this can reduce CO2 emissions by 159.829 metric tons and increase the use of renewable energy by 3.91%.

cpc installed solar power generation equipment at Tree Valley Phase II with an installed capacity of 999.81 KW, an installation area of 4,942.26 square meters, 3,225 solar panels installed, and each panel having a generation capacity of 310 W. The solar power generation in 2025 was 1,302,365 kWh. Based on the latest announced power emission factor of 0.474 kg CO2/kWh for 2024 by the Bureau of Energy, this can reduce CO2 emissions by 617.321 metric tons and increase the use of renewable energy by 15.11%.

Renewable Energy Utilization Efficiency			
Year	2023	2024	2025
Tree Valley Phase I Solar Power Generation (kWh)	342,412	341,244	337,192
Tree Valley Phase II Solar Power Generation (kWh)	655,392	1,338,016	1,302,365
Total Solar Power Generation (kWh)	997,804	1,679,260	1,639,557
Tree Valley Phase I CO2 Reduction (metric tons)	169.151	161.750	159.829
Tree Valley Phase II CO2 Reduction (metric tons)	323.764	634.219	617.321
Total CO2 Reduction (Phase I + II) (metric tons)	492.915	795.969	777.150
Tree Valley Phase I Increase in Renewable Energy Usage	3.84%	4.05%	3.91%
Tree Valley Phase II Increase in Renewable Energy Usage	7.34%	15.91%	15.11%
Total Increase in Renewable Energy Usage (Phase I + II)	11.18%	19.96%	19.02%
Data from Bureau of Energy, Ministry of Economic Affairs	Calculated based on 0.494 kg CO2 per kWh for 2023.	Calculated based on 0.474 kg CO2 per kWh for 2024.	Calculated based on 0.474 kg CO2 per kWh as announced by Taiwan Power Company for 2024.

Total Internal Energy Consumption		2023	2024	2025
Non-renewable Energy	Purchased Electricity (kWh/year)	8,924,400	8,411,400	8,619,200
	Purchased Electricity (GJ)	32,127.84	30,281.04	31,029.12

			<table><tr><td rowspan="2">Renewable Energy</td><td>Solar Power (kWh/year)</td><td>997,804</td><td>1,679,260</td><td>1,639,557</td></tr><tr><td>Solar Power (GJ)</td><td>3,592.09</td><td>6,045.34</td><td>5,902.41</td></tr><tr><td colspan="2">Grid Electricity Ratio (%)</td><td>88.82</td><td>80.04</td><td>80.98</td></tr><tr><td colspan="2">Renewable Energy Ratio (%)</td><td>11.18</td><td>19.96</td><td>19.02</td></tr><tr><td colspan="2">Total Energy Consumption (GJ)</td><td>35,719.93</td><td>36,326.38</td><td>36,931.53</td></tr><tr><td colspan="2">Energy Intensity (GJ/NT$ million revenue)</td><td>44.88</td><td>44.78</td><td>46.64</td></tr></table> Note: The calorific value of electricity is converted as 1 kWh = 0.0036 GJ	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(III) From the international Paris Agreement to the domestic enactment of the Climate Change Response Act, it is evident that both domestic and international communities are paying increasing attention to the impacts of extreme weather caused by global climate change. Global warming requires urgent action. While operating its business, **cpc** considers how to minimize the environmental impact caused by its operations, formulates appropriate strategies, regularly convenes meetings, and steadily implements various energy-saving programs to achieve the goal of reducing greenhouse gas emissions and mitigating global warming. Through optimizing the efficiency of energy and resource use, introducing environmentally friendly design, implementing green operations, and coexisting with the environment. As environmental hazards caused by global climate change become increasingly severe, Taiwan in recent years has faced serious threats such as typhoons, flooding, and shortages of water and energy resources. In order to effectively grasp the development trends of climate change issues, conduct climate change management and assessment, and mitigate the impacts brought by climate change through climate risk issues, thereby reducing environmental damage.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(IV) In accordance with the implementation of the “Greenhouse Gas Reduction and Management Act” in Taiwan, energy saving and carbon reduction are taken as the basis in factory design. High-ceiling design and additional ventilated heat-dissipation exterior walls are adopted to reduce indoor temperature through natural circulation ventilation and heat	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

			dissipation, replacing air-conditioning systems, saving electricity, and reducing greenhouse gas emissions. However, the main source of greenhouse gas emissions is electricity; therefore, electricity saving and other energy-saving measures are the Company's primary environmental protection management objectives: 1. Energy saving and carbon reduction targets (1) In accordance with ISO 50001 and the provisions of Articles 8, 9, and 12 of the Energy Management Act, entities whose energy consumption reaches the specified threshold shall establish an energy audit system and set energy-saving targets and implementation plans to achieve an average annual electricity saving rate of more than 1% from 2015 to 2025. (2) For 2024 energy-saving and carbon reduction measures, based on data from the Bureau of Energy, Ministry of Economic Affairs, each kWh of electricity generates 0.474 kg of CO2. The electricity saving in 2024 was 29,606 kWh, and the carbon reduction was approximately 14,033 kg. (3) For 2025 energy-saving and carbon reduction measures, based on the 2024 announced emission factor of 0.474 kg CO2 per kWh, the electricity saving in 2025 was 34,867 kWh, and the carbon reduction was approximately 16,527 kg.2.Energy saving measures. 2.Energy saving and carbon reduction measures (1) The 2024 electricity-saving measures included the compressor replacement plan for Dryer #2 and the replacement of high-bay atrium lighting at the Southern Taiwan Science Park plant, reducing electricity consumption by 29,606 kWh, with an annual electricity saving rate of approximately 0.35% and carbon reduction of approximately 14,033 kg. (2) The 2025 electricity-saving measures included replacing traditional fluorescent lamps with LED fluorescent lamps and replacing traditional spiral bulbs with LED bulbs, reducing electricity consumption by 34,867 kWh, with an annual electricity saving rate of approximately 0.40% and carbon reduction of approximately 16,527 kg.	

3.In line with Taiwan's green energy development goals, the Company has installed solar power generation equipment at the Tree Valley plant, providing solar power generation capacity of 1,268.27 kW.

2024 Energy Saving Action Plan	Dryer #2 Compressor Replacement Plan	Southern Taiwan Science Park Plant High-Bay Atrium Lighting Replacement Plan
Plan Description	The old compressor of Dryer #2 was a reciprocating compressor. According to the electricity meter, the average daily power consumption for 24 hours was 152 kWh. After replacement, the compressor of Dryer #2 is a scroll compressor. According to the electricity meter, the average daily power consumption for 24 hours is 80 kWh. Therefore, the average daily saving is 72 kWh/day. In 2024, after replacement, Dryer #2 operated for a total of 281 days, thus saving 72 kWh/day × 281 days = 20,232 kWh.	In December 2024, the high-bay atrium lights operated for a total of 744 hours. Before improvement (mercury lamps): 1,000 W × 21 units / 1,000 = 21 kW. After improvement (LED fin-type module floodlights): 400 W × 21 units / 1,000 = 8.4 kW. 21 kW − 8.4 kW = 12.6 kW. 12.6 kW × 744 hours = 9,374 kWh.
Electricity saving (kWh)	20,232	9,374
Carbon reduction (tCO2e)	9.590	4.443

2025 Energy Saving Action Plan	Traditional T8 Fluorescent Lamp Replacement with LED Fluorescent Lamps Improvement Plan	Traditional Spiral Bulb Replacement with LED White Light Bulbs Improvement Plan
Plan Description	Total lighting hours in 2025: 8,400 hours. Before improvement: 40 W × 219 units / 1,000 = 8.760 kW After improvement: 22 W × 219 units / 1,000 = 4.818 kW 8.760 kW − 4.818 kW = 3.942 kW 3.942 kW × 8,400 hours = 33,113 kWh 33,113 / 12 months × 11 months = 30,353 kWh 1 kWh reduces 0.474 kg CO2 30,353 kWh × 0.474 / 1,000 = 14.387	Total lighting hours in 2025: 8,400 hours. Before improvement: 75 W × 31 traditional spiral bulbs / 1,000 = 2.325 kW After improvement: 23 W × 31 LED white light bulbs / 1,000 = 0.713 kW 2.325 kW − 0.713 kW = 1.612 kW 1.612 kW × 8,400 hours = 13,541 kWh 13,541 / 12 months × 4 months = 4,514 kWh 1 kWh reduces 0.474 kg CO2

	tCO2e	4,514 × 0.474 / 1,000 = 2.140 tCO2e
Electricity saving (kWh)	30,353	4,514
Carbon reduction (tCO2e)	14.387	2.140

4.Policies for greenhouse gas emission management in the past two years

The Company's greenhouse gas emissions mainly come from indirect sources, primarily purchased electricity, which were 8,924 thousand kWh, 8,411 thousand kWh, and 8,619 thousand kWh for 2023–2025, respectively. The Company's total greenhouse gas emissions were 4,408.654 metric tons CO2e/year in 2023, 3,987.004 metric tons CO2e/year in 2024, and 4,085.501 metric tons CO2e/year in 2025. In response to the environmental impact caused by greenhouse gas emissions, the Company promotes greenhouse gas emission reduction measures to achieve sustainable energy development that balances cost, resource efficiency, energy conservation, and environmental protection.

Year	2023	2024	2025
Total Electricity Consumption (kWh)	8,924,400	8,411,400	8,619,200
CO2 Emissions (metric tons)	4,408.654	3,987.004	4,085.501
Data from Bureau of Energy, Ministry of Economic Affairs	Calculated based on 0.494 kg CO2 per kWh.	Calculated based on 0.474 kg CO2 per kWh.	Calculated based on 0.474 kg CO2 per kWh as announced by Taiwan Power Company for 2024.

The Company (excluding subsidiaries) mainly consumes energy from purchased electricity. In the past two years, the main emission source has been purchased electricity, accounting for more than 75% of total emissions; the remainder comes from diesel for emergency generators, gasoline for official vehicles, refrigerants, and WD-40.

Year	Greenhouse gas emissions (ton CO2e)
2023	5,126.497
2024	5,268.425
2025	5,257.259

The Company (excluding subsidiaries) water consumption from 2023 to 2025 is as follows:

Year	Water Consumption (cubic meters)	Number of Employees (average)	Average Water Consumption (cubic meters)
2023	35,933	397	90.51
2024	25,321	333	76.04
2025	23,705	320	74.08

The total weight of waste for the Company (excluding subsidiaries) from 2023 to 2025 is as follows:

Year	Total Waste Weight (metric tons)	
	Hazardous Waste	Non-hazardous Waste
2023	0	217
2024	0	147
2025	0	164

Water resource management or reduction targets:

1.Rainwater recycling: use rainwater collected in storage tanks for urinals, toilet flushing, and plant watering to reduce tap water usage.

2.Cutting fluid recovery from waste grinding sand: during the process, waste grinding sand is generated after grinding, and the waste grinding sand contains an average of about 37% cutting fluid. A centrifugal dehydrator is used to separate the cutting fluid, which is then recycled back into the machines for reuse, reducing the addition of tap water. In 2025, cutting fluid recovery reached 26.17 tons, reducing water usage by 26.17 tons. The target is to reduce 30 tons of tap water by 2027.

Waste management policy or reduction targets:

1. Vendors recycle wooden boxes for reuse, reducing waste wooden box disposal and lowering deforestation. In 2025, 0.6 tons of waste wood disposal was reduced, with a target of reducing 5 tons by 2027.
2.Reuse pallets and wooden boxes for shipment packaging or inventory management.
3.Unusable pallets and wooden boxes in the factory are reported for recycling in accordance with the Environmental Protection Administration, and are

			collected and reused by qualified recycling companies to produce recycled pallets and boxes; the remainder is processed into wood chips for use as fuel by boiler operators. 4.Recover cutting fluid from waste grinding sand to reduce the disposal weight of waste grinding sand. 5.Implement waste sorting and recycling. 6. Lubricating oil generated from factory machines is separated using an oil-water separator at the Phase II recycling facility, then stored in drums. When a certain quantity is reached, it is reported in accordance with the Environmental Protection Administration and collected by qualified recycling companies for reuse, converting waste oil into recycled fuel oil for use by boiler operators to reduce environmental impact. In 2025, 6.24 tons of waste lubricating oil were recycled, with a target of reducing 10 tons by 2027. 7.The Company purchases 200L bulk oil containers, which are collected and reused by suppliers after use, contributing to green procurement and reducing waste generation. Through the above measures, the Company continuously improves energy efficiency and resource recycling, reduces environmental impact during operations, and fulfills its sustainability responsibilities.	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company complies with the Labor Standards Act, international human rights conventions, and relevant laws and regulations promulgated by the government, and has established comprehensive systems and management measures in compliance with labor laws. Dedicated personnel are responsible for implementation to protect employees' legal labor rights and ensure non-discriminatory employment policies. 1. Prohibit all forms of forced labor. 2. Provide labor insurance and national health insurance, and purchase employer's liability accident insurance for all employees. 3. Implement employment policies in accordance with the Employment Service Act, including the prohibition	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

			of child labor. 4. Comply with internationally recognized labor human rights and equality, and prohibit any form of discrimination. 5. Continuously promote gender equality. 6. Take “employee care” and “employee welfare” as the primary principles, allocate pensions in accordance with the law, establish an employee welfare committee, and, under stable operating conditions, provide benefits and measures exceeding statutory requirements where possible. In addition, to comply with regulatory changes, announcements and promotions are made within the plant. The Company implements its human rights policy in accordance with its execution principles, applicable to all departments at all levels, and continuously improves and enhances the management of human rights-related issues to reduce human rights risks. Human Rights Policy and Management **cpc** values and respects human rights and is committed to protecting the fundamental rights and dignity of all employees. The Company complies with relevant labor laws and regulations in its operating locations and refers to various international human rights standards, including the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights (UDHR), the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work, the International Covenant on Civil and Political Rights, and the Ten Principles of the UN Global Compact, as important references for promoting human rights protection. The Company commits to respecting and protecting human rights in its operations and implementing related principles in human resource management and supply chain management, treating all employees equally, including full-time employees, contractors, and interns. **Human Rights Management Mechanism** To implement human rights protection, the Company has established relevant management systems and operational mechanisms, including:	

			1.Diversity, equality, and anti-discrimination Respect workplace diversity and equality, and prohibit any form of discrimination, including but not limited to race, nationality, gender, age, marital status, religion, political orientation, or disability. 2.Protection of labor rights Establish fair employment policies, promotion systems, and working conditions, and maintain good labor-management relations through labor-management meetings and employee communication mechanisms. 3.Prohibition of child labor and forced labor The Company explicitly prohibits the employment of child labor and any form of forced labor. 4.Workplace safety and health Establish an occupational safety and health management system, continuously improve the working environment, and reduce occupational hazard risks. 5.Workplace respect and anti-harassment Promote gender equality and respect in workplace culture, and create a harassment-free working environment. 6.Information security and privacy protection Establish information security and personal data protection mechanisms to ensure the safety of employee and customer data. **Supply Chain Human Rights Management** The Company extends human rights protection principles to supply chain management and requires suppliers to comply with relevant human rights standards, including: • Prohibition of child labor and forced labor. • Prohibition of workplace discrimination. • Ensuring workplace health and safety. • Compliance with reasonable working hour regulations. Supplier evaluation and management are conducted through social responsibility assessment forms to ensure human rights protection in the supply chain. **Human Rights Education and Training** The Company continuously promotes human rights-related education and training to enhance employees' awareness	

			of human rights issues. In 2025, a total of 715.5 training hours related to human rights protection were conducted, with 796 participants completing the training. In the future, the Company will continue to enhance employees' human rights awareness and reduce human rights risks through training and promotion activities. Human Rights Incidents and Complaint Mechanism The Company has established employee complaint and communication channels to promptly handle and improve related issues. In 2025: • No incidents of human rights violations or forced labor occurred. No related complaints were received. **Indigenous Peoples' Rights** The Company respects and protects the rights of indigenous peoples. In 2025, no incidents of infringement on indigenous rights occurred. In addition, in accordance with the Labor Standards Act, employees with indigenous status are provided with leave for traditional ceremonies. In 2025, the Company employed one employee with indigenous status, and no incidents of infringement of indigenous human rights or violations of human rights or forced labor occurred.	
(II)Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(II) The related measures are as follows: 1. The Company's main compensation principle is to link departmental responsibilities with performance results, aiming to attract and retain outstanding talent through the establishment of reasonable compensation policies. 2. The Company has clearly stipulated employee codes of conduct and related reward and disciplinary systems in its work rules and internal control system. 3. The Company has established a "Remuneration Committee" composed of four independent directors. The four committee members from different backgrounds possess extensive academic and professional experience and have a comprehensive understanding of domestic and international industry trends. Through at least two meetings per year and ad hoc discussions, the Committee reviews reasonable compensation policies and performance evaluation systems, and gradually improves these systems and	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

their integration with corporate social responsibility policies in line with operational trends, thereby enhancing the Company's quality and competitiveness at each stage.

4. Gender equality and diversity

The Company's professional management team upholds the spirit of integrity and honesty and is committed to providing a diverse, inclusive, friendly, and safe working environment. The goal is to create equal opportunities for growth and development for all employees and to strengthen their sense of belonging to the Company.

The Company currently has seven persons with disabilities (five actually employed; in accordance with regulations, each employment of a person with severe disability is counted as two persons). In addition to meeting the quota requirements under the Protection of Rights and Interests for Persons with Disabilities Act, the Company has exceeded the required number by employing two additional persons with disabilities.

(1) Female's diversity Indicators

指　　標	%
Percentage of Female Employees (%)	26.9%
Percentage of Female Managers (%)	23.0%
Percentage of Female First-Line Managers (%)	21.6%
Percentage of Female Senior Managers (%) Indicator	62.5%

(2) Other diversity indicators

Item		All employees %
Handicapped		2.08%
All employees	age group: <30 years old	10.6%
	age group: 30~50 years old	77.2%
	age group: >50 years old	12.2%
	total	100.0%

(3) Compensation equality

The Company has established a "Remuneration Committee" to regularly review and ensure that the Company's compensation policies are competitive. Through transparent and fair performance and technical evaluation mechanisms, the Company returns operational performance results to

			employees. When hiring talent, the Company also adheres to fair and consistent salary determination standards. For the same position, entry-level employees without experience receive the same salary; for those with relevant work experience, salaries are determined based on their education, experience, professional knowledge, and certifications. In addition, the Company provides equal training and promotion opportunities for all employees, without differentiation based on background, gender, or educational and work experience.	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(III) For high-risk operational departments, the Company has established "Safety and Health Personnel" to enhance employees' safety awareness. They are responsible for planning and promoting the Company's environmental, safety, and health policies and management systems, reviewing implementation effectiveness, conducting hazard identification and risk compliance reviews, eliminating workplace health hazards, preventing occupational accidents, and providing communication and consultation. Through full participation and continuous improvement, the Company adheres to occupational safety and health policies, complies with legal requirements, understands the needs and expectations of employees and other stakeholders, implements risk and opportunity management, eliminates hazards, and reduces occupational safety and health risks. The Company is committed to preventing occupational accidents by providing safe and healthy working conditions and conducting annual employee health examinations, aiming to prevent occupational injuries and diseases, safeguard employees' safety and health, and create a healthy workplace. Communication channels for employee participation and consultation are established, along with training and consultation mechanisms, to enhance understanding and awareness of Company policies through full participation. Occupational safety and health improvement targets are set, quantified, and implemented to prevent	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

work-related injuries and health hazards, continuously improve the occupational safety and health management system, enhance management performance, and achieve sustainable operation. The Company strengthens employees' emergency response capabilities and establishes proper handling procedures to ensure personnel safety and normal operations, aiming to minimize losses caused by accidents. Through training and coordination with supervisors, hazard identification and risk assessment are carried out, pre-operation self-inspections are implemented, and control measures such as SOP procedures are adopted to strengthen operational risk control, effectively prevent occupational accidents, provide comprehensive protection, and establish a commitment to workplace safety.

Items	Contents
Access Control Security	1. A comprehensive access control and surveillance system is in place for both day and night. 2.Connected with police authorities for security monitoring.
Maintenance and Inspection of Equipment	1.In accordance with the Regulations for Public Safety Inspection Certification and Reporting of Buildings, professional companies are commissioned to conduct public safety inspections annually or every four years. 2.In accordance with the Regulations for Public Safety Inspection Certification and Reporting of Buildings, professional companies are commissioned to conduct public safety inspections annually or every four years. 3.In accordance with the Company's Safety and Health Work Rules, monthly maintenance and inspection are carried out for electrical equipment, elevators, air-conditioning systems, drinking water machines, firefighting equipment, and other facilities.
Disaster Prevention Measures and Response	1. The Company has established Emergency Preparedness and Response Management Procedures, Emergency Response Plans, Labor Safety and Health Work Rules, and Accident Investigation Management Procedures, including disaster prevention, emergency rescue precautions, and accident reporting procedures. Responsibilities and tasks for personnel at all levels are clearly defined for handling major incidents such as natural disasters and fires, both

				before and after occurrence, and safety drills are conducted as required. 2. Fire safety and disaster prevention training is conducted by competent fire authorities.	
			Physical Health	1. Annual health examinations are conducted in accordance with the Occupational Safety and Health Act. 2. Workplace hygiene: smoking is prohibited in all workplaces as required, health seminars are conducted, AED/CPR training is provided, and regular office cleaning and disinfection are carried out.	
			Mental Health	1. Education and training: courses on communication skills, emotional management, and other topics are provided to support employees' psychological adjustment and enhance professional capabilities. 2. Expression of opinions: employee proposal areas, manuals, and training announcement boards are established to provide channels for employees to express opinions and engage in interactive learning. 3. Sexual harassment prevention: complaint procedures and disciplinary measures are established.	
			Insurance and Medical Care	1. Labor insurance (including occupational accident insurance) and national health insurance are provided in accordance with the law. 2. Liability insurance is provided for key personnel. 3. Group insurance is provided.	
			Contractor Management	1. In accordance with the Occupational Safety and Health Act, hazard communication for contractor operations and contractor coordination meetings are implemented. 2. Contractor management procedures are established, with relevant forms provided for contractor application and use.	
			Education and Training	In accordance with the Occupational Safety and Health Act, relevant safety and health education and training are implemented, including general safety and health training, training for the manufacture, handling, or use of hazardous chemicals, and additional 3-hour safety training prior to work for operations involving production machinery or equipment, aerial work platforms, hoists, confined space operations, welding operations, etc.	
			Implementation status of employee personal safety and workplace environment protection measures The Company provides employees with a safe working environment and strictly complies with environmental, safety, and health regulations. To safeguard employee safety and health, the following measures related to the workplace environment and employee personal safety protection have		

			been established: 1. ISO 14001/ISO 45001/CNS 45001 Environmental, Safety, and Health Management System: A management system has been established to enhance environmental and occupational safety and health performance and ensure employee safety. In August 2023, the Company completed the ISO 45001:2018 Occupational Health and Safety Management System and CNS 45001:2018 certification, with a validity period from August 29, 2023 to August 29, 2026. Continuous audits of the ISO 45001 system are conducted to create a safe working environment. 2. Identify environmental aspects and various hazards arising from all activities, products, and services, assess significant environmental aspects and risk levels, determine priority action levels, and control unacceptable environmental, safety, and health risks to facilitate planning, management, and execution. 3. Implement standardized chemical hazard labeling in compliance with regulations, ensuring effective hazard identification during operations and enabling immediate response measures in case of leakage to prevent hazards and escalation of incidents. 4. Establish resource recycling and management mechanisms for industrial waste to achieve waste recycling, stabilization, harmlessness, cost-effectiveness, and compliance with environmental sanitation regulations. 5. Strengthen employees' emergency response capabilities and establish proper handling procedures to ensure personnel safety and normal operations, minimizing losses caused by accidents. 6. Regularly inspect firefighting equipment and conduct annual fire safety inspections and reporting to reduce losses in the event of disasters and protect employee safety. 7. Establish "Safety and Health Personnel" responsible for planning and promoting environmental, safety, and health policies and management systems, and auditing implementation effectiveness. Train occupational safety professionals, including Class A occupational safety and health managers, Class B occupational safety and health administrators, supervisors, first-aid personnel, and fire safety managers, to enhance workplace safety and health management.	

			8. Conduct annual employee health examinations to safeguard employee safety and health. 9. Conduct workplace environmental monitoring twice a year to assess working conditions and exposure levels, measure physical and chemical factors, and improve the working environment in accordance with regulations. 10. Conduct regular inspections, focused inspections, and operational checks in accordance with the self-inspection management procedures to identify potential workplace hazards, prevent accidents, and protect company property and personnel safety. 11. Conduct regular or irregular on-site inspections to eliminate actual or potential hazards and risks. 12. Continue to promote ISO 45001 occupational safety and health management system audits to create a safe working environment. 13. Provide regular safety and health education and training and continuously implement qualified first-aid personnel training. 14. Promote environmental safety policies and regulatory awareness to enhance overall safety awareness. In 2025, 758 participants attended related training sessions, totaling 5,605 person-hours. 15. No fire incidents occurred in 2025; therefore, the number of fire incidents, casualties, and the ratio of casualties to total employees were all zero. 16. Each month, the Company provides access to occupational physicians for on-site consultation or assistance regarding physical and mental health conditions, including face-to-face health guidance based on employee health examination results. A total of 12 sessions were conducted in 2025.	
(IV) Has the Company established effective career development training programs for employees?	✓		(IV) The Company is committed to creating a sustainable talent development environment and enhancing outstanding competitiveness. It has established the "Education and Training Management Procedure" to cultivate suitable and capable talent through internal and external training resources. Currently, a series of general, professional, and management training programs are provided to stimulate employees' potential and career development capabilities, ensuring that	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

			corporate growth aligns closely with employee development plans, and enhancing productivity and awareness of corporate social responsibility. The main training programs include general training, labor safety training, professional training, business management training, overseas subsidiary assignments, international exchange internships, and traditional culture training. Supervisors and senior employees in each department are developed as internal instructors to pass on corporate culture and skills. The Company values the development of employees' professional capabilities and career growth. In accordance with the education and training management system, a systematic training mechanism for new and existing employees has been established. New employees receive general and professional training upon onboarding to ensure a full understanding of company policies, safety and health requirements, and job-related professional competencies. Existing employees are provided with continuous internal, cross-departmental, and external professional training based on annual training plans and operational needs. The annual training plan is proposed by department supervisors, consolidated by the Human Resources Department, and approved by the General Manager for implementation. Training processes, including application, attendance, post-training approval, and training record documentation, ensure the completeness and traceability of training execution and management. For specialized or long-term training programs, training agreements are signed in accordance with regulations to balance company investment benefits and employee career development. In 2025, the Company conducted a total of 878 training sessions, with total training hours reaching 13,235 person-hours and total participation of 9,805 attendees. Training topics covered human rights protection, regulatory compliance, integrity management, and professional skills development. Through continuous training, the Company enhances employees' professional capabilities and overall governance quality, and fulfills its	

			sustainable development objectives.	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		(V) Customers are key partners in the Company's sustainable development. **cpc** provides high-quality and high-efficiency services, offering comprehensive support to customers and working together to address shared challenges. The Company upholds professionalism and innovation to enhance product performance and serves customers with integrity and honesty, aiming to provide satisfactory products and services. Therefore, the Company has established standardized customer complaint handling procedures to properly determine responsibility and resolve issues, implement preventive measures to avoid recurrence, and regularly conduct and track customer satisfaction surveys to understand customer needs and concerns. The survey results serve as a basis for formulating improvement strategies. 1.Communication and interaction Dedicated personnel are assigned to handle customer service matters, and multiple communication channels are provided (such as telephone, email, and communication software). Sales personnel and supervisors also conduct periodic visits to maintain close relationships with customers and continuously provide products with appropriate quality, pricing, and timely delivery. 2.Customer complaints Upon receiving a customer complaint, the responsible unit immediately issues a complaint report and, together with the returned defective product, reports to the General Manager. The General Manager conducts a preliminary assessment of the cause. The Quality Assurance Department registers the case in the "Customer Complaint Log" and performs an initial analysis based on the physical items or data received. Relevant responsible units and personnel implement corrective actions according to the complaint. If the Company is found responsible after investigation and analysis, appropriate actions are taken based on the findings or customer requirements. To prevent recurrence, the effectiveness of corrective measures is verified. In 2025, 15 customer complaint cases were received. Once a complaint is established,	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

			it is immediately tracked, and handled in accordance with the 8D methodology, including identifying root causes, formulating preventive measures, selecting corrective actions, and verifying effectiveness. 3.Marketing and promotion The Company's products are mechanical components subject to relevant international standards, and the Company complies with applicable regulations and international standards in its processes and raw material management. Products are promoted through both online and offline channels, including participation in technical forums, seminars, exhibitions, publication of new product information on the Company's website, and hosting new product launch events. Information dissemination and marketing promotion are integrated, and data analysis is used to ensure that target audiences receive information accurately. Strategies are continuously optimized based on analysis results to improve promotion effectiveness. 4.Customer complaint and issue handling mechanism The Company has established customer complaint handling procedures. Customers may submit feedback and complaints through systems or email, and the responsible unit will handle the case appropriately and provide responses to customers.	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		(VI) 1. The Company has a close and comprehensive supply chain system and is able to integrate and assist suppliers in improving product quality. For contractors, management is conducted in accordance with Procedure No. 2-IS-2-K-001 Contractor Management Procedure. In addition to implementing safety and health self-management, education and training, coordination meetings, and hazard communication before entry, on-site environmental management is also required. Furthermore, in accordance with Procedure No. 1-AD-2-B-001 Supplier Management Procedure, environmental management and social responsibility assessments are conducted for suppliers and new outsourced processing plants. Assessment items include whether suppliers have ISO 14001 environmental	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

management system certification, SA8000 social responsibility certification, and whether they can provide supporting documents such as stationary pollution source operation permits, wastewater discharge permits, toxic substance operation permits, waste disposal/handling contracts, drinking water test reports, and fire safety inspection records, to fulfill corporate social responsibility in safety and environmental protection.

2. In accordance with the Supplier Management Procedure, the Company conducts “Supplier Environmental Management Assessment Forms” and “Social Responsibility Assessment Forms” for suppliers and new outsourced processing plants. This includes contractual requirements for major suppliers and contractors to comply with the Labor Standards Act and relevant human rights regulations, including prohibition of child labor, forced labor, health and safety requirements, freedom of association and collective bargaining rights, and non-discrimination. If violations of corporate social responsibility policies occur and have significant environmental or social impacts, the Company reserves the right to terminate or rescind the contract at any time.
3. In 2025, ESG-related questionnaires were conducted for 20 major suppliers, including the following topics:

Item	Main Content
Environmental Issues	Air pollution control, water resource management, energy management, greenhouse gas emissions, waste management, climate change.
Social Issues	Occupational safety and health, human resource development, labor and management relations, retention and development, employee care and human rights policies, social participation.
Economic and Corporate Governance Aspects	Corporate governance, economic performance, taxation, integrity management, information security/customer privacy, innovation, R&D and patents, customer relations, product quality management, supply chain management/sustainable supply chain.

The responses are consolidated to identify key ESG issues of concern for major suppliers, which will serve as priorities for

			ESG promotion in the coming years. In the future, the Company will continue to expand the system's influence to all suppliers, with the goal of establishing a comprehensive responsible supply chain. 4.Number of supplier-related bribery reports: 0 cases. 5.Packaging recycling: For chemicals used in the production process, packaging materials are recycled and returned to suppliers for reuse, reducing resource consumption and waste generation. 6.In line with the principle of local procurement, logistics and transportation costs are reduced, carbon emissions from transportation are minimized, and risks and uncertainties in the supply chain are diversified and reduced. 7.In 2025, there were no cases involving supplier environmental, labor conditions, human rights, or social impact issues, and no termination of cooperation relationships occurred. 8.In 2025, on-site supplier audits were conducted for 5 suppliers.	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	The 2024 Sustainability Report has been posted on the Company's website. https://www.chieftek.com/zh-hant/esg/sustainability-report/.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations:

The Company has responded to the amendments issued by the Financial Supervisory Commission on April 22, 2024, to the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" and the "Items for Determining the Effectiveness of Internal Control Systems of Public Companies," by incorporating sustainability information management into its internal control system and including it as an audit item in the annual audit plan. These measures were approved by the Board of Directors on November 6, 2024, and the Company has established and implemented the "Procedures for Preparation and Assurance of Sustainability Reports" and "Sustainability Information Management."

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:

(I) The Company has passed verification standards of relevant institutions, as detailed below:

Certificate Type	ISO 14001:2015	ISO 9001:2015	ISO 45001:2018	CNS 45001:2018
Approver	SGS	SGS	SGS	SGS
Valid Period	2023/09/08~ 2026/09/08	2023/08/29~ 2026/08/29	2023/08/29~ 2026/08/29	2023/08/29~ 2026/08/29
Date of Approval	2023/07/18~08/11	2023/07/18~08/11	2023/07/18~08/11	2023/07/18~08/11
Certificate Number	TW14/10645	TW17/00972	TW16/01194	CB05-109012-02

(II) In terms of community participation and social contribution, the Company actively collaborates with universities and colleges in southern Taiwan to provide observation and internship opportunities, strengthen industry-academia cooperation, accelerate local prosperity, and increase employment opportunities.

(III) Digitization of documents and forms to reduce paper usage.

(IV) Digitize document forms and reduce the amount of paper used.

(V) Provide emergency assistance to employees to help them overcome difficulties.

(VI) Prohibit the employment of child labor.

(VII) Actively participate in various festivals, cultural, and charitable activities organized by local governments.

(VIII) In accordance with Article 27 of the Company's "Sustainability Development Best Practice Principles," the Company regularly evaluates the risks and opportunities that its operations may have on the community and adopts corresponding measures to promote community safety, resilience, and shared prosperity. While pursuing stable profitability, the Company upholds the core philosophy of "fulfilling corporate social responsibility and jointly creating a harmonious society filled with positive energy," continuously implementing corporate social responsibility through concrete actions, actively giving back to local communities, and promoting sustainable community development. In the future, the Company will continue to strengthen its connection with local communities and become an important driving force for positive social impact. Specific measures are as follows:

Hiring local workforce at the Company's operating location

1.The Company is located in Xinshi District, Tainan City, near Kaohsiung. It has long been committed to creating a friendly local employment environment. Most employees are from Tainan City, with some from Kaohsiung City, Pingtung County, and Chiayi County, making full use of local human resources to drive local employment opportunities and grow together with the community. Through stable local hiring, the Company aims to strengthen the connection between the enterprise and the community, creating positive cycles and shared outcomes.

2. Participation in community development, charitable activities, and government initiatives through donations or co-hosting public welfare activities over the past three years

(1) On October 30, 2025, co-hosted one public welfare lecture.
The Company co-hosted one public welfare lecture, with the Chairman serving as the keynote speaker, sharing valuable life experiences with community members and conveying positive thinking and life energy. To support the event and participants, the Company sponsored meal expenses by providing 180 lunch boxes, totaling NT$31,900, contributing to community care and fostering a warm and supportive social environment.

(2) In May 2024, in response to the "Tainan 400 – Generational Heritage" initiative, the Company sponsored the Tainan Philharmonic Orchestra's 2024 annual performance with a donation of NT$50,000, supporting local cultural and artistic development. Through music, the Company hopes to promote cultural continuity across generations and bring artistic inspiration to the community.

(3) On January 21, 2025, a magnitude 6.4 earthquake struck Nanxi District, Tainan City, causing severe damage to local residents. To assist the community in overcoming difficulties and accelerating post-disaster recovery, the Company donated NT$500,000 in disaster relief funds, aiming to support affected families and deliver warmth and hope while accompanying the community in rebuilding.

(4) On July 6, 2025, Typhoon Danas made landfall in Chiayi, and Tainan was hit by strong winds reaching level 13, resulting in fallen trees and large amounts of debris. To help the community quickly return to normal life, the Company actively participated in post-disaster recovery by providing equipment such as grab trucks, transport vehicles, and skid-steer loaders to assist in cleanup operations. The total support amount was NT$150,000. Through concrete actions, the Company aims to protect the community and bring strength and hope after the disaster.

(5) The Company sponsored the 2026 calendar issued by the National Studies Academy with an amount of NT$100,000. Through the cultural content and text in the calendar, traditional cultural values are integrated into daily community life, enriching residents' spiritual lives and promoting intergenerational cultural exchange. The Company hopes to strengthen community bonds, create a friendly and harmonious living environment, and spread positive energy toward a better and more peaceful society.

（六）Climate-Related Information for Listed Companies

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>Board of Directors: Oversees and approves major climate change management decisions to ensure the effective operation of the climate change management mechanism.
Management:
(1) Regularly tracks the progress and results of annual targets
(2) Continuously monitors international trends and external issues
(3) Reviews response measures
Sustainable Development Promotion and Implementation Committee Continuously monitors new climate-related policies and initiatives, identifies potential impacts on Chitek, and proposes response measures in advance.</td></tr>
<tr><td>Describe how the identified climate risks and opportunities affect the Company's business, strategy, and financial performance (short-term, medium-term, long-term).</td><td>With respect to climate change, the most significant concern is that rainy and dry seasons may become more extreme. Extreme climate conditions have caused exceptionally high temperatures in some regions, and these are expected to become the norm. Based on assessment:
1. Business:
Short-term: No clearly material impact on the Company has been identified. Medium- to long-term: Potential water shortages and power supply constraints may arise, and unsuitable working environments may increase, including high temperatures, earthquakes, and typhoons. Appropriate response measures will be adopted for potential or actual impacts on production.
2. Strategy and financial impact:
Short-term: Earthquakes may result in increased insurance premiums.
Medium-term: Extreme weather events such as typhoons and flooding may increase operating costs.
Long-term: Changes in rainfall patterns and climate change may increase operating costs.</td></tr>
<tr><td>Describe the financial impact of extreme climate events and transition actions.</td><td>1.Extreme climate events:
May lead to supply chain disruptions or increased transportation costs, delivery delays, and market
contraction, thereby affecting revenue.
From a financial perspective, this may require increased investment in factory automation, energy-saving
initiatives, and greater use of renewable energy.
2. Transition actions:
Develop new suppliers, adjust inventory levels in a timely manner, and invest in renewable and lowcarbon energy equipment.
The Company may face costs associated with complying with climate-related regulations in various countries and potential penalties for non-compliance, which could increase operating costs or reduce sales volume.</td></tr>
<tr><td>Describe how the identification, assessment, and management processes for climate risks are integrated into the overall risk management system.</td><td>Establish a Sustainable Development Promotion Task Force to continuously monitor climate-related issues, identify potential impacts, and propose response plans in advance.
Continuously monitor climate risks that may impact the Company's operations, including international regulatory requirements and occurrences of extreme climate events, and make rolling adjustments tore levant mechanisms in order to take proactive response measures.
The climate change risks identified in fiscal year 2025 and corresponding response measures are as follows:
<table>
<tr><th colspan="2">Climate change risk identification</th><th rowspan="2">Response measures and results</th></tr>
<tr><th>Aspect</th><th>Item</th></tr>
<tr><td>Regulations</td><td>1. Greenhouse gas inventory investigation and reporting.
2. Total quantity control and emission volume.</td><td>1.The Southern Taiwan Science Park Administration, Ministry of Science and Technology, investigates the greenhouse gas emissions of each company.
2.Implement energy-saving and carbon reduction measures and reporting in accordance with the Energy Management Act.
Waste is sorted into plastics, iron and aluminum cans, paper, general waste, etc. for recycling and reuse, which can reduce waste incineration and lower carbon emissions.</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><td rowspan="2">Energy (Resources)</td><td>Waste classification and recycling</td><td>Waste is sorted into plastics, iron and aluminum cans, paper, general waste, etc. for recycling and reuse, which can reduce waste incineration and lower carbon emissions.</td></tr>
<tr><td>Solar power generation</td><td>The Tree Valley plant has installed solar energy equipment to increase the supply of green energy.</td></tr>
<tr><td>Extreme climate</td><td>Extreme climate may lead to heavy rainfall events, prolonged drought, flooding, and typhoon-related disasters, causing direct impacts on operations.</td><td>1.Extreme climate may lead to heavy rainfall events, prolonged drought, flooding, and typhoon-related disasters, causing direct impacts on operations.
2.Increase the discharge pressure of the pumping equipment at the discharge outlet.
3.Conduct emergency response actions before and after floods and typhoons to reduce damage.</td></tr>
<tr><td rowspan="2">Long-term</td><td>Sea level rise</td><td>Reducing greenhouse gas emissions can slow the melting of polar ice caps and ease the rising trend of sea levels.</td></tr>
<tr><td>Employee health impact</td><td>Reducing greenhouse gas emissions can reduce the occurrence of extreme climate, thereby reducing the impact of extreme weather (such as sandstorms, etc.) on the human body, such as asthma and allergies.</td></tr>
</table>
</td></tr>
<tr><td>If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts should be described.</td><td>The Company has not yet planned scenario analysis to assess resilience to climate change risks.</td></tr>
<tr><td>If there is a transition plan to address and manage climate-related risks, describe the plan and the indicators and targets used to identify and manage physical and transition risks.</td><td>The Company places great importance on the impacts of climate change driven by the greenhouse effect on the environment and its operations, and has incorporated climate-related risks as a key issue in corporate operational management. In response to the government's sustainable development policies and the global carbon-reduction trend, the Company actively promotes energy-saving and carbon-reduction initiatives, including reducing water and electricity consumption and lowering the amount of waste generated, and progressively sets energy-saving and carbon-reduction targets to reduce physical risks to operations that may be caused by extreme climate conditions or disaster events. At the same time, the Company continues to invest in various mitigation measures to fulfill its corporate sustainability responsibilities.。
■Climate-Related Transition Plan
Based on the identified climate-related transition risks, the Company has established short-term and medium-term transition response strategies and management mechanisms as a foundation for enhancing operational resilience and meeting regulatory requirements.
(I)Short-term transition plan (foundation building and compliance)
Focuses on system establishment, inventory foundations, and improvements in resource efficiency, including:
1.Continued implementation of greenhouse gas inventory
•In accordance with domestic regulatory requirements, establish a complete inventory foundation and a data quality control process.
•Establish an emissions base year as the basis for setting subsequent carbon-reduction targets.
2.Optimize water resource efficiency
•Indicator: Annual tap water consumption
•Target: By 2026, reduce tap water consumption by 30 metric tons to lower water costs and reduce the risk of water shortages caused by climate change.。
3.Waste reduction and circular reuse
•Through strengthened collaboration with suppliers, increase the proportion of wooden crates recovered and reused to reduce the volume of waste wooden crates requiring</td></tr>
</table>

Item	Implementation Status
	disposal.◦ •Indicator: Waste wood disposal volume (tons) •Target: In 2026, reduce waste wood disposal volume by 5 tons to lessen environmental impacts and reduce cost risks arising from timber resource shortages.◦ (II) Medium-term transition plan (inventory integration and information disclosure) 1.Expand inventory scope •Complete greenhouse gas inventory operations at the consolidated enterprise (group) level to meet the government's phased requirements for mandatory corporate inventory and disclosure.◦ 2.Information disclosure and transparency •Target: Starting in 2027, disclose the consolidated company's greenhouse gas inventory information for fiscal year 2026 in the annual report to enhance transparency and respond to investor and stakeholder expectations regarding climate issues.◦ ■Indicator and Target Management Mechanisms The Company manages climate-related physical and transition risks through the following approaches: •Establish monitoring indicators for annual water and electricity consumption and waste generation, and conduct trend analysis. •Provide inventory results to management for annual review as the basis for improvement strategies. •Plan specific actions to progressively improve energy efficiency and circular utilization year by year to align with long-term carbon-reduction directions. Through the above measures, the Company is able to effectively manage physical and transition risks arising from climate change, strengthen operational resilience, and continue progressing toward sustainable development goals. Response to physical climate risks: In 2025, there were no major disasters that resulted in operational disruptions.
If internal carbon pricing is used as a planning tool, explain the basis for setting the price.	The Company has not yet implemented internal carbon pricing.
If climate-related targets have been set, describe the activities covered, the greenhouse gas emission scopes, the planning timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the targets, describe the sources and quantities of offsets or the number of RECs.	Greenhouse gas inventory targets 1. In October 2025, the Company completed the first external verification of the greenhouse gas inventory for the Southern Taiwan Science Park plant. 2. For consolidated subsidiaries, in accordance with Financial Supervisory Commission requirements, the Company will complete the inventory by 2027 and obtain verification before 2029. 3. Each year, using no later than 2026 as the base year, the Company will continue to disclose in the annual report the greenhouse gas reduction targets, strategies, specific action plans for the year, and the achievement status of the previous year's targets.◦ 4. The long-term target is to achieve net-zero emissions by 2050 in alignment with national policies. The Company has not used carbon offsets or Renewable Energy Certificates (RECs) to offset carbon emissions.
Greenhouse gas inventory and assurance status, and reduction targets, strategies, and specific action plans ◦	See Tables 1-1 and 1-2 below.

1-1Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Item	Implementation Status					
Describe the greenhouse gas emissions (tons CO2e), intensity (tons CO2e per NT$ million), and the scope of data coverage for the most recent two year	Data period	2024		Data period	2025	
	Scope of data coverage	Southern Taiwan Science Park Plant		Scope of data coverage	Southern Taiwan Science Park Plant	
	Item	Total emissions (tons CO2e)	Intensity (tons CO2e / NT$ million)	Item	Total emissions (tons CO2e)	Intensity (tons CO2e / NT$ million)
	Category 1	41.6797	0.05	Category 1	41.1201	0.05
	Category 2	3,987.0036	4.91	Category 2	4,085.5008	5.16
	Total	4,028.6833	4.97	Total	4,126.6209	5.21
	Category 3, Category 4	1,239.7412	1.56	Category 3, Category 4	1,130.6384	1.43

1-1-2 Greenhouse Gas Assurance Information

Item	Implementation Status			
Describe the assurance status for the most recent two years, including the assurance scope, assurance provider, assurance standard, and assurance opinion.	Data period	2024	Data period	2025
	Assurance scope	Southern Taiwan Science Park Plant	Assurance scope	In 2025, an inspection and verification plan was signed with SGS, with assurance (verification) scheduled to be conducted in 2026. ◦
	Assurance provider	SGS	Assurance provider	
	Assurance standard	ISO14064-1:2018	Assurance standard	
	Category 1 and Category 2	Reasonable assurance level	Category 1 and Category 2	
	Category 3, Category 4	Limited assurance level	Category 3, Category 4	

1-2Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Item	Implementation Status
Describe the greenhouse gas reduction base year and data, reduction targets, strategies, specific action plans, and the achievement status of reduction targets.	In October 2025, the Company completed its first parent company greenhouse gas inventory and external verification. The Company has obtained a clear understanding of greenhouse gas emissions at the Southern Taiwan Science Park plant and will formulate feasible greenhouse gas reduction plans by 2027 at the latest in accordance with Financial Supervisory Commission requirements.

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

In accordance with “Code of Ethical Management of the Listed and Over-The-Counter Companies” released by the competent authority, based on the management ideas of integrity, transparency and accountability, this company formulated the integrity-based policy, established a good corporate governance and risk management mechanism to create a business environment with sustainable development, and formulated the code of ethical management of this company. The “Code of Ethical Management” was passed by the resolution of the board of directors on March 21, 2012 and reported by the general meeting of shareholders on June 20, 2012; and the revised “Ethical Management Procedures and Behavioral Guidelines” was passed by the resolution of the board of directors on March 26, 2015. In addition, to carry out the ethical management policy, through the resolution of

the board of directors on May 9th, 2014, the chairman room should serve as the unit responsible for promoting enterprise ethical management, and adopt this management idea to sincerely serve all customers and suppliers, and continuously strengthen the company's business information transparency to make shareholders know the company's operation more clearly.

Implementation status of the Company's integrity management in 2025:

Responsible Unit for Promoting Corporate Integrity Management:

The Office of the Chairman is responsible for planning, promoting, and supervising issues related to corporate sustainability and integrity management. Reports on the implementation status are presented to the Board of Directors at least once a year. ◦

Specific Practices and Guidelines for Promoting Integrity Management:

The Company complies with domestic and international regulations, pursues fair market practices, and is committed to preventing any anti-competitive conduct. The Company has established clear standards of integrity in its "Operational Procedures and Code of Conduct for Ethical Corporate Management" and "Employee Code of Conduct," which define expected ethical behaviors in business operations. These policies also include disciplinary and grievance mechanisms to reinforce the principles and values of ethical management. The Company has established a shared framework of compliance and strictly prohibits bribery, acceptance of improper benefits, and political contributions. Business activities are conducted based on the principles of fairness, honesty, and transparency to safeguard sustainable corporate development.

In addition to the above policies, the Company further promotes and enforces ethical management through work rules and related operational procedures. Through internal communications, education and training, and strengthened operational controls, the Company continuously promotes and deepens awareness of ethical management among all employees.

In alignment with its operational objectives and development strategies, the Company has established an "Intellectual Property Management Policy." In addition to promoting related business activities under this policy, the Company regularly reviews various procedures to respect the intellectual property rights of others and to protect its own intellectual property.

In its dealings with suppliers, the Company requires the signing of a "Supplier Commitment Letter," in which suppliers pledge to comply with principles including, but not limited to, integrity in business operations, fair trade, information transparency, and the avoidance of improper benefits and false advertising, as well as compliance with all applicable local laws and regulations. The Company has established sound accounting and internal control systems. Under the supervision of the Board of Directors, these systems ensure the accuracy and transparency of financial and accounting information reported to securities authorities or disclosed to the public.

Whistleblowing System:

The Company takes seriously any conduct that may violate professional ethics or the principles of ethical management. Accordingly, it has established open whistleblowing channels, and designated responsible personnel to handle reported cases.

The Company's whistleblowing channel is managed by the Internal Audit Department, which receives reports concerning violations of the Operational Procedures and Code of Conduct for Ethical Corporate Management.

The Company ensures confidentiality and protection for whistleblowers and individuals participating in investigations, safeguarding them from unfair treatment or retaliation.

Sustainability

Looking ahead, **cpc** will continue to uphold the principle of integrity management as the foundation for sustainable corporate development. The company aims to expand its group scale to maximize benefits for shareholders and customers while providing employees with the best career welfare. By fostering both virtue and competence, giving back to society, and promoting a culture of goodwill, **cpc** seeks to create a community where everyone enjoys peace, happiness, and

contentment, with positivity and optimism shining through as values truly worth affirming.

2025 Operational Status:

1. A total of 58 new suppliers have signed the "Supplier Commitment."
2. Educational training related to integrity management topics was held for a total of 289 participants, accumulating 323 training hours.
3. To enhance awareness of insider trading compliance among internal personnel, training was conducted for a total of 306 participants, accumulating 350 training hours.
4. In 2025, the Company did not receive any internal or external complaints, whistleblower reports, or legal cases related to integrity management. This outcome reflects the effectiveness of our governance framework and our ongoing commitment to ethical business practices.
5. In 2025, the Company procured liability insurance for directors and key managerial personnel to strengthen corporate governance, safeguard shareholders' interests, and mitigate operational risks.
6. In 2025, **cpc** has not been involved in any legal proceedings related to anticompetitive behavior, antitrust, or monopoly regulations, nor has it been implicated in any corruption-related cases.

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
I. Formulation of ethical management policy and scheme (I) Does the company clearly specify the policy, practice of ethical management in the rules and external files, and does the board of directors, management level actively implement the commitment of ethical management?	✓		(I) On March 21, 2012, the board of directors of the company approved the "Code of Integrity Management" and reported it to the shareholders' general meeting on June 20, 2012. On March 26, 2015, the board of directors passed a resolution to amend to "Ethical Operating Procedures and Behavior Guide", which specifically regulates the matters that the company's personnel should pay attention to when performing business and serves as a commitment for the board and management to actively implement operating policies. The company designates the chairman's office as the designated unit (hereinafter referred to as the company's designated unit), which is affiliated with the board of directors and handles the relevant operations and supervision and implementation of the revision, execution, interpretation, consulting services and registration of the contents of the procedures and behavior guidelines, the main duties the following matters, and should be reported to the board of directors regularly: 1. Assist in integrating integrity and moral values into the company's business strategy and	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies .

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			cooperate with the legal system to formulate relevant anti-fraud measures to ensure integrity management. 2. To formulate plans to prevent dishonesty, and to establish standard operating procedures and behavior guidelines for work operations in each plan. 3. Plan the internal organization, organization and functions, and set up a mutual supervision and check mechanism for business activities with a high risk of dishonesty in the business scope. 4. Promotion and coordination of integrity policy advocacy training. 5. Plan the reporting system to ensure the effectiveness of the implementation. 6. Assist the board of directors and management to check and evaluate whether the preventive measures established by the implementation of integrity management are operating effectively and regularly evaluate and follow the relevant business processes and make reports.	
(II) Does the company implement prevention measures for the business activities with high risk of dishonest behaviors in each clause of Item II of Article 7 of "Code of Ethical Management of the Listed and Over-The-Counter Companies" or within the other business scope?	✓		(II) The company formulates the "Code of Ethical Management" according to the "Code of Ethical Management of the Listed and Over-The-Counter Companies" released by the competent authority as the basis to abide by and clearly specifies the prohibition of dishonest behaviors. The directors, supervisors, manager, employees or those with substantial control ability of this company shall not directly or indirectly provide, promise, request or accept any illegitimate benefits, or have other dishonest behaviors of violation of good faith, illegitimacy or breach of the trustee obligation, etc. to gain or maintain the interests. The relevant prevention measures include operation procedures, behavioral guidelines and education training, etc. The prevention scheme formulated by this company covers the prevention measures for the following behaviors:	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			1. Offer bribes and accept bribes. 2. Provide illegal political contributions. 3. Improper charitable donation or sponsorship. 4. Provide or accept unreasonable gift, hospitality or other improper benefits. 5. Do not provide or promise any facilitation payments.	
(III) Does the company formulate the scheme of preventing dishonest behaviors, clearly specify the operation procedures, behavioral guidelines, violation penalties and appeal system, and carry out the implementation, and regularly review and revise the pre-release plan?	✓		(III) The company clearly formulates the code of practice of enterprise social responsibility, code of employee behavior, code of ethical management, relevant specification of preventing insider trading procedures, carries out the management ideas of "Integrity and Fairness, Integrity and Ability" and other principles of ethical management, continues to review, revise the relevant operation procedures, behavioral guideline, violation punishment and appeal system in each stage, and supplements the internal training, external training, independent director special instruction and other education training to gradually implement and conform to the relevant provisions.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
II. Implementation of ethical management (I) Does the company assess the credit records of trading objects, and clearly specify the honesty behavior clauses in the contract signed with the trading objects?	✓		(I) Before the establishment of commercial relation, firstly assess the legality of this trading object, policy of ethical management, and assess whether there ever exist the records of dishonest behaviors to ensure its business operation mode fair, transparent, and no behavior of asking for, offering or accepting bribes. 1. Before establish business relations, the Company shall evaluate the legality, ethical practices, and trading records of its agent, distributer, customer and other entities with commercial dealing to ensure the business operates in a fair manner with transparency without corruptions like requesting or providing bribes. 2. When contracting with others, the Company shall evaluate the business operation of the contracting party and include the honesty and ethical business clauses into the contract with the article below:	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			(1) If the agent or staff of the contracting parties have violated the prohibition to receive commission, rebates, or other inappropriate interests defined under this contract, the contracting party shall inform the other party with the relevant information of such incident, such as the identity of the agent or staff, the offer or promise made, the interests, and comply with the investigation of the other party. Shall the contracting party exposed to any damage or loss due to such incident, the party are entitled to seek compensation for other party. (2) Shall the contracting party have dishonest or unethical behaviors, the other party may terminate the contract at any time. (3) Set clear and reasonable articles about payment, including the location and method of making payment, and the relevant tax law and regulations.	
(II) Does the company set up a special unit under the board of directors to promote the integrity management of the enterprise, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent dishonesty and supervision and implementation?	✓		(II) This company has designated the Chairman's Office through the board of directors on May 9, 2014 as a special responsible unit, and regularly (i.e., February 12, 2026) reports the 2025 report on integrity management policies and plans to prevent dishonesty and supervision and implementation: 1. It handles the revision, implementation, interpretation, consultation service, reporting content registration document and other relevant operation, will supervise its performance and regularly report to the Board of Directors. 2. It continuously conducts related training courses covering food safety, law safety and asset safety to practice business integrity.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
(III) Does the company formulate the policy of preventing conflict of interest, provide the proper statement channel, and carry out the implementation?	✓		(III) The company has formulated the "Integrity Management Code" which requires directors, supervisors, managers and others to uphold a high degree of self-discipline when attending or non-voting during the board of directors. Resolutions brought up in the board of directors may have conflicting interests with attendees or the legal person they represent, causing harm to the resolutions listed in the board of directors. Those who are in danger of compromising the company's interests may state their opinions and answer inquiries. They may not participate in discussions and voting, and they should withdraw from discussions and voting. They may not exercise their voting rights on behalf of other directors. Directors should also be self-disciplined and must support each other. Directors and managers of the company shall not use their positions in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person. In 2025 and up to now, resolutions of the board of directors in which there is a conflict of interest with the directors themselves and therefore withdrew from discussion, according to where company law article 206, article 178 is applicable： 1. At the Board of Directors meeting held on January 24, 2025, the proposal on the distribution of year-end bonuses for managerial personnel for 2024 was approved. 2. At the Board of Directors meeting held on January 24, 2025, the proposal on the review of managerial compensation and related regulations for 2024 was approved. 3. At the Board of Directors meeting held on August 6, 2025, the proposal on the distribution of employee compensation for managerial personnel for 2024 was approved. 4. At the Board of Directors meeting held on August 6, 2025, the proposal on the distribution of directors' remuneration for 2024 was approved. 5. At the Board of Directors meeting held on February 12, 2026, the proposal on the distribution of year-end bonuses for	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			managerial personnel for 2025 was approved. 6. At the Board of Directors meeting held on February 12, 2026, the proposal on the review of managerial compensation and related regulations for 2025 was approved. 7. At the Board of Directors meeting held on February 12, 2026, the proposal on the revision and review of managerial compensation was approved.	
(IV) Has the company established relevant accounting system and internal control system and assigned an internal auditing unit to draft the counter measures to avoid the dishonest behaviors or seek approval from the entrusted account after evaluating the risk of dishonest behaviors?	✓		(IV) For business activities with a high risk of dishonesty, the company has established an effective and complete accounting system and internal control system. There should be no false transaction accounting, and it should be reviewed at any time to ensure that the design and implementation of the system continue to be effective. The company conducts self-inspection once a year, and then the internal audit unit reviews the self-evaluation reports of various units and subsidiaries including the control environment, risk assessment, control operations, information and communication and supervision, etc., and improvements of deficient and abnormal events in internal control found by the audit unit serves as the main basis for the board of directors and the general manager to evaluate the effectiveness of the overall internal control system and issue a statement of internal control system.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(V) Has the company organized internal and external training on honest and ethical business operation on a regular basis?	✓		The company's internal auditors regularly audit the system to follow the situation and make an audit report to the board of directors. In addition, PwC Taiwan also regularly audits the company's internal control. (V) In addition to regularly holding the internal education training of business integrity, the Company also participates in external similar courses to serve as a channel for the employees' absorption of new knowledge and provision of decision-making assistance.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
III. Operation situation of the company's reporting system (I) Does the company formulate the specific reporting and reward system, establish the convenient reporting channel, and designate the specifically responsible personnel aiming at the reported party?	✓		(I) The company incorporates the ethical management in the employee performance assessment and human resource policy, and sets up a clear, effective reward and punishment and appeal system. The complaints procedure is as follows: Any violation of government decree or any fraud discovered shall be reported to the manager, internal audit personnel, through the dedicated e-mail address of senior executives, internal audit personnel or in writing. The relevant personnel after receiving the reporting shall submit it to the general manager or chairman for deciding. Any severe violations shall be reported to the board of directors, and the unit or department head of the reported object shall be designated to be specifically responsible for acceptance to deal with the follow-up properly.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(II) Does the company formulate the survey standard operation procedure and relevant confidentiality mechanism for accepting the reporting matters?	✓		(II) Article 21 of the company's "Integrity Management Operation Procedures and Conduct Guidelines" clearly states: Encourage internal and external personnel to report dishonesty or misconduct, and the rewards should be awarded according to the severity of the report. If there is any false report or malicious accusation by the internal personnel, disciplinary action shall be taken against the case, and the person with serious circumstances shall be dismissed. The company establishes and announces internal independent reporting mailboxes and dedicated lines on the company's website and internal websites or entrusts other external independent institutions to provide reporting mailboxes and dedicated lines for use by internal and external personnel of the company. The company also stipulates a whistleblowing system in the "Employee Code of Conduct". If an employee discovers an illegal (including corruption) and unethical behavior or suspects of violating the employee's code of conduct, he has the obligation to report to the management and ask the relevant supervisor and	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			Correspondence personnel are kept strictly confidential. For those who violate the integrity of the company, and the circumstances are serious, they should be handled in accordance with relevant laws and regulations or in accordance with the company's personnel methods and continue to build and improve the standard operating procedures for the investigation of acceptance of reports.	
(III) Does the company adopt the measures to protect the reporter from suffering the improper treatment due to reporting?	✓		(III) The company provides protection measures for the reporters in the formulated "Employee Code of Conduct" to ensure the survey quality and avoid the reporter suffering unfair retaliation or treatment.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
IV. Strengthening the disclosure of information Does the company disclose the content of its formulated code of ethical management and promotion effect on its website and public information observation station?	✓		1. The amended Business Integrity Operation Procedure and Code of Conduct was passed upon the resolution of the board meeting on March 11, 2020. Moreover, the information related to business integrity is disclosed under the Investor Relations on the official site of the Company. 2. This company shall disclose the policy of ethical management on the internal regulations, annual report or other statement, and make declarations on product presentations, corporate seminars and other public activities to make its suppliers, customers or other business relevant institutions and personnel clearly know the company's idea and specification of ethical management.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
V. If the company formulates its own code of ethical management according to the "Code of Ethical Management of the Listed and Over-The-Counter Companies", please explain the differences between its operation and the formulated code: This company has formulated the code of ethical management of the company (already having been revised as "Ethical Management Procedures and Behavioral Guidelines") to specifically regulate the matters needing attention for the company's personnel when performing the business, without major difference. **Prohibition of dishonest behavior** In the process of being engaged in business activities, it shall not directly or indirectly provide, promise, request, or accept any illegitimate benefits, or have other dishonest behavior of violating integrity, illegitimacy or breach of trustee obligation, etc. to gain or maintain the interests. **Ethical management of commercial activity** It shall carry on the commercial activities in the manner of fairness and transparency. Before the commercial				

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
intercourse, it shall consider the legitimacy of agents, suppliers, customers or other commercial trading objects and consider whether there exist the records of dishonest behavior. It shall avoid trading with those who have the records of dishonest behavior. **Prohibition of offering bribes or accepting bribes** When performing the business, it shall not directly or indirectly provide, promise, request or accept the illegitimate interests of any forms. **Prohibition of providing political illegal contributions** It shall conform to the Political Donations Act and the company's relevant internal operation procedures and shall not there out gain commercial interests or trading advantages. **Prohibition of improper charitable donation or sponsorship** It shall conform to the relevant laws and internal operation procedures, instead of disguised bribery. It shall not directly or indirectly provide or accept any unreasonable gift, hospitality or other improper benefits to there out establish the commercial relations or affect the business transactions. **Accounting and internal control** It shall establish an effective accounting system and internal control system for the business activities with high risk of dishonest behavior, without any external account or keeping any secret account, and shall check at any time to ensure the design and performance of this system continuously effective. The internal audit personnel of this company shall regularly check the conformance situation of the previous system and shall make it into the audit report to be submitted to the board of directors. **Information disclosure** It shall disclose the performance situation of its code of ethical management on the company website, annual report and prospectus.				
VI. Other important information that contributes to understanding of the company's operation situation of ethical management: (such as the company's inspection, revision of its formulated code of ethical management, etc.) (1) As an important enterprise culture of this company, the integrity has been simultaneously implemented to the company's employees, directors, suppliers, etc. (2) Announce the company's related information on time according to the regulations of the competent authority				

(VIII) Other important information enough to promote the understanding of operation situation of corporate governance:

1. The implementation of the directors' avoidance of the proposal of interest:
   The company stipulates in the "Code of Procedures for Board Meetings", "Code of Ethical Conduct", "Code of Integrity Management" and "Guidelines for Integrity Management Operating Procedures and Conduct" that directors should maintain a high degree of self-discipline, in the proposals listed by the board of directors, if there is a risk of damage to the directors' own interests or the company's interests, opinions and answers may be stated. They shall not join the discussion and voting, shall evade themselves, and shall not represent other directors in the voting; directors shall also exercise self-discipline and shall not support each other improperly. If a director joins the voting in violation of the avoidance, his voting rights are invalid.
2. The responsible unit of the company's board of directors also occasionally sends staff to attend courses related to corporate governance, and provides the latest legal information to directors, supervisors and managers at any time.
3. The company disclosed important information to the investing public in a timely manner in accordance with the law in order to enhance the understanding of the company.
4. Personal Data Protection Policy and Implementation Statu

The Company places great importance on the protection of personal data and has established the Personal Data Protection Act as the basis and standard operating procedures for the collection, processing, and use of personal data.

(1) Policies and Management Mechanisms

The Company's Personal Data Protection Management Regulations cover the collection, processing, and use of personal data; handling of data subjects' rights; security maintenance of personal data files; emergency response measures and procedures for abnormal incidents. All relevant regulations have been submitted to and approved by the Board of Directors.

(2) Protection of Employee Privacy

The Company enters into a "Notice on the Collection of Personal Data and Consent to the Provision of Personal Data" with employees, clearly specifying the purpose, scope, methods of use, and the rights of data subjects, and obtains written consent in accordance with applicable laws.

(3) Protection of Customer Privacy

During the reporting period, the Company experienced no major violations involving customer personal data. To safeguard customer privacy, the Company has implemented a series of security measures, including document encryption technologies, multi-layer firewall systems, and regular system data backup and redundancy mechanisms to ensure data security. In addition, the Company has established internal system access authorization procedures and external document circulation review mechanisms.

(4) Personal data protection measures are implemented by the Human Resources Department and the Information Technology Department in accordance with their respective responsibilities, as outlined below:：

Human Resources Department: Responsible for the storage and confidentiality of personal data of employees and job applicants.

Information Technology Department: Responsible for access control of files(including document encryption technologies and multi-layer firewall systems), system risk assessments, and information security settings.

(5) Implementation Results in 2025

A. Education and Training:

(A) Information security officers and personnel completed at least six hours of information security training.

(B) Through annual training programs, the Company continuously enhances employees' awareness and professional capabilities in personal data protection. In 2025, personal data protection–related training totaled 246.5 hours, with 331 participants completing the training.

B. Number of personal data–related complaints in 2025: 0 cases.

C. Administrative penalties and litigation compensation arising from violations of personal data protection laws in 2025: 0.

D.All data processing activities and access to or use of files require approval from the responsible supervisor. Access permissions are granted by IT personnel based on approved application forms to prevent data damage or theft. In 2025, internal auditors conducted effectiveness testing of data access using individual employee access rights, and no non-compliance issues were identified.。

(IX) Implementation situation of Internal Control Systems

1. Statement of Internal Control Systems

cpc 立德科技股份有限公司 CHIEFTEK PRECISION CO., LTD

CHIEFTEK PRECISION CO., LTD.

Date: February 26, 2026

The internal control system of this company in 2025 is hereby stated as follows according to the self-assessment results:

I. This company acknowledges that to establish, implement and maintain the internal control system is the responsibility of the company's board of directors and manager, and this company has established such system. Its purpose is to provide reasonable assurance for reaching the goals of effective and efficient operation (including making profits, achieving performance and ensuring the safety of assets, etc.), reliable, timely, transparent guidance and conforming to relevant specification, namely relevant laws and regulations, etc.

II. The internal control system has natural limits. No matter how perfect the design is, the effective internal control system can also provide reasonable assurance only for reaching the above three goals. Moreover, due to the change of environment and situation, the effectiveness of internal control system may also change. Only the internal control system of this company is set with the self-supervision mechanism, and once the negligence is identified, this company will take the corrective action.

III. This company is basing on the judgment items for the effectiveness of internal control system stipulated by "Standard for Treatment of Establishment of Internal Control System of the Public Offering Company" (hereinafter referred to as "Standard for Treatment") to judge whether the design and implementation of the internal control system are effective. This internal control system judgment items adopted for "Standard for Treatment" are diving the internal control system into five components in accordance with the process of management control: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Supervision operation. Each component further includes several items. Please refer to the provisions of "Standard for Treatment" for the above items.

IV. This company has adopted the above internal control system judgment items to assess the effectiveness of design and performance of the internal control system.

V. Based on the assessment results of the preceding paragraph, the Company considers the internal control system (including the supervision and management of subsidiaries) on December 31, 2025 includes understanding the goal realization degree of effective and efficient operation, and reporting the effective design and implementation of internal control system that is reliable, timely, transparent, and conforming to the relevant specification, namely the relevant laws and regulations, which can reasonably ensure the realization of the above goals.

VI. This statement will become main contents of annual report and public instruction book prospectus of this company and will be opened to the public. If the above disclosed contents have any misrepresentation, omission and other illegal matter, the legal liability of Article 20, Article 32, Article 171 and Article 174, etc. in the Securities Exchange Act will be involved.

VII. This statement had been passed on February 26, 2026, by the board of directors of this company. Among 9 attending directors, no one objects; all of them agree with the content of this statement, and hereby state.

CHIEFTEK PERCISION CO., LTD.

Chairman: CHEN LI-FEN

General Manager: HSU MING-CHE

2.If the accountant is entrusted for project review of internal control system, the accountant review report shall be disclosed: None.

(X) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Material resolutions content and implementation situation of the regular meeting of shareholders in 2025 fiscal year.

Date	Material resolutions	Implementation
May 30, 2024	(1) Approval of the 2024 business report and financial statement	(1) Recognized the 2023 annual business report and financial statements, of which consolidated revenue for the year was NT$1,036,581 thousand, net profit after tax was NT$93,813 thousand and earnings per share were NT$1.08.
	(2) Approval of 2024 retain earnings distribution	(2) Set August 27, 2025 as the base date for ex-interest, and resolved at Shareholders' Meeting that all the payment be completed on September 16, 2024 (cash dividend of NT$0.7 per share).
	(3) Approved the proposal to amend certain provisions of the Company's Articles of Incorporation.	(3) Approved by the Southern Taiwan Science Park Administration, National Science and Technology Council, under Letter No. 1140020436 dated June 16, 2025, and has been incorporated into the Company's internal control system and duly implemented.

2. Material resolutions of the Board of Directors
Material resolutions of the ninth Board of Directors and the second Audit Committee during the 2025 fiscal year and 2026 fiscal year up to the date of publication of the annual report are as follows:

Date	Material resolutions	Independent Directors' Comment and the Company's Response	Implementation
January 24, 2025 (1st Board Meeting of the ninth term in 2025) (1st Audit Committee Meeting of the second term in 2024)	**Matters to be Reported:** (1) Report on the minutes of the previous meeting and the status of implementation. (2) Internal audit report. (3) Summary report of the Remuneration Committee meeting. (4) Report on the self-evaluation of directors, the Board of Directors, and functional committees (Audit Committee and Remuneration Committee) and related implementation status. (5) Report on the implementation status of the Company's greenhouse gas inventory and verification schedule. (6) Report on the operation of corporate governance. (7) Report on the implementation status of promoting sustainable development.		

	(8) Report on the implementation status of integrity management. **Matters to be Discussed:** (1) Approved the proposal on the distribution of year-end bonuses for managerial personnel for 2024.	None	(1) Approved by the Audit Committee. Except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(2) Approved the proposal on the review of managerial compensation and related regulations for 2024.	None	(2) Approved by the Audit Committee. Except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(3) Approved the proposal on employee compensation and directors' remuneration for 2024.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved the proposal to amend the Company's Articles of Incorporation.	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(5) Approved the proposal to evaluate the independence and suitability of the Company's external auditors.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(6) Approved the proposal to apply for credit facilities from banks.	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
February 26, 2025 (2nd Board Meeting of the ninth term in 2025) (2nd Audit Committee Meeting of	**Matters to be Reported:** (1) Report on the minutes of the previous meeting and the status of implementation. (2) Internal audit report. **Matters to be Discussed:** (1) Approved the proposal on the "Assessment of the Effectiveness of the Internal Control System"	None	(1) Approved by the Audit Committee; discussed and passed by all attending

the second term in 2025)	and the "Internal Control System Statement" for 2024.		directors without any dissent.directors without any dissent.
	(2) Approved the proposal to amend the Company's Articles of Incorporation.	None	(2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(3) Approved the proposal on the Company's 2024 Business Report and Financial Statements.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved the proposal on the Company's 2024 earnings distribution.	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(5) Approved the proposal to convene the Company's 2025 Annual General Meeting of Shareholders.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(6) Approved the Company's 2025 budget proposal.	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
May 7, 2025 (3rd Board Meeting of the ninth term in 2025) (3rd Audit Committee Meeting of the second term in 2025)	**Matters to be Reported:** (1) Report on the minutes of the previous meeting and the status of implementation. (2) Internal audit report. (3) Report on the status of shareholder proposals received for the Company's 2025 Annual General Meeting of Shareholders. (4) Report on the implementation status of the Company's greenhouse gas inventory and verification schedule. **Matters to be Discussed:**		
	(1) Approved the Company's 2025 Q1 consolidated financial report.	None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(2) Approved the proposal to increase endorsements and guarantees for invested subsidiaries.	None	(2) Approved by the Audit Committee; discussed and passed by all attending directors without any

			dissent.
	(3) Approved the subsidiary company's bank application for loan credit.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved bank applications for loan credit.	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
August 6, 2025 (4th Board Meeting of the ninth term in 2025) (4th Audit Committee Meeting of the second term in 2025)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Summary report on the meeting of the Remuneration Committee. (4) Report on the Company's implementation of GHG inventory and verification schedule.		
	Matters to be Discussed: (1)Approved the proposal on the distribution of employee compensation for managerial personnel for 2024.	None	(1) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(2)Approved the proposal on the distribution of directors' remuneration for 2024.	None	(2) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(3) Approved the proposal on setting the ex-dividend record date and related matters.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved the Company's consolidated financial report for the second quarter of 2025.	None	(4) Approved by the Audit Committee; discussed and passed by all attending

			directors without any dissent.
	(5) Approved the Company's 2024 Sustainability Report.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(6) Approved the proposal to amend the Company's "Authorization and Approval Authority Management Procedure."	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(7) Approved the proposal to apply for credit facilities from banks.	None	(7) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
November 5, 2025 (5th Board Meeting of the ninth term in 2025) (5th Audit Committee Meeting of the second term in 2025)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Report on the important contents for purchasing directors and officers liability insurance. (4) Report on the Company's implementation of GHG inventory and verification schedule. **Matters to be Discussed:** (1) Approved the proposal on establishing the "2026 Audit Plan."	None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(2) Approved the Company's consolidated financial report for the third quarter of 2025.	None	(2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(3) Approved the proposal to amend the Company's internal control system related to the "Payroll Cycle."	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved the proposal to apply for credit facilities from banks**.**	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.

February 12, 2026 (1st Board Meeting of the ninth term in 2026) (1st Audit Committee Meeting of the second term in 2026)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Summary report on the meeting of the Remuneration Committee. (4) Report on the self-evaluation of directors, the Board of Directors, and functional committees (Audit Committee and Remuneration Committee) and related implementation status. (5) Report on the implementation of 2025intellectual property management program. (6) Report on 2025 communication achievements with stakeholders. (7) Report on the implementation of 2025 Risk Management Promotion and Implementation Committee. (8) Report on the Company's implementation of GHG inventory and verification schedule. (9) Report on the operation of corporate governance. (10) Report on the implementation status of promoting sustainable development. (11) Report on the implementation status of integrity management. **Matters to be Discussed:** (1) Approved the proposal on the distribution of year-end bonuses for managerial personnel for 2025. (2) Approved the proposal on managerial compensation and related regulations for 2025.	None None None None None None	(1) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent. (2) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent. (3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (5) Approved by the Audit

	(3) Approved the proposal on the revision and review of managerial compensation. (4) Approved the proposal to amend the Company's internal control system related to the "Payroll Cycle." (5) Approved the proposal on the review of employee compensation and directors' remuneration for 2025, as well as grassroots employee compensation. (6) Approved the proposal to amend the Company's internal control system related to the "Insider Trading Prevention Management Regulations" and the "Accounting System." (7) Approved the proposal to evaluate the independence and suitability of the Company's external auditors. (8) Approved the proposal to apply for credit facilities from banks.	None	Committee; discussed and passed by all attending directors without any dissent. (6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (7) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (8) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
February 26, 2026 (2nd Board Meeting of the ninth term in 2026) (2nd Audit Committee Meeting of the second term in 2026)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. **Matters to be Discussed:** (1) Approved the "Internal Control System Effectiveness Assessment" and the "Internal Control System Statement" for the Company's fiscal year 2024. (2) Approved the proposal on the Company's 2025 Business Report and Financial Statements. (3) Approved the proposal on the Company's 2025 earnings distribution. (4) Approved the proposal on the re-election of directors and independent directors.	None None None None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (4) Approved by the Audit Committee; discussed and passed by all attending

			directors without any dissent.
	(5) Approved the proposal to convene the Company's 2026 Annual General Meeting of Shareholders.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(6) Approved the budget plan for 2026.	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
April 8, 2026 (3rd Board Meeting of the ninth term in 2026) (3rd Audit Committe e Meeting of the second term in 2026)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Report on the status of shareholder proposals received for the Company's 2026 Annual General Meeting of Shareholders. **Matters to be Discussed:** (1) Approved the proposal on the legal review of director and independent director candidates.	None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(2) Approved the proposal to apply for credit facilities from banks.	None	(2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.

(XI) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on CPA professional fees

(I) Information on CPA professional fees:

Unit: NT$ in thousand

Accounting Firm's Name	CPA's Name	Audit Period	Audit Fee	Non-audit Fee	Total	Notes
PricewaterhouseCoopers (PwC) Taiwan	TIEN ZHONG-YU	January 1, 2025~ December 31, 2025	2,760	678	3,438	Note 1
	YEH FANG-TING	January 1, 2025~ December 31, 2025				

Note: Non-audit public expenses include tax compliance audit (NT$310), transfer pricing report (NT$76), and transportation expenses (NT$292).

(II) If the accounting firm is changed and the audit public expense paid in the year of change is less than the audit public expense of the previous year of change, the decreased amount, and reason shall be disclosed: No such situation.

(III) If the audit public expense is decreased of more than 10% compared with that of the previous year, the decreased amount, proportion and reason of the audit public expense shall be disclosed: No such situation.

(IV) Information on change of CPA

The Company's financial statements were originally entrusted to YEH FANG-TING and TIEN CHUNG-YU for auditing. In order to coordinate with the adjustment of the internal administrative organization of the accounting firm, the CPAs in charge of auditing the company's financial statements have been changed to CPA TIEN CHUNG-YU and CPA YEH FANG-TING since the first quarter of 2025.

(VI) **Information of the company's chairman, general manager, manager in charge of finance or accounting affairs working in the certified accountant affiliated firm or its associated enterprise in the recent one year: None.**

VI. From the nearest year to the print date of annual report, circumstance of changes in equity transfer and equity change of the directors, supervisors, managers and shareholders who hold more than 10% shares:

(I) Circumstance of changes in equity of directors, managers and Substantial shareholders:

Unit: Shares

Job Title	Name	2025		Current fiscal year up to April 15	
		increase (or decrease) number of shares transferred	Increase (or decrease) number of shares pledged	Increase (or decrease) number of shares transferred	Increase (or decrease) number of shares pledged
Chairman CEO	CHEN LI-FEN	0	(332,000)	200,000	0
Director General manager	HSU MING-CHE	0	417,000	0	0
Director	LI AN	0	0	0	0
Director	WANG CHEN PI-HSIA	0	0	0	0
Director	CHEN JIA-HAO	0	0	0	0
Independent director	HO MING-ZIH	0	0	0	0
Independent director	ZENG XU-WEN	0	0	0	0
Independent director	WU LING-LING	0	0	0	0
Independent director	WANG YONG-ZHANG	(55,000)	0	0	0
Vice-General Manager	CHEN MIN-CHANG	0	0	0	0
Assistant Vice President	PENG CHIUNG-YIN	0	0	0	0
Financial Supervisor Corporate Governance Supervisor	LI PAI-TSANG	0	0	0	0
Accounting Supervisor (Note 2)	WU JIA-YUNG	0	0	0	0

Note 1: This Company has no substantial shareholders who hold more than 10% shares.

(II) Status about Share Transfer: None.

(III)Status about Share Pledge:

Unit: Shares

NAME	REASONS FOR CHANGES IN PLEDGE	CHANGE DATE	COUNTERPARTY	THE RELATIONSHIP BETWEEN THE COUNTERPARTY OF THE TRANSACTION AND THE COMPANY, DIRECTORS, SUPERVISORS, MANAGERS AND SHAREHOLDERS HOLDING MORE THAN 10% OF THE SHARES	NUMBER OF SHARES	% OF SHARES HELD	PLEDGE RATIO	PLEDGE(REDEEM) AMOUNT
DIRECTOR HSU MING-CHE	PLEDGE	April 9, 2025	CATHAY UNITED BANK XIN-XING BRANCH	NONE	373,000	0.42%	6.09%	-
DIRECTOR CHEN LI-FEN	PLEDGE	April 9, 2025	CATHAY UNITED BANK XIN-XING BRANCH	NONE	340,000	0.38%	8.48%	-
DIRECTOR HSU MING-CHE	PLEDGE	April 24, 2025	Taishin International Bank Tainan BRANCH	NONE	200,000	0.22%	3.26%	-
DIRECTOR CHEN LI-FEN	PLEDGE	April 24, 2025	Taishin International Bank Tainan BRANCH	NONE	100,000	0.11%	2.49%	-
DIRECTOR HSU MING-CHE	PLEDGE	June 6, 2025	EnTie Commercial Bank, Ltd	NONE	2,084,000	2.33%	34.01%	-
DIRECTOR HSU MING-CHE	REDEEM	June 18, 2025	CATHAY UNITED BANK	NONE	(2,640,000)	2.96%	43.09%	-
DIRECTOR CHEN LI-FEN	PLEDGE	September 4, 2025	EnTie Commercial Bank, Ltd	NONE	1,000,000	1.34%	24.93%	-
DIRECTOR CHEN LI-FEN	REDEEM	September 9, 2025	CATHAY UNITED BANK	NONE	(597,000)	0.67%	14.89%	-
DIRECTOR CHEN LI-FEN	PLEDGE	September 10, 2025	EnTie Commercial Bank, Ltd	NONE	25,000	0.03%	0.62%	-
DIRECTOR CHEN LI-FEN	REDEEM	September 15, 2025	CATHAY UNITED BANK	NONE	(1,200,000)	1.34%	29.93%	-
DIRECTOR HSU MING-CHE	PLEDGE	November 11, 2025	EnTie Commercial Bank, Lt	NONE	400,000	0.45%	6.53%	-
DIRECTOR CHEN LI-FEN	PLEDGE	March 4, 2026	EnTie Commercial Bank, Lt	NONE	200,000	0.22%	4.99%	-

VIII. Information of the shareholder whose shareholding ratio ranks top 10, mutual relation of related person or spouse, domestic relation of parents or closer

March 30, 2025

Name	Shareholding by Self		Shareholding by Spouses, Minor Children		Shareholding Through Nominees		10 Largest Shareholders is Related Party or A Relative Within the Second Degree of Kinship of Another		Note
	Shares	shareholding ratio	Shares	shareholding ratio	Shares	shareholding ratio	Name	Relationship	
HSU MING-CHE	6,127,271	6.86%	4,009,675	4.49%	0	0%	CHEN LI- FEN CHIEFTEK PRECISIOIN CO., LTD.	Spouse General Manager and Chief Technology Officer of the R&D Center of the company	
XINZHIDE INVESTMENT CO., LTD. Representative: CHEN LI- FEN	4,246,100	4.76%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
CHEN LI- FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
DAVID ENTERPRISE CO., LTD. Representative: HSU RUI-ZHU	3,682,553	4.13%	0	0%	0	0%	None	None	
	0	0%	0	0%	0	0%	None	None	
GUANGMING PUYUAN INVESTMENT CO., LTD. Representative: CHEN LI-FEN	3,310,100	3.71%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
YIJHIHDE MANAGEMENT CONSULTING CO., LTD. Representative: CHEN LI- FEN	2,380,040	2.67%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
CHIEFTEK PRECISION CO., LTD. Representative: CHEN LI-FEN	2,000,000	2.24%	0	0%	0	0%	CHEN LI- FEN HSU MING-CHE Note 1	Chairman of the company General Manager and Chief Technology Officer of the R&D Center of the company Note 1	
	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
DENENG SUNSHINE INVESTMENT CO.,	1,544,751	1.73%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	

LTD. Representative: CHEN LI- FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
LI AN	1,507,752	1.69%	0	0%	0	0%	None	None	
WANG CHANG-FENG	1,490,552	1.64%	0	0%	0	0%	None	None	

Note 1：CHEN LI- FEN and the top ten shareholders have a relationship with each other or a relative within a spouse, second parent, etc., their names or names and relationships are as follows:

Name	Relationship
HSU MING-CHE	Spouse
XINZHIDE INVESTMENT CO., LTD.	Chairman of this company
GUANGMING PUYUAN INVESTMENT CO., LTD.	Chairman of this company
YIJHIHDE MANAGEMENT CONSULTING CO., LTD.	Chairman of this company
CHIEFTEK PRECISION CO., LTD.	Chairman of this company
DENENG SUNSHINE INVESTMENT CO., LTD.	Chairman of this company

IX. Number of shares held for the same reinvestment business by the company's directors, manager and the company's directly or indirectly controlled business, and combined calculation of the comprehensive shareholding ratio:

March 31, 2026; Unit: Share; %

Investments in Other Enterprises (Note)	The Investments by the Company		The Investments by Director, Supervisor, Manager or Directly or Indirectly controlled		Total investment	
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
CHIEFTEK PRECISION HOLDING CO., LTD.	5,100,000	100.00	-	-	5,100,000	100.00
CHIEFTEK PRECISION USA CO., LTD.	1,660,000	100.00	-	-	1,660,000	100.00
Chieftek Machinery Kunshan Co., Ltd	-	-	Non-joint-stock system	100.00	Non-joint-stock system	100.00
cpc Europa GmbH	Non-joint-stock system	100.00	-	-	Non-joint-stock system	100.00
Chieftek Precision International LLC	Non-joint-stock system	100.00	-	-	Non-joint-stock system	100.00

Note: Refers to long-term investments evaluated using the equity method adopted by the Company.

III. FUNDRAISING CIRCUMSTANCE

I. Capital and Shares

(I) Source of capital stock

Unit: NT$ in thousands; share in thousand

Month /Year	Issue Price	Authorized Share Capital		Paid-in Share Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Other
1998.10	10	500	5,000	500	5,000	Cash establishment of capital stock	None	Note 1
1999.10	10	2,500	25,000	2,500	25,000	Increment of cash NT$20,000 thousand	None	Note 2
2000.4	10	4,120	41,200	4,120	41,200	Increment of cash NT$16,200 thousand	None	Note 3
2000.9	10	9,900	99,000	9,900	99,000	Increment of cash NT$57,800 thousand	None	Note 4
2001.7	10	15,000	150,000	15,000	150,000	Increment of cash NT$51,000 thousand	None	Note 5
2002.7	10	21,000	210,000	21,000	210,000	Tech stock NT$ 60,000 thousand	Tech stock 6,000 thousand shares	Note 6
2003.8	18	27,000	270,000	27,000	270,000	Increment of cash NT$ 60,000 thousand	None	Note 7
2003.10	18	29,000	290,000	29,000	290,000	Increment of cash NT$20,000 thousand	None	Note 8
2004.1	18	36,000	360,000	34,000	340,000	Increment of cash NT$50,000 thousand	None	Note 9
2004.3	18	36,000	360,000	36,000	360,000	Increment of cash NT$20,000 thousand	None	Note 10
2009.12	30	50,000	500,000	36,056	360,560	Increment of cash NT$560 thousand	None	Note 11
2010.11	10	50,000	500,000	37,859	378,588	Capital increase by transferring of surplus NT$18,028 thousand	None	Note 12
2011.9	10	50,000	500,000	40,888	408,875	Capital increase by transferring of surplus NT$30,287 thousand	None	Note 13
2011.12	83	50,000	500,000	43,388	433,875	Increment of cash NT$25,000 thousand	None	Note 14
2012.04	24	50,000	500,000	44,008	440,079	Employee stock options NT$6,204 thousand	None	Note 15
2012.10	10	50,000	500,000	48,409	484,087	Capital increase by transferring of surplus NT$44,008 thousand	None	Note 16

Month /Year	Issue Price	Authorized Share Capital		Paid-in Share Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Other
2013.01	40	80,000	800,000	53,042	530,417	Increment of cash NT$46,330 thousand	None	Note 17
2013.02	24	80,000	800,000	53,297	532,973	Employee stock options NT$2,556 thousand	None	Note 18
2013.09	10	80,000	800,000	55,962	559,622	Capital increase by transferring of surplus NT$26,649 thousand	None	Note 19
2014.03	24	80,000	800,000	56,208	562,086	Employee stock options NT$ 2,464 thousand	None	Note 20
2014.06	10	80,000	800,000	59,019	590,190	Capital increase by transferring of surplus 28,104 thousand	None	Note 21
2014.12	24	80,000	800,000	59,234	592,338	Employee stock options 2,148 thousand	None	Note 22
2016.08	10	80,000	800,000	62,045	620,455	Capital increase by transferring of surplus 28,117 thousand	None	Note 23
2018.02	10	80,000	800,000	59,045	590,455	Treasury share reduction 30,000 thousand	None	Note 24
2018.08	10	80,000	800,000	73,807	738,069	Capital increase by transferring of surplus 147,614 thousand	None	Note 25
2019.09	10	150,000	1,500,000	81,188	811,875	Capital increased by transferring of surplus 73,087 thousand	None	Note 26
2022.09	10	150,000	1,500,000	89,262	892,619	Capital increased by transferring of surplus 80,743 thousand	None	Note 27

Note 1: Approval of JY Zi No. 87340468 of Construction Bureau of Taipei City Government on October 19, 1998.
Note 2: Approval of BSJSE Zi No. 88345971 of Construction Bureau of Taipei City Government on October 25, 1999.
Note 3: Approval of BSJSE Zi No. 89280975 of Construction Bureau of Taipei City Government on April 28, 2000.
Note 4: Approval of BSJSE Zi No. 89325503 of Construction Bureau of Taipei City Government on September 27, 2000.
Note 5: Approval of J(2001)S Zi No. 09001228200 of Civil Services of Doc, MOEA on July 3, 2001.
Note 6: Approval of J(2002)S Zi No. 09101304180 of Civil Services of Doc, MOEA on July 31, 2002.
Note 7: Approval of JSZ Zi No. 09232488100 of Civil Services of Doc, MOEA on August 8, 2003.
Note 8: Approval of JSZ Zi No. 09232808800 of Civil Services of Doc, MOEA on October 20, 2003.
Note 9: Approval of JSZ Zi No. 09331593930 of Civil Services of Doc, MOEA on January 29, 2004.
Note 10: Approval of JSZ Zi No. 09331877650 of Civil Services of Doc, MOEA on March 29, 2004.
Note 11: Approval of NS Zi No. 0980028767 of Southern Taiwan Science Park Administration on December 25, 2009.
Note 12: Approval of NS Zi No. 0990024356 of Southern Taiwan Science Park Administration on November 5, 2010.
Note 13: Approval of NS Zi No. 1000023845 of Southern Taiwan Science Park Administration on September 23, 2011.
Note 14: Approval of NS Zi No. 1000029971 of Southern Taiwan Science Park Administration on December 6, 2011.
Note 15: Approval of NS Zi No. 1010007820 of Southern Taiwan Science Park Administration on April 6, 2012.

Note 16: Approval of NS Zi No. 1010026797 of Southern Taiwan Science Park Administration on October 30, 2012.
Note 17: Approval of NS Zi No. 1020000730 of Southern Taiwan Science Park Administration on January 11, 2013.
Note 18: Approval of NS Zi No. 1020003932 of Southern Taiwan Science Park Administration on February 18, 2013.
Note 19: Approval of NS Zi No. 1020022718 of Southern Taiwan Science Park Administration on September 11, 2013.
Note 20: Approval of NS Zi No. 1030007680 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on March 28, 2014.
Note 21: Approval of NS Zi No. 1030022837 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on September 5, 2014.
Note 22: Approval of NS Zi No. 1040001256 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on January 15, 2015.
Note 23: Approval of NS ZI No. 1050023001 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on September 07, 2016.
Note 24: Approval of NS ZI No. 1070006680 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on February 27, 2018.
Note 25: Approval of NS ZI No. 1070023518 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on August 14, 2018.
Note 26: Approval of NS ZI No. 1080025362 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on September 16, 2019.
Note 27: Approved of NS ZI No. 1110027282 of the National Science and Technology Commission Southern Science Park Administration on September 13, 2022.

(II) Shares and Capital

March 30, 2026/Unit: per share

Types of Shares	Authorized Share Capital			Note
	Outstanding Stock (Note 1)	Unissued Stock	Total	
Common stock (stock of over-the counter stock)	89,261,804	60,738,196	150,000,000	Limit of employee stock options 3,000,000 Shares

Note 1: Shelf Registration system related information: Not applicable.

(III)Shareholding Structure

March 30, 2026/Unit: per share

hareholding Structure / Number	Government Agencies	Financial Institutions	Financial Institutions	Individuals	Foreign Institutions and Foreign Investors	Total
Number of Shareholders	0	0	43	14,869	37	14,949
Number of Shares Held	0	0	21,600,230	63,918,378	3,743,196	89,261,804
Shareholding Ratio	0.00%	0.00%	24.20%	71.61%	4.19%	100.00%

Note: The Company does not have any shareholding by Mainland China investors.

(IV)Major Shareholders

The names, number and percentage of the shareholding of the shareholders with a stake of 10 percent or top ten shareholders:

March 30, 2026/ Unit: per share

Shares / Names	Number of shares held	Shareholding ratio
HSU MING-CHE	6,127,271	6.86%
Xinzhide Investment Co., Ltd.	4,246,100	4.76%
CHEN LI-FEN	4,009,675	4.49%
DAVID ENTERPRISE CO., LTD.	3,682,553	4.13%
GUANGMING PUYUAN INVESTMENT CO., LTD.	3,310,100	3.71%
YIJHIHDE MANAGEMENT CONSULTANTS CO., LTD.	2,380,040	2.67%
CHIEFTEK PRECISION CO., LTD.	2,000,000	2.24%
DENENG SUNSHINE INVESTMENT CO., LTD.	1,544,751	1.73%
LI AN	1,507,752	1.69%
WANG CHANG-FENG	1,490,552	1.67%

(VI)The Company's dividend policy and implementation thereof

1. Dividend policy:

   Pursuant to Article 21: If the Company has profits in the annual final accounts, they shall be distributed in the following order:

   (1) Pay duties and taxes.
   (2) Cover the deficit.
   (3) Withdraw 10% as the statutory surplus reserve.
   (4) If necessary, withdraw or transfer back the special surplus reserve in accordance with the provisions of laws or competent authorities.
   (5) For the balance after deduction of the amount withdrawn from the above four items, as well as the undistributed surplus of the previous years, the board of directors shall draft a distribution proposal, and submit it to the shareholders' meeting to decide whether to distribute the shareholder dividend or reserve it, but the dividend distribution amount shall not be lower than 20% of the remaining amount after deduction of the profit of current year according to the provisions of above paragraph1~4.

   In order to continuously expand the operation scale, enhance the competitive strength, and cooperate with the company's long-term business development, future fund demand and long-term financial planning, the dividend distribution policy shall give priority to stock dividend and collocation of part of the cash dividend. The cash dividend distribution sum shall not be lower than 10% of the sum of shareholder dividend to be distributed.

2. Implementation status:

   (1) The profit distribution plan for the Company's fiscal year 2025 has been approved by the Board of Directors on February 26, 2026. Cash dividend of NT$0.70 per share will be distributed based on the shareholders' record on the dividend distribution record date. This will be reported and discussed at the shareholder's meeting on May 27, 2026.
   (2) Please see below for 2024 Surplus Distribution Table of the Company.

CHIEFTEK PRECISION CO., LTD.
2024 Surplus distribution table

Unit: NT$ in dollar

Item	Amount	
	Subtotal	Total
Net income after tax of 2025		$ 79,421,141
Reduce: Actuarial incomes of defined benefit plans	(631,112)	
Reserved surplus basis		78,790,029
Reduce: 10% legal reserve	(7,89,003)	
Reduce: Appropriation of special surplus reserve	(1,218,431)	
Distributable Net Income for this fiscal year		69,692,595
Accumulative distributable Net Income at the beginning of the year		872,593,786
Accumulated surplus available for distribution during the fiscal year		942,286,381
Distribution Amount		
Dividend to Shareholders- Cash (NT$0.7 per share)	(61,083,263)	
Subtotal		(61,083,263)
Year-end undistributed Balance		$ 881,203,118

Notes:
1. The surplus distribution for this time will give priority to distribution of 2025 surplus.
2. The cash dividend shall be calculated according to the shareholding ratio of shareholders recorded in the shareholders ledger on the dividend distribution base date, until distributed to NT$1 (neglecting all those less than NT$1). After the above dividend distribution is passed by the general meeting of shareholders, the board of directors shall be authorized to further arrange the dividend distribution base date and designate special persons for handling all the cash dividend of less than NT$1.
3. 89,261,804 shares of current capital stock minus 2,000,000 shares of treasury stock equals 87,261,804 shares of outstanding shares.

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:
The Board of Directors of our company passed a resolution on February 26, 2026, to distribute cash dividends for the 2025 fiscal year. There is no proposal for free stock dividends this time, so it is not applicable.

(VIII) Remuneration of Employees and Directors:
1. Pursuant to Article 21-1 of the Company's Articles of Incorporation, the Company shall allocate 3% to 15% of the current year's profit as employee compensation, of which not less than 25% shall be distributed to grassroots employees, and not more than 3% of the current year's profit shall be allocated as directors' remuneration. However, if the Company still has accumulated losses, such losses shall be covered first.
Employee compensation may be distributed in cash or in shares, and the recipients of cash or shares may include employees of affiliated companies who meet certain conditions, which shall be determined by the Board of Directors.

The term “current year’s profit” referred to in the first paragraph means the profit before tax of the current year before deducting employee compensation and directors’ remuneration.

2. The basis for estimating the remuneration amounts of employees, directors, and supervisors, the calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   In accordance with the provisions of (2007) Ji-Mi-Zih No. 052 Letter released by Accounting Research and Development Foundation of the Republic of China in March 2007, the Company should regard remuneration of employees, directors and supervisors as the expenses, instead of surplus distribution. For the remuneration of employees and directors of current period, if the actually distributed amount through the resolution of the board of shareholders and the estimated amount are with discrepancy, it will be regarded as changes in the accounting estimate, and listed as the profit/loss of 2025. Hence, EPS of 2025 has fully reflected the influence on bonus of employees, remuneration of directors, and supervisors on profits, thus this will not affect the estimated calculation of EPS.
3. Remuneration Distribution results approved by Board of Directors:
   (1) The remuneration of employees and directors distributed in cash or shares: If there are any discrepancies with the annual estimated amount of recognized expenses, the amount, reason and treatment of discrepancy shall be disclosed:
   The Company passed the remuneration of employees and remuneration of directors through the resolution of the board of directors on February 26, 2026, shows as following:
      A. For 2025, the Company proposes to distribute employee compensation in cash amounting to NT$8,500,000, representing approximately 8.26% of the current year’s profit, of which NT$2,200,000 will be allocated to grassroots employees. The estimated number of grassroots employees is 255, accounting for 25.88% of the total employee compensation distribution. This amount is the same as the employee compensation recognized in the accounts, which is NT$8,500,000.
      B. The company proposes to distribute director compensation in the amount of NT$1,800,000 in cash for the year 2025, which is approximately 1.80% of the profits for the year. This amount is consistent with the recognized director compensation of NT$1,800,000on the balance sheet.
   (2) Amount of employee remuneration distributed in shares and proportion occupied in sum of un-consolidated or individual financial reporting profit (loss) for the year and total amount of employee remuneration of current period: The cash method is adopted for this time; therefore, it is not applicable.
4. Status of actual distribution of remuneration of employees and directors of the previous year (including the number of shares distributed, amount and share price), any discrepancies with the recognized remuneration of employees and directors, and detailed description of amount, reason and treatment of discrepancy:
   (1) Employee bonus actually distributed by the Company in 2024 was NT$10,000,000.
   (2) Remuneration of directors actually distributed by the Company in 2024 was NT$2,200,000.
   (3) The original board of directors passed the employee bonus, remuneration of directors of 2024, and such remuneration had distributed to employees and directors and supervisors; meanwhile, the proposed distribution amount passed by the original board of directors was same with the actually distributed amount.

(VIII) Stocks repurchases by the Company:

1.Stocks repurchases by the Company (Repurchases already completed)

March 31, 2026

Repurchase time	The First Period	The Second Period	The Third Period
Repurchase purpose	Transfer shares to employees.	Transfer shares to employees.	Transfer shares to employees.
Repurchase period	November 12, 2014 to January 9, 2015	March 23, 2020 to May 20, 2020	September12, 2022 to November 29, 2022
Price range of repurchase	NT$22.30 to NT$50.40, as the share price of the Company was lower than the price range of the lower limit, the Company continued buy-back.	NT$37.25to NT$131.00, as the share price of the Company was lower than the price range of the lower limit, the Company continued buy-back.	NT$46.20 to NT$100.00, as the share price of the Company was lower than the price range of the lower limit, the Company continued buy-back.
Types and amounts of shares that repurchased	Common stock of 3,000,000 shares	Common stock of 445,000 shares	Common stock of 2,000,000 shares
Amount of shares that repurchased	NT$118,543,503 (average buyback price per share is NT$39.51)	NT$26,550,420 (average buyback price per share is NT$59.66)	NT$147,569,895 (average buyback price per share is NT$73.78)
Percentage of the repurchased stock in the estimated purchase share	100.00%	8.90%	100.00%
Quantity of shares having already been handled with elimination and transfer	Common stock of 3,000,000 shares (Note1)	Common stock of 445,000 shares	0
Quantity of shares of this company cumulatively held	0	0	2,000,000 shares
Ratio (%) of quantity of shares of this company cumulatively held in total shares issued(Note 2)	0%	0%	2.24%

Note 1: Elimination of 3,000,000 shares mentioned above was approved to change registration process on February 27, 2018 by Management Bureau of Southern Taiwan Science Park.

2.Stocks repurchases by the Company (Repurchases still in progress): None.

II. Issuance of Corporate Bonds: None.

III. Preferred shares: None.

IV. Global depositary receipts (GDR): None.

V. Employee share subscription warrants and new restricted employee shares:

1. Status of the company's employee share subscription warrants that have not yet expired: None.
2. Names of managers who have obtained employee share subscription warrants and the names of the top ten employees with the number of shares that can be subscribed to the warrants until the date of publication of the annual report: None.
3. In the most recent year and as of the publication date of the annual report, the handling of new restricted employee shares: None.

VI. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies (including merger, acquisition, and division): None.

VII. Capital allocation plans:

The Company has no uncompleted public issue or private placement of securities, or to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits

IV. OPERATIONAL HIGHLIGHTS

A. Business Content

(A) Business scope:

1. Business scope:

cpc mainly engages in the research, development, and provision of complete services for high-precision linear motion components and positioning systems. Its main business items are as follows:

(1) CB01990 Other Machinery Manufacturing.
(2) F401010 International Trade.
(3) CB01010 Machinery and Equipment Manufacturing.
(4) CC01110 Computer and Peripheral Equipment Manufacturing.
(5) CE01030 Optical Instruments Manufacturing.
(6) E603050 Automatic Control Equipment Engineering.
(7) I301010 Information Software Services.
(8) I301030 Electronic Information Supply Services.

Research, design, production, and sales of the following products:

1.1 Miniature linear guides.
1.2 Miniature ball screws.
1.3 Miniature linear modules.
1.4 Optoelectronic and semiconductor process equipment.
1.5 High-performance motor products.
1.6 AI software platforms and tools.
1.7 High-precision integrated products.
1.8 Concurrent engagement in international trade related to the aforementioned products.

2. Business percentage:

Unit: NT$ in thousand

Product Name	2025		2024	
	Amount	%	Amount	%
Linear Guide	1,053,656	92.56%	951,302	91.77%
Linear Motor	84,016	7.38%	84,728	8.18%
Other	644	0.06%	551	0.05%
Total	1,138,316	100.00%	1,036,581	100.00%

3. Commodity (service) items of the company at present:

cpc provides the following products and services for cpcCells, cpcSystem, cpcRobot, and cpcStudio:

(1) cpcCells
1.1 Linear rails.
1.2 Linear motors.
1.3 Torque motors.
1.4 Multi-function servo drives.
1.5 Linear modules.
(2) cpcSystem
2.1 Linear modules.
2.2 Rotary modules.
2.3 Subsystems.
2.4 Automation equipment.
(3) cpcRobot
3.1 S0 collaborative robot arm.
3.2 DB0 industrial robot arm.
3.3 Robot grippers.
3.4 Automatic tool changers
3.5 Joint module.
3.6 cpcStudio supporting x86 systems.
3.7 Humanoid robots.
(4) cpcStudio
4.1 Software PLC.
4.2 EtherCAT master.
4.3 Motion library.
4.4 Robotic library.
4.5 Modbus server.
4.6 OPC-UA server.

4. New products (services) that are planned to be developed:
(1) Dexterous hands.
(2) Silicon photonics alignment platform.
(3) Intelligent robot integration.
(4) Crossed roller bearings.

(B) Industry Overview

1. Current Status and Development of the Industry
(1) Linear Guideway Industry

Linear guideways are essential components for precision transmission and positioning control and are widely used in machine tools, semiconductor equipment, automated production lines, medical equipment, and robotics. In recent years, driven by the advancement of smart manufacturing, factory automation, and the recovery of semiconductor capital expenditures, demand for linear motion components has maintained steady growth momentum.

According to the International Federation of Robotics (IFR), global demand for industrial robots has multiplied over the past decade. SEMI also projects that global 300mm wafer fab equipment spending will increase by 18% and 14% in 2026 and 2027, respectively, indicating sustained demand for high-precision motion components in advanced manufacturing and semiconductor equipment.

In terms of technological development, linear guideway products have evolved from standard applications toward higher precision, higher rigidity, higher speed, longer service life, lower noise, and reduced particle contamination, in order to meet the stringent requirements for stability and cleanliness in semiconductor, precision

measurement, and high-end automation equipment.

(2) Humanoid Robotics Industry

The humanoid robotics industry is currently transitioning from the stage of technology demonstration and proof of concept toward pilot deployment in real-world scenarios and early-stage commercialization. According to the International Federation of Robotics (IFR) in its 2026 global robotics trends, humanoid robots are particularly suitable for integration into existing human work environments, with automotive manufacturing, warehousing, and intra-factory logistics being the most prominent application areas. Reuters has also reported that Mercedes-Benz has begun testing Apptronik humanoid robots in its factories for parts handling and quality inspection, while Hyundai Motor Group plans to deploy Boston Dynamics' Atlas robots in its U.S. facilities. These developments indicate that humanoid robots are moving beyond demonstration use toward industrial validation.

At present, competition in the humanoid robotics industry is no longer limited to overall system design, but increasingly centers on the integration capabilities of key technologies, including joint modules, actuators, encoders, reducers, sensors, battery systems, and AI control platforms. With the continued advancement of generative AI, simulation-based training, world models, and physical AI platforms, humanoid robot development is progressing toward enhanced stability in locomotion, dexterous manipulation, autonomous decision-making, and generalization across diverse scenarios.

Overall, while the humanoid robotics industry remains in an early growth stage, its technological spillover effects have already accelerated the development of upstream supply chains, including key components, control systems, and sensing modules.

(3) Silicon Photonics Alignment Platform Industry

The silicon photonics industry has experienced rapid growth driven by demand from AI data centers, high-performance computing (HPC), and high-speed communications, and has become a key development direction within the semiconductor and advanced packaging supply chain. imec has indicated that next-generation optical I/O aims to achieve bandwidth densities of multiple Tbps/mm and energy efficiency below pJ/bit. The Industrial Technology Research Institute (ITRI) has also demonstrated a 1.6 Tbps silicon photonics optical engine module and is promoting an open silicon photonics platform. In addition, UMC obtained a license for imec's iSiPP300 silicon photonics technology in 2025, establishing a 12-inch silicon photonics platform. SEMI has further noted that a silicon photonics alliance centered around Taiwan's semiconductor industry has connected more than 110 domestic and international companies, indicating rapid formation of the relevant supply chain.

Within this development framework, silicon photonics alignment platforms represent critical equipment in the packaging and testing chain. They are primarily used for fiber-to-photonic integrated circuit (PIC) coupling, active and passive alignment, heterogeneous integration, and module measurement. According to ASE, fiber-to-PIC integration requires consideration of key processes such as active alignment, passive alignment, edge coupling, and grating coupling. Yole has also highlighted that packaging constraints—including fiber coupling, thermal management, and alignment precision—must be addressed early in the design stage.

As silicon photonics transitions from R&D validation to mass production, alignment platforms are evolving from research-oriented equipment toward high precision, automation, mass production capability, and high yield, and are expected to become indispensable core equipment in silicon photonics packaging processes.

(4) Dexterous Hand (Robotic Hand) Industry

The dexterous hand industry has emerged as a key module segment experiencing rapid growth alongside the development of humanoid and general-purpose robots. It has evolved from traditional single-function grippers toward multi-finger, multi-degree-of-freedom end effectors equipped with sensing feedback for general manipulation tasks. According to ITRI's IEK, dexterous hands can collect multi-dimensional sensory data—including tactile, force, and positional information—during operation. They serve as a critical interface between robots and the physical world and are a core component enabling the generalization capabilities of humanoid robots. In other words, dexterous hands are not only tools for grasping tasks but also key carriers for data feedback, learning-based control, and advanced manipulation capabilities.

Future development of the dexterous hand industry will focus on high-degree-of-freedom mechanism design, lightweight actuation, cost-effective mass production, and the integration of tactile sensing, palm-level perception, and learning-based control. The IFR has noted that for humanoid robots to effectively address labor shortages, they must achieve human-like dexterity and productivity. Recent research also indicates that integrating high-density tactile sensing while maintaining high dexterity remains a key challenge in manipulation technologies.

Overall, the dexterous hand industry is transitioning from academic research and prototype development toward standardized modules, scalable manufacturing, and real-world application deployment

2. Industry Upstream, Midstream, and Downstream Relationships

Chieftek Precision Co., Ltd. has long been engaged in the fields of precision linear motion transmission, mechatronic integration, automation systems, key robotic modules, and control software platforms. Its products and technologies cover components, modules, subsystems, complete equipment, and software platforms, forming a comprehensive industry chain extending from core components to system integration.

Overall, the industry in which the Company operates can be categorized into three segments: upstream raw materials and key component supply, midstream product development, manufacturing and system integration, and downstream end-use equipment applications and customer adoption. These segments are highly interrelated and technologically interconnected.

(1) Upstream Industry

The Company's upstream sector mainly consists of suppliers of various raw materials, precision components, and electronic control elements, including specialty steels, aluminum alloys, magnetic materials, rolling elements, bearings, precision machined parts, sensors, encoders, drive components, motor parts, electronic components, and control chips.

For precision linear motion and module products, the quality of materials, machining accuracy, and supply stability of upstream suppliers directly affect product precision, rigidity, service life, and reliability. For robotics and smart automation products, system performance and functional integration depend on the support of key components such as high-efficiency motors, reduction mechanisms, encoders, drivers, sensors, and control boards.

In addition, as the automation and intelligent robotics industries evolve toward higher precision, higher speed, lightweight design, and greater intelligence, the upstream supply chain is also advancing toward high-performance materials, precision manufacturing, miniaturized components, and highly integrated electronic modules. This creates a mutually dependent and co-evolving relationship with midstream manufacturers.

(2) Midstream Industry

The midstream sector primarily comprises precision component manufacturers, module providers, system equipment manufacturers, and integrated solution providers, responsible for transforming upstream materials and key components into products and systems with market value. **cpc** occupies a central position within this midstream segment. Leveraging its expertise in mechanical design, precision machining, motion control, mechatronic integration, and software development, the Company has established a comprehensive product architecture spanning cpcCells, cpcSystem, cpcRobot, and cpcStudio.

2.1 **cpcCells** focuses on core components such as precision linear guideways, ball screws, cross-roller elements, and high-rigidity modules.

2.2 **cpcSystem** extends into linear motor modules, subsystem modules, and complete automation solutions.

2.3 **cpcRobot** concentrates on robotic joint modules, miniature six-axis robotic arms, and key intelligent robotics technologies.

2.4 **cpcStudio** provides control platforms and software integration capabilities.

Accordingly, the Company is not merely a component supplier but a midstream technology integrator with modular, platform-based, and system integration capabilities. It can provide total solutions—from core components and modules to equipment and control platforms—based on customer needs, thereby enhancing industry value-added and market competitiveness.

(3) Downstream Industry

The Company's downstream sector primarily includes equipment manufacturers, system integrators, and end-user customers across a wide range of industries, including semiconductors, optoelectronics, electronics manufacturing, biotechnology and medical devices, precision measurement, machine tools, automation equipment, smart factories, logistics handling, and next-generation robotics.

Customer demand in downstream industries has evolved from traditional single-component procurement toward integrated solutions characterized by high precision, high reliability, high integration, and rapid deployment capabilities. In particular, semiconductor equipment, smart automation, and robotics applications require increasingly stringent standards in equipment performance, stability, cleanliness, spatial configuration, and control coordination.

Therefore, technological upgrades and application expansion in downstream industries directly drive demand for midstream systems and module products, while also promoting continuous performance improvements in upstream materials, components, and electronic elements. With its comprehensive product and technology portfolio, Chieftek Precision effectively connects downstream application needs with upstream supply resources, helping customers shorten development cycles, reduce integration risks, and enhance overall equipment performance and market competitiveness.

(4) Industry Chain Linkages and Company Positioning

Overall, the industry chain in which the Company operates is characterized by a high degree of technological intensity and integration. Upstream suppliers provide raw materials and key components, the midstream sector is responsible for R&D, design, manufacturing, module integration, and system development, while downstream industries adopt applications based on their specific needs and generate market feedback. These segments are highly interdependent, and product specifications, delivery schedules, costs, quality, and reliability must be achieved through close supply chain collaboration and technological integration.

Chieftek Precision occupies a key position in the midstream segment of the industry

chain and is progressively extending into high-end modules, system equipment, and software platforms. The Company not only possesses the capability to integrate upstream core component technologies but also closely aligns with downstream application requirements, enabling it to provide higher value-added total solutions.

Looking ahead, the Company will continue to strengthen its capabilities in independent R&D, modular design, system integration, and intelligent applications, while deepening collaborative relationships with upstream and downstream partners. Through these efforts, it aims to further reinforce its competitive position within the automation, semiconductor equipment, and intelligent robotics industry chain.

3. Product Development Trends and Competitive Landscape

(1) Linear Guideways

Competition in the linear guideway market continues to focus primarily on product performance and cost. Manufacturers are continuously improving product quality and manufacturing efficiency. In addition to ongoing development of high-load and high-rigidity products, the Company enhances quality stability and cost control through process improvements. In response to equipment miniaturization and high-precision requirements, the Company is also progressively developing miniature products and expanding applications in semiconductor and automation equipment.

(2) Linear Motors and Modules

The Company continues to strengthen its design and manufacturing capabilities for linear motors and modules, improving product performance and stability. Product optimization is carried out based on application requirements to maintain market competitiveness.

(3) Torque Motors

With the increasing demand for high-precision equipment and automation applications, the use of torque motors is expanding. The Company continues to optimize product design and manufacturing processes to enhance efficiency and reliability.

(4) Sensors

Sensing components are evolving toward higher precision and stability. The Company continues to invest in related technology development and integrates these advancements into existing products to enhance overall performance.

(5) Servo Drives

The Company continues to invest in the development of servo drive technologies to improve product performance and stability, while promoting applications through its existing distribution channels.

(6) PLC and Controllers

In response to the increasing demand for flexibility and integration in automation control systems, the Company continues to develop software-based PLC and control products, and has established its own control platform. These products can execute control functions via industrial PCs, enhancing system flexibility and reducing dependence on dedicated hardware.

The Company’s control products support standardized programming languages and multiple communication interfaces, enabling integration with various types of equipment and applications in automation and robotic systems. Ongoing functional optimization will continue based on application needs.

(7) Robotic Arms

The Company continues to develop six-axis robotic arm products based on its proprietary direct-drive motors and control technologies, offering compact and high-precision robotic solutions. These products feature high repeatability and strong integration capabilities, making them suitable for various automation applications.

They can also be integrated with control systems to enhance overall flexibility. Further product adjustments and optimizations will be made based on application requirements.

(8) Grippers

Leveraging its existing mechatronic integration capabilities, the Company develops gripper products to enhance operational convenience and expand application scope.

(9) Humanoid Robots

The Company has initiated the development of humanoid robot joints and related modules. Building on its existing mechatronic integration capabilities and key component technologies, it is developing joint drive modules for application in robotic joint systems.

These products are currently under development and testing, and further progress will be advanced in line with technological developments and application requirements.

(10) Competitive Landscape of Products

As the global manufacturing industry continues to advance toward automation, intelligence, and high precision, competition in related sectors—including precision motion components, automation systems, robotics, and high-end precision equipment—has intensified. The International Federation of Robotics (IFR) indicates that the global industrial robot installation market remains robust and identifies AI, autonomy, and humanoid robots as key trends for 2026. Meanwhile, SEMI and imec have noted that silicon photonics has become a key technological direction for AI, high-performance computing, and high-speed data transmission, driving increased demand for precision packaging and alignment equipment.

Overall, the industry in which the Company operates exhibits dual characteristics: efficiency-driven competition in mature markets and technology-driven competition in emerging markets.

In the field of linear guideways and precision motion components, the industry serves a broad range of applications, including industrial equipment, automation, medical devices, and robotics. Key competitive factors include precision, rigidity, service life, quality stability, and delivery capability. As this market is relatively mature, competition is characterized by a balance among price, quality, and brand, resulting in a relatively stable competitive environment. However, high-end applications still present technical barriers. For the Company, continued improvement in product quality, reliability, and customer application support will help sustain its competitive position and expand into higher value-added markets.

In the fields of humanoid robotics and dexterous manipulation, the industry remains at the stage of technology validation, pilot deployment, and gradual formation of application models. Competition is primarily focused on joint modules, actuators, encoders, sensors, control systems, and AI integration capabilities. According to the IFR, applications for humanoid robots are gradually expanding into factories, warehouses, and existing human work environments, reflecting growing market interest. Nevertheless, challenges remain in cost, reliability, mass production capability, and real-world deployment. Future competition will depend not only on the performance of core components but also on system integration capabilities, algorithm maturity, and time-to-market.

In the field of silicon photonics alignment platforms and related high-end precision positioning equipment, barriers to entry are relatively high due to the rapid formation of the silicon photonics supply chain and the complexity of fiber-to-PIC integration, which involves key processes such as active/passive alignment, packaging precision, thermal stability, and testing/validation. Competitors are mainly concentrated among companies with strong capabilities in precision platforms, optoelectronic packaging, and

semiconductor equipment integration. SEMI notes that Taiwan's silicon photonics alliance has gathered over 110 companies, while ASE highlights the importance of addressing core issues such as active alignment, passive alignment, edge coupling, and grating coupling. This indicates that the market is both high-growth and highly technology-driven. For the Company, leveraging its existing precision motion control and platform integration capabilities may enable entry into high-end niche markets.

In summary, the Company's current competitive environment can be broadly categorized as follows: in the field of linear motion and automation components, competition is centered on quality and efficiency in a mature market; in robotics, humanoid robotics, and dexterous manipulation, competition is driven by technology and strategic positioning in an emerging market; and in high-end equipment such as silicon photonics alignment platforms, competition is characterized by high entry barriers, technological capability, and customer validation requirements.

The Company's current product portfolio includes linear guideways, linear motors, linear motor platforms, industrial robots, miniature robotic arms, subsystems, and software-based PLCs, demonstrating its capability to extend from components to modules, systems, and control platforms. Going forward, continued strengthening of independent R&D, system integration, application validation, and market development capabilities will help enhance the Company's overall competitive position in line with industry trends.

3. Technology and R&D Overview

(1) Chieftek Precision Co., Ltd. has long been engaged in precision linear motion, mechatronic integration, motion control, and intelligent automation technologies. With independent R&D as its core strategy, the Company has progressively established a comprehensive technology framework spanning key components, drive control, module systems, and software platforms. Its current product portfolio includes linear guideways, linear motors, linear/torque motor modules, servo motors, encoders, servo drives, multi-axis modules, miniature six-axis robotic arms, and software PLC/IDE platforms, demonstrating that the Company's technological development has evolved from individual components to modules, systems, and control platforms.

In terms of core technologies, the Company builds upon its precision linear guideway expertise and continues to expand into product lines such as large-scale guideways, high-rigidity guideways, and roller-type linear guideways to meet application requirements in automation equipment, machine tools, precision measurement, electronics, and semiconductors. The Company has also developed both ironless and iron-core linear motors, and, in combination with its proprietary linear servo drives, has established an integrated technology chain from transmission components and motors to drives and positioning platforms, thereby enhancing capabilities in high-speed, high-precision, and highly integrated applications.

In addition to hardware technologies, the Company has in recent years continued to strengthen the development of its control software platforms. The Company's cpcStudio is an integrated development environment compliant with the IEC 61131-3 standard. Together with the Linux-based cpcRuntime, it enables industrial PCs to achieve PLC-level real-time control capabilities and supports PLCopen Motion Control function blocks, meeting requirements such as continuous interpolation, gantry control, and coordinated control of complete systems. When integrated with robotic systems, users can employ PLC programming languages to achieve unified control of both systems and robotic arms, demonstrating the Company's capabilities in hardware-software integration and control platform development.

In terms of practical R&D implementation, the Company has begun building its own smart factory. From machine design, mechanical assembly, and electrical engineering

to programming, interface development, and data management, it is progressively adopting its proprietary products and in-house technologies to meet internal machining and factory IoT deployment needs. This approach not only helps validate product stability and integration capabilities but also enables the accumulation of real-world operational experience, serving as a foundation for further product optimization and external promotion.

The Company's current technological and R&D direction has evolved from traditional precision motion components toward mechatronic integration, motion control, robotic modules, and software control platforms, forming a development framework characterized by component autonomy, modular integration, and system platformization. Going forward, the Company is expected to continue leveraging its core technologies to advance high-end precision motion control, intelligent robotic modules, system integration applications, and software platform functionalities, thereby enhancing product value-added and overall market competitiveness.

(2) R&D Expenditures in the Most Recent Five Fiscal Years and Up to the Date of Publication of This Annual Report

Unit: thousands of NTD

Year	2021	2022	2023	2024	2025	2026Q1
Research and development expenditure (A)	70,421	73,929	72,493	75,829	84,845	21,513
Net sales revenue (B)	1,856,920	1,635,779	1,074,754	1,036,581	1,138,316	334,402
Proportion (A)/(B)	3.79%	4.52%	6.75%	7.32%	7.45%	6.43%

(3) Technologies or Products Successfully Developed in the Most Recent Five Fiscal Years and Up to the Date of Publication of This Annual Report

Year	R&D Achievements
2021	- New cpcRobot series of miniature six-axis robotic arms - cpcStudio software PLC/IDE platform
2022	- Robotic grippers - Automatic tool changing systems - Automation solutions
2023	- Machine vision technologies - Robotic arm software development
2024	- Humanoid robots - Robotic joints
2025	- Cross-roller components - High-precision semiconductor alignment platforms

4. Short-term and Long-term Business Development Plans:

In response to the global manufacturing industry's continued shift toward high precision, automation, intelligence, and low-carbon development, Chieftek Precision Co., Ltd. will continue to leverage its existing capabilities in precision motion transmission, mechatronic integration, motion control, system development, and intelligent applications. The Company will steadily promote the integrated development of components, modules, system equipment, and software platforms. Based on market demand, technological

evolution, and industry trends, the Company has formulated short-term and long-term business development plans to continuously enhance overall competitiveness and operational performance.

(1) Short-term Business Development Plans

1.1 Strengthen the Market Foundation of Core Products

Continue to enhance the quality, delivery performance, and application support capabilities of linear guideways, ball screws, linear modules, linear motor platforms, and related precision motion products. Deepen relationships with existing customers and increase market penetration in industries such as semiconductors, automation equipment, electronics manufacturing, precision measurement, and machine tools.

1.2 Increase the Sales Proportion of Modular and System-Based Products

Actively expand the market for cpcSystem-related linear motor modules, subsystem modules, and complete equipment solutions. By extending from single-component supply to module and system integration solutions, the Company aims to enhance product value-added and overall order acquisition capability.

1.3 Promote Market Introduction and Application Validation of New Products

Continue to advance the technical validation and market development of humanoid robot joint modules, dexterous hands, silicon photonics alignment platforms, and other high-end application products. Gradually establish demonstration cases as a foundation for future commercialization and market expansion.

1.4 Deepen Hardware-Software Integration and Control Platform Applications

Further expand the integration capabilities between the cpcStudio software PLC/IDE platform and hardware control systems, enhancing solution completeness in equipment control, process integration, data connectivity, and smart factory applications, thereby strengthening customer adoption and retention.

1.5 Strengthen Domestic and International Market Development and Channel Management

In line with the needs of key industry customers, continue to strengthen domestic market operations and expand overseas markets. Through technical services, application support, and strategic partnerships, the Company aims to enhance brand visibility, increase market share, and diversify risks associated with reliance on single markets.

(2) Long-term Business Development Plans

2.1 Establish a Comprehensive Smart Automation Product Architecture

With cpcCells, cpcSystem, cpcRobot, and cpcStudio as the core pillars, continue to deepen the development of a complete product chain spanning key components, modules, subsystems, complete equipment, and control platforms, forming total solution capabilities that support diverse industries and application scenarios.

2.2 Expand into High-Growth Emerging Application Markets

In response to trends in intelligent robotics, advanced semiconductor processes, silicon photonics, high-end precision equipment, and smart factories, continue to invest in related product and technology development, gradually increasing the Company’s presence in high-barrier, high value-added markets.

2.3 Enhance Proprietary Technology and System Integration Capabilities

Continue to strengthen independent R&D capabilities in precision motion control, key modules, drive technologies, sensing integration, machine vision, and software control platforms. By integrating real-world validation and customer-driven development, the Company aims to establish differentiated competitive

advantages.

2.4 Promote Product Platformization, Standardization, and Internationalization

Through platform-based design and modular development, enhance product commonality, production efficiency, and speed of market deployment. At the same time, continue to improve global market presence, technical service networks, and brand development to strengthen the Company's long-term competitiveness in international markets.

2.5 Implementation of Sustainable Operations and Enhancement of Corporate Resilience

In alignment with trends in energy conservation, carbon reduction, and sustainable development, the Company continues to incorporate high-efficiency, low-energy-consumption, and green design concepts into product development and operational management. At the same time, through process optimization, supply chain management, talent development, and digital management mechanisms, the Company enhances its overall operational resilience and long-term sustainability.

(3) Overall Development Objectives

In summary, the Company's short-term development focus is on strengthening the market position of its core products, increasing the proportion of module and system products, and accelerating the validation and market introduction of new products. In the long term, the Company will focus on technological deployment and business expansion in high-end automation, intelligent robotics, and emerging precision equipment markets, while continuing to build comprehensive competitive capabilities characterized by component autonomy, system integration, and platform intelligence.

Going forward, the Company will continue to advance its business development plans in a steady manner based on market demand and technological trends, with the aim of enhancing corporate value and achieving sustainable and stable long-term operating performance.

B. Market and Production & Sales Overview

(A) Market Analysis

1. Geographic Distribution of Sales for Major Products

Unit: NT$ in thousands; %

Sales Area \ Year / Note		2025		2024	
		Net sales Revenue	Percentage	Net sales Revenue	Percentage
Export	America	242,327	21.29%	198,025	19.11%
	Europe	382,141	33.57%	335,776	32.39%
	Asia	330,968	29.07%	302,755	29.21%
	Others	57,463	5.05%	73,747	7.06%
	Subtotal	1,012,899	88.98%	909,803	87.77%
Domestic		125,417	11.02%	126,778	12.23%
Total		1,138,316	100.00%	1,036,581	100.00%

2. Market Share

According to statistics released by the Customs Administration, Ministry of Finance, the total export value of linear guideways in 2025 amounted to approximately NT$15.58 billion. The Company's consolidated export revenue in 2025 was approximately NT$1.013 billion. Based on these figures, the Company's estimated market share in the linear guideway industry in 2025 was approximately 6.50%.

3. Future Market Supply, Demand, and Growth Prospects

In recent years, the global economy has been affected by multiple factors, including the pandemic, declining birth rates, labor shortages, inflationary pressures, rising interest rates, the Russia–Ukraine conflict, U.S.–China trade and technology tensions, and geopolitical risks such as the potential disruption of the Strait of Hormuz due to escalating conflicts in the Middle East. These factors continue to pose uncertainties and constrain global economic growth.

Against this backdrop, industries worldwide are increasingly adopting robotic applications to address labor shortages and improve operational efficiency. In Taiwan, opportunities arising from contactless business models and digital transformation continue to gain momentum, further driving demand for automation and intelligent manufacturing solutions.

4. Competitive Advantages

(1) Possesses technological capabilities in key components and mechatronic integration.
(2) Continues to invest in product development to enhance technological capabilities.
(3) Maintains a complete manufacturing process, facilitating quality and cost control.
(4) Demonstrates strong system integration capabilities, enabling the provision of total solutions to customers.
(5) Continues to accumulate technologies and patents, strengthening its competitive foundation.

5.1 **cpc** focuses on “product quality” and “product functionality” to enhance product value-added.

5.2 Extensive R&D experience enables rapid response to customer and market needs.

a. The Company’s Product Competitive Advantages Are as Follows:

(a) Proprietary Manufacturing Technologies:

The Company’s products demonstrate stable quality. Its proprietary patented designs enable reduced manufacturing costs through optimized production processes.

(b) Strong Product R&D Capabilities:

Products are independently developed and designed by the Company’s R&D team and protected by patents. Combined with stringent quality control by production personnel, product functionality and quality are maintained at a level ahead of industry peers.

(c) Fully In-House Mechatronic Expertise:

The Company’s R&D team possesses key core technologies and strong integration capabilities, enabling effective mechatronic system development.

(d) Active Patent Deployment:

The Company has obtained multiple invention patents and will continue to invest in patent deployment to protect its technologies and intellectual property.

(e) Mechatronic System Engineering Capabilities

b. The Company’s Core Key Technologies Are as Follows:

(a) Bearing engineering technologies
(b) Manufacturing and precision machining technologies
(c) Motor technologies
(d) Drive and control technologies

c. Key Technologies of the Company’s Major Products Are Described as Follows:

cpc has long focused on precision linear motion, mechatronic integration, drive control, and intelligent automation as its core technological development directions. It has established a comprehensive technology architecture spanning

core components, modules and subsystems, robotic products, and software control platforms.

According to the Company's official website and product information, its current product portfolio includes linear guideways, servo motors, encoders, servo drives, linear/torque motor platforms, miniature six-axis robotic arms, humanoid robot rotary joints, and the cpcStudio software PLC/IDE platform, demonstrating that its technological development has evolved from individual components to system and platform levels.

(a) Key Technologies for Linear Guideways

In the field of linear guideway technologies, the Company focuses on high-precision linear motion. Its product series includes cover strip, roller type, wide type, ball type, miniature type, miniature stroke slide, and cross-roller configurations, addressing diverse application requirements across industrial, automation, medical, and robotics sectors.

Key technological features include high-precision guiding structure design, high-speed load-bearing capability, diversified product specifications, and advanced life cycle and rigidity analysis capabilities. The Company has also developed proprietary LLRAS tools for life, load, and rigidity analysis, enhancing design accuracy and application reliability in terms of deformation under load, equivalent load calculation, and service life estimation.

From the perspective of high-end product development, the cross-roller series further demonstrates the Company's differentiated capabilities in linear guideway structures. Key features include high-density roller arrangements to enhance load capacity, integrated through-type lubrication space design to improve lubrication performance and extend relubrication intervals, and extended contact length design to increase rated load capacity within the same size.

In addition, this series incorporates a patented anti-creep structure, utilizing engagement between a cage gear and a cylindrical rack to reduce the risk of roller deviation and slippage during operation.

Overall, the Company's key technologies in linear guideways can be summarized as high-precision guidance, high load capacity, long-life lubrication design, and the integration of application-oriented analytical tools.

(b) Key Technologies for Components

In terms of component technologies, Chieftek Precision is centered on cpcCells, with products covering linear guideways, servo motors, encoders, and servo drives, forming a foundational technology platform for precision transmission and drive control. From a product architecture perspective, the key lies not in improving the performance of individual components, but in the integration of mechanical structures, drive systems, sensing, and control technologies.

Specifically, servo motors provide the power source, encoders deliver position and velocity feedback, drives manage current, speed, and position control, and linear motion components provide high-precision mechanical guidance. Only through the integration of these elements can the overall performance of high-precision automation equipment and modular systems be achieved.

According to the Company's official website and presentation materials, its technological focus also extends to bearing technology, motor technology, and drive control technology, and is gradually being integrated with AI vision

applications and system integration capabilities. For annual report purposes, the key component technologies can be summarized as precision transmission component design, high-efficiency motor and actuation technologies, high-resolution sensing and feedback technologies, and drive control with mechatronic matching. This technological foundation not only supports existing component products but also serves as a core platform for the development of modules, subsystems, and robotic products.

(c) Key Technologies for Modules and Subsystems

In the area of modules and subsystems, Chieftek Precision focuses on cpcSystem as its development platform. Its product offerings include linear motor stages, multi-stage series, and platform series, forming various configurations such as CLS, CLMS, MMLS, and UF multi-head linear motor modules and platforms.

The core technological capability lies in integrating linear motors, guiding mechanisms, sensing feedback, structural rigidity, and control systems into functional modules that can be directly applied at the equipment level, thereby helping equipment manufacturers and OEM customers shorten design and integration cycles.

In terms of product characteristics, CLS emphasizes high rigidity and compactness; CLMS focuses on dust resistance and reliability; MMLS addresses multi-axis synchronization and compound motion requirements; and UF multi-head emphasizes multi-station capability and customized scalability. The key technologies involved include not only high-precision platform design, but also multi-axis synchronized control, structural rigidity optimization, dust-resistant and reliability-oriented design, compact spatial configuration, and application-oriented modular development for mass production.

In addition, the Company's automatic tool changing (ATC) system features a design that does not require external air or power sources, enabling tool changes during robot operation. It utilizes permanent magnets for multi-directional precision locking and supports customized electrical and pneumatic interfaces, demonstrating the Company's integrated capabilities in structure, control, and interface design at the subsystem level.

(d) Key Technologies for Robotics

In the field of robotics, **cpc** currently focuses on cpcRobot as its primary platform and has launched DB0, S0, and S1 miniature six-axis robotic arms, further extending into ATC systems and humanoid robot rotary joints. According to official information, DB0 and S0 emphasize high precision, low noise, and lightweight design. The S0 adopts a foldable collaborative structure to enhance configuration flexibility, while DB0 focuses on high rigidity and stable precision control. The S1 features a payload capacity of 2 kg and a working radius of 650 mm, further strengthening its capability in lightweight automation applications.

Beyond the mechanical structure, the Company also emphasizes safety simulation, human-machine interaction, and rapid deployment capabilities required for robotic applications. According to official information, its robotic systems include simulation systems, drag-and-teach functionality, automatic tool calculation, and automatic configuration generation, reflecting that the Company's key robotics technologies extend beyond structural design and joint control to human-machine collaboration interfaces and

application deployment processes.

cpc has extended its core component technologies into humanoid robot joints, arm modules, and humanoid hands, emphasizing high torque density, high-precision control, in-house manufacturing capabilities, and vertical integration from components to complete systems. For annual report purposes, the Company's key robotics technologies can be summarized as high-precision lightweight structural design, multi-axis coordinated control, integration of joint modules and servo drives, human-machine collaborative operation mechanisms, and platform-based development of key modules for humanoid robots.

(e) Key Technologies of cpcStudio

cpcStudio is the Company's core technology platform in the field of control systems and industrial software. According to official information, cpcStudio is an integrated development environment compliant with the IEC 61131-3 standard. When combined with the Linux-based cpcRuntime, it enables industrial PCs to achieve PLC-level real-time control capabilities, allowing users to freely select hardware architectures without being restricted to specific PLC brands. This open architecture reflects the Company's transition from traditional hardware-based control systems to software-defined control platforms.

In terms of control functions, cpcStudio supports IEC 61131-3 standard programming languages and incorporates built-in PLCopen Motion Control function blocks, enabling applications such as continuous interpolation, gantry control, and other advanced motion control functions. When integrated with cpcRobot, users can directly utilize familiar PLC languages such as Structured Text (ST) or Function Block Diagram (FBD) to simultaneously control both the system and robotic arms.

Accordingly, the key technologies of cpcStudio lie not only in the development tools themselves but also in its real-time control kernel, standardized motion control libraries, open hardware compatibility, and integration interfaces with robotics, automation equipment, and subsystems. Overall, cpcStudio has become a critical technological pillar enabling the Company to extend from components, modules, and robotics products to system-level control and intelligent automation platforms.

(f) Overall Technology Architecture

In summary, the Company's key technology framework can be categorized from bottom to top as precision transmission and drive component technologies, module and subsystem integration technologies, robotic and humanoid robot key module technologies, and software control platform technologies centered on cpcStudio. These layers are mutually supportive, enabling the Company to evolve from a component supplier into a provider of intelligent automation technologies with modular, system-level, and platform-based capabilities.

5. Favorable and Unfavorable Factors for Future Development and Corresponding Strategies

As global manufacturing continues to advance toward automation, intelligence, high precision, and sustainability, the industries in which the Company operates—including precision transmission, automation systems, robotics, and control platforms—continue to exhibit medium- to long-term growth potential. The International Federation of Robotics (IFR) indicates that the global industrial robot installation market reached a historical high in 2026 and identifies AI, autonomy, and humanoid robots as key trends. SEMI also

forecasts that global 300mm wafer fab equipment spending will increase by 18% and 14% in 2026 and 2027, respectively, indicating continued growth momentum in the semiconductor and high-end equipment markets. These industry trends are expected to drive demand for precision components, modules, subsystems, robotics, and control platforms.

(1) Favorable Factors

1.1 Continued Expansion of Smart Automation and Advanced Manufacturing Demand

With ongoing advancements in industrial automation, smart manufacturing, AI applications, and semiconductor equipment investment, demand for high-precision linear motion components, modular systems, robotic key modules, and control platforms is expected to grow steadily. In particular, the emergence of new applications such as humanoid robots, collaborative robots, and high-end precision equipment will create opportunities for companies with strong mechatronic integration and independent R&D capabilities.

1.2 Comprehensive Product Architecture from Components to System Platforms

The Company's product and technology scope has expanded from cpcCells (including linear guideways, motors, encoders, and platforms) to cpcRobot and cpcStudio, evolving from standalone mechatronic components to integrated mechatronic solutions and software-based services. This comprehensive structure enables the Company to transition from a single-component supplier to a provider of modules, subsystems, and total solutions, thereby enhancing product value-added and customer retention.

1.3 Continuous Investment in R&D and Advancement of Smart Factory Development

The Company's R&D expenditures in 2025 amounted to NT$84,845 thousand, representing 7.45% of net operating revenue. R&D investment is expected to increase to over NT$95,000 thousand in 2026. At the same time, the Company has initiated the development of its own smart factory, progressively integrating its proprietary products and technologies into machine design, mechanical assembly, electrical engineering, programming, interface development, and data management. These investments will help deepen technological capabilities, accelerate product validation, and improve overall operational efficiency.

(2) Unfavorable Factors

2.1 Risks from Geopolitics, Inflation, Exchange Rates, and Raw Material Price Volatility

According to the Company's annual report, the global economic environment continues to be affected by factors such as inflation, rising interest rates, geopolitical tensions, and supply chain restructuring, resulting in ongoing market uncertainties. In addition, the Company's export revenues and procurement of raw materials involve currencies such as the U.S. dollar, Euro, and Japanese yen. While partial natural hedging effects exist, the Company remains exposed to exchange rate fluctuations and raw material price volatility. These factors may affect order momentum, cost control, and profitability.

2.2 Intensifying Industry Competition and Accelerating Technological Iteration

The precision motion and automation industry has long been highly competitive, while emerging fields such as robotics, AI control, humanoid robots, and high-end equipment are evolving rapidly. The Company's annual report also notes that as AI and mechanical technologies continue to mature, market attention toward robotics will increase, indicating that future competition will extend beyond price and quality to include R&D speed, product differentiation, system integration capabilities, and deployment efficiency. Failure to keep pace with market demand and technological

developments may adversely affect the Company's competitive position.

2.3 Increasing Requirements for Sustainability, Carbon Management, and Regulatory Compliance

2.4 Increasing Cybersecurity and Supply Chain Risks

With the expansion of digitalization and AI applications, companies must address not only the growing complexity of system integration and data connectivity but also cybersecurity and supply chain security risks. The Company's annual report identifies cybersecurity trends, supply chain security, and the impact of AI on cybercrime as key issues. Furthermore, the Company has disclosed that certain key materials involve concentrated sourcing. Although such risks are considered manageable, continuous efforts are required in supplier management and the development of alternative sourcing channels.

(3) Countermeasures

3.1 Continuous Enhancement of Independent R&D and Product Differentiation

The Company will continue to invest in R&D for precision motion components, modules, subsystems, robotic key modules, and the cpcStudio platform. By strengthening the integrated development from cpcCells and cpcRobot to cpcStudio, the Company aims to raise technological barriers and enhance value-added applications. At the same time, through the development of niche products and emerging application markets, the Company will gradually increase the proportion of high-margin and high-growth products.

3.2 Strengthening Total Solution Capabilities and Market Expansion

Chieftek Precision will continue to promote its proprietary **cpc** brand globally, strengthen strategic partnerships with long-term distributors, and focus on meeting customers' total solution requirements. By integrating components, modules, systems, and software platforms, the Company aims to improve customer adoption efficiency and deepen cooperation, while expanding into new customers and applications to reduce dependence on any single market.

3.3 Promoting Smart Manufacturing, Cost Optimization, and Supply Chain Diversification

In terms of production policy, the Company will continue to reduce production costs, promote smart manufacturing, and evolve toward a technology-driven manufacturer integrating hardware, mechatronics, and software services. In supply chain management, the Company will maintain relationships with key suppliers while actively developing new suppliers and diversifying procurement to reduce sourcing concentration risks. Additionally, the Company will continue monitoring exchange rate trends and adopt appropriate hedging strategies to mitigate foreign exchange risks.

3.4 Strengthening Sustainability Governance, Regulatory Compliance, and Risk Management

In response to requirements for greenhouse gas inventories, sustainability disclosures, and related regulations, the Company will continue implementation in accordance with applicable requirements, with relevant departments coordinating response measures. By strengthening regulatory compliance, energy conservation, carbon reduction, internal control systems, and risk management mechanisms, the Company aims to reduce operational uncertainties and enhance its long-term sustainability.

3.5 Enhancing Cybersecurity Protection and Talent Development

The Company has progressively increased the proportion of talent in electrical engineering and information technology fields to support the development of

mechatronic integration, software platforms, and intelligent applications. Going forward, the Company will continue to strengthen cybersecurity awareness, risk management strategies, cross-disciplinary talent development, and organizational efficiency, thereby enhancing its adaptability and competitive resilience in a rapidly evolving technological environment.

In summary, the Company's future development outlook is supported by favorable factors including sustained growth in global demand for smart automation, advanced manufacturing, semiconductor equipment, and robotic applications, as well as the Company's established technological foundation spanning precision components, modules, subsystems, robotics, and control platforms.

Unfavorable factors primarily arise from macroeconomic volatility, intensifying industry competition, increasingly stringent regulatory requirements, and cybersecurity and supply chain risks.

Going forward, the Company will continue to strengthen R&D, enhance integration capabilities, deepen market expansion, and implement comprehensive risk management. These efforts are expected to reinforce its existing competitive advantages and enable the Company to capture new opportunities arising from industry transformation and upgrading.

(B) Major Uses and Manufacturing Processes of Principal Products:

1. Major Uses of Principal Products

cpc's current product portfolio includes linear guideways, linear motors, sensing and drive components, linear motor modules and subsystems, miniature six-axis robotic arms, and the cpcStudio software PLC/IDE platform. The Company has established a comprehensive product architecture spanning key components, modular systems, and control platforms.

(1) Linear Guideways

Linear guideways are one of the Company's core products, primarily providing linear guidance, load support, and high-precision positioning functions for equipment. Their applications cover automation industries, machine tools, TFT-LCD, optoelectronics manufacturing, inspection and handling equipment, electronics machinery, semiconductor manufacturing, inspection and packaging handling equipment, medical devices, printing and packaging machinery, as well as industrial machinery, aerospace, and defense sectors.

According to the Company's official website, its linear guideway products are widely applied across industrial, automation, medical, and robotics fields.

(2) Linear Motors, Direct Drive (DD) Motors, Encoders, and Drives

Component products are mainly used in equipment requiring high precision, high speed, or high thrust. Ironless linear motors, characterized by cogging-free operation and lightweight movers, are suitable for semiconductors, flat panel displays, biotechnology, laser cutting, and automation industries. Iron-core linear motors, with high thrust and relatively lower stator costs, are suitable for automated warehousing, solar energy, laser systems, flat panel displays, semiconductor handling equipment, and automation applications.

DD motors are applicable to panel manufacturing, automation equipment, biomedical robotics, machine tools, and semiconductor industries. Magnetic encoders, as position feedback components, are widely used in various rotational and linear motion systems. Drives are used in conjunction with linear motors and related modules to form complete actuation and control solutions.

(3) Modules and Subsystems

The Company's modules and subsystems primarily consist of linear motor platforms

and multi-axis platforms, focusing on integrating linear motors, linear guideways, and positioning systems into modular products that can be directly applied.

According to the Company's official website, related products include CLS compact linear motor platforms, CLMS dust-resistant platforms, MMLS multi-axis platforms, and UF multi-head platforms. These products are mainly used by equipment manufacturers and OEM customers to meet requirements such as high precision, miniaturization, dust resistance, synchronized motion, and multi-station operations, while reducing barriers to mechatronic integration.

(4) Robotics

The Company's robotics products primarily consist of miniature six-axis robotic arms and related modules. These products are mainly applied in precision automation, lightweight manufacturing processes, space-constrained workstations, and intelligent manufacturing environments requiring both flexible deployment and high-precision operation.

According to the Company's official website, DB0 and S0 models feature high precision, low noise, and lightweight characteristics. The S0 adopts a foldable collaborative structure for enhanced flexibility, while DB0 emphasizes high rigidity and stable control. The S1 offers a payload capacity of 2 kg and a working radius of 650 mm, further supporting precision and lightweight automation applications.

(5) cpcStudio

cpcStudio is the Company's software PLC/IDE platform, primarily used to provide a unified platform for equipment control, motion control, system integration, and automation project development.

According to the Company's official website, cpcStudio complies with the IEC 61131-3 standard and, when combined with the Linux-based cpcRuntime, enables industrial PCs to achieve PLC-level real-time control capabilities. It also supports PLCopen Motion Control function modules, which can be applied to continuous interpolation, gantry control, and integrated control of robotic and system applications, thereby helping users establish flexible and scalable automation control architectures.

2. Manufacturing Processes of Principal Products

(1) Linear Guideways

Linear guideways are high-precision mechanical components. Their manufacturing processes can be broadly divided into raw material preparation, precision machining, surface treatment, assembly, and inspection/measurement stages. Upstream processes include cold drawing, forging, heat treatment, and precision cutting, while finished products undergo final assembly and quality inspection to ensure that precision, rigidity, and service life meet application requirements.

(2) Components

For motor components, the manufacturing processes of magnetic parts and winding parts are as follows:

- Magnetic components: *raw materials → machining → electroplating → magnet bonding → stator assembly*
- Winding components: *raw material processing → coil winding → wiring → encapsulation → assembly → calibration → inspection and measurement*

Magnetic encoders and drives follow processes such as PCB assembly, housing fabrication, mechanical processing, electromagnetic material treatment, electronic assembly, and calibration/measurement. Overall, the Company's component manufacturing integrates precision machining, electronic assembly, and measurement technologies.

(3) Modules and Subsystems

The manufacturing process for modules and subsystems involves integrating linear motors, linear guideways, sensing elements, and positioning systems into platform products ready for application.

3.1 The main manufacturing process for linear motor modules and industrial robots includes: *stage machining → stator and guideway assembly → stage carriage and read head assembly → inspection and measurement*

3.2 According to the Company's official website, the core design of these platform products lies in integrating linear motors, guideways, and positioning systems into compact modules. Therefore, beyond mechanical processing, key processes also include mechatronic integration, assembly calibration, and reliability verification.

(4) Robotics

The manufacturing process of robotic products emphasizes not only mechanical structure fabrication but also the integration of joint modules, motors, reducers, bearings, encoders, and control systems. The assembly of miniature robotic arms is highly modularized, using fixtures to precisely position reducers, direct-drive motors, bearings, and encoders, followed by software-based control and testing. Final assembly includes full system integration and script-based operation to verify reliability.

(5) cpcStudio

As a software platform product, the development process of cpcStudio differs from hardware manufacturing. It primarily focuses on control architecture design, functional module development, software integration, system testing, and version maintenance.

According to the Company's official website, cpcStudio is built on an IEC 61131-3-compliant development environment integrated with the Linux-based cpcRuntime, and incorporates PLCopen Motion Control and various function libraries. Therefore, its "production" is essentially centered on software platform development, validation, integration, and continuous optimization, followed by deployment and application based on customer-specific control architectures.

3. Supply Status of Major Raw Materials

The Company is primarily engaged in the manufacturing of linear guideways. Its main raw materials include cold-drawn steel, plastic components, and steel balls. Procurement sources are from major domestic and international suppliers, with whom the Company has established long-term and stable cooperative relationships. To date, the supply of all major raw materials remains stable and adequate.

Major Raw Materials	Suppliers	Supply Status
Cold-drawn steel	Company A, Company B, Company C	Stable
Plastic components	Company D, Company E	Stable
Steel balls	Company F, Company G	Stable

In addition, the primary raw materials for linear motors include rare earth magnets, enameled wires, and epoxy resins. Suppliers are sourced both domestically and internationally, and long-term cooperative relationships have been established, ensuring stable and reliable supply of key materials.

4. Major Suppliers and Customers

(1) Names of Major Suppliers in the Most Recent Two Fiscal Years, Their Purchase Amounts and Percentages, and Explanation of Changes

Unit: NT$ in thousands; %

Item	2024				2025				As of the previous quarter in 2026 Fiscal Year			
	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the annual purchases (%))	Relation with Issuer	Company Name	Amount	Percentage in the Current Fiscal Year up to the End of the First Quarter Purchases (%)	Relation with Issuer
1	COMPANY A	72,729	40.20	None	COMPANY A	46,158	26.85	None	COMPANY D	9,934	18.87	None
2	COMPANY B	17,397	9.62	None	COMPANY B	39,910	23.21	None	COMPANY B	7,489	14.23	None
3	COMPANY C	15,240	8.42	None	COMPANY C	14,129	8.22	None	COMPANY C	4,811	9.14	None
	Others	75,538	41.76	None	Others	71,723	41.72	None	Others	30,411	57.76	None
	Net Purchases	180,904	100.00		Net Purchases	171,920	100.00		Net Purchases	52,645	100.00	

Suppliers whose purchase amounts accounted for 10% or more of total purchases in each of the most recent two fiscal years shall be disclosed, including their names, purchase amounts, and percentages. However, where contractual agreements prohibit disclosure of supplier names, or where the transaction counterparties are individuals who are not related parties, such entities may be identified by codes instead.

Note 2: Explanation of changes: Although revenue increased by 9.81% in 2025, purchase amounts decreased by NT$8,984 thousand due to relatively lower inventory levels, as the machine tool industry remained sluggish.

(2) Nam Note 1:es of Major Customers in the Most Recent Two Fiscal Years, Their Sales Amounts and Percentages, and Explanation of Changes

Unit: NT$ in thousands; %

Item	2024				2025				As of the previous quarter in 2026 Fiscal Year			
	Company Name	Amount	Percent in the annual sales (%)	Relation with Issuer	Company Name	Amount	Percent in the annual sales (%))	Relation with Issuer	Company Name	Amount	Percentage in the Current Fiscal Year up to the End of the First Quarter Sales (%)	Relation with Issuer
1	COMPANY a	52,728	5.09	None	COMPANY a	66,081	5.81	None	COMPANY a	33,459	10.01	None
2	COMPANY b	40,281	3.89	None	COMPANY b	60,100	5.28	None	COMPANY c	13,479	4.03	None
	Others	943,572	91.02	None	Others	1,012,135	88.91	None	Others	287,464	85.96	None
	Net Sales	1,036,581	100.00		Net Sales	1,138,316	100.00		Net Sales	334,402	100.00	

Note 1: Customers whose sales amounts accounted for 10% or more of total sales in each of the most recent two fiscal years shall be disclosed, including their names, sales amounts, and percentages. However, where contractual agreements prohibit disclosure of customer names, or where the transaction counterparties are individuals who are not related parties, such entities may be identified by codes instead.

Note 2: Explanation of changes: In 2024, operating performance was adversely affected by unfavorable economic conditions and ongoing geopolitical risks. In 2025, revenue increased by 9.81% due to the rapid development of the semiconductor and AI-related semiconductor industries. There were no customers accounting for 10% or more of net sales in either 2024 or 2025. In the first quarter of 2026, however, due to continued strong demand in the semiconductor industry, Company A accounted for 10.01% of total revenue.

C. Employee Information for the Most Recent Two Fiscal Years and up to the Date of Publication of This Annual Report

March 31, 2026

Year		2024	2025	As of March 31, 2026
Number of Employees	Management Personnel	82	81	83
	R&D Personnel	30	28	28
	Sales Personnel	28	32	31
	Production Personne	221	217	217
	Total	361	358	359
Average Age		39.33	41.10	37.18
Average Years of Service		8.81	9.31	9.25
Educational Background Distribution (%)	Doctoral Degree (Ph.D.)	0%	0%	0%
	Master's Degree	6.6%	6.7%	6.7%
	College / University Degree	55.7%	56.1%	56.5%
	Senior High School	36.0%	35.5%	35.4%
	Below Senior High School	1.7%	1.7%	1.4%

D. Environmental Protection Expenditure Information

For the most recent fiscal year and up to the date of publication of this annual report, losses incurred due to environmental pollution (including compensation and any violations identified in environmental protection inspections) shall be disclosed. Such disclosure shall include the date of penalty, reference number of the penalty, violated regulations, description of the violation, and details of the penalties imposed. In addition, estimated amounts of current and potential future losses, as well as corresponding countermeasures, shall be disclosed. If such amounts cannot be reasonably estimated, the reasons for such inability shall be explained:

(A) In accordance with applicable laws and regulations, companies required to obtain permits for pollution control facility installation or pollutant emissions, to pay pollution control fees, or to establish dedicated environmental protection units or personnel shall disclose the status of such applications, payments, or establishment:

The Company is engaged in the manufacturing of linear guideways and is located in the Southern Taiwan Science Park and Tree Valley. It has obtained all required pollution control facility installation permits or pollutant emission permits in compliance with environmental protection regulation

(B) Investment in major equipment for environmental pollution prevention, their purposes, and expected benefits:

December 31, 2025; Unit: in thousand

Equipment Name	Qty.	Acquisition Date	Invested Cost	Balance	Usage and Estimated Benefit
Floor Renovation of Waste Storage Area	1	August 1, 2006	517	354	Waste Treatment
Addition of Waste Collection Area on the South Side (Phase II)	1	November 3, 2014	270	10	Waste Treatment
Automatic Pulse Dust Collector	2	May 15, 2024	773	515	Dust Collection System
Exhaust Gas Treatment System Installation	1	March 28, 2014	550	6	Exhaust Gas Treatment
Air Purification Equipment	7	October 20, 2021	476	84	Oil Purification

Installation of Additional Exhaust Ventilation System on the Second Floor	1	March 23, 2022	350	88	Exhaust Gas Treatment
Exhaust Fan System Installation	1	June 6, 2022	2,421	686	Exhaust Gas Treatment

(C) For the most recent fiscal year and up to the date of publication of this annual report, the Company's efforts in improving environmental pollution and, if any pollution-related disputes have occurred, a description of the handling process:

The Company has not been involved in any pollution-related disputes during the most recent fiscal year and up to the date of publication of this annual report.

(D) For the most recent fiscal year and up to the date of publication of this annual report, the total amount of losses incurred by the Company due to environmental pollution (including compensation), as well as the penalties imposed, together with future countermeasures (including improvement actions) and potential expenditures (including estimated losses, penalties, and compensation that may arise if such countermeasures are not implemented; if such amounts cannot be reasonably estimated, the reasons shall be disclosed): None.

E. Labor-Management Relations

(A) Employee Welfare Measures, Continuing Education, Training, Retirement System and Their Implementation, as well as Labor-Management Agreements and Measures for Safeguarding Employee Rights:

1. Employee Welfare Measures and Their Implementation:

◆ **Incentive Programs**

(1) Year-end bonus
(2) Employee compensation
(3) Performance-based bonuses
(4) Meal allowances (lunch and dinner)
(5) Performance bonuses / technical allowances
(6) Special bonuses / production bonuses / outstanding performance awards
(7) Operational performance bonuses
(8) R&D patent incentives
(9) Referral bonuses
(10) Other performance-based salary adjustment mechanisms and flexible incentive programs
(11) Pension contributions
(12) Employee stock ownership trust

◆ **Insurance and Subsidies**

(1) Labor insurance
(2) National health insurance
(3) Occupational accident insurance
(4) Accident insurance and group insurance
(5) Emergency relief and subsidies for major illness or hardship

◆ **Facilities**

(1) Employee cafeteria
(2) Nursing room
(3) Free parking
(4) Installation of Automated External Defibrillators (AEDs)

◆ **Leave System**

(1) Two days off per week
(2) Annual leave / paid leave

(3) Paternity leave
(4) Prenatal check-up leave
(5) Family care leave
(6) Menstrual leave (for female employees)
(7) Paternity check-up leave
(8) Vaccination leave
(9) Pandemic Prevention Care Leave

◆ **Others**

(1) Internal and external employee education and training
(2) Employee Welfare Committee:
- Festival bonuses/gifts (three major festivals), year-end banquet gatherings, and other gifts/bonuses
- Wedding gifts, condolence payments, etc.

(3) Regular employee health check-ups
(4) Appointment of health management professionals and regular on-site occupational physician consultation services
(5) Strengthening employees' knowledge and training in industrial safety, occupational safety, fire prevention, and disaster prevention; establishment of internal fire response teams and regular fire safety training and drills

2. Employee Continuing Education and Training System and Its Implementation

The Company is committed to creating a sustainable talent development environment and enhancing competitive capabilities. It has established the "Education and Training Management Procedures" and "Education and Training Implementation Procedures" to cultivate qualified personnel through internal and external training resources.

The Company currently provides a wide range of general, professional, and managerial training programs. In addition to developing supervisors and senior employees as internal instructors to pass on corporate culture and expertise, external experts are also invited to conduct training sessions on a regular basis.

In 2025, the Company conducted a total of 878 training sessions, with approximately 13,235 total training hours and 9,805 participant attendances.

Training programs in 2025 included:

(1) New Employee Orientation Training:
Includes introduction to company policies, labor safety and health regulations, and onboarding guidance. Each new employee is assigned training to facilitate rapid adaptation to the work environment and job responsibilities.
(2) General Training:
Includes training required by government regulations, company policies, and organization-wide programs, such as insider trading prevention, environmental health and safety (EHS) training, occupational safety courses, quality training, emergency response training, and personal effectiveness programs.
(3) Professional Training:
Includes technical and professional training required by specific departments, such as R&D, manufacturing processes, finance and accounting, and information technology.
(4) Management Training:
Includes leadership development and management training programs for supervisors, covering leadership, management skills, and related competencies.
(5) Direct Labor Training:
Provides frontline employees with the knowledge, skills, and attitudes required for

their roles, including machine operation training programs.

(6) Regular Technical and Performance Evaluations:

Conducted periodically to develop reserve talents and strengthen workforce capabilities.

(7) Integrity and Compliance Training:

Internal and external training programs related to ethical management, including regulatory compliance, food safety and inspection, accounting systems, and internal control systems.

In 2025, a total of 289 participants attended integrity-related training programs, totaling 323 training hours. The training content included regulatory compliance for ethical management, codes of conduct, financial information analysis and decision-making applications, directors' duties of care and loyalty, accounting systems, internal control systems, confidentiality practices, disclosure practices, and violation handling.

(8) Training for Key Governance Personnel:

Internal and external training programs for accounting supervisors, internal auditors, and corporate governance officers. In 2025, a total of 35 participants attended such programs, totaling 143 training hours.

3. Employee Retirement System and Its Implementation

The Company's retirement system is primarily administered in accordance with the relevant provisions of the Labor Standards Act:

(1) Companies in the Republic of China (Taiwan):

All companies have established employee retirement management regulations in accordance with the *Labor Standards Act*. Retirement reserve funds are appropriated monthly and deposited into a designated account supervised by the Labor Pension Reserve Supervisory Committee. In addition, the *Labor Pension Act* has been fully implemented since July 1, 2005, with the following provisions:

1.1 Employees hired on or after July 1, 2005 (inclusive) are fully subject to the *Labor Pension Act*.

1.2 Employees hired before July 1, 2005 (exclusive) may, based on individual needs, choose between the *Labor Pension Act* and the *Labor Standards Act* within five years from July 1, 2005. If no selection is made within the specified period, the provisions of the *Labor Standards Act* shall continue to apply.

1.3 Voluntary Retirement Eligibility:

Employees may apply for voluntary retirement under any of the following conditions:

a. Having completed 15 years (inclusive) of service and reached the age of 55
b. Having completed 25 years (inclusive) of service
c. Having completed 10 years (inclusive) of service and reached the age of 60

1.4 Mandatory Retirement Conditions:

Employees may be subject to mandatory retirement under any of the following conditions:

a. Having reached the age of 65
b. Being mentally or physically incapacitated and unable to perform duties

For employees engaged in hazardous or physically demanding work, the retirement age under item 4.1 may be adjusted upon approval by the central competent authority in accordance with Article 54, Paragraph 2 of the *Labor Standards Act*, but shall not be less than 55 years. Where mandatory retirement conditions are met and termination conditions under Article 11 of the *Labor*

Standards Act also apply, retirement procedures shall be handled in accordance with the law.

1.5 Pension Calculation Standards:

a. Employees hired before March 1, 1998 (exclusive): Two units of pension are granted for each full year of service; for service exceeding 15 years, one additional unit is granted per additional year, with a maximum of 61 units.

b. Employees hired on or after March 1, 1998 (inclusive): Two units of pension are granted for each full year of service; for service exceeding 15 years, one unit is granted per additional year, with a maximum of 45 units, except in cases of mandatory retirement due to occupational injury or illness.

c. Employees subject to mandatory retirement due to mental or physical incapacity arising from work-related causes shall receive an additional 20% on top of the pension calculated under the above provisions.

1.6 New Pension System Contributions:

Under the new system, 6% of the employee's monthly salary is contributed to an individual labor pension account. At the end of each fiscal year, the Company evaluates the balance of the labor pension reserve. If insufficient to cover employees expected to meet retirement conditions under Article 53 or Article 54, Paragraph 1, Subparagraph 1 in the following year, the Company will make a one-time supplementary contribution before the end of March of the following year, subject to review by the Labor Pension Reserve Supervisory Committee.

1.7 Promotion of Voluntary Pension Contributions:

The Company promotes voluntary employee contributions to the labor pension scheme, encouraging diversified financial planning for post-retirement life.

(2) Companies in Mainland China:

For employees in Mainland China, retirement and pension insurance are administered in accordance with local regulations, with the Company contributing to pension insurance on behalf of employees:

2.1 In accordance with local social insurance regulations, pension insurance is included as part of the social insurance system (including medical, maternity, pension, occupational injury, and unemployment insurance). The Company fulfills its obligation to contribute to pension insurance upon enrolling employees in the social insurance system.

2.2 Employees who reach the statutory retirement age and have accumulated at least 15 years of contributions (including deemed contribution years) are entitled to basic pension benefits, which consist of:

For employees who began working on or after January 1, 1993:

- Basic Pension: Average monthly salary of local employees in the previous year × years of contribution × 1%
- Individual Account Pension: Balance of the individual account at retirement ÷ corresponding actuarial payout months based on retirement age

4. Labor-Management Agreements and Measures for Safeguarding Employee Rights:

The Company adopts an open and two-way communication approach in promoting policies and understanding employee feedback. Communication channels include email notifications, bulletin board announcements, suggestion boxes, meetings, proactive communication by supervisors, and the Employee Welfare Committee.

In addition, dedicated communication and support channels are provided for foreign employees. With the assistance of bilingual staff, the Company facilitates foreign employees' adaptation to both work and daily life, thereby improving their performance and integration.

Through these measures, the Company maintains harmonious labor-management relations, and no labor disputes have occurred.

5. Employee Stock Ownership Trust:

To enhance employee welfare, encourage financial planning, and strengthen employees' sense of participation in the Company, an employee stock ownership trust has been formally established. An "Employee Stock Ownership Trust Committee" has been set up to administer the program.

Eligible participants include employees of the Company and its subsidiaries with at least three years of service. Employees contribute a fixed amount monthly from their salaries, and the Company makes a corresponding matching contribution on a 1:1 basis. These funds are deposited into a designated employee stock ownership trust account.

This program aims to retain talent, support employees in financial planning and wealth accumulation, and assist them in preparing for retirement, thereby achieving a win-win outcome for both employees and the Company.

(B) Losses Arising from Labor Disputes:

For the most recent fiscal year and up to the date of publication of this annual report, losses incurred due to labor disputes (including violations identified in labor inspections under the *Labor Standards Act*, which shall disclose the date of penalty, reference number, violated provisions, description of violations, and details of penalties), as well as estimated amounts of current and potential future losses and corresponding countermeasures (if such amounts cannot be reasonably estimated, the reasons shall be disclosed): None.

F. Cybersecurity Management

(A) Description of the Cybersecurity Risk Management Framework, Cybersecurity Policies, Specific Management Measures, and Resources Invested in Cybersecurity Management:

1. Cybersecurity Risk Management Framework:

(1) The Information Technology (IT) Department is responsible for planning, implementing, and promoting cybersecurity management activities, as well as conducting cybersecurity awareness education.

(2) The Company appointed a Chief Information Security Officer (CISO) in 2023 and has assigned two full-time cybersecurity personnel responsible for promoting, coordinating, and supervising the Company's cybersecurity strategies and execution effectiveness.

(3) A dedicated IT unit (including designated cybersecurity personnel) is established to oversee cybersecurity policy formulation, risk management, technical protection, incident response, and continuous improvement.

(4) The Internal Audit Office serves as the supervisory body for cybersecurity. If deficiencies are identified during audits, the IT Department is required to propose corrective action plans, and the effectiveness of such improvements is tracked to mitigate cybersecurity risks. A written summary report of identified deficiencies and follow-up corrective actions is submitted by the end of the following month to the four independent directors for review. Independent directors may also request case-specific audit reports as needed.

2. Cybersecurity Policy:

The Company's cybersecurity management operations comply with the *Cyber Security Management Act* and related regulations, and are continuously enhanced with reference to international cybersecurity standards (such as the ISO 27001 framework), with the following objectives:

(1) Maintain the normal operation of all information systems

(2) Prevent intrusion and damage caused by hackers and various types of malware
(3) Prevent improper or illegal use by personnel
(4) Prevent leakage of confidential information
(5) Avoid incidents caused by human error
(6) Maintain physical security of facilities
(7) Ensure the confidentiality, integrity, and availability of information
(8) Comply with personal data protection laws and strengthen mechanisms for safeguarding personal data and privacy

3. Specific Cybersecurity Management Measures:
(1) Computer hosts and application servers are housed in dedicated server rooms with access control and surveillance systems to record entry and exit activities.
(2) The server rooms are equipped with independent air-conditioning systems to maintain appropriate operating temperatures, and chemical fire extinguishers are installed to prevent fire hazards.
(3) Uninterruptible Power Supply (UPS) and voltage stabilization systems are installed to prevent system failures due to sudden power outages and to ensure safe system switching or shutdown during power abnormalities, thereby safeguarding data integrity.
(4) Awareness reminders: Employees are required to regularly update system passwords to maintain account security.
(5) Cybersecurity education: Practical cybersecurity cases are shared with employees, and periodic training is conducted to enhance awareness.

4. Risk Management:
(1) Cybersecurity risk assessments are conducted at least once annually to identify critical information assets, potential threats, and vulnerabilities, and to establish improvement plans.
(2) A cybersecurity incident response mechanism is established, with regular drills and testing conducted.
(3) Cybersecurity risks are incorporated into the Company's Enterprise Risk Management (ERM) framework and reviewed alongside operational, compliance, and financial risks.
(4) Cybersecurity is also integrated into disaster recovery planning to mitigate the impact of unexpected incidents on operations.

5. Capability Building and Awareness Enhancement:
(1) Regular cybersecurity education and training programs are conducted for all employees.
(2) Internal awareness campaigns are implemented to strengthen employee security awareness.
(3) Advanced professional training is provided for high-risk departments and IT personnel.
(4) Through internal initiatives and continuous promotion, the Company fosters a corporate culture in which "Cybersecurity is Everyone's Responsibility."

6. Cybersecurity Incident Reporting Procedures:
Material cybersecurity incidents shall be reported to management within a specified timeframe in accordance with internal regulations. Where necessary, external disclosure shall be made in compliance with the requirements of the competent authorities.

7. Resources Invested in Cybersecurity Management in 2025:

Category	Measures	Results
Network Security	1. Deployment of firewalls to prevent external cyberattacks 2. Implementation of endpoint protection to prevent malware and hacking intrusions 3. Installation of antivirus software on	1. 100% of computers installed with antivirus software 2. 100% completion of firewall deployment and updates 3. 100% antivirus software update rate 4. SSL certificates implemented to

	all computers 4. Deployment of SSL certificates for the Company's website	enhance website security 5. Total investment of NT$1,097,174 in 2025 to ensure cybersecurity and network protection
Data and System Security	1. Establishment of data backup mechanisms, including regular restoration drills 2. Virtualization of critical application systems with daily backups 3. Deployment of document encryption software	1. 100% system backup coverage 2. 100% critical data backup coverage 3. Virtual system recovery drills conducted four times annually 4. Zero incidents of confidential document leakage
Training and Education	1. Cybersecurity training programs for employees 2. External training for cybersecurity supervisors and personnel	1. Ongoing internal awareness campaigns and training sessions 2. Participation in a 6-hour cybersecurity training program hosted by the Taiwan Academy of Banking and Finance on March 8, 2025
Employee Information Security	Implementation of employee information security usage policies	1. All new employees are required to sign the "Personal Computer Usage Policy" 2. A total of 36 new employees signed the policy in 2025

8. Cybersecurity Performance Indicators (KPI):

Indicator	2025
Number of major cybersecurity incidents	0
Remediation rate of high-risk vulnerabilities	100%
Employee cybersecurity training completion rate	100%
System backup success rate	100%
Disaster recovery drill success rate	100%
The above indicators cover the Company's internal information systems and all full-time employees.	

9. Stakeholders and Value Impact:

Effective cybersecurity management helps to:

(1) Protect the information and privacy rights of customers, employees, and suppliers
(2) Reduce operational disruptions and compliance risks
(3) Maintain the Company's reputation and market trust
(4) Support long-term stable development and sustainable value creation
(5) Serve as a key component of the Company's corporate governance(G) and be incorporated into annual sustainability risk assessments

(B) Losses Arising from Major Cybersecurity Incidents:

For the most recent fiscal year and up to the date of publication of this annual report, any losses incurred, potential impacts, and corresponding countermeasures resulting from major cybersecurity incidents (if such amounts cannot be reasonably estimated, the reasons shall be disclosed): None.

G Significant Contracts

Type of Contract	Counterparty	Contract Period	Contract Period	Restrictive Clauses
Medium- to Long-term Loan	Taipei Fubon Commercial Bank	Aug. 25, 2023 ~ Aug. 25, 2028	Credit Facility Agreement	None
Medium- to Long-term Loan	Mega International Commercial Bank and 10 other banks	Feb. 15, 2024 ~ Feb. 15, 2031	Syndicated Loan Agreement	Note 1
Medium- to Long-term Loan	Taipei Fubon Commercial Bank	May 27, 2024 ~ May 27, 2027	Credit Facility Agreement	None
Medium- to Long-term Loan	Cathay United Bank	Nov. 29, 2022 ~ Nov. 29, 2027	Credit Facility Agreement	None
Medium- to Long-term Loan	CTBC Bank	Nov. 1, 2025 ~ Oct. 31, 2027	Credit Facility Agreement	None
Medium- to Long-term Loan	Entie Commercial Bank	Mar. 26, 2026 ~ Mar. 26, 2028	Credit Facility Agreement	None
Medium- to Long-term Loan	Bank of the West	Dec. 28, 2020 ~ Dec. 28, 2027	Bank Financing Agreement	Note 2
Land Lease	Southern Taiwan Science Park Administration, Ministry of Science and Technology	Jan. 1, 2023 ~ Dec. 31, 2042	Land Lease Agreement	None
Land Lease	Southern Taiwan Science Park Administration, Ministry of Science and Technology	Aug. 28, 2014 ~ Aug. 27, 2034	Land Lease Agreement	None

Note 1:

1. On January 3, 2024, the Company entered into a secured medium-term syndicated loan agreement with Mega International Commercial Bank and ten other financial institutions, with a total credit facility of NT$2 billion. The credit period extends for seven years from the date of first drawdown. During the term of the syndicated loan, the Company has undertaken the following covenants with the lending syndicate:
   (1) During the syndicated loan period, based on annual financial statements audited by CPAs or second-quarter consolidated financial statements reviewed by CPAs, the Company shall maintain the following financial ratios, which are subject to semi-annual review:
      A. Current Ratio (Current Assets / Current Liabilities): Not less than 100%
      B. Debt Ratio (Total Liabilities / Net Worth):
         - 2023–2025: Not exceeding 220%
         - 2026–2027: Not exceeding 200%
         - From 2028 onward: Not exceeding 180%
      C. Minimum Tangible Net Worth (Net Worth – Intangible Assets): Not less than NT$1.3 billion
   (2) If the Company fails to meet the above financial ratios, it shall make adjustments within nine months after the end of the fiscal year or half-year period. If the adjusted financial ratios, as verified or reviewed by CPAs, meet the required standards, no default shall be deemed to have occurred.
      During the adjustment period:
      - Undrawn portions of the credit facility shall be suspended until compliance is achieved
      - For outstanding principal balances, the applicable interest rate shall be increased by 0.125% per annum above the original agreed rate, effective from the next interest payment date following notice from the lead bank until compliance is restored
2. As of March 31, 2026, the Company has complied with all of the above financial covenants.

Note 2: This refers to the bank financing agreement entered into between the subsidiary Chieftek Precision International LLC and Bank of the West.

V. Review and Analysis of Financial Condition and Financial Performance, and Risk Matters

A. Financial Condition

Comparative Analysis Table of Financial Condition

Unit: NT$ in thousands

Year / Account item	2025	2024	Increased (decreased)	
	Amount	Amount	Amount	%
Current assets	1,860,766	1,916,919	(56,153)	(2.93%)
Property, plant and equipment	1,982,832	1,954,502	28,330	1.45%
Intangible assets	47,129	55,161	(8,032)	(14.56%)
Other assets	202,547	233,345	(30,798)	(13.20%)
Total assets	4,093,274	4,159,927	(66,653)	(1.60%)
Current liabilities	749,056	678,183	70,873	10.45%
Non-current liabilities	935,913	1,089,928	(154,015)	(14.13%)
Total liabilities	1,684,969	1,768,111	(83,142)	(4.70%)
Equity attributable to owners of the parent	2,408,305	2,391,816	16,489	0.69%
Capital stock	892,619	892,619	0	0.00%
Capital reserves	446,121	446,121	0	0.00%
Retained earnings	1,220,834	1,203,127	17,707	1.47%
Other equity interest	(3,699)	(2,481)	(1,218)	49.09%
Treasury stock	(147,570)	(147,570)	0	0.00%
Non-controlling interests	0	0	0	0.00%
Total equity	2,408,305	2,391,816	16,489	0.69%
Explanation of Changes (for Changes of 20% or More and Amounting to NT$10 Million or More): None.				

B. Financial Performance

(A) Primary Reasons for Significant Changes in Operating Revenue, Operating Income, and Income Before Tax for the Most Recent Two Fiscal Years:

Unit: NT$ in thousands

Year / Account item	2025	2024	Increased (decreased)	
	Amount	Amount	Amount	%
Sales revenue	1,138,316	1,036,581	101,735	9.81%
Operating margin	466,551	424,159	42,392	9.99%
Operation profit and loss	105,506	94,977	10,529	11.09%
Non-operating income and expense	5,694	22,978	(17,284)	(75.22%)
Net profit before tax	111,200	117,955	(6,755)	(5.73%)
Net profit of the term to continuous operation unit	79,421	93,813	(14,392)	(15.34%)
Loss of discontinued operation	-	-	-	-
Net profit (loss) of the term	79,421	93,813	(14,392)	(15.34%)
Other comprehensive (loss) Income (net profit after tax)	(1,849)	24,244	(26,093)	(107.63%)
Total comprehensive income (loss)	77,572	118,057	(40,485)	(34.29%)
Net profit attributable to the owner of parent company	79,421	93,813	(14,392)	(15.34%)
Non-controlling interest's net profit	-	-	-	-
Parent company owner's consolidated profit	77,572	118,057	(40,485)	(34.29%)
Comprehensive profit attributable to the owner of parent company	-	-	-	-
Earnings per share (NT$)	0.91	1.08	(0.17)	(15.74%)

Explanation of Changes (for Changes of 20% or More and Amounting to NT$10 Million or More):

Non-operating income and expenses, other comprehensive income (net of tax), total comprehensive income for the period, and total comprehensive income attributable to owners of the parent decreased compared to the previous period, primarily due to the following:

1. In 2025, the net gain on financial assets measured at fair value through profit or loss amounted to NT$17,968 thousand, whereas in 2024 there was a net loss of NT$1,208 thousand, representing an increase of NT$19,176 thousand in 2025 compared to 2024.
2. A decrease of NT$23,798 thousand in exchange differences arising from the translation of financial statements of foreign operations due to fluctuations in exchange rates.

(B) Expected Sales Volume and Basis Thereof, the Possible Impact on the Company's Future Financial Position and Operations, and the Company's Response Measures:

1. Expected Sales Volume and Basis Thereof: Please refer to the "Letter to Shareholders."
2. Possible Impact on the Company's Future Financial Position and Operations, and the Company's Response Measures:

With the growth of its business in the second half of 2025, the Company has continued to expand its scale of operations. In terms of finance, the Company seeks long-term and stable sources of funding to support capital expenditures, while also improving its financial ratios and strengthening its financial structure.

Through independently developed products, **cpc** further meets customers' demand for total solution technologies, thereby enhancing the Company's market value and position and progressing toward the goal of sustainable operations. The Company will set sales targets based on industry conditions and past experience and strive to achieve them.

C. Cash Flows

(A) Analysis of Changes in Cash Flows for the Most Recent Fiscal Year:

Unit: NT$ in thousands

Year / Account item	2025	2024	Increased (decreased)	
	Amount	Amount	Amount	%
Operating activities inflows (outflows)	123,746	205,804	(82,058)	(39.87%)
Investment activities inflows(outflows)	(125,724)	(247,152)	(121,428)	(49.13%)
Financial activities inflows (outflows)	(163,591)	52,710	(216,301)	(410.36%)
Effect of exchange rate	7,695	19,177	(11,482)	(59.87%)
Net cash inflows (outflows)	(157,874)	30,539	(188,413)	(616.96%)

1. Net cash inflow from operating activities decreased by NT$82,058 thousand, primarily due to the following:
   (1) The Phase II plant at the Tainan Tree Valley Industrial Park was completed and accepted on June 30, 2024, and depreciation has been recognized since July 2024. As a result, depreciation expense in 2025 increased by NT$10,724 thousand compared to 2024, while interest expense increased by NT$8,981 thousand.
   (2) Due to a significant increase in revenue starting from the fourth quarter of 2025, accounts receivable increased, resulting in a cash outflow increase of NT$48,053 thousand compared to 2024.
   (3) Although procurement amounts in 2025 decreased compared to 2024, purchases were more concentrated in the fourth quarter, leading to increases in notes payable, accounts payable, and other payables, thereby reducing cash outflows by NT$9,119 thousand.
   (4) As profit in 2024 decreased compared to 2023, income tax paid in 2025 decreased compared to the previous year, resulting in a reduction in cash outflows of NT$26,461 thousand.
   (5) The combined effects of the above resulted in a decrease of NT$82,058 thousand in net cash inflow from operating activities.
2. Net cash outflow from investing activities decreased by NT$121,428 thousand, primarily due to the following:
   (1) n 2024, the Company acquired financial assets at fair value through profit or loss – non-current (Phoenix Lu Innovation Venture Capital Co., Ltd.) amounting to NT$50,000 thousand, whereas no such transaction occurred in 2025.

(2) In 2025, financial assets measured at amortized cost – current (time deposits with maturities over three months) increased by NT$64,870 thousand. Compared to 2024, this represents a decrease of NT$22,253 thousand.
(3) As part of the construction of the Phase II plant at Tree Valley was completed, investment in construction in progress decreased, resulting in a decrease of NT$4,040 thousand in cash payments for the acquisition of property, plant and equipment.
(4) As some machinery and equipment for Phase II at Tree Valley were still under testing, prepayments for equipment increased by NT$11,005 thousand in 2025; compared to 2024, this represents a decrease of NT$38,351 thousand.

3. Net cash outflow from financing activities increased by NT$216,301 thousand, primarily due to the following:
(1) On January 3, 2024, the Company entered into a NT$2 billion syndicated loan agreement with a consortium of ten banks, and the first drawdown was made on February 15, 2024. Part of the loan was used, in line with government policy, for the expansion of the Phase II plant at the Tainan Shugu Industrial Park and the acquisition of machinery and equipment. As drawdowns were required to be completed before July 30, 2024, long-term borrowings increased accordingly. In 2025, repayments were mainly made in accordance with the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" on a monthly amortization basis, with the remainder being regular repayments of long-term borrowings in accordance with contractual terms.
(2) Due to decreased profitability, cash dividends distributed decreased by NT$8,726 thousand.

(B) Improvement Plan for Insufficient Liquidity:

The Company did not experience any insufficiency in cash flows in the most recent fiscal year.

(C) Analysis of Cash Flow Liquidity for the Next Year:

Unit: NT$ in thousand

Opening Cash Balance (1)	Estimated Full-Year Net Cash Flows from Operating Activities (2)	Estimated Cash Outflows for the Full Year (3)	Estimated Cash Surplus (Shortfall) (1)+(2)−(3)	Remedial Measures for Cash Shortfall	
				Investment Plan	Financing Plan
706,758	327,821	(241,319)	793,260	-	-

Analysis of Changes in Cash Flows for the Next Year:

1. Operating Activities:
Although the Company continued to be affected by unfavorable economic conditions in 2025, revenue has shown a significant increase since the fourth quarter. In addition, revenue growth in the first quarter of 2026 has been even more pronounced. Based on this trend, revenue in 2026 is expected to increase quarter by quarter, and operating activities are therefore expected to generate net cash inflows.
2. Investing Activities:
In 2026, the Company will continue to invest in machinery and equipment for the Phase II project at the Tree Valley Industrial Park, and investing activities are therefore expected to result in net cash outflows.
3. Financing Activities:
In accordance with the earnings distribution proposal approved by the Board of Directors on February 26, 2026, the Company plans to distribute cash dividends of NT$61,083 thousand, and financing activities are therefore expected to result in net cash outflows.

D. Impact of Significant Capital Expenditures in the Most Recent Fiscal Year on Financial Position and Operations

There were no significant capital expenditures in 2025 and up to the date of publication of this annual report, nor were there any matters that had a material impact on the Company's financial position and operations.

E. Investment Policy in the Most Recent Fiscal Year, Major Reasons for Profits or Losses Therefrom, Improvement Plans, and Investment Plan for the Next Year

(A) The Company's investment policy primarily focuses on areas related to its core business, with the aim of enhancing overall operating performance. Relevant departments execute such investments in accordance with the internal control system, including the "Investment Cycle" and the "Procedures for Acquisition or Disposal of Assets." In addition, the Company has established the "Subsidiary Management Regulations" within its internal control system to supervise subsidiaries in formulating procedures for significant financial and operational matters, and to ensure compliance with applicable laws and regulations. This framework also establishes a risk management mechanism for subsidiary operations to achieve optimal operating performance.

(B) Major Reasons for Profits or Losses from Investments, Improvement Plans, and Investment Plan for the Next Year:

Unit: NT$ in thousand

Description / Item	Profit or loss amount of 2025	Main reason of profit or loss	Improvement plans	Investment plans for the coming year
CHIEFTEK PRECISION HOLDING CO., LTD.	6,939	Recognized investment income (loss) from Chieftek Machinery (Kunshan) Co., Ltd.	-	None
cpc Europa GmbH	46	Primarily attributable to an increase in operating revenue.	-	Build new self-owned factories to reduce rental burden.
Chieftek Precision International LLC	1,874	Primarily attributable to rental income from leased properties exceeding routine operating expenses.	-	None
CHIEFTEK PRECISION USA CO., LTD.	37,369	Primarily attributable to an increase in operating revenue.	-	None
Chieftek Machinery (Kunshan) Co., Ltd.	6,937	Primarily attributable to unfavorable economic conditions in Mainland China. Although operating revenue continued to decline, profitability improved compared to the previous year.	-	None

(C) Investment Plan for the Next Year: The investment plan will be determined based on the operating conditions of the investee companies.

F. Risk Factors

(A) Impact of Interest Rate, Exchange Rate, and Inflation Changes on the Company's Profit or Loss, and Corresponding Response Measures:

1. Interest Rate Changes:

The U.S. and European central banks have maintained rate-cutting policies, while the Bank of Japan has recently initiated monetary policy normalization by raising policy rates and ending negative interest rate and yield curve control policies, although it continues to maintain an accommodative monetary stance. Market attention to the monetary policy directions of major economies has increased volatility in international financial markets.

The Company's interest expenses for 2025 and 2024 were NT$32,862 thousand and NT$30,562 thousand, respectively, accounting for 2.89% and 2.95% of net operating revenue:

(1) Interest expenses in 2025 increased by NT$2,300 thousand compared to 2024; however, due to higher operating revenue in 2025, the ratio of interest expenses to net operating revenue decreased by 0.02%.

(2) Interest expenses increased in 2025 primarily due to financing requirements arising from the active construction of the Phase II plant at Tree Valley Industrial Park, the acquisition of machinery and equipment, and increased working capital needs in Europe.

(3) The Company continuously evaluates bank borrowing rates and maintains close communication with financial institutions to obtain more favorable rates. Given the strong support from financial institutions for the Company's operations and performance, interest rate fluctuations have not had a material impact on the Company.

2. Exchange Rate Changes:

The Company's export revenues are primarily denominated in U.S. dollars, euros, and Japanese yen, while procurement is mainly conducted in euros and Japanese yen. Accordingly, certain assets and liabilities provide a natural hedge. To manage exchange rate risks, the Company actively monitors exchange rate movements and adopts appropriate hedging measures to mitigate the impact of exchange rate fluctuations.

(1) Net foreign exchange loss amounted to NT$74 thousand in 2025, while net foreign exchange gain amounted to NT$26,790 thousand in 2024, representing 0.007% and 2.58% of net operating revenue, respectively, indicating that foreign exchange gains or losses did not constitute a significant proportion of revenue.

(2) Overall, exchange rate factors have not posed a material risk to the Company's profitability.

3. Inflation:

Taiwan has faced significant inflationary pressure since 2025, and the situation has further intensified in 2026 due to the impact of geopolitical conflicts. Various factors contributing to rising prices pose challenges to economic stability, making it difficult to maintain inflation within a reasonable range. The government is expected to actively implement monetary and fiscal policies, improve production efficiency, optimize supply

chain structures, and reduce market monopolization to effectively curb inflation.

In addition to uncontrollable climate and global energy factors, Taiwan has historically maintained inflation at around 2% through regulated utility pricing. However, prolonged losses in public utility sectors have led to planned price adjustments, further complicating inflationary pressures. Additionally, production factors such as labor costs and capital costs are expected to increase due to wage adjustments, financing needs, and external inflationary pressures.

Following the inauguration of U.S. President Donald Trump, trade tensions have disrupted global supply chains and pricing mechanisms, further increasing global inflationary pressure. As Taiwan relies heavily on imports of bulk commodities and raw materials, it faces greater challenges in mitigating inflation.

Nevertheless, the Company will continue to closely monitor economic conditions and market price fluctuations in order to minimize the adverse effects of inflation and deflation.

(B) Policies on High-Risk and Highly Leveraged Investments, Lending of Funds to Others, Endorsements and Guarantees, and Derivatives Trading; Major Reasons for Profits or Losses; and Future Response Measures:

1. The Company focuses on its core business operations and adopts a prudent and conservative financial policy. It does not engage in high-risk or highly leveraged investments, nor in derivatives trading.
2. With respect to lending of funds to others and endorsements and guarantees, the Company conducts prudent evaluations, performs regular reporting and monthly monitoring, and complies with the "Procedures for Endorsements and Guarantees," "Procedures for Lending of Funds to Others," and "Procedures for Acquisition or Disposal of Assets" as approved by the Board of Directors and shareholders.
3. For the status of lending of funds to investee companies, endorsements and guarantees in 2025 and up to the date of publication of this annual report, please refer to the meeting handbook and the notes and schedules to the financial statements.

(C) Future Research and Development Plans and Expected R&D Expenditures:

The Company adheres to a philosophy of continuous research and development and has long been committed to cultivating R&D personnel to conduct project-based research and develop new technologies, thereby enhancing its competitiveness. R&D expenditures amounted to NT$84,845 thousand in 2025, representing an increase of NT$9,016 thousand compared to NT$75,829 thousand in 2024. Despite the unfavorable economic environment, the ratio of R&D expenses to net operating revenue increased from 7.32% to 7.45%, demonstrating Chieftek Precision Co., Ltd.'s strong commitment to R&D and new product development.

The Company's R&D scope has evolved from standalone mechatronic components to mechatronic integration and further expanded into pure software technology services. With the development of cpcCells, cpcSystem, cpcRobot, and cpcStudio, R&D expenditures in 2026 are expected to increase to over NT$95,000 thousand.

The Company has also begun establishing its own smart factory. From machine design, mechanical assembly, and electrical engineering to programming, interface development, and data management, the Company leverages its proprietary products and in-house development capabilities to meet internal machining requirements and establish factory IoT systems, ultimately realizing a **cpc** smart factory.

(D) Impact of Significant Domestic and International Policy and Regulatory Changes on the Company's Financial Position and Operations, and Corresponding Response Measures:

1. In March 2022, the Taiwan Stock Exchange required all listed companies (i.e., without phased application) to complete greenhouse gas (GHG) inventory and verification scheduling for the parent company by the end of the second quarter of 2022 and submit it to the Board of Directors. In addition, by the end of the first quarter of 2023, companies were required to complete GHG inventory and verification scheduling for the group (including subsidiaries) and submit it to the Board. Thereafter, implementation progress must be reported to the Board on a quarterly basis for monitoring. Even companies that are required to complete inventories by 2026 must begin quarterly progress reporting to the Board.
2. The Financial Supervisory Commission (FSC) has implemented multiple measures to promote sustainable development:
   (1) Listed companies with paid-in capital of less than NT$2 billion are required to prepare and file a 2024 sustainability report (the first report shall be filed by the end of September 2025, the second by the end of June 2026, with plans to gradually advance the deadline to the end of March of the following year).
   (2) Companies with paid-in capital of NT$10 billion or more are required to publish a 2026 sustainability report in 2027. This requirement will be extended to all listed companies.
   (3) On November 25, 2025, the Company obtained a GHG verification opinion for the 2024 parent company, verified by SGS in accordance with ISO 14064-1:2008.

(E) Impact of Technological Changes (Including Information Security Risks) and Industry Developments on the Company's Financial Position and Operations, and Corresponding Response Measures:

1. Key risks identified in 2025 and corresponding response measures:

Risk Type	Causes	Response Measures and Effectiveness
Operational Risk – Geopolitical	1. Heightened uncertainty in the global political and economic environment may impact supply chains and market conditions. 2. Wars, strikes, or other major social disruptions may restrict raw material supply and significantly increase transportation costs, thereby affecting operational deployment and cost structure.	1. The Company has implemented a diversified manufacturing strategy and expanded operations by establishing a plant in Germany, thereby distributing operational risks across relatively stable political markets. Subsidiaries have also been established in Mainland China, the United States, and Germany, enabling flexible overseas shipments during geopolitical tensions to mitigate operational impacts. 2. A flexible mechanism for raw materials and logistics has been established. At least two sources of supply are maintained for raw materials. Where this is not feasible due to material or technical constraints,

Risk Type	Causes	Response Measures and Effectiveness
		suppliers are required to maintain higher safety stock levels.
Operational Risk – Exchange Rate Fluctuations	Exchange rate fluctuations may affect the Company's profit or loss.	1. Strengthen monitoring of foreign exchange market fluctuations and execute foreign currency conversions at appropriate times to minimize exchange rate risks. 2. Exchange rate fluctuations in 2025 did not result in losses for the Company.
Credit Risk Management	Failure to regularly review customers' credit limits may lead to excessive credit exposure.	1. Credit risk arises from counterparties' inability to settle accounts receivable in accordance with agreed terms. 2. Credit limits are reassessed at least annually. 3. Prior to shipment, credit limits are reviewed against approved thresholds. If exceeded, shipment requires approval from authorized supervisors. 4. The Company aims to minimize avoidable risks and losses while pursuing sustainable development.
Transaction Risk	Contracts may be invalid due to lack of legal enforceability, unauthorized actions, insufficient provisions, or omissions, potentially resulting in losses.	1. Contracts are reviewed by legal counsel prior to execution. 2. A contract review and co-signature process serves as the first line of defense. 3. Standard contract templates are developed based on accumulated contract types.
Climate Change Risk	Extreme weather events and natural disasters may damage facilities and cause injuries, disrupting normal operations.	1. Establish disaster response mechanisms, including prevention, detection, response, and post-disaster recovery, to maintain operational continuity. 2. Continue to enhance management of energy, water resources, waste, and air pollution, and strengthen employee awareness through training to improve emergency response capabilities and reduce risks of operational disruptions caused by environmental incidents and climate change. 3. Appropriate insurance coverage is maintained to mitigate operational and financial impacts.
Operational Risk – Product Compliance	Failure to comply with regulatory requirements or the presence of hazardous substances in products.	1. Suppliers must provide inspection reports for each shipment, either via email or attached to deliveries for the Quality Assurance Department. 2. For chemical shipments, suppliers must provide Safety Data Sheets (SDS) to the Environmental Health and Safety (EHS) Department prior to shipment. 3. Product drawings must indicate compliance with EU RoHS directives. 4. Suppliers are required to provide self-declarations regarding RoHS and REACH (SVHC) compliance. 5. Suppliers are required to reduce or eliminate the use of environmentally hazardous substances.
Human Resources Risk – Talent Recruitment	Labor shortages and loss of key personnel may create workforce gaps and affect operations.	1. Introduce automation in production lines to reduce reliance on labor. 2. Expand recruitment channels, including industry-academia collaboration and global talent development. 3. Create a friendly work environment to enhance recruitment and retention.

Risk Type	Causes	Response Measures and Effectiveness
		4. Utilize foreign labor to alleviate workforce shortages. 5. Implement overtime and production incentive programs during peak demand periods.
Operational Risk – Occupational Safety and Health	Risks related to occupational safety, health, chemical management, safety protection, emergency response, and human operational errors.	1. Strengthen injury prevention and health improvement through ISO 45001 certification. 2. Conduct regular annual training on occupational safety, emergency response, and fire prevention to enhance employee preparedness. 3. Establish a comprehensive occupational health and safety management system and continuously improve it to reduce risks and ensure employee safety and well-being.
Energy Management Risk	1. Increasing severity of energy shortages, global warming, and climate change. 2. Electricity price adjustments or power outages may lead to increased costs, supply disruptions, or quality issues in key materials. 3. Failure to report to the Bureau of Energy within the required timeframe.	1. Promote energy-saving awareness and implement energy efficiency initiatives to reduce unnecessary consumption and cultivate energy-saving habits. 2. Replace high-energy-consumption lighting with LED systems. 3. Plan to gradually implement ISO 50001 Energy Management System to enhance energy monitoring and control. 4. Assign dedicated personnel to submit annual energy audit reports to the Bureau of Energy by the end of January.

Note: The major risk management measures, response strategies, and effectiveness identified in 2025 were reported to the Audit Committee and the Board of Directors on February 12, 2026.

The return of Donald Trump to the White House for a second term was undoubtedly one of the most notable events of 2025. Meanwhile, the wave of technological advancement has not slowed; rather, it continues to accelerate at an unprecedented pace, reshaping the way we live and work. In addition to geopolitical shifts, several key trends warrant close attention.

Artificial intelligence (AI) is being rapidly adopted across various sectors, from autonomous vehicles and personalized healthcare to cybersecurity defense. The commercialization of quantum computing is also accelerating and is expected to bring disruptive changes to industries such as finance, logistics, and scientific research in the coming years. At the same time, cybersecurity threats continue to evolve alongside technological advancements. Risks such as malicious software generated by generative AI, encryption challenges posed by quantum computing, and disinformation attacks will become new challenges for enterprises.

In response to this rapidly changing technological landscape, both enterprises and individuals must remain well-prepared in order to seize opportunities and maintain a competitive edge in 2025 and beyond.

With the sudden rise of DeepSeek, generative AI-driven search is widely regarded as one of the major breakthroughs of 2025. Generative search will make information retrieval simpler and faster. Device-side AI will also be capable of scanning documents, photos, and videos to quickly locate required content. This development signals the potential decline of traditional search engines and the emergence of the era of personal AI assistants.

Driven by the generative AI boom, robots are learning new tasks faster than ever before (fast-learning robots). Foxconn plans to deploy humanoid robots within its factories to enhance production efficiency. Automation is evolving toward general-purpose robotics, enabling machines to rapidly adapt to new environments and perform a wide range of tasks. Over the past year, the technology sector has undergone significant transformation driven by AI. One of the most notable developments in 2025 is the transition of AI from "answering questions" to "completing tasks." While AI has already replaced certain office functions and entry-level roles, this trend may intensify further in 2026. In addition, non-invasive brain-computer interface technologies are advancing rapidly, and robotics has become a key focus for many technology companies.

With continuous advancements in the electronics and semiconductor industries, the Company will continue to invest in R&D, enhance organizational efficiency, and closely monitor market demand and trends in order to strengthen and expand its market share.

(F) Impact of Changes in Corporate Image on Crisis Management and Corresponding Response Measures:

The Company places the highest priority on integrity in its corporate image and adheres to a people-oriented management philosophy. It provides a challenging and learning-oriented environment to unlock employees' potential and continuously enhance overall organizational capabilities. The Company attracts outstanding talent, refrains from pursuing improper gains, and relies on a professional R&D team to operate with prudence, integrity, and a focus on its core business.

The Company complies strictly with applicable laws and regulations and has established a positive corporate image within the industry through its international business model. It is committed to promoting social and economic development, improving the overall economic environment, and safeguarding employee welfare. Given its consistent adherence to regulatory requirements, there have been no significant changes that would give rise to corporate crisis management issues.

(G) Expected Benefits, Potential Risks, and Response Measures for Mergers and Acquisitions:

The Company did not engage in any mergers or acquisitions in the most recent fiscal year or up to the date of publication of this annual report. Should any such plans arise in the future, the Company will conduct prudent evaluations and consider potential synergies to safeguard the interests of the Company and its shareholders.

(H) Expected Benefits, Potential Risks, and Response Measures for Plant Expansion:

The Company prudently executes its plant expansion projects. In addition to strengthening its financial structure through capital increases funded by retained earnings, the Company has collaborated with banking syndicates to secure sufficient funding. The management team possesses extensive industry experience and a thorough understanding of product demand, enabling effective utilization of newly constructed facilities.

All plant expansion projects undergo comprehensive, prudent, and professional evaluation. Major capital expenditures are subject to review and approval by the Board of

Directors prior to implementation, ensuring that investment benefits and potential risks are fully considered.

To achieve sustainable operational objectives, the Company has completed the Phase II plant construction project at Tree Valley Industrial Park and will continue with the installation, testing, and mass production of machinery and equipment.

(I) Risks Arising from Concentration of Purchases or Sales and Corresponding Response Measures:

1. Purchases:

Based on industry characteristics, yield quality, delivery schedules, and market supply and demand conditions, and to avoid risks associated with reliance on a single supplier—such as material shortages and lack of cost control—the Company maintains good cooperative relationships with its suppliers and actively seeks new suppliers. Procurement is diversified among suppliers of similar nature to reduce concentration risk. Accordingly, the risk associated with purchase concentration is considered limited.

2. Sales:

In 2025, the Company did not have any customer accounting for more than 10% of net sales. In the first quarter of 2026, due to strong demand in the semiconductor industry, one customer accounted for 10.01% of sales. The Company will continue to develop new products and expand its customer base, and it is expected that sales concentration will not materially affect normal operations.

(J) Impact, Risks, and Response Measures Related to Significant Transfers or Changes in Shareholdings by Directors or Major Shareholders Holding More Than 10%:

There were no significant transfers of shareholdings by directors or major shareholders holding more than 10% in the most recent fiscal year or up to the date of publication of this annual report.

(K) Impact, Risks, and Response Measures Related to Changes in Control:

The Company's directors actively participate in its operations, and management demonstrates a strong sense of mission, regarding the Company's operations as a lifelong commitment. As of the date of publication of this annual report, there has been no change in control, and therefore no related risk is anticipated.

(L) Litigation and Non-Litigation Matters:

1. For litigation, non-litigation, or administrative disputes that have been concluded or are pending during the most recent fiscal year and up to the date of publication of this annual report, and that may materially affect shareholders' equity or the price of securities, the relevant facts, amount in dispute, date of commencement, principal parties, and current status are disclosed as follows:
   (1) A dispute arose between the Company and Hua Feng Construction Co., Ltd. in connection with the construction of the Company's plant at Tree Valley Industrial Park.

(2) Pursuant to Civil Judgment No. 13 (2020) of the Tainan District Court, Taiwan, the Company was ordered to pay Hua Feng Construction NT$9,674 thousand, plus statutory interest at an annual rate of 5% from March 20, 2020, until the date of full payment; Hua Feng Construction was ordered to pay the Company NT$8,555 thousand, plus statutory interest at an annual rate of 5% from April 22, 2020, until the date of full payment.

(3) Hua Feng Construction appealed the portion of the judgment ordering it to pay the Company NT$8,555 thousand and the related statutory interest.

(4) The parties agreed to offset their respective claims during mediation at the Tainan Branch of the Taiwan High Court on March 31, 2026. After offsetting, the Company agreed to pay Hua Feng Construction NT$1,500 thousand. The payment was to be remitted to Hua Feng Construction's designated account by April 10, 2026 (inclusive). If payment was not made by the due date, interest at an annual rate of 5% would apply (the Company completed the payment on April 10, 2026). Both parties waived all other claims related to the construction project.

In summary, the litigation has been settled and is not expected to have a material impact on the Company's organization, capital, business plans, financial position, or operations, nor on shareholders' equity or the price of securities.

2. There were no litigation, non-litigation, or administrative disputes involving the Company's directors, General Manager, de facto responsible persons, major shareholders holding more than 10%, or subsidiaries during the most recent fiscal year and up to the date of publication of this annual report that could materially affect shareholders' equity or the price of securities.

(M) Other Significant Risks and Response Measures: None.

G Other Important Matters: None.

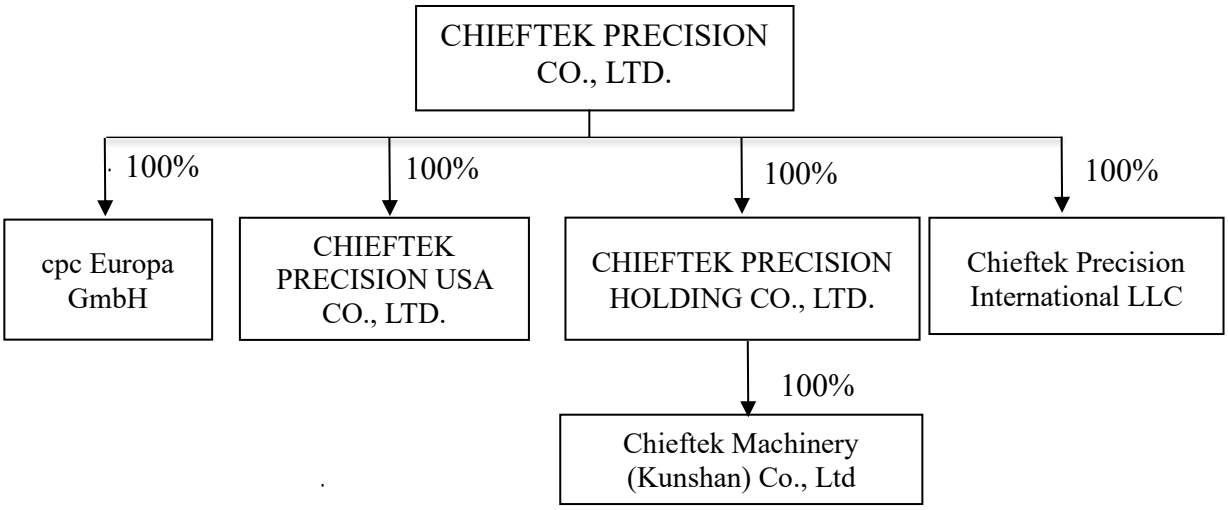
VI. Matters for Special Disclosure

A. Information on Affiliated Enterprises

(A) Lease refer to the Market Observation Post System (MOPS) at: mops.twse.com.tw.

(B) Consolidated Business Report of Affiliated Enterprises

1. Organizational Chart of Affiliated Enterprises



2. Interrelationships among Affiliated Enterprises, Shareholding Ratios, and Shareholdings and Actual Investment Amounts

March 31, 2026; Unit: Shares in thousand / NT$ in thousand

Name of Affiliated Enterprise	Relationship with the Company	Shares Held in the Company by the Affiliated Enterprise		Shares Held in the Affiliated Enterprise by the Company		
		Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Actual Investment Amount
CHIEFTEK PRECISION HOLDING CO., LTD.	Investees Accounted for Using the Equity Method by the Company	-	-	5,100	100%	USD5,100
cpc Europa GmbH	Investees Accounted for Using the Equity Method by the Company	-	-	Note 1	100%	EUR2,500
Chieftek Precision International LLC	Investees Accounted for Using the Equity Method by the Company	-	-	Note 3	100%	USD 3,600
CHIEFTEK PRECISION USA CO., LTD.	Investees Accounted for Using the Equity Method by the Company	-	-	1,660	100%	USD1,660
Chieftek Machinery Kunshan Co., Ltd.	Investees Accounted for Using the Equity Method by the Subsidiary (cpc Holdings)	-	-	Note 2	100%	USD5,100

Note 1: The Company's directly invested entity in Germany is a limited liability company and therefore has no shares.

Note 2: The Company's indirectly invested entity in Mainland China is a limited liability company and therefore has no shares.

Note 3: T The Company's directly invested entity in the United States is a limited liability company and therefore has no shares.

3. Basic Information of Affiliated Enterprises

March 31, 2026; Unit: US$/EUR

Name of Enterprise	Date of Incorporation	Address	Paid-in capital	Principal Business Activities or Products
CHIEFTEK PRECISION HOLDING CO., LTD.	2007.12.20	Level 2.Lotemau Centre, Vaea Street, Apia, Samoa	USD 5,100,000	Investment holding
cpc Europa GmbH	2010.01.19	Industriepark 314,78244 Gottmadingen Germany	EUR 2,500,000	Marketing positions in Europe and after-sales services
Chieftek Precision International LLC	2017.07.17	2280 EAST LOCUST COURTONTARIO, CA 91761	USD 3,600,000	Real estate leasing
CHIEFTEK PRECISION USA CO., LTD.	2008.01.08	2280 EAST LOCUST COURT ONTARIO, CA 91761	USD 1,660,000	Marketing positions in US and Canada, and after-sales services
Chieftek Machinery Kunshan Co., Ltd.	2008.12.26	1F, No.3 Building, No. 789, Xintang Road, Yushan Town, Kunshan City	USD 5,100,000	Marketing positions in mainland, assembling and after-sales service

4. Information on Common Shareholders Presumed to Have Control and Subordination Relationships: None.

5. Industries Covered by the Overall Business Operations of Affiliated Enterprises, and Where Business Activities Among Affiliated Enterprises Are Interrelated, a Description of Their Division of Functions and Transactions:

The affiliated enterprises of the Company are engaged in businesses primarily focused on “key components for linear motion,” similar to those of the Company. They provide mutual support and complement each other in terms of technology, production capacity, and regional services, thereby offering customers comprehensive and prompt services.

6. Directors, Supervisors, and General Managers of Affiliated Enterprises:

Enterprise name	Job Title	Name or Representative	Holding of shares	
			Shares	Shares
CHIEFTEK PRECISION HOLDING CO., LTD.	Director	CHIEFTEK PRECISION CO., LTD. Representative: CHEN LI-FEN	5,100	100%
cpc Europa GmbH	Director	CHIEFTEK PRECISION CO., LTD. Representative: CHEN LI-FEN	Non equity	100%
Chieftek Precision International LLC	Director	CHIEFTEK PRECISION CO., LTD. Representative: CHEN LI-FEN	Non equity	100%
CHIEFTEK PRECISION USA CO., LTD.	Director	CHIEFTEK PRECISION CO., LTD. Representative: CHEN LI-FEN	1,660	100%
Chieftek Machinery (Kunshan) Co., Ltd	Director Supervisor	CHIEFTEK PRECISION (HONG KONG) CO., LTD Representative: CHEN LI-FEN Representative: LI PAI-TSANG	Non equity	100%
	Manager	General Manager: CHEN MIN-CHANG		

7. Operating Overview of Affiliated Enterprises

Unit: NT$ in thousand

Enterprise name	Capital sum (in thousand)	Total assets	Total liabilities	Net value	Revenue	Sales revenue	Current profit and loss (after tax)	Earnings per share (dollar) (after tax)
CHIEFTEK PRECISION HOLDING CO., LTD.	USD 5,100	159,623	0	159,623	0	0	6,939	0.04
cpc Europa GmbH	EUR 2,500	250,269	177,628	72,641	382,506	1,331	46	Non-equity
Chieftek Precision International LLC	USD 3,600	201,252	82,056	119,196	11,112	3,537	1,874	Non-equity
CHIEFTEK PRECISION USA CO., LTD	USD 1,660	162,629	6,073	156,556	242,327	49,683	37,369	0.75
Chieftek Machinery Kunshan Co., Ltd.	RMB32,118	195,249	28,314	166,935	119,154	9,566	6,937	Non-equity

B. Status of Private Placement of Securities in the Most Recent Fiscal Year and Up to the Date of Publication of This Annual Report: None.

C. Other Matters Requiring Supplementary Disclosure: None.

VII. In the Most Recent Fiscal Year and Up to the Date of Publication of This Annual Report, Any Events as Specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act That Have a Material Impact on Shareholders' Equity or the Price of Securities: None.

Chieftek Precision Co., Ltd

Chairman: Chen, Li-Fen

Not only for users, but also for designers

cpc's products inspire you!

Together with cpc to achieve new levels of innovation!