

# **Chieftek Precision Co., LTD.**

## **2025Annual Shareholders' Meeting Handbook**

Convention method of shareholders' meeting: convening physically

Time : 9:00 a.m., May 28, 2025(Wednesday)

Place : 2F.-1, No.26, Nanke 3rd Rd., Xinshi Dist., Tainan City 744, Taiwan, R.O.C.  
(Southern Science Park Industries)

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

# 2025 Annual Shareholders' Meeting

## TABLE OF CONTENTS

<b>1. Meeting Procedure</b>	<b>1</b>
<b>2. Meeting Agenda</b>	<b>2</b>
(1) Report Items	3
(2) Acknowledged Matters	6
(3) Discussion Items	7
(4) Extemporaneous Motion	7
<b>3. Attachment</b>	
(1) 2024 Business Report	8
(2) 2024 Audit Committee's Audit Report	12
(3) Employees' Profit Sharing Bonus and Directors Compensation in 2024	13
(4) Accountants' Audit Report and Financial Statement	14
(5) Profit Distribution Proposal	35
(6) The Comparison Table of Amendments to the "Articles of Incorporation"	36
<b>4. Appendix</b>	
(1) Rules of Procedure for Shareholders Meetings	42
(2) Articles of Incorporation (Before Amendments)	49
(3) Situation of Directors' Shareholdings	54
(4) The Impact of Bonus Shares on the Company's Business Performances, Earnings per Share and Shareholders' Return on Investment	55
(5) Other Explanation Matters	55

**Chieftek Precision Co., Ltd.**  
**2025 Annual Shareholders' Meeting**  
**Meeting Procedure**

- 1. Report the Number of Attendance**
- 2. Call Meeting to Order**
- 3. Chairman's Address**
- 4. Report Items**
- 5. Acknowledged Matters**
- 6. Discussion Items**
- 7. Extemporaneous Motion**
- 8. Meeting Adjourned**

# **Chieftek Precision Co., Ltd.**

## **2025 Annual Shareholders' Meeting Agenda**

1. Time : 9:00 a.m., May 28, 2025 (Wednesday)
2. Place: 2F.-1, No.26, Nanke 3rd Rd., Xinshi Dist., Tainan City 744, Taiwan, R.O.C.  
(Southern Science Park Industries)
3. Attendants : Call the Meeting to Order (Report the number of attendance)
4. Chairman's Address
5. Report Items:
  - (1) Report on the Business of 2024.
  - (2) Audit Committee's Audit Report on 2024 Financial Statements.
  - (3) Report on 2024 Employees' Profit Sharing Bonus and Directors' Compensation report.
  - (4) Report on the Resolution and Execution of Purchasing Company Shares.
  - (5) Report on 2024 Report on Procedure for Making Endorsements/Guarantees for Others.
  - (6) Report on 2024 Cash Distribution of Profit.
6. Acknowledged Matters:
  - (1) To Acknowledge 2024 business report and financial statements proposal.
  - (2) To Acknowledge 2024 earnings distribution proposal.
7. Discussion Items:
  - (1) Amendments of Partial Articles of the Company's "Articles of Incorporation".
8. Extemporaneous Motion
9. Meeting Adjournment

## Report Items

### 1. Report on the Business of 2024.

**Explanation:** The 2024 Business Report, please refer to the Attachment 1 in the Handbook of 2025 Annual Shareholders' Meeting.

### 2. Audit Committee's Audit Report on 2024 Financial Statements.

**Explanation:** The 2024 Audit Committee's Audit Report, please refer to the Attachment 2 in the Handbook of 2025 Annual Shareholders' Meeting.

### 3. Report on 2024 Employees' Profit Sharing Bonus and Directors' Compensation.

**Explanation:** The 2024 Employees' Profit Sharing Bonus and Directors' Compensation Report, please refer to the Attachment 3 in the Handbook of 2025 Annual Shareholders' Meeting.

### 4. Report on the Resolution and Execution of Purchasing Company Shares.

**Explanation:** the resolution and execution of purchasing company shares are as follows:

1. The execution of purchasing company shares (the implementation was finished)

December 31, 2024

Batch Order	The First Period	The Second Period	The Third Period
Purpose of the buy-back	Transferred the shares to employees	Transferred the shares to employees	Transferred the shares to employees
Timeframe of buy-back	November 12, 2014 to January 9, 2015	March. 23, 2020 to May 20, 2020	September 30, 2022 to November 29, 2022
Price range	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\$37.25 to 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 to buy-back.
Type and amount of shares buyback	Common stock 3,000,000 shares	Common stocks 445,000 shares	Common stocks 2,000,000 shares

Batch Order	The First Period	The Second Period	The Third Period
Amount of shares buyback	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 expected number of shares buyback held (%)	100.00%	8.90%	100.00%
Eliminated and transferred shares	3,000,000 shares have been eliminated (Note 1)	445,000 shares	0 shares
Accumulated number of Company shares held	0	0	2,000,000 shares
Percentage of total Company shares held(%)	0%	0%	2.24%

Note 1: In the case of the 3,000,000 shares of elimination listed above, the registration process was approved by the Ministry of Science and Technology Southern Science and Technology Industrial Park Administration on February 27, 2018.

2. The execution of purchasing company shares (still remains in the status of the implementation): None.

## 5. Report on 2024 Report on Procedure for Making Endorsements/ Guarantees for Others.

### Explanation:

1. As of December 31, 2024, the amount of making endorsements/ guarantees for others is as follows:

Company's Name	The balance of endorsements/guarantees (NT\$1,000)	Effective amount of expenses (NT\$1,000)	Relationship with the Company
cpc Europa GmbH	307,260	128,025	Subsidiary of 100% shareholding

2. The above amount does not exceed the prescribed limit.

## 6. Report on 2024 Cash Distribution of Profit.

### Explanation:

(1) According to Article 240 of Company Act and Article 21 of the Company's Articles of Incorporation, the board of directors authorized by a special resolution shall distribute all or partial dividends and bonus by cash, and report to shareholders' meeting. The 2024 earnings

distribution statement was made (please refer to attachment 5 in the Handbook of 2025 Annual Shareholders' Meeting), distributed shareholder's cash dividend was NT\$61,083,263 (NT\$0.7 per share). After approved by a resolution of meeting of the board of directors on February 26, 2025, and reported to audit committee for approval, it shall be required report and acknowledgement of 2025 annual shareholders' meeting of the Company in accordance with laws.

- (2) For distribution of cash dividends, the ratio of shareholdings specified in shareholders roster shall be calculated in accordance with dividend record date, and allotted to dollar (with amounts of less than NT\$1.00 unconditionally rounded down). The preceding dividend distribution was made after approved by annual shareholders' meeting, the board of directors shall set a dividend record date and all cash dividends with amounts of less than NT\$1 shall be conducted by a specific person, and reported to 2025 annual shareholders' meeting. In addition, as repurchasing the Company's shares, treasury stock transfer, write-off or other reasons afterward, the number of outstanding stocks was influenced, and shareholder payout ratio changed for this reason, the board of directors shall conduct relevant matters with full authority, and authorize chairman to conduct all in accordance with Company Act or relevant regulations, including but not limited to distribution date of cash dividends and ex-dividend date.

## **Acknowledged Matters**

### **1. To accept 2024 Business Report and Financial Statements.**

*Proposed by the Board of Directors*

#### **Explanation:**

- (1) The Company's 2024 financial statements were made, including the business report and financial statements, and they were audited by accountants Yeh, Fang-Ting and Tien, Chung-Yu of PwC Taiwan, and the audit report has been offered, after reported to the board of directors for approval and submitted to the audit committee for audit, and submitted to the annual shareholders' meeting for acknowledgement.
- (2) 2024 business report, please refer to attachment 1, audit report and financial statements made by PwC Taiwan, please refer to attachment 4 of the Handbook in the 2025 Annual Shareholders' Meeting.

#### **Resolution:**

### **2. To Approve the Proposal for Distribution of 2024 Profit.**

*Proposed by the Board of Directors*

#### **Explanation:**

- (1) The Company's 2024 earnings distribution proposal was drawn up in accordance with Company Act and the Company's Articles of Incorporation, and it was approved by a resolution of the Company's board of directors on February 26, 2025 and submitted to the audit committee for audit.
- (2) Earnings distribution statement, please refer to attachment 5 of the Handbook in the 2025 Annual Shareholders' Meeting.

#### **Resolution:**

## **Discussion Items**

### **1. Amendments to the Partial Articles of the Company's "Articles of Incorporation".**

*Proposed by the Board of Directors*

#### **Explanatory Notes:**

- (1) Implemented in accordance with the regulations promulgated by the Financial Supervisory Commission on November 8, 2024, per Letter No.11303854422 and by Taiwan Stock Exchange on November 11, 2024, per Letter No. 1130021633, and in response to the needs of the Company's operational and business development and the Company's establishment of the Audit Committee to coordinate with the relevant repeal of supervisors.
- (2) Attached the "Comparison Table of Amendments to the Company's "Articles of Incorporation", please refer to attachment 6 of the Handbook in the 2025 Annual Shareholders' Meeting.

#### **Resolution:**

## **Extemporaneous Motion**

## **Meeting Adjournment**

## Chieftek Precision Co., Ltd.

### 2024 Business Report

Interfered by the uncertain factors of geopolitical conflict, such as the Russia-Ukraine War and the Middle East wars, the cross-strait political relations were poor. In June 2024, China officially terminated the related tariff preferences of ECFA. The overall economy continued to be sluggish. Nonetheless, benefited from the booming business opportunities of Artificial Intelligence (AI) and emerging applications, the demands for semiconductor advanced process as well as servers are surging from the second half of the year; whereas the machinery industry is gradually improving. The Company's consolidated revenue of year 2024 was NT\$1,036,581 thousand, which decreased NT\$38,173 thousand with a reduction ratio of 3.55% compared with the NT\$1,074,754 thousand of year 2023. The earnings per share was NT\$1.08, a decrease of NT\$0.04 from the NT\$1.12 of the year 2023.

The 2024 Business Report is as following:

#### 1. Implement Result of Business Plan

##### (1) Comparison of consolidated and comprehensive income of the last two years

Unit: NT\$ thousand

Items	2024	2023	Increase (Decrease) Amount
Operating Revenues	1,036,581	1,074,754	(38,173)
Operating Cost	(612,422)	(606,107)	6,315
Operating Margin	424,159	468,647	(44,488)
Operating Expenses	(329,182)	(351,065)	(21,883)
Operating Profit	94,977	117,582	(22,605)
Non-Operating Income and Expenses	22,978	25,398	(2,420)
Profit Before Income Tax	117,955	142,980	(25,025)
Net profit after-tax	93,813	98,042	(4,229)
Other comprehensive income(loss)	24,244	(3,180)	27,424
Comprehensive income (loss) for the year	118,057	94,862	23,195
Earnings per share	1.08	1.12	(0.04)

According to the above table

### 1. Turnover

- (1) The turnover of miniature linear slides was NT\$590,757 thousand, and decreased by 3.50%; the turnover of large linear slides was NT\$360,545 thousand, and decreased by 8.71%; the turnover of linear motors was NT\$84,728 thousand, and increased by 27.19%.
- (2) If compared by regions, the turnover increased 4.55% in Mainland, decreased 7.73% in European region, increased 0.63% in the United States, increased 11.90% in the domestic sales of Taiwan, and decreased 11.41% in other regions.

### 2. Operating Margin Rate

The overall economic downturn in 2024 brought about a decline in the activation rate and a slight rise in the unit cost. The gross margin of year 2024 was 40.92%, which decreased by 2.69% compared with 43.61% of year 2023.

### 3. Profits

- (1) Profit before tax of year 2024 was NT\$93,813 thousand, which decreased by NT\$4,229 thousand with comparison of NT\$98,042 thousand in 2023.
- (2) Basic earnings per share of year 2024 was NT\$1.08, which decreased NT\$0.04, compared with NT\$1.12 in 2023.

### (2) Comparison of consolidated and comprehensive income of the last two years

Unit: NT\$ thousand

Items	2024	2023	Increase (Decrease) Amount
Operating revenues	811,259	795,982	15,277
Operating costs	(557,993)	(526,661)	31,332
Gross profit	253,266	269,321	(16,055)
Unrealized gain from inter-affiliate accounts	(89,571)	(85,343)	4,228
Realized gain from inter-affiliate accounts	85,343	91,619	(6,276)
Net operating margin	249,038	275,597	(26,559)
Operating expenses	(193,262)	(199,416)	(6,154)
Operating profit	55,776	76,181	(20,405)
Non-operating income and expenses	54,391	52,629	1,762
Profit before income tax	110,167	128,810	(18,643)
Income tax expense	(16,354)	(30,768)	(14,414)
Net profit after-tax	93,813	98,042	(4,229)

Items	2024	2023	Increase (Decrease) Amount
Other comprehensive income (loss)	24,244	(3,180)	27,424
Comprehensive income for the year	118,057	94,862	23,195

### (3) Analysis of Profitability (individual)

Items	2024	2023
Return on Total Assets (%)	2.82%	2.72%
Return on Equity (%)	3.96%	4.11%
Operating Income to Paid-in Capital Ratio (%)	6.25%	8.53%
Pre-tax Income to Paid-in Capital Ratio (%)	12.34%	14.43%
Net Margin (%)	11.56%	12.32%
Basic Earnings Per Share (NT\$)	1.08	1.12

### (4) Analysis of Profitability (consolidated)

Items	2024	2023
Return on Total Assets (%)	2.80%	2.67%
Return on Equity (%)	3.96%	4.11%
Operating Income to Paid-in Capital Ratio (%)	10.64%	13.17%
Pre-tax Income to Paid-in Capital Ratio (%)	13.21%	16.02%
Net Margin (%)	9.05%	9.12%
Basic Earnings Per Share (NT\$)	1.08	1.12

## 2. Enterprise Development

**cpc** has been focusing on the development and manufacture of automated products since establishment. The applications cover a wide range of fields in semiconductor, photoelectric, biomedical, electronic, precision measurement, machine tools, automation intellectualization, and digital transformation for industries. With excellent technical capabilities as well as an innovative spirit, **cpc** has become one of the few leading brands in the world, that are capable of independently mastering complete solutions from precision components to system services; and has made significant contributions to the development of various industries.

### (1) Core Products and Technical Innovation

Currently the main products and services of **cpc** are cpcCells, cpcRobot, and cpcStudio, which altogether constitute a solid foundation for the Company's hardware and software integration.

#### a. cpcCells

**cpc** has continuously invested resources in the research and development of advanced precision linear motion elements, focusing on technical exploration and product innovation.

Apart from the existing linear motion components featuring low noise, the Company expanded the series of cross roller-type and ball screw products, which had a high demand in the market, and further consolidated the market status as well as scaled up the market domain.

b. cpcRobot

In response to the surging demand in global automation and the application of AI technology, **cpc** has launched a new series of cpcRobot miniature six axis robot arm to satisfy the needs of diversified applications. Simultaneously, the Company has also developed peripheral devices for robots, including grippers and automatic changer systems, to provide a comprehensive robot service solution. These products not only align with the current market demand for flexibility as well as high performance, but also inject more possibilities for industrial automation.

c. cpcStudio

The cpcStudio, a software PLC/IDE platform launched by **cpc**, is specially designed for smart factories to improve the capability of hardware integration. It allows users to customize central control platforms, break free from hardware constraints, and create a more flexible and efficient intelligent space. The platform provides users with automation solutions with high liberalization, achieving an entire integration from hardware to software.

(2) Course for Future Development

a. Generative AI Application

**cpc** has set out to develop the generative artificial intelligence technology, incorporating it with the existing products to enhance the intuitiveness and convenience of product-user interaction and bringing a new experience to automation applications.

b. Energy Conservation, Carbon Reduction, and Sustainable Development

In response to the global trend of environmental protection, **cpc** takes “Energy Conservation and Net Zero Emissions” as its core business strategy and devotes itself to providing more environmentally friendly products and solutions as well as achieving corporate social responsibility and sustainability value.

(3) Comprehensive Technical Predominance

**cpc** not only exists as an expert in hardware and electromechanical integration, but also advances to the software field where a complete technology service ecosystem is established. Through years of experience in electromechanical integration, the Company combines the innovation of software products to help users break through the bottleneck of automation technology, climb over the high fence of traditional technology, and provide a flexible and innovative platform for designers as well as system integrators.

In the future, **cpc** will constantly adhere to the spirit driven by innovation and striven for excellence, so as to reinvigorate global intelligence and automation progress, help users actualize innovative ideas into practical results, and set a successful example among the industry.

Chairman: Chen, Li-Fen

Managerial officer: Hsu, Ming-Che

Accounting officer: Wu, Chia-Yung

**Chieftek Precision Co., Ltd.**  
**2024 Audit Committee's Audit Report**

Hereby to approve,

The Board of Directors made the Operating Report, Consolidated and Standalone Financial Statements, Profit Distribution Proposal, etc. of the year of 2024. Consolidated and Independent Financial Statements were duly audited by PwC TW Ms. Yeh, Fang-Ting and Mr. Tien, Chung-Yu, they issued recorded unqualified opinion auditing report. The preceding Operating Report, Consolidated and Independent Financial Statements, Profit Distribution Proposal were audited by the Audit Committee, and verified that there was no discrepancy. Any discrepancies shall be reported to the superior in accordance with Securities and Exchange Act and the Company Law. Please examine.

**CHIEFTEK PRECISION CO., LTD.**

Convener of Audit Committee: Ho, Ming-Tzu

February 26, 2025

## **2024 Employees' Profit Sharing Bonus and Directors' Compensation**

1. Percentage or range of remuneration of employees, directors and supervisors specified in the articles of association:

According to paragraph 1, Article 21 of Articles of Incorporation of the revised articles of association, this company should distribute 3% to 15% of profit of current year to reward employees, and should distribute no more than 3% of profit of current year to reward directors and supervisors. But when the company has accumulated loss, it should be covered. The employee remuneration should be distributed in cash or stock, and those who are distributed with cash or stock should meet certain conditions of being affiliated to the company employees. These certain conditions should be formulated by the board of directors.

The current year's annual profit status refers to the pre-tax interest in the current year before the distribution of employee compensation and the benefits of directors and supervisors before compensation.

The distribution of employee compensation and the compensation of directors and supervisors shall be implemented by the board of directors with a resolution of more than two-thirds of the directors attending and one half and more of the attending directors agree, and report to the shareholders meeting.

2. The employees' compensation and the assignment of directors and supervisors in the year 2024 of the Company were approved by the board of directors on January 24, 2025. The proposed distribution of the board of directors' approval is as follows:
  - (1) The remuneration for allotment of employees in cash is NT\$10,000,000, which is approximately 8.17% of the profit for the current year. The amount of employee compensation reported on the accounts is NT\$10,000,000, which is the same amount as the project is listed as annual profit of 2024.
  - (2) The distribution of directors by cash and the director's remuneration is NT\$2,200,000 in cash, which is approximately 1.71% of the profit for the year. The remuneration of directors listed in the accounts is NT\$2,200,000, which is the same amount as the project is listed as annual profit of 2024.
  - (3) The above-mentioned Employees' Profit Sharing Bonus and Directors Compensation have been expensed in 2024.

**INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE**

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

**Opinion**

We have audited the accompanying parent company only balance sheets of CHIEFTEK PRECISION CO., LTD. (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

**Adequacy of allowance for valuation loss on recognized obsolete or damaged inventories**Description

Refer to Note 4(11) for the accounting policy on inventory, Note 5 for the information on accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for the details of inventory.

The Company is primarily engaged in the manufacture and sales of linear guides and linear blocks. As the end-users require high-quality performances, there is a risk of inventory devaluation or

obsolescence. The Company measures its inventories at the lower of cost and net realizable value. The net realizable value of the Company's inventories aged over a certain period is calculated based on the historical extent of inventory clearance and degree of price markdown. The allowance for valuation loss mainly arises from identified obsolete inventories, and the procedures for such identification involves subjective judgment, which might result in high degree of estimation uncertainty. Considering that the Company's inventory and the allowance for inventory valuation losses are material to the financial statements, we considered the allowance for inventory valuation loss as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in response to the abovementioned key audit matter:

- A. We obtained an understanding of the Company's operations and its industry characteristics to assess the reasonableness of the Company's policies on and procedures for allowance for inventory valuation loss.
- B. We sampled and tested the accuracy and completeness of information in the inventory aging reports, and recalculated to confirm whether the information in the reports were consistent with the Company's inventory policies.
- C. We sampled and tested the computation of net realizable value of individual inventory items and compared with account records.

#### **Cut-off of operating revenue from export sales**

##### Description

Refer to Note 4(26) for the accounting policy on revenue recognition and Note 6(17) for the details of operating revenue.

The Company sells a variety of linear guides, ball screws and linear modules with a global target market, including Taiwan, Asia, Europe, America and so forth. The customers are numerous and located in different countries and the number of transactions is voluminous. The recognition of operating revenue from export sales requires that the products are delivered to the customer and the customer has full discretion over the products. The determination as to when products are transferred to customers involves manual process and judgement and the transaction amounts are usually material. Thus, we considered the cut-off of operating revenue from export sales as one of the key audit matters.

##### How our audit addressed the matter

We performed the following audit procedures in response to the abovementioned key audit matter:

- A. We obtained an understanding and assessed the accounting policy on revenue recognition.
- B. We obtained an understanding and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
- C. We performed cut-off tests on export sales transactions that were completed just before and after the balance sheet date to confirm whether control of goods was indeed transferred to customers for all recognized sales revenues, and that revenues were recorded for the appropriate period.

## **Responsibilities of management and those charged with governance for the parent company only financial statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' responsibilities for the audit of the parent company only financial statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yeh, Fang-Ting

Independent Accountants

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan  
Republic of China  
February 26, 2025

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

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

CHIEFTEK PRECISION CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 695,996	18	\$ 624,168	17
1136	Financial assets at amortized cost - current	6(2) and 8	28,500	1	8,700	-
1150	Notes receivable, net	6(4)	5,805	-	5,855	-
1170	Accounts receivable, net	6(4) and 12	109,874	3	102,275	3
1180	Accounts receivable - related parties	6(4) and 7	75,484	2	64,760	2
1200	Other receivables		25	-	1,606	-
1220	Current income tax assets	6(24)	3,973	-	-	-
130X	Inventories	5 and 6(5)	477,215	12	501,288	13
1410	Prepayments		19,631	-	56,074	2
1470	Other current assets		26	-	-	-
11XX	<b>Total current assets</b>		<u>1,416,529</u>	<u>36</u>	<u>1,364,726</u>	<u>37</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(3)	48,792	1	-	-
1550	Investments accounted for under equity method	6(6)	481,593	12	435,221	12
1600	Property, plant and equipment	6(7) and 8	1,742,475	45	1,739,775	47
1755	Right-of-use assets	6(8)	81,348	2	77,470	2
1780	Intangible assets	6(9)	54,016	2	62,265	1
1840	Deferred income tax assets	6(24)	36,694	1	34,967	1
1915	Prepayments for equipment	6(7)	51,024	1	7,377	-
1920	Guarantee deposits paid		2,577	-	2,604	-
1990	Other non-current assets		3,627	-	1,834	-
15XX	<b>Total non-current assets</b>		<u>2,502,146</u>	<u>64</u>	<u>2,361,513</u>	<u>63</u>
1XXX	<b>Total assets</b>		<u>\$ 3,918,675</u>	<u>100</u>	<u>\$ 3,726,239</u>	<u>100</u>

(Continued)

CHIEFTEK PRECISION CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
<b>Liabilities</b>						
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10) and 8	\$ 160,000	4	\$ 365,000	10
2130	Current contract liabilities	6(17)	3,212	-	133	-
2150	Notes payable		62,338	2	41,913	1
2170	Accounts payable		32,920	1	17,972	-
2200	Other payables	6(11)	93,372	2	94,548	3
2230	Current income tax liabilities	6(24)	-	-	25,545	1
2280	Current lease liabilities	6(8)	4,134	-	3,674	-
2320	Long-term liabilities, current portion	6(12), 8 and 9	209,742	5	78,472	2
21XX	<b>Total current liabilities</b>		<u>565,718</u>	<u>14</u>	<u>627,257</u>	<u>17</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(12), 8 and 9	841,209	22	643,195	17
2570	Deferred income tax liabilities	6(24)	30,423	1	24,505	1
2580	Non-current lease liabilities	6(8)	82,931	2	78,778	2
2640	Non-current net defined benefit liabilities	6(13)	6,578	-	8,936	-
25XX	<b>Total non-current liabilities</b>		<u>961,141</u>	<u>25</u>	<u>755,414</u>	<u>20</u>
2XXX	<b>Total liabilities</b>		<u>1,526,859</u>	<u>39</u>	<u>1,382,671</u>	<u>37</u>
<b>Equity</b>						
Share capital 6(14)						
3110	Common stock		892,619	23	892,619	24
Capital reserves 6(15)						
3200	Capital surplus		446,121	11	446,121	12
Retained earnings 6(16)						
3310	Legal reserve		257,422	7	247,879	7
3320	Special reserve		25,061	1	24,491	1
3350	Unappropriated retained earnings		920,644	23	905,089	24
3400	Other equity interest	6(6)	( 2,481)	-	( 25,061)	( 1)
3500	Treasury stocks	6(14)	( 147,570)	( 4)	( 147,570)	( 4)
3XXX	<b>Total equity</b>		<u>2,391,816</u>	<u>61</u>	<u>2,343,568</u>	<u>63</u>
Significant Contingent Liabilities and 9						
Unrecognized Contract Commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,918,675</u>	<u>100</u>	<u>\$ 3,726,239</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

CHIEFTEK PRECISION CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(17) and 7	\$ 811,259	100	\$ 795,982	100
5000 Operating costs	6(5)(13)(22)(23) and 7	( 557,993)	( 69)	( 526,661)	( 66)
5900 Gross profit		253,266	31	269,321	34
5910 Unrealized gain from inter-affiliate accounts	6(6)	( 89,571)	( 11)	( 85,343)	( 11)
5920 Realized gain from inter-affiliate accounts	6(6)	85,343	11	91,619	11
5950 Net operating margin		249,038	31	275,597	34
Operating expenses	6(9)(13)(22)(23), 7 and 12				
6100 Selling expenses		( 34,255)	( 4)	( 37,003)	( 5)
6200 General and administrative expenses		( 83,458)	( 10)	( 89,970)	( 11)
6300 Research and development expenses		( 75,829)	( 10)	( 72,492)	( 9)
6450 Expected credit impairment gain		280	-	49	-
6000 Total operating expenses		( 193,262)	( 24)	( 199,416)	( 25)
6900 Operating profit		55,776	7	76,181	9
Non-operating income and expenses					
7100 Interest income	6(2)(18)	5,630	1	5,289	1
7010 Other income	6(19)	10,676	1	2,291	-
7020 Other gains and losses	6(3)(20) and 12	27,487	3	20,371	3
7050 Finance costs	6(7)(8)(21)	( 17,422)	( 2)	( 7,245)	( 1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	28,020	4	31,923	4
7000 Total non-operating income and expenses		54,391	7	52,629	7
7900 Profit before income tax		110,167	14	128,810	16
7950 Income tax expense	6(24)	( 16,354)	( 2)	( 30,768)	( 4)
8200 Profit for the year		\$ 93,813	12	\$ 98,042	12
Other comprehensive income (loss)(Net)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Actuarial gain (loss) on defined benefit plan	6(13)	\$ 2,080	-	(\$ 3,263)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	( 416)	-	653	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(6)	22,580	3	( 570)	-
8300 Total other comprehensive income (loss) for the year		\$ 24,244	3	(\$ 3,180)	-
8500 Total comprehensive income for the year		\$ 118,057	15	\$ 94,862	12
Earnings per share (in dollars)	6(25)				
9750 Basic		\$ 1.08		\$ 1.12	
9850 Diluted		\$ 1.07		\$ 1.12	

The accompanying notes are an integral part of these parent company only financial statements.

CHIEFTEK PRECISION CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings					Other Equity Interest	Treasury stocks	Total
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		
<u>2023</u>									
Balance at January 1, 2023		\$ 892,619	\$ 446,121	\$ 213,096	\$ 50,626	\$ 992,829	(\$ 24,491)	(\$ 147,570)	\$ 2,423,230
Profit for the year		-	-	-	-	98,042	-	-	98,042
Other comprehensive loss for the year	6(6)	-	-	-	-	( 2,610)	( 570)	-	( 3,180)
Total comprehensive income (loss) for the year		-	-	-	-	95,432	( 570)	-	94,862
Appropriations of 2022 earnings:									
Legal reserve		-	-	34,783	-	( 34,783)	-	-	-
Cash dividends	6(16)	-	-	-	-	( 174,524)	-	-	( 174,524)
Reversal of special reserve		-	-	-	( 26,135)	26,135	-	-	-
Balance at December 31, 2023		<u>\$ 892,619</u>	<u>\$ 446,121</u>	<u>\$ 247,879</u>	<u>\$ 24,491</u>	<u>\$ 905,089</u>	<u>(\$ 25,061)</u>	<u>(\$ 147,570)</u>	<u>\$ 2,343,568</u>
<u>2024</u>									
Balance at January 1, 2024		<u>\$ 892,619</u>	<u>\$ 446,121</u>	<u>\$ 247,879</u>	<u>\$ 24,491</u>	<u>\$ 905,089</u>	<u>(\$ 25,061)</u>	<u>(\$ 147,570)</u>	<u>\$ 2,343,568</u>
Profit for the year		-	-	-	-	93,813	-	-	93,813
Other comprehensive income for the year	6(6)	-	-	-	-	1,664	22,580	-	24,244
Total comprehensive income for the year		-	-	-	-	95,477	22,580	-	118,057
Appropriations of 2023 earnings:									
Legal reserve		-	-	9,543	-	( 9,543)	-	-	-
Special reserve		-	-	-	570	( 570)	-	-	-
Cash dividends	6(16)	-	-	-	-	( 69,809)	-	-	( 69,809)
Balance at December 31, 2024		<u>\$ 892,619</u>	<u>\$ 446,121</u>	<u>\$ 257,422</u>	<u>\$ 25,061</u>	<u>\$ 920,644</u>	<u>(\$ 2,481)</u>	<u>(\$ 147,570)</u>	<u>\$ 2,391,816</u>

The accompanying notes are an integral part of these parent company only financial statements.

CHIEFTEK PRECISION CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 110,167	\$ 128,810
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on valuation of financial assets at fair value through profit or loss	6(3)(20)	1,208	-
Expected credit impairment gain	12	( 280 )	( 49 )
Loss on inventory market price decline	6(5)	8,486	12,319
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	( 28,020 )	( 31,923 )
Unrealized gain from inter-affiliate accounts	6(6)	89,571	85,343
Realized gain from inter-affiliate accounts	6(6)	( 85,343 )	( 91,619 )
Depreciation	6(7)(8)(22)	59,641	59,283
Amortization	6(9)(22)	10,175	10,094
Interest income	6(18)	( 5,630 )	( 5,289 )
Interest expense	6(21)	17,422	7,245
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		50	1,835
Accounts receivable		( 7,319 )	31,692
Accounts receivable - related parties		( 10,724 )	248,742
Other receivables		1,581	( 1,493 )
Inventories		15,587	( 36,310 )
Prepayments		36,443	( 2,591 )
Other current assets		( 26 )	-
Changes in operating liabilities			
Current contract liabilities		3,079	( 20 )
Notes payable		21,788	( 97,243 )
Accounts payable		14,948	( 28,541 )
Other payables		5,770	( 28,324 )
Non-current net defined benefit liabilities		( 278 )	( 272 )
Cash inflow generated from operations		258,296	261,689
Dividends received	6(6)	-	36,686
Interest received		5,630	5,289
Interest paid		( 24,889 )	( 6,793 )
Income tax paid		( 42,097 )	( 80,128 )
Net cash flows from operating activities		<u>196,940</u>	<u>216,743</u>

(Continued)

The accompanying notes are an integral part of these parent company only financial statements.

CHIEFTEK PRECISION CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortized cost - current		( \$ 19,800 )	\$ -
Acquisition of financial assets at fair value through profit or loss - non-current		( 50,000 )	-
Cash paid for acquisition of property, plant and equipment	6(26)	( 45,380 )	( 91,870 )
Interest paid for acquisition of property, plant and equipment	6(7)(21)(26)	( 7,298 )	( 13,687 )
Acquisition of intangible assets	6(9)	( 1,926 )	( 1,281 )
Increase in prepayments for equipment		( 49,356 )	( 39,576 )
Decrease in guarantee deposits paid		27	663
(Increase) decrease in other non-current assets		( 1,793 )	915
Net cash flows used in investing activities		( 175,526 )	( 144,836 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	810,000	1,116,900
Decrease in short-term borrowings	6(27)	( 1,015,000 )	( 976,900 )
Payments of lease liability	6(27)	( 4,061 )	( 3,609 )
Increase in long-term borrowings	6(27)	960,000	300,000
Decrease in long-term borrowings	6(27)	( 630,716 )	( 274,583 )
Payments of cash dividends	6(16)	( 69,809 )	( 174,524 )
Net cash flows from (used in) financing activities		50,414	( 12,716 )
Net increase in cash and cash equivalents		71,828	59,191
Cash and cash equivalents at beginning of year	6(1)	624,168	564,977
Cash and cash equivalents at end of year	6(1)	\$ 695,996	\$ 624,168

The accompanying notes are an integral part of these parent company only financial statements.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### **Opinion**

We have audited the accompanying consolidated balance sheets of CHIEFTEK PRECISION CO., LTD. and its subsidiaries (collectively referred herein as the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations Committee Interpretations, and Standing Interpretations Committee Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

#### **Adequacy of allowance for valuation loss on recognized obsolete or damaged inventories**

##### Description

Refer to Note 4(12) for the accounting policy on inventory, Note 5 for the information on accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for the details of inventory.

The Group is primarily engaged in the manufacture and sales of linear guides and linear blocks. As the end-users require high-quality performances, there is a risk of inventory devaluation or obsolescence. The Group measures its inventories at the lower of cost and net realizable value. The net realizable value of the Group's inventories aged over a certain period is calculated based on the historical extent of inventory clearance and degree of price markdown. The allowance for valuation loss mainly arises from individually identified obsolete inventories, and the procedures for such identification involves subjective judgment, which might result in high degree of estimation uncertainty. Considering that the Group's inventory and the allowance for inventory valuation losses are material to the financial statements, we considered the allowance for inventory valuation loss as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in response to the abovementioned key audit matter:

- A. We obtained an understanding of the Group's operations and its industry characteristics to assess the reasonableness of the Group's policies on and procedures for allowance for inventory valuation loss.
- B. We sampled and tested the accuracy and completeness of information in the inventory aging reports, and recalculated to confirm whether the information in the reports were consistent with the Group's inventory policies.
- C. We sampled and tested the computation of net realizable value of individual inventory items and compared with account records.

#### **Cut-off of operating revenue from export sales**

##### Description

Refer to Note 4(26) for the accounting policy on revenue recognition and Note 6(16) for the details of operating revenue.

The Group sells a variety of linear guides, ball screws and linear modules with a global target market, including Taiwan, Asia, Europe, America and so forth. The customers are numerous and located in different countries and the number of transactions is voluminous. The recognition of operating revenue from export sales requires that the products are delivered to the customer and the customer has full discretion over the products. The determination as to when products are transferred to customers involves manual process and judgement and the transaction amounts are usually material. Thus, we considered the cut-off of operating revenue from export sales as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in response to the abovementioned key audit matter:

- A. We obtained an understanding and assessed the accounting policy on revenue recognition.
- B. We obtained an understanding and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.

C. We performed cut-off tests on export sales transactions that were completed just before and after the balance sheet date to confirm whether control of goods was indeed transferred to customers for all recognized sales revenues, and that revenues were recorded for the appropriate period.

### **Other matter - Parent company only financial statements**

We have audited and expressed an unmodified opinion on the parent company only financial statements of CHIEFTEK PRECISION CO., LTD. as of and for the years ended December 31, 2024 and 2023.

### **Responsibilities of management and those charged with governance for the parent company only financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations Committee Interpretations, and Standing Interpretations Committee Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yeh, Fang-Ting

Independent Accountants

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

February 26, 2025

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

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

**CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 864,632	21	\$ 834,093	21
1136	Financial assets at amortized cost - current	6(2) and 8	119,762	3	32,639	1
1150	Notes receivable, net	6(4)	18,304	-	15,656	-
1170	Accounts receivable, net	6(4) and 12	229,826	6	224,709	6
1200	Other receivables		6,077	-	2,960	-
1220	Current income tax assets	6(23)	11,302	-	-	-
130X	Inventories	5 and 6(5)	641,086	15	647,192	16
1410	Prepayments		25,904	1	57,739	2
1470	Other current assets		26	-	-	-
11XX	<b>Total current assets</b>		<u>1,916,919</u>	<u>46</u>	<u>1,814,988</u>	<u>46</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(3)	48,792	1	-	-
1600	Property, plant and equipment	6(6) and 8	1,954,502	47	1,942,263	49
1755	Right-of-use assets	6(7)	81,348	2	77,470	2
1780	Intangible assets	6(8)	55,161	2	63,322	2
1840	Deferred income tax assets	6(23)	36,694	1	34,967	1
1915	Prepayments for equipment	6(6)	51,024	1	7,377	-
1920	Guarantee deposits paid		11,786	-	12,099	-
1990	Other non-current assets		3,701	-	2,498	-
15XX	<b>Total non-current assets</b>		<u>2,243,008</u>	<u>54</u>	<u>2,139,996</u>	<u>54</u>
1XXX	<b>Total assets</b>		<u>\$ 4,159,927</u>	<u>100</u>	<u>\$ 3,954,984</u>	<u>100</u>

(Continued)

**CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Liabilities</b>						
<b>Current liabilities</b>						
2100	Short-term borrowings	6(9) and 8	\$ 160,000	4	\$ 365,000	9
2130	Current contract liabilities	6(16)	3,259	-	440	-
2150	Notes payable		62,338	1	41,913	1
2170	Accounts payable		33,036	1	17,975	1
2200	Other payables	6(10)	118,386	3	112,141	3
2230	Current income tax liabilities	6(23)	1,144	-	29,880	1
2280	Current lease liabilities	6(7)	4,134	-	3,674	-
2320	Long-term liabilities, current portion	6(11), 8 and 9	295,886	7	81,259	2
21XX	<b>Total current liabilities</b>		<u>678,183</u>	<u>16</u>	<u>652,282</u>	<u>17</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(11), 8 and 9	969,996	23	846,915	21
2570	Deferred income tax liabilities	6(23)	30,423	1	24,505	1
2580	Non-current lease liabilities	6(7)	82,931	2	78,778	2
2640	Non-current net defined benefit liabilities	6(12)	6,578	-	8,936	-
25XX	<b>Total non-current liabilities</b>		<u>1,089,928</u>	<u>26</u>	<u>959,134</u>	<u>24</u>
2XXX	<b>Total liabilities</b>		<u>1,768,111</u>	<u>42</u>	<u>1,611,416</u>	<u>41</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(13)	892,619	22	892,619	23
Capital reserves						
3200	Capital surplus	6(14)	446,121	11	446,121	11
Retained earnings						
3310	Legal reserve	6(15)	257,422	6	247,879	6
3320	Special reserve		25,061	1	24,491	1
3350	Unappropriated retained earnings		920,644	22	905,089	23
3400	Other equity interest		( 2,481)	-	( 25,061)	( 1)
3500	Treasury stocks	6(13)	( 147,570)	( 4)	( 147,570)	( 4)
3XXX	<b>Total equity</b>		<u>2,391,816</u>	<u>58</u>	<u>2,343,568</u>	<u>59</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 4,159,927</u>	<u>100</u>	<u>\$ 3,954,984</u>	<u>100</u>

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

**CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(16)	\$ 1,036,581	100	\$ 1,074,754	100
5000 Operating costs	6(5)(12)(21)(22)	( 612,422)	( 59)	( 606,107)	( 56)
5900 Net operating margin		<u>424,159</u>	<u>41</u>	<u>468,647</u>	<u>44</u>
Operating expenses	6(8)(12)(21)(22), 7 and 12				
6100 Selling expenses		( 105,060)	( 10)	( 121,824)	( 11)
6200 General and administrative expenses		( 147,944)	( 14)	( 152,673)	( 14)
6300 Research and development expenses		( 75,829)	( 8)	( 72,493)	( 7)
6450 Expected credit impairment loss		( 349)	-	( 4,075)	( 1)
6000 Total operating expenses		<u>( 329,182)</u>	<u>( 32)</u>	<u>( 351,065)</u>	<u>( 33)</u>
6900 Operating profit		<u>94,977</u>	<u>9</u>	<u>117,582</u>	<u>11</u>
Non-operating income and expenses					
7100 Interest income	6(2)(17)	10,212	1	8,121	-
7010 Other income	6(18)	12,115	1	9,187	1
7020 Other gains and losses	6(3)(19) and 12	25,519	2	19,403	2
7050 Finance costs	6(6)(7)(20)	( 24,868)	( 2)	( 11,313)	( 1)
7000 Total non-operating income and expenses		<u>22,978</u>	<u>2</u>	<u>25,398</u>	<u>2</u>
7900 Profit before income tax		<u>117,955</u>	<u>11</u>	<u>142,980</u>	<u>13</u>
7950 Income tax expense	6(23)	( 24,142)	( 2)	( 44,938)	( 4)
8200 Profit for the year		<u>\$ 93,813</u>	<u>9</u>	<u>\$ 98,042</u>	<u>9</u>
<b>Other comprehensive income (loss) (Net)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311 Actuarial gain (loss) on defined benefit plans	6(12)	\$ 2,080	-	(\$ 3,263)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	( 416)	-	653	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations		<u>22,580</u>	<u>2</u>	<u>( 570)</u>	<u>-</u>
8300 Total other comprehensive income (loss) for the year		<u>\$ 24,244</u>	<u>2</u>	<u>(\$ 3,180)</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 118,057</u>	<u>11</u>	<u>\$ 94,862</u>	<u>9</u>
Earnings per share (in dollars)	6(24)				
9750 Basic		<u>\$ 1.08</u>		<u>\$ 1.12</u>	
9850 Diluted		<u>\$ 1.07</u>		<u>\$ 1.12</u>	

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

**CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other Equity Interest		Total equity	
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		Treasury stocks
<b>2022</b>									
Balance at January 1, 2022		\$ 811,876	\$ 440,667	\$ 182,266	\$ 36,323	\$ 891,999	(\$ 50,626 )	(\$ 26,550 )	\$ 2,285,955
Profit for the year		-	-	-	-	346,787	-	-	346,787
Other comprehensive income for the year		-	-	-	-	1,033	26,135	-	27,168
Total comprehensive income for the year		-	-	-	-	347,820	26,135	-	373,955
Appropriations of 2021 earnings									
Legal reserve		-	-	30,830	-	( 30,830 )	-	-	-
Special reserve	6(15)	-	-	-	14,303	( 14,303 )	-	-	-
Cash dividends	6(15)	-	-	-	-	( 121,114 )	-	-	( 121,114 )
Stock dividends	6(12)(15)	80,743	-	-	-	( 80,743 )	-	-	-
Compensation cost recognized for transfer of treasury stocks	6(13)(14)(22)	-	5,534	-	-	-	-	-	5,534
Treasury stocks transferred to employees	6(12)(14)	-	( 80 )	-	-	-	-	26,550	26,470
Purchase of treasury stocks	6(12)	-	-	-	-	-	-	( 147,570 )	( 147,570 )
Balance at December 31, 2022		\$ 892,619	\$ 446,121	\$ 213,096	\$ 50,626	\$ 992,829	(\$ 24,491 )	(\$ 147,570 )	\$ 2,423,230
<b>2023</b>									
Balance at January 1, 2023		\$ 892,619	\$ 446,121	\$ 213,096	\$ 50,626	\$ 992,829	(\$ 24,491 )	(\$ 147,570 )	\$ 2,423,230
Profit for the year		-	-	-	-	98,042	-	-	98,042
Other comprehensive loss for the year		-	-	-	-	( 2,610 )	( 570 )	-	( 3,180 )
Total comprehensive income (loss) for the year		-	-	-	-	95,432	( 570 )	-	94,862
Appropriations of 2022 earnings									
Legal reserve		-	-	34,783	-	( 34,783 )	-	-	-
Cash dividends	6(15)	-	-	-	-	( 174,524 )	-	-	( 174,524 )
Reversal of special reserve	6(15)	-	-	-	( 26,135 )	26,135	-	-	-
Balance at December 31, 2023		\$ 892,619	\$ 446,121	\$ 247,879	\$ 24,491	\$ 905,089	(\$ 25,061 )	(\$ 147,570 )	\$ 2,343,568

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 117,955	\$ 142,980
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on valuation of financial assets at fair value through profit or loss	6(3)(19)	1,208	-
Expected credit impairment loss	12	349	4,075
Loss on inventory market price decline	6(5)	12,545	1,840
Depreciation	6(6)(7)(21)	66,154	69,746
Loss on disposal of property, plant and equipment	6(19)	42	-
Amortization	6(8)(21)	10,304	10,094
Interest income	6(17)	( 10,212 )	( 8,121 )
Interest expense	6(20)	24,868	11,313
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 2,648 )	( 1,726 )
Accounts receivable		( 6,054 )	53,294
Other receivables		( 3,117 )	2,309
Inventories		( 7,452 )	( 13,977 )
Prepayments		31,835	( 1,944 )
Other current assets		( 26 )	-
Changes in operating liabilities			
Current contract liabilities		2,819	( 224 )
Notes payable		21,788	( 97,243 )
Accounts payable		15,061	( 28,550 )
Other payables		5,541	( 53,539 )
Non-current net defined benefit liabilities		( 278 )	( 272 )
Cash inflow generated from operations		280,682	90,055
Interest received		10,212	8,121
Interest paid		( 24,685 )	( 10,257 )
Income tax paid		( 60,405 )	( 108,976 )
Net cash flows from (used in) operating activities		205,804	( 21,057 )

(Continued)

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

**CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Increase in financial assets at amortized cost - current		(\$ 87,123 )	(\$ 15,893 )
Acquisition of financial assets at fair value through profit or loss - non-current		( 50,000 )	-
Cash paid for acquisition of property, plant and equipment	6(25)	( 50,345 )	( 101,088 )
Interest paid for acquisition of property, plant and equipment	6(6)(20)(25)	( 7,298 )	( 13,687 )
Acquisition of intangible assets	6(8)	( 2,140 )	( 2,330 )
Increase in prepayments for equipment		( 49,356 )	( 39,576 )
Decrease (increase) in guarantee deposits paid		313	( 2,748 )
(Increase) decrease in other non-current assets		( 1,203 )	997
Net cash flows used in investing activities		( 247,152 )	( 174,325 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(26)	810,000	1,116,900
Decrease in short-term borrowings	6(26)	( 1,015,000 )	( 976,900 )
Payments of lease liability	6(26)	( 4,061 )	( 3,609 )
Increase in long-term borrowings	6(26)	982,588	421,392
Decrease in long-term borrowings	6(26)	( 651,008 )	( 277,341 )
Payments of cash dividends	6(15)	( 69,809 )	( 174,524 )
Net cash flows from financing activities		52,710	105,918
Effect of foreign exchange rate changes on cash and cash equivalents		19,177	( 661 )
Net increase (decrease) in cash and cash equivalents		30,539	( 90,125 )
Cash and cash equivalents at beginning of year	6(1)	834,093	924,218
Cash and cash equivalents at end of year	6(1)	\$ 864,632	\$ 834,093

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

**Chieftek Precision Co., Ltd.**  
**2024 Profit Distribution Proposal**

Unit: NT\$ in dollar

Item	Amount	
	Subtotal	Total
2024net profit after tax		\$ 93,812,641
Add: actuarial losses of defined benefit plan	<u>1,664,930</u>	
Designated basis of legal reserve		95,477,571
Deduct: Designated 10% Legal Reserve	( 9,547,757)	
Add: Reversed special reserve	<u>22,580,937</u>	
Distributable net profit		108,510,751
Beginning accumulated retained earning		<u>825,166,298</u>
Accumulated unappropriated earnings of the year		933,677,049
Designated distributed number of the year		
Cash dividend to shareholders (NT\$0.7per share)	( <u>61,083,263</u> )	
Sum of distributed amount		( <u>61,083,263</u> )
Accumulated unappropriated retained earnings		<u>\$ 872,593,786</u>

## Notes:

1. The surplus distribution for this time will give priority to distribution of 2024 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 current capital shares minus 2,000,000 treasury shares = 87,261,804 outstanding common shares.

Chairman: Chen , Li-Fen

Managerial officer: Hsu, Ming-Che

Accounting officer: Wu, Chia-Yung

## Chieftek Precision Co., Ltd.

## Comparison of Amendments of Articles of the Company's "Operating Procedures of Endorsements/Guarantees"

Before Amendment	After Amendment	Explanation
<p><b>Article 2:</b> The Company's scope of services is set out hereunder:</p> <p>(i) CB01990 Other Machinery Manufacturing;</p> <p>(ii) F401010 International Trading.</p> <p>Products which are researched, developed and marketed are as follows:</p> <p>(a) Miniature linear guide;</p> <p>(b) Miniature ball screw;</p> <p>(c) Miniature linear modules;</p> <p>(d) Photoelectric and semiconductor machinery equipments;</p> <p>(e) International trading relating to aforesaid products.</p>	<p><b>Article 2:</b> The Company's scope of services is set out hereunder:</p> <p>(i) CB01990 Other Machinery Manufacturing;</p> <p>(ii) F401010 International Trading;</p> <p>(iii) CB01010 Mechanical Equipment Manufacturing;</p> <p>(iv) CC01110 Computer and Peripheral Equipment Manufacturing;</p> <p>(v) CE01030 Optical Instruments Manufacturing;</p> <p>(vi) E603050 Automatic Control Equipment Engineering;</p> <p>(vii) I301010 Information Software Services;</p> <p>(viii) I301030 Electronic Information Supply Services.</p> <p>Products which are researched, developed and marketed are as follows:</p> <p>(a) Miniature linear guide;</p> <p>(b) Miniature ball screw;</p> <p>(c) Miniature linear modules;</p> <p>(d) Photoelectric and semiconductor machinery equipments;</p> <p>(e) High-performance motor products.</p> <p>(f) AI software platforms and tools.</p> <p>(g) High-precision integrated products.</p> <p>(h) International trading relating to aforesaid products.</p>	<p>In response to the Company's increasing product categories due to operational needs and business development requirements, the research, the development, the manufacturing, and the sales of business activities are expanded.</p>
<p><b>Article 3:</b> The head office of the company established in Tainan Science-based Industrial Park, the Board of Directors will resolute to</p>	<p><b>Article 3:</b> The head office of the Company was established in Southern Taiwan Science Park, the Board of Directors will</p>	<p>In compliance with the government, the name was changed from "Tainan Science-based</p>

Before Amendment	After Amendment	Explanation
establish branches at home and abroad if necessary.	resolute to establish branches at home and abroad if necessary.	Industrial Park” to “Southern Taiwan Science Park”.
<b>Article 8.2:</b> In accordance with Articles 193-1 of Company Act, the Company will electronically be listed as one of the exercise of voting rights. The elections for directors of the Company shall proceed with the candidate nomination system; the shareholders shall elect the directors from among the nominees listed in the roster of candidates.	<b>Article 8.2:</b> In accordance with Articles 193-1 of Company Act, effective from the date the Company adopted electronic transmission as one of the methods for exercising voting power, the elections for directors of the Company shall proceed with the candidate nomination system, where the shareholders shall elect the directors from among the nominees listed in the roster of candidates.	The Company has established the Audit Committee and repealed supervisors.
<b>Article 9:</b> When a shareholder is unable to attend the shareholders meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued solicitation document stipulating the extent of the authorization with signature or company seal thereon.	<b>Article 9:</b> When a shareholder is unable to attend the shareholders meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued solicitation document stipulating the extent of the authorization with signature or company seal thereon.	In compliance with the laws and regulations, the amendment was made.
<b>Chapter 4 Directors and Supervisors</b>	<b>Chapter 4 Directors</b>	The Company has established the Audit Committee and repealed supervisors.
<b>Article 13:</b> The Company shall appoint five to nine directors and two to three supervisors, and a three-year term and may be re-elected after the term. The Company shall by law purchase liability insurance in order to cover liability that may arise from the directors and supervisors exercising their duties during their term. The appointed number of the aforesaid director shall have no less than two independent directors and the same shall not be less than one fifth of the total	<b>Article 13:</b> The Company shall appoint five to nine directors with a three-year term whom may be re-elected after the term. The Company shall by law purchase liability insurance in order to cover liability that may arise from the directors exercising their duties during their term. The aggregate shareholding percentage of all of the directors shall comply with the securities authorities. The appointed number of the aforesaid directors shall have no less than two independent directors and the same shall not be	The Company has established the Audit Committee and deleted the regulations related to supervisors.

Before Amendment	After Amendment	Explanation
<p>number of directors of the Company. The appointment of independent director is by electing from among the nominated candidates by the shareholders. The professional qualification, shareholding, part-time job restrictions, nominations, means of election as well as other relevant issues are proceeded in accordance with the regulations of the competent authority. The Company shall subject to the Securities and Exchange Act establish an audit committee. The members of the committee are composed of the entire number of independent directors. It shall not be less than three persons in number and at least one thereof shall have accounting or financial expertise. The provisions of relevant regulations or Company's Articles of Incorporation shall apply mutatis mutandis to the exercise of power, committee charter, as well as other applicable matters of the audit committee. Upon the establishment of the audit committee, the supervisor shall be released from duty. The provisions regarding supervisor in this Articles of Incorporation shall be void with immediate effect. The Company shall establish committees to carry out various functions in order to fortify its strategic objectives and strengthen management mechanisms. Each committee charter shall be resolved by the Board of Directors.</p>	<p>less than one fifth of the total number of directors of the Company. The appointment of independent director is by electing from among the nominated candidates by the shareholders. The professional qualification, shareholding, part-time job restrictions, nominations, means of election as well as other relevant issues are proceeded in accordance with the regulations of the competent authority. The Company shall subject to the Securities and Exchange Act establish an audit committee. The members of the committee are composed of the entire number of independent directors. It shall not be less than three persons in number and at least one thereof shall have accounting or financial expertise. The provisions of relevant regulations or Company's Articles of Incorporation shall apply mutatis mutandis to the exercise of power, committee charter, as well as other applicable matters of the audit committee.</p> <p>The Company shall establish committees to carry out various functions in order to fortify its strategic objectives and strengthen management mechanisms. Each committee charter shall be resolved by the Board of Directors.</p>	
<p><b>Article 13.1:</b> The cumulative voting method shall be used for election of the directors and supervisors of this Company. Each share will have voting rights in</p>	<p><b>Article 13.1:</b> The cumulative voting method shall be used for election of the directors of this Company. Each share will have voting rights in number equal to the</p>	<p>The Company has established the Audit Committee and repealed supervisors.</p>

Before Amendment	After Amendment	Explanation
<p>umber equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</p>	<p>directors to be elected, and may be cast for a single candidate or split among multiple candidates.</p>	
<p><b>Article 16:</b> The Board of Director is authorized to determine the amount of compensation relating to transportation and remuneration to the directors and supervisors of the Company based on standard terms in the industry and subject to concerned director and supervisor’s level of operational participation as well as value of the contribution thereof.</p>	<p><b>Article 16:</b> The Board of Director is authorized to determine the amount of compensation relating to transportation and remuneration to the directors of the Company based on standard terms in the industry and subject to concerned directors’ level of operational participation as well as value of the contribution thereof.</p>	<p>The Company has established the Audit Committee and repealed supervisors.</p>
<p><b>Article 21.1:</b> The Company shall subject to its business performance for that year retain between three to Fifteen percent of the profit for the use of employee remuneration. Further, the Company shall subject to its business performance for that year retain no higher than three percent for the use of director and supervisor remuneration. In the event that the Company still suffers a loss, that loss shall be made up. Employee remuneration shall be paid by way of cash or share. The recipient of the cash or share shall include employees of the subordinate companies that fulfill the necessary criteria determined by the Board of Directors. The business performance for that year referred to in the preceding paragraph means its profit before tax without the deductions of employee, director and supervisor’s remuneration therefrom.</p>	<p><b>Article 21.1:</b> The Company shall subject to its business performance for that year retain between three to fifteen percent of the profit for the use of employee remuneration, among which no less than twenty-five percent shall be allocated and distributed to grass-root employees. Further, the Company shall subject to its business performance for that year retain no higher than three percent for the use of director remuneration. In the event that the Company still suffers a loss, that loss shall be made up. Employee remuneration shall be paid by way of cash or share. The recipient of the cash or share shall include employees of the subordinate companies that fulfill the necessary criteria determined by the Board of Directors. The business performance for that year referred to in the preceding paragraph means its profit before tax without the deductions of employees and directors’ remuneration therefrom.</p>	<ol style="list-style-type: none"> <li>1. Implemented in accordance with the regulations promulgated by the Financial Supervisory Commission on November 8, 2024, per Letter No.11303854422 and by Taiwan Stock Exchange on November 11, 2024, per Letter No. 1130021633.</li> <li>2. The Company has established the Audit Committee and repealed supervisors.</li> </ol>
<p><b>Article 2.2:</b> The company may, in</p>	<p>(Deleted)</p>	<p>Taking into</p>

Before Amendment	After Amendment	Explanation
<p>accordance with acts, make a surplus allocation or loss-making supplement after the end of each half of the fiscal year. When allocating surplus, the company should initially estimate and retain taxable contributions, make up for losses in accordance with the law and bring up legal reserve. However, if legal reserve reached the amount of capital received, it would be an exception. If the retained earnings are issued in cash, it shall be handled by resolution of the Board of Directors. When the issuance of new shares is issued, it shall be governed by a resolution of the shareholders' meeting in accordance with the provisions.</p>		<p>consideration the factors, such as the industry prosperity and future business development plans, the surplus allocation has been revised to an annual basis.</p>
<p><b>Article 23:</b> The article was established on October 14, 1998. First amended on January 6, 1999. The second amendment was on October 14, 1999. The third amendment was on January 1, 2000. The fourth amendment was on June 22, 2000. The fifth amendment was on April 4, 2001. The sixth amendment was on May 15, 2001. The seventh amendment was on April 3, 2002. The eighth amendment was on June 6, 2002. The ninth amendment was on June 20, 2003. The tenth amendment was on August 25, 2003. The eleventh amendment was on November 25, 2003. The twelfth amendment was on April 15, 2004. The thirteenth amendment was on December 30, 2004.</p>	<p><b>Article 23:</b> The article was established on October 14, 1998. The first amendment was made on January 6, 1999. The second amendment was made on October 14, 1999. The third amendment was made on January 1, 2000. The fourth amendment was made on June 22, 2000. The fifth amendment was made on April 4, 2001. The sixth amendment was made on May 15, 2001. The seventh amendment was made on April 3, 2002. The eighth amendment was made on June 6, 2002. The ninth amendment was made on June 20, 2003. The tenth amendment was made on August 25, 2003. The eleventh amendment was made on November 25, 2003. The twelfth amendment was made on April 15, 2004. The thirteenth amendment was</p>	<p>The amendment date was added.</p>

Before Amendment	After Amendment	Explanation
<p>The fourteenth amendment was on November 17, 2006.</p> <p>The fifteenth amendment was on June 29, 2007.</p> <p>The sixteenth amendment was on June 30, 2008.</p> <p>The seventeenth amendment was on November 12, 2010.</p> <p>The eighteenth amendment was on June 17, 2011.</p> <p>The nineteenth amendment was on June 20, 2012.</p> <p>The twentieth amendment was on June 27, 2013.</p> <p>The twenty-first amendment was on June 6, 2014.</p> <p>The twenty-second amendment was on June 25, 2015.</p> <p>The twenty-third amendment was on June 16, 2016.</p> <p>The twenty-fourth amendment was on June 22, 2017.</p> <p>The twenty-fifth amendment was on May 28, 2018.</p> <p>The twenty-sixth amendment was on June 12, 2019.</p>	<p>made on December 30, 2004.</p> <p>The fourteenth amendment was made on November 17, 2006.</p> <p>The fifteenth amendment was made on June 29, 2007.</p> <p>The sixteenth amendment was made on June 30, 2008.</p> <p>The seventeenth amendment was made on November 12, 2010.</p> <p>The eighteenth amendment was made on June 17, 2011.</p> <p>The nineteenth amendment was made on June 20, 2012.</p> <p>The twentieth amendment was made on June 27, 2013.</p> <p>The twenty-first amendment was made on June 6, 2014.</p> <p>The twenty-second amendment was made on June 25, 2015.</p> <p>The twenty-third amendment was made on June 16, 2016.</p> <p>The twenty-fourth amendment was made on June 22, 2017.</p> <p>The twenty-fifth amendment was made on May 28, 2018.</p> <p>The twenty-sixth amendment was made on June 12, 2019.</p> <p>The twenty-seventh amendment was made on May 28, 2025.</p>	

**Chieftek Precision Co., Ltd.**  
**Rules of Procedure for Shareholders Meetings**

Article 1: Establishment basis

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Scope of the rules

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Convening a Board meeting and meeting notice

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.

However, a shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, it will not be included in the meeting agenda. In addition, a proposal made by a shareholder has one of the circumstances in Article 172-1, paragraph 4 of Company Act, and the board of directors may not include it in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

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

**Article 4: Director's attendance by proxy in shareholders' meeting and authorization thereof**

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 5: Principles determining the time and place of a shareholders meeting**

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

**Article 6: Preparation of signature book and other documents**

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials.

Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

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

**Article 7: The chair and non-voting participants of a shareholders meeting**

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

**Article 8: Documentation of a shareholders meeting by audio or video**

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 9: Calculation of number of shares in attendance and meeting**

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose relevant information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting, etc.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

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

#### Article 10: Discussion on Agenda

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

#### Article 11: Shareholder speech

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

#### Article 12: Calculation of voting shares

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13: Vote on Agenda and Scrutinizing Ballots and How Ballots are Counted

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

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the

results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Meeting minutes and signature

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Article 16: Public disclosure

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

Article 17: Maintaining order at the meeting place

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

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

Article 18: Recess and resumption of a shareholders meeting

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: Supplementary Provisions

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

### Chieftek Precision Co., Ltd. Articles of Incorporation (Before Amendments)

#### Chapter 1 General Provisions

- Article 1: According to the Company Acts, the company is naming as Chieftek Precision Co., Ltd, and the English version will be named as CHIEFTEK PRECISION CO., LTD.
- Article 2: The Company's scope of services is set out hereunder:
- (i) CB01990 Other Machinery Manufacturing;
  - (ii) F401010 International Trading.  
Products which are researched, developed and marketed are as follows:
    - (a) Miniature linear guide;
    - (b) Miniature ball screw;
    - (c) Miniature linear modules;
    - (d) Photoelectric and semi-conductor machinery equipment; (e) International trading relating to aforesaid products.
- Article 2.1: In the event that the Company becomes a shareholder of limited liability in other companies, the amount of investment thereof shall not be bound by article 13 of the Company Act relating to the total reinvestment amount restriction.
- Article 3: The head office of the company established in Tainan Science-based Industrial Park, the Board of Directors will resolute to establish branches at home and abroad if necessary.
- Article 4: The Company's public announcements are published in accordance with article 28 of the Company Act.
- Article 4.1: The Company is entitled to offer guarantees to externally.

#### Chapter 2 Shares

- Article 5: The amount of capital of the company is NT\$1,500,000,000, which be divided into 150,000,000 shares. The denomination of each share is NT\$10, and is authorized to be distributed by the Board of Directors. The former amount of capital retains NT\$30,000,000 for the issuance of employee's equity certificates, taking into account 3 million shares, and each denomination of per share is NT\$10, it is authorized to be distributed by the Board of Directors.
- In the event that the Company intends to issue shares at a buyback value that is lower than that of the employee's ordinary share subscription warrants on the closing day, the aforesaid shares shall only be issued under the circumstances that a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.
- Article 6: The company may issue registered shares and be signed or stamped by the directors representing the company, and shall, by law, act as a bank visa for the issuer of the shares. When the company issues new shares, its shares shall be printed or be free of printed shares in respect of the total number of such offerings. However, it shall be kept or logged in with the centralized custody institutions of the securities. The shares of the company have to be issued without physical distribution, and so do the other securities.
- Article 7: Assignment/transfer of change-of-name shares shall be proceeded in accordance with article 165 of the Company Act.
- Article 7.1: The company shall buy shares in accordance with the provisions of company law, the object of its transfer, the object of the employee's equity voucher, the employees who

acquire the issuance of new shares, and the object of issuing new shares restricting the rights of employees, including employees of subordinate companies who meet certain conditions.

### Chapter 3 Shareholders Meeting

- Article 8: There are two types of shareholders meeting, namely, regular meeting and special meeting. The regular meeting shall be convened within six months after close of each fiscal year. Whereas, special meetings are held in accordance with law, when necessary.
- Article 8.1: The Notice of Shareholders Meeting shall be done electronically with the consent of the shareholders.
- Article 8.2: In accordance with Articles 193-1 of Company Act, the Company will electronically be listed as one of the exercise of voting rights. The elections for directors of the Company shall proceed with the candidate nomination system; the shareholders shall elect the directors from among the nominees listed in the roster of candidates.
- Article 9: When a shareholder is unable to attend the shareholders meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued solicitation document stipulating the extent of the authorization with signature or company seal thereon.
- Article 10: A shareholder, unless otherwise provided for in article 179 of the Company Act relating to the circumstances of certain shares having no voting right, shall have one voting right in respect of each share in his/her/its possession.
- Article 11: A resolution is passed at the shareholders meeting by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.
- Article 12: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting. The preparation, distribution, and safekeeping thereof must be proceeded in accordance with article 183 of the Company Act.

### Chapter 4 Directors and Supervisors

- Article 13: The Company shall appoint five to nine directors and two to three supervisors, and a three-year term and may be re-elected after the term. The Company shall by law purchase liability insurance in order to cover liability that may arise from the directors and supervisors exercising their duties during their term. The appointed number of the aforesaid director shall have no less than two independent directors and the same shall not be less than one fifth of the total number of directors of the Company. The appointment of independent director is by electing from among the nominated candidates by the shareholders. The professional qualification, shareholding, part-time job restrictions, nominations, means of election as well as other relevant issues are proceeded in accordance with the regulations of the competent authority. The Company shall subject to the Securities and Exchange Act establish an audit committee. The members of the committee are composed of the entire number of independent directors. It shall not be less than three persons in number and at least one thereof shall have accounting or financial expertise. The provisions of relevant regulations or Company's Articles of Incorporation shall apply mutatis mutandis to the exercise of power, committee charter, as well as other applicable matters of the audit committee. Upon the establishment of the audit committee, the supervisor shall be released from duty. The provisions regarding supervisor in this Articles of Incorporation shall be void with immediate effect. The Company shall establish committees to carry out various functions in order to fortify its strategic objectives and strengthen management mechanisms. Each committee charter shall be resolved by the Board of Directors.

Article 13.1: The cumulative voting method shall be used for election of the directors and supervisors of this Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 14: The Board of Directors shall be organized by the directors, who shall be represented by more than two-thirds of the directors and the consent of a majority of the directors to be represented by the Chairman, who represents the company externally. The notice of the convening of the Board of Directors shall be dealt with in accordance with Article 204 of acts and by written, e-mail, facsimile and any other electronic means. The resolution of the Board of Directors shall, except as otherwise provided by law, be attended by a majority of the directors and be represented by a majority of the directors.

Article 15: In case the Managing Director is on leave or unable to exercise his/her duties for whatever reasons, his/her proxy shall act in accordance with article 208 of the Company Act.

Article 16: The Board of Director is authorized to determine the amount of compensation relating to transportation and remuneration to the directors and supervisors of the Company based on standard terms in the industry and subject to concerned director and supervisor's level of operational participation as well as value of the contribution thereof.

Article 17: The director shall present the solicitation document and assign another director to attend the meeting of the Board of Directors in order to exercise his/her voting right.

The director that is assigned to represent another director can only accept one such assignment.

The participants are deemed present by taking part of the meeting of the Board of Directors using video conference facility when the meeting is conducted by way of video conference.

Article 18: The Board of Directors is composed of all directors. Wherefore, the scope of duties is set out hereunder:

- (i) Draft operational plans;
- (ii) Offer proposals relating to appropriation of profit and remedy in the event of loss;
- (iii) Resolve whether the Company should increase or reduce capital;
- (iv) Review and finalize important provisions of the Articles of Incorporation or contracts;
- (v) Elect and discharge the General Manager of the Company;
- (vi) Establish and close branch offices;
- (vii) Review and approve budget as well as balanced budget;
- (viii) Other duties vested by virtue of the Company Act and resolutions adopted at the meeting of the Board of Directors.

#### Chapter 5 Managerial Personnel

Article 19: The Company shall have managerial personnel. Appointment, discharge and the remuneration thereto shall be subject to article 29 of the Company Act.

#### Chapter 6 Accounting

Article 20: The Company shall, at the end of each fiscal year, submit to its shareholders for their ratification of (i) the annual business report, (ii) the financial statements, and (iii) the appropriation of profit and remedy in the event of loss proposal.

Article 21: The general annual accounts of the company will be assigned as following if there is a surplus:

- (i) Withholding Tax
- (ii) Covering the deficit

- (iii) The deposit of 10% is the legal surplus reserve. However, if the statutory surplus reserve has reached the amount of capital received, it would be an exception.
- (iv) If necessary, providing for the listing of rotation of the special surplus reserve by order of law or by the competent authority.
- (v) After deducting the balance of the preceding paragraphs 1-4, and with the undistributed surplus of the previous year, the Board shall subject to the operational requirements, propose an allocation motion to be submitted to the shareholders' meeting for the allocation of dividends or reservations to shareholders. However, the dividend distribution amount shall not be less than 20% of the remaining amount after the annual return is deducted according to the amount specified in paragraph 1 to 4.

In order to continuously expand the scale of operation, enhance competitive strength, modify with the company's long term business development, and the needs of capital as well as long-term financial planning, the company's dividend issuance policy is based on stock dividend and matching part of cash dividend, the total amount of cash dividend should not be less than 10% of the total shareholder dividend to be issued.

The Board of Directors of the company shall be represented by more than two-thirds directors and shall attend a resolution of a majority of the directors. Also, shall assign all or part of the reserve of dividends, bonus, capital reserve or legal reserve to the payment of cash, and report to the shareholders' meeting. It is not applicable to the provisions of the preceding resolution of the shareholders' meeting.

Article 21.1: The Company shall subject to its business performance for that year retain between three to Fifteen percent of the profit for the use of employee remuneration. Further, the Company shall subject to its business performance for that year retain no higher than three percent for the use of director and supervisor remuneration. In the event that the Company still suffers a loss, that loss shall be made up.

Employee remuneration shall be paid by way of cash or share. The recipient of the cash or share shall include employees of the subordinate companies that fulfill the necessary criteria determined by the Board of Directors.

The business performance for that year referred to in the preceding paragraph means its profit before tax without the deductions of employee, director and supervisor's remuneration therefrom.

Article 21.2: The company may, in accordance with acts, make a surplus allocation or loss-making supplement after the end of each half of the fiscal year. When allocating surplus, the company should initially estimate and retain taxable contributions, make up for losses in accordance with the law and bring up legal reserve. However, if legal reserve reached the amount of capital received, it would be an exception. If the retained earnings are issued in cash, it shall be handled by resolution of the Board of Directors. When the issuance of new shares is issued, it shall be governed by a resolution of the shareholders' meeting in accordance with the provisions.

#### Chapter 7 Supplementary Provisions

Article 22: Any unspecified matters in this Articles of Incorporation shall be dealt in accordance with the Company Act.

Article 23: The article was established on October 14, 1998.

First amended on January 6, 1999.

The second amendment was on October 14, 1999.

The third amendment was on January 1, 2000.

The fourth amendment was on June 22, 2000.

The fifth amendment was on April 4, 2001.

The sixth amendment was on May 15, 2001.  
The seventh amendment was on April 3, 2002.  
The eighth amendment was on June 6, 2002.  
The ninth amendment was on June 20, 2003.  
The tenth amendment was on August 25, 2003.  
The eleventh amendment was on November 25, 2003.  
The twelfth amendment was on April 15, 2004.  
The thirteenth amendment was on December 30, 2004.  
The fourteenth amendment was on November 17, 2006.  
The fifteenth amendment was on June 29, 2007.  
The sixteenth amendment was on June 30, 2008.  
The seventeenth amendment was on November 12, 2010.  
The eighteenth amendment was on June 17, 2011.  
The nineteenth amendment was on June 20, 2012.  
The twentieth amendment was on June 27, 2013.  
The twenty-first amendment was on June 6, 2014.  
The twenty-second amendment was on June 25, 2015.  
The twenty-third amendment was on June 16, 2016.  
The twenty-fourth amendment was on June 22, 2017.  
The twenty-fifth amendment was on May 28, 2018.  
The twenty-sixth amendment was on June 12, 2019.

Chieftek Precision Co., Ltd

Chairman: Li-Fen Chen

## Appendix 3

### Directors Shareholdings

- I. As of the book closure date for the shareholders' meeting on March 28, 2025, the paid-in capital of the Company is NT\$892,618,040 and the total number of issued shares is 89,261,804 shares.
- II. In accordance with Article 26 of Securities and Exchange Act and Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum numbers of shares required to be held by the entire bodies of directors is 7,140,944 shares.
- III. As of March 28, 2025, the shareholdings of all directors:

Position	Name	Date of Election	Term of Office (year)	Shareholdings recorded on the shareholders roster as of the book closure date for the shareholders' meeting	Shareholding ratio %
Chairman	CHEN, LI-FEN	2023.05.26	3	4,009,675	4.49%
Director	HSU, MING-CHE	2023.05.26	3	6,127,271	6.86%
Director	CHEN, CHIA-HAO	2023.05.26	3	1,030,895	1.16%
Director	WANG CHEN, PI-HSIA	2023.05.26	3	610,890	0.69%
Director	LI, ANNE	2023.05.26	3	1,507,752	1.69%
Independent director	HO, MING-TZU	2023.05.26	3	0	-
Independent director	TSENG, HSU-WEN	2023.05.26	3	93,150	0.10%
Independent director	WU, LING-LING	2023.05.26	3	37,747	0.04%
Independent director	WANG, YUNG-CHANG	2023.05.26	3	141,943	0.15%
<b>Total shares of the entire bodies of directors</b>				13,559,323	15.18%

Note: The shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the shareholding of all directors other than the independent directors shall be decreased by 20 percent in accordance with the calculation of quorum ratio.

- IV. The shareholdings of the entire bodies of directors satisfied "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

## Appendix 4

### **The Impact of Bonus Shares on the Company's Business Performances, Earnings per Share and Shareholders' Return on Investment**

The Company's earnings distribution proposal for 2024 was approved by the resolution of board of directors meeting on February 26, 2025, the Company has no stock grants distribution situation, so it is not applicable.

## Appendix 5

### **Other Explanation Matter**

The explanation for shareholders' proposal during the regular shareholders' meeting.

Explanation:

- I. In accordance with Article 172-1 of the Company Act, a shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only and limited to 300 words.
- II. The Company handles the submission of proposals for the shareholders' meeting. The period of submission is from March 21, 2025 to March 31, 2025. The information has been announced on the Market Observation Post System.
- III. The Company has not received any proposals from the shareholders.