2024 Annual Report

Stock Code: 1597

CHIEFTEK PRECISION CO., LTD.

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

Spokesperson
Name: LI PAI-TSANG
Position: Chief financial officer
Tel: (06)505-5858
E-mail: act07@mail2.chieftek.com

Deputy Spokesperson
Name: HSU CHENG-PU
Position: Special assistant for chairman
Tel: (06)505-5858
E-mail: flora@mail2.chieftek.com

2. **ADDRESS AND CONTACT NUMBER OF HEADQUARTERS, BRANCH AND FACTORY：**

Headquarters
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Tel: (06)505-5858
Tainan Science Park Factory
Add: No. 3, Dali 1st Rd., Xinshi Dist., Southern Taiwan Science Park, Tainan City, 741-45,Taiwan (R.O.C.)
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Add: No.2, Huoshui Rd., Xinshi Dist., Tainan City 74148, Taiwan (R.O.C.)
Tel: (06)589-5488

3. **NAME, ADDRESS, WEBSITE AND CONTACT NUMBER OF SHARE TRANSFER AGENCY：**

Name: Service agency of Fubon Securities Co., Ltd
Add: 11 F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City 100
Web: http: //www.fubon.com.tw
Tel: (02)2361-1300

4. **CPA'S NAME, NAME, ADDRESS, WEBSITE AND CONTACT NUMBER OF ACCOUNTING FIRM IN 2024 FINANCIAL REPORT：**

Accountant's name: Accountant YEH FANG-TING and Accountant TIEN ZHONG-YU
Firm name: PricewaterhouseCoopers (PwC) Taiwan
Add: 12 F, No. 395, Sec. 1, Linsen Rd., East Dist., Tainan City
Web: http：//www.pwc.tw
Tel: (06) 234-3111

5. **TRADING PLACES OF OVERSEAS NEGOTIABLE SECURITIES FLOTATION AND MODE OF INQUIRY INFORMATION ON OVERSEAS NEGOTIABLE SECURITIES: NONE**.

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

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

Distinguished shareholders, ladies and gentlemen:

I would like to express sincere thanks to all shareholders for your continual encouragement and support to CHIEFTEK PRECISION CO., LTD. (**cpc** hereinafter). In 2024, the uncertainty brought by geopolitical conflict, such as the Russia-Ukraine War and the Middle East Wars, led to poor cross-strait political relations. Additionally, China officially terminated the relevant preferential duty of the ECFA in June 2024. With the overall economy remaining in a slump, our company's consolidated revenue in 2024 was NT$1,036,581 thousand, with a decrease of NT$38,173 thousand and 3.55% compared to the consolidated revenue of NT$1,074,754 thousand in 2023. Additionally, the net income after tax in 2024 was NT$93,813 thousand, with a decrease of NT$4,229 thousand and 4.31% compared to the net income after tax of NT$98,042 thousand in 2023.
I hereby report the operating results for the 2024 fiscal year and a summary of the business plan for the 2025 fiscal year.

1. Operating results for the previous fiscal year (2024)

(I) Implementation of the business plan for the previous fiscal year

Comparison table of consolidated comprehensive profit/loss of the company and the product sale by type within the last 2 fiscal years and its description is as follows:

1. Comparison table of consolidated comprehensive profit/loss within the last 2 fiscal years.

Unit: NT$ in thousand

Items	2024	2023	Increase (decrease)
Net operating income	1,036,581	1,074,754	(38,173)
Operating cost	(612,422)	(606,107)	6,315
Operating gross profit	424,159	468,647	(44,488)
Operating expense	(329,182)	(351,065)	(21,883)
Operating profit	94,977	117,582	(22,605)
Net non-operating income (expense)	22,978	25,398	(2,420)
Net profit before 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

2. Product sale by type in the last 2 fiscal years: Please refer to Operation Proportion under

Unit: NT$ in thousand

Product type	2024		2023		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Miniature type	590,757	57.00%	612,175	56.96%	(21,418)	(3.50%)
Large type	360,545	34.78%	394,940	36.75%	(34,395)	(8.71%)
Linear motor	84,728	8.17%	66,615	6.20%	18,113	27.19%
Other	551	0.05%	1,024	0.09%	(473)	(46.19%)
Total	1,036,581	100.00%	1,074,754	100.00%	(38,173)	(3.55%)

(1) Revenue

A. The revenue of miniature linear guides is NT$590,757 thousand, down 3.50%; the revenue of large linear guides is NT$360,545 thousand, down 8.71%; the revenue of linear motors is NT$84,728 thousand, up 27.19%.

B. Compared in terms of geographical area differences, the mainland China area increased by 4.55%, the European area decreased by 7.73%, the US area increased by 0.63%, Taiwan's domestic sales increased by 11.90%, and other areas decreased by 11.41%.

(2) Gross profit from the operation

In 2024, the consolidated revenue decreased by 3.55% due to the impact of the economic downturn, resulting in a declined utilization and a gross profit margin of 40.92% for the 2024 fiscal year, which was a decrease of 2.69% compared to the gross profit margin of 43.61% in the 2023 fiscal year.

(3) Earnings

A. The earnings after tax for the 2024 fiscal year was NT$93,813 thousand, which is a decrease of NT$4,229 thousand and 4.31% compared with NT$98,042 thousand for the 2023 fiscal year.

B. The 2024 earnings per share after tax was NT$1.08, decreased by NT$0.04 compared with NT$1.12 of 2023.

(II) Implementation of Budget

The financial prediction of 2024 was not publicized; it was not likely to estimate the achievement of goals.

(III) Analysis of receipts/expenditures, and profitability

Items			2024	2023
Financial structure (%)	Ratio of liabilities to assets		42.50	40.74
	Ratio of long-term funds to real property, factory and equipment		178.14	170.04
Debt paying ability (%)	Current ratio		282.66	278.25
	Quick ratio		184.30	170.18
	Interest coverage ratio		4.67	6.57
Profit structure (%)	Return on assets (ROA)		2.80	2.67
	Return on equity (ROE)		3.96	4.11
	Ratio on paid-in capital	Operating profits	10.64	13.17
		Profits before tax	13.21	16.02
	Net profit ratio		9.05	9.12
	Basic EPS ($)		1.08	1.12

(IV) Overview on the current research and development

cpc has been deeply involved in the high-precision automation industry for many years, starting from micro linear guides, standard linear guides, linear motors, DD motors, linear modules, subsystems and drives, to now include robotic arms, software PLCs, and more. The entire product technology and service range have become quite extensive. Therefore, **cpc** has divided the entire product line into cpcCells, cpcRobot, and cpcStudio. cpcCells represents industrial key component products, including linear guides, motor products, encoders, linear

platforms, and more. cpcRobot includes a series of related products for robotic arms, including arms, vacuum grippers, and automatic tool changers. Unlike electromechanical products, purely software-based technical services fall under the purview of cpcStudio. Software PLCs, motion libraries, EtherCAT masters, and other tool modules are all software modules that can be embedded in this IDE platform.

It is evident from this distinction that **cpc** has developed its R&D items from simple electromechanical components to electromechanical integration and further expanded to pure software technology services. In order to consolidate such development strength, the talent demand layout of the entire R&D department has gradually strengthened the proportion of electrical engineering and information fields. Not only that, but marketing and business strategies have also evolved continuously with the breadth of products, in order to achieve more efficient benefits. The goal of current research and development is to use the flexibility of **cpc** products to optimize customers' needs in design, and the purpose has expanded from product supply to technical services, all to ensure that **cpc** maintains an absolute advantage in technology leadership in the market.

This year, **cpc** fully invested in the independent research and development of the core technologies for humanoid robots, focusing on the vertical integration from key components to comprehensive motion systems. With the international major manufacturers announcing their forthcoming achievement in the milestone of mass production for thousands of units next year, the humanoid robot industry has entered a stage of rapid development, which in turn brings an excellent opportunity for **cpc's** deployment in the field of core components.

For power systems, **cpc's** self-developed high-precision motor encoders and drives have reached industry-leading levels. These basic components resemble the nerves and muscles of a robot that lay the foundation for precise perception and execution of subsequent motion control. Especially in the development of joint modules, the key components developed in-house have gone through stringent performance verification and durability testing.

The innovation in transmission mechanism is another crucial breakthrough. **cpc** will develop a planetary transmission system to increase load capacity and service life. These precision mechanical components are specially heat-treated and surface-processed to ensure consistent performance over long periods of use. From a single joint to a complete lower limb system, we adopt a modular design concept, so that the components can be flexibly assembled like building blocks to meet the needs of different applications.

As for machine integration, **cpc** has completed the prototype verification for various configurations. The size and the loading specification of robots can be adjusted through the standardized interface design. This flexible platform structure enables the development results to be applied to the fields of industrial collaboration as well as service robots.

Notably, with the international technology giants announcing their forthcoming achievement in the mass production for thousands of units next year, the market demand for high-quality core components is skyrocketing. With our self-developed key technologies, **cpc** has commenced discussion for collaboration with numerous system integrators to prepare ourselves for this wave of industry growth.

Moreover, in terms of AI control systems, we have developed a motion strategic algorithm that can effectively integrate sensor information and achieve smooth motion planning.

Through strengthened learning technology, the system is able to continuously optimize gait parameters and enhance adaptability in different environments. These intelligent control functions are based on a solid hardware foundation and complement our precision mechanical systems to jointly form a complete humanoid robotics solution.

cpc will continue to deepen the performance discovery of core components and simultaneously improve the mass production process. With the rapid development of the humanoid robot industry, **cpc** is ready to become a key player in this emerging field with its self-developed technologies.

The Company invested NT$75,829 thousand in R&D for the 2024 fiscal year, an increase of NT$3,336 thousand compared with the NT$72,493 thousand for the 2023 fiscal year. Moreover, the R&D expenses to net revenue increased to 7.32% in 2024, compared to the 6.75% in 2023. It fully demonstrates how we value research and development.

2. Summary of the business plan for the current fiscal year (2024)

(I) Management principles for the current fiscal year (corporate social responsibility policy)

1. Implement information transparency, practice honest operation
   (1) Implement information transparency, practice corporate governance
   (2) Stick to honesty, integrity and sustainable operation, achieve **cpc** leading brand of the world.
   (3) Cultivate a filial team with compassion, international view, professional skills and high sense of honor.
2. Strengthen the awareness of environmental safety, implement environmental protection.
   (1) Provide a working environment with high quality and available for maintaining physical and psychological health, and reach the goal of no disaster, no accident.
   (2) Protect the environment, maintain the natural ecology, and realize the energy conservation and waste reduction.
   (3) In accordance with the laws, implement the risk management, prevent the pollution, and carry out 6S activities.
   (4) Environmental safety protection is an uninterrupted activity of the entire personnel.
3. Education in morality-rooted, create a peaceful society.
   (1) Plant widely with Chinese cultural root and establish a righteous corporation.
   (2) Cultivate a team with morality and skills, become a model of corporation operation.
   (3) Fulfill corporate social responsibility, co-create a sunny and peaceful society.

(II) Expected sales volume and its basis

At present, the impact of inflation and interest rate hikes has not come to rest. The geopolitical risks in some regions remain high. Due to the unpredictable situation of the global economy, the Company will regard the sales volume forecast prudently and conservatively and endeavor to achieve the same.(III) Important production and marketing policies

1. Marketing policy
   (1) Marketing with private brand **cpc** in the world, so as to improve brand awareness and market share.
   (2) Increase the revenue proportion of niche products, so as to increase overall operating income.
   (3) Strengthen the strategic cooperation with long-term dealers.
   (4) Meet customers' total solution technology needs and enhance the company's value and position in the market.
2. Manufacturing policy
   (1) Greatly employ the competitive edges of our core technology to increase the overall revenue.
   (2) Receive, manufacture and distribute no non-performing product.
   (3) Gradually progress to smart production to enhance the competitiveness of production.
   (4) Become a technology services manufacturer of hardware, electromechanical integration, and software.

III. Company's future development strategy

Cpc continues to deepen the research and development of humanoid core technology that focuses on three strategic directions; namely, the "intelligent robot joint module", the "machine system integration", and the "AI control and evolution" in order to establish a comprehensive technical solution. In terms of the robot joint module, we will integrate torque sensing and real-time adaptive control with greater precision. Modules of the new generation will adopt lightweight composite materials and modular design to enhance energy efficiency as well as durability, while maintaining a compact structure to satisfy the space constraints of various types of humanoid robots. In the future, a standardized platform for joint modules will also be set up to provide different performance versions from industrial to consumer levels. Targeting the complete humanoid systems, cpc will improve the chain of motion control from the lower limbs to the upper body and develop more bio-inspired motion mechanisms. The highlights include a bionic spinal structure to improve the overall balance, the hand gripping system with multiple degrees of freedom, and the gait algorithms for adapting to various terrains.

In the field of AI control, we plan to expand the integration of large-scale language models into the motion control structure in order to achieve more intuitive human-machine interactions. Through continuous virtual training and actual verification, we will strengthen the system's decision-making capability in complex environments and develop a dedicated AI training framework to accelerate the learning and deployment of new skills.

To accelerate the industrialization of technology, cpc will also work with research institutes and system integrators to jointly promote application innovation. In the meanwhile, cpc is expanding its automated production lines for the preparation of the upcoming market demand.

Through the deployment, cpc will become a leader with key technology in the field of humanoid robotics, propelling the industry into a new era.

IV. Effect of external competition, the legal environment, and the overall business environment

(I) External competition

The possible continuation of the U.S.-China Tech War and the trade protectionism will put pressure on the global supply chain. In addition, the uncertainty of policy brought about by US President, Trump, may add variables to the global economic outlook. With Trump's Government 2.0 taking office, global markets may be faced with sector restructuring and turbulence. Taiwanese companies need to explore new opportunities in an uncertain environment. At the same time, companies ought to be prudent for potential risks in the process of actively promoting digital transformation, so as to ensure a stable transition.

Global geopolitical, economic markets, and climate risks continue to evolve. The rising of AI and digital technologies in different sectors has profoundly impacted the supply chain and the business model of the manufacturing industry, which should respond by strengthening corporate competitiveness and resilience.

(II) Legal environment

In response to the issue of global warming, the regulations as well as the requirements related to environmental protection, green energy, and net-zero carbon emission have become more stringent. Therefore, carbon pricing mechanisms are being introduced worldwide, causing carbon pricing to reach a record high. Additionally, the obtaining of the related ISO certification requires a certain amount of manpower costs and certification fees.

(III) Overall business environment

Due to the unpredictable situation of the global economy, the risks of fluctuant exchange rates and raw material prices and structural changes in industrial chains have significantly increased. To address the situation, we respond with strategies such as the promotion of energy-saving policies and prudent investment. In addition to our continual attention to the economic environment, market fluctuations, and timely adaptation for the prevention of

losses, **cpc** will continue to cultivate its R&D capabilities and combine intelligent operation with the long-term development trend of manufacturing to achieve the Company's sustainable operation and growth.

The Company will still stick to "Honest Operation Principle" as the basis of corporate sustainable development, and continuously increase the scope of the group, maximize the benefits for shareholders and customers, create the best career welfare for all colleagues, return the public with virtuous and skilled achievements, bring along social goodness, make everyone safe and happy and satisfied with their work and life. It is worth it definitely.

I hereby wish all the shareholders

Good health and happiness!

Chairman: CHEN LI-FEN

II. CORPORATE GOVERNANCE REPORT

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

(I) Board directors

1. Information of board directors

March 31, 2025

Job Title	Nationality or place of registry	Name	Gender / Age	Date of Election	Tenure of First office	Date of First Election	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Chairman and CEO	The Republic of China	CHEN LI-FEN	Female (66-70)	May 26, 2023	3 years	October 14, 1998	4,019,675	4.50%	4,009,675	4.49%	6,127,271	6.86%	0	0.00%	Art History of Universität Stuttgart, Founding President of National Cheng Kung University Innovation & Incubation, Alumni Association of National Tainan Girls' Senior High School 20th President of "Yi Chia Association"	CEO of Chieftek Precision Co., Ltd., Chairman of Deneng Sunshine Investment Co., Ltd, Chairman of Deyuan Management Consulting Co., Ltd, Chairman of Zhenshanmeihui Investment Co., Ltd, Chairman of Gueirendefu Investment Co., Ltd, Chairman of Yijhihde Management Consulting Co., Ltd, Chairman of GuangmingPuyuan Investment Co., Ltd, Chairman of Xinzhide Investment Co., Ltd, Chairman of Sunshine Bio Technology Co., Ltd, Chairman of Jiajhihde Investment Co., Ltd, Chairman of Rongxin Investment Co., Ltd., Standing Director of Academia-Industry Consortium for Southern Taiwan Science Park, Director of Fong Huang Innovation Investment Co., Ltd., Director of Fong Huang II Innovation Investment Co., Ltd., Director of Fong Huang VI Innovation Investment Co., Ltd., Director of Tainan Traditional Chinese Cultural College Foundation, Supervisor of The Hatta Yoichi Memorial Foundation for the Culture and Arts.(Note 2)	Board Director, General Manager and R&D Supervisor	HSU MING-CHE	Spouse	Note 4

Job Title	Nationality or place of registry	Name	Gender / Age	Date of Election	Tenure of First office	Date of First Election	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Board Director, General Manager and R&D Supervisor	The Republic of China	HSU MING-CHE	Male (66-70)	May 26, 2023	3 years	October 14, 1998	6,137,271	6.88%	6,127,271	6.86%	4,009,675	4.49%	0	0.00%	Master of Mechanical Engineering of Universität Stuttgart General Manager and R&D Supervisor of Chieftek Precision Co., Ltd.	General Manager and R&D Supervisor of Chieftek Precision Co., Ltd.	Board Chairman and CEO	CHEN LI-FEN	Spouse	Note 4
Board Director	The Republic of China	LI AN	Female (71-75)	May 26, 2023	3 years	June 16, 2016	1,507,752	1.69%	1,507,752	1.69%	0	0.00%	0	0.00%	Bachelor of Nutrition, Fu Jen Catholic University; Master of Nutrition, New York University; Master of Computer, University of Denver; Computer Engineer of NREL; Senior Computer Engineer of US West Inc.; Information Chief of Motech Industries Inc.	Nil	Nil	Nil	Nil	
Board Director	The Republic of China	WANG CHEN PI-HSIA	Female (81-85)	May 26, 2023	3 years	December 30, 2004	610,890	0.68%	610,890	0.68%	57,866	0.06%	0	0.00%	Provincial Tainan Girls' Senior High School Chairman of Yucheng Starch Co., Ltd. Supervisor of ST&T Electric Corp	Chairman of Yucheng Starch Co., Ltd., Supervisor of ST&T Electric Corp.	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender / Age	Date of Election	Tenure of First office	Date of First Election	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Board Director	The Republic of China	CHEN JIA-HAO	Male (66-70)	May 26, 2023	3 years	May 26, 2023	1,030,895	1.15%	1,030,895	1.15%	2,300	0.00%	0	0.00%	Bachelor of Systems and Naval Mechatronic Engineering of National Cheng Kung University, Master of Mechanical Engineering of Old Dominion University, Doctor of Mechanical Engineering of University of Florida, Teaching Assistant of Mechanical Engineering of Shu-Teh Junior College of Technology, Compressors Engineer of Panasonic Taiwan, Co., Ltd, Associate Professor of Mechanical Engineering of National Cheng Kung University, Visiting Researcher of Green Design and Manufacturing Research Group of National Institute of Advanced Industrial Science and Technology(AIST), Professor of Mechanical Engineering of National Cheng Kung University, Adjunct Professor of Mechanical Engineering of Cheng Kung University	Director of David Enterprise Co., Ltd.	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender / Age	Date of Election	Tenure of First office	Date of First Election	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Independent Director	The Republic of China	HO MING-ZIH	Male (56-60)	May 26, 2023	3 years	June 22, 2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Engineering, National Cheng Kung University Master of Electrical Engineering, Texas A&M University Doctor of Electrical Engineering, Texas A&M University Researcher of Research headquarters, Ritek Corporation Assistant Professor of Engineering, National Cheng Kung University Associate Professor of Engineering, National Cheng Kung University	Associate professor of Engineering, National Cheng Kung University	Nil	Nil	Nil	
Independent Director	The Republic of China	ZENG XU-WEN	Male (71-75)	May 26, 2023	3 years	May 26, 2023	93,150	0.10%	93,150	0.10%	15,400	0.02%	0	0.00%	Bachelor of Business Administration of National Cheng Kung University, Planning Supervisor of General Manager's Office of TECO Electric & Machinery Co., Ltd, Supervisor of Chieftek Precision Co., Ltd (From June 17, 2011 to June 21, 2020)	Nil	Nil	Nil	Nil	

Job Title	Nationality or place of registry	Name	Gender / Age	Date of Election	Tenure of First office	Date of First Election	Shareholdings during election		Present Shareholdings		Present Shareholdings of the Spouse and Minor Children		Shareholdings in Name of Others		Main Experience/ Education Background	Post concurrently occupied in the company and other companies at present	Other directors, board directors or supervisors with the relationship of spouse or that within the second degree of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Independent Director	The Republic of China	WU LING-LING	Female (66-70)	May 26, 2023	3 years	May 26, 2023	37,747	0.04%	37,747	0.04%	0	0.00%	0	0.00%	Master of Special Education of University of Southern California, Supervisor of Chieftek Precision Co., Ltd (From November 12, 2010 to June 20, 2012)	Chairman of Lubao Fashion Agriculture Co., Ltd., Chairman of FusenXushi Planning Co., Ltd., Director of Volando Hotel Co., Ltd., Director of Tsuiyuan Investment Co., Ltd., Director of Jiaying Industrial Co., Ltd., Supervisor of Jiajuan Industrial Co., Ltd., Supervisor of Shin Kong Chao Feng Co., Ltd., Chairman of ChengYi Culture Co., Ltd., Supervisor of Tsaoshan Co., Ltd., Supervisor of Plant Essence International Inc., Supervisor of Jung Hao Investment Co., Ltd.	Nil	Nil	Nil	
Independent Director	The Republic of China	WANG YONG ZHANG	Male (71-75)	May 26, 2023	3 years	May 26, 2023	177,943	0.20%	136,943	0.15%	16,173	0.02%	0	0.00%	Director of Chieftek Precision Co., Ltd (From March 17, 2011 to June 16, 2014), Master of Electrical and Computer Engineering of Princeton University, Vice President of Great King Electronics Co., Ltd., Vice President of Acer Incorporated, Vice President of Hong Hai Precision Ind., Co., Ltd., Hsinchu Science Park Branch, Vice President of Antuo Technology Co., Ltd., CEO of Guangquan Technology Co., Ltd., General Manager of DSG Technology Inc, General Manager Assistant of Chimei Corporation	Nil	Nil	Nil	Nil	

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

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

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

Note 4: Director Chen, Li-Fen and General Manager Hsu, Ming-Che are spouses, and founded Chieftek Precision Co., Ltd. together, and not only do they have expertise of their own, they achieve their common life goals by establishing the company, helping Chieftek Precision Co., Ltd gradually grow stronger, and the husband and wife each has their specializations, their knowledge of the industry and operations is beneficial to the increase of the company's operating efficiency, creating maximum interest for the shareholders.
In light of these matters, Chieftek Precision has taken the following steps to strengthen the board's supervising functions:
(1) Three supervisors have been elected by the shareholders' meeting on June 17, 2011, more than two Independent Directors which is required by law, with independent director Mr. Wei, Nai-Chang meeting the qualifications as" accounting or financial professional".
(2) Over half of the fifth, sixth, and seventh board do not hold concurrent positions as employees or managers.
(3) Elected three independent directors on June 8 2020, at 2020 regular shareholders' meeting, and establish an audit committee.
(4) In order to strengthen the supervisory function of the audit committee and comply with legal requirements, the Board of Directors resolved on May 26, 2023 to increase the number of independent directors from 3 to 4 at the time of the ninth term of the Board of Directors, and Mr. ZENG XU-WEN is an independent director who meets the qualification criteria as a "accounting or financial professional" as recognized.

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

2. Professional knowledge and independence situation of board directors:

March 31, 2025

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

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

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

Condition / Name	Professional knowledge and experiences	Independence situation	Post concurrently occupied in the company and other companies at present
Independent Director WANG YONG-ZHANG	Mr. WANG YONG-ZHANG graduated with a master of Electrical and Computer Engineering from Princeton University and served as the Director of Chieftek Precision Co., Ltd. from March 17, 2011 to June 16, 2014. He has also served as the Vice President of Great King Electronics Co., Ltd., Vice President of Acer Incorporated, Vice President of Hong Hai Precision Ind., Co., Ltd., Hsinchu Science Park Branch, Vice President of Antuo Technology Co., Ltd., CEO of Guangquan Technology Co., Ltd., General Manager of DSG Technology Inc, General Manager of DSG Technology Inc, and General Manager Assistant of Chimei Corporation, all with excellent corporate operation and practical management. None of the provisions of Article 30 of the Company Act apply.	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; holds 136,943 shares of the Company, shareholding ratio 0.15%; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

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

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

1. Diversity of the Board of Directors:

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

(1) The composition of the board of directors should consider diversity, and formulate an appropriate diversity policy according to its own operations, operation type and development needs, which should include but not limited to the following standards:
   A. Basic conditions and values: gender, age, nationality and culture, etc.
   B. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

(2) The members of the Board of Directors of the Company should generally have the knowledge, skills and qualities necessary to perform their duties, and their overall capabilities should be as follows:
   A. Operational judgment.
   B. Accounting and financial analysis skills.
   C. Management ability.
   D. Crisis handling ability.
   E. Industry knowledge.
   F. International Market View.

G. Leadership ability.
H. Decision-making ability.

(3) Board Members' Diversification Implementation Situation

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

2. Independence of the Board of Directors:

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

A. In order to achieve gender equality in the composition of directors, the goal is to have at least two female directors. The future goal is still to elect independent directors for each term, with a consecutive term of no more than 9 years and at least two female directors. The description of the independent directors, Mr. ZENG XU-WEN and Mrs. WU LING-LING, being qualified as accounting or financial professionals is as follows:

(A) Mr. ZENG XU-WEN:

In consideration of his bachelor's degree of Business Administration of National Cheng Kung University and the positions held as Planning Supervisor of General Manager's office of TECO Electric & Machinery Co., Ltd. and Supervisor of Chieftek Precision Co., Ltd., dating from June 17, 2011 to June 21, 2020, it is recognized that Mr. Zeng meets the qualifications of accounting or financial professionals. He is equipped with the expertise of accounting and auditing and is familiar enough with company business to provide consultancy on operational management. Having just set up its first audit committee, the Company especially relies on specialists like him with complete experience and education and with confidence in the Company's affairs in order to run business successfully. Additionally, he is able to reach his full potential, supervise, and provide professional advice while exercising his duty as an independent director.

(B) Mrs. WU LING-LING:

In consideration of her master's degree of Special Education of University of Southern California, her former position as the Supervisor of Chieftek Precision Co., Ltd., dating from November 12, 2010 to June 20, 2012, and her positions as Chairman of Lubao Fashion Agriculture Co., Ltd., Chairman of FusenXushi Planning Co., Ltd., Director ofVolando

Hotel Co., Ltd., Director of Tsuiyuan Investment Co., Ltd., Director of Jiaying Industrial Co., Ltd., Supervisor of Jiajuan Industrial Co., Ltd., and Supervisor of Shin Kong Chao Feng Co., Ltd., Supervisor of Shin Kong Chao Feng Co., Ltd., Chairman of ChengYi Culture Co., Ltd., Supervisor of Tsaoshan Co., Ltd., Supervisor of Plant Essence International Inc., and Supervisor of Jung Hao Investment Co., Ltd., Mrs. Wu practices managing corporations and has abundant experiences. Not only does she excel in business and corporate management, but she also provides critical consultancy towards the Company's operational management. Additionally, she is able to reach her full potential, supervise, and provide professional advice while exercising her duty as an independent director.

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

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

(2) The independence situations of the Board of Directors

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

(III) Information on General Manager, Vice-General Manager, Assistant Manager and Heads of Each Department and Each Branch

March 31, 2025

Job Title	Nationality	Name	Gender	Date of Election	Shareholdings		Shareholdings of the Spouse and Minor Children		Shareholdings in the Name of Others		Main Experience/ Education Background	Post concurrently occupied in other companies at present	Manager with the relationship of spouse or that within the second degree of kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
CEO	The Republic of China	CHEN LI-FEN	Female	October 14, 1998	4,009,675	4.49%	6,127,271	6.86%	0	0.00%	Art History of Universität Stuttgart, Founding President of National Cheng Kung University, Alumni Association of The National Tainan Girls Senior High School	CEO of Chieftek Precision Co., Ltd., Chairman of Deneng Sunshine Investment Co., Ltd, Chairman of Deyuan Management Consulting Co., Ltd, Chairman of Zhenshanmeihui Investment Co., Ltd, Chairman of Gueirendefu Investment Co., Ltd, Chairman of Yijhihde Management Consulting Co., Ltd, Chairman of GuangmingPuyuan Investment Co., Ltd, Chairman of Xinzhide Investment Co., Ltd, Chairman of Sunshine Bio Technology Co., Ltd, Chairman of Jiajhihde Investment Co., Ltd, Chairman of Rongxin Investment Co., Ltd., Standing Director of Academia-Industry Consortium for Southern Taiwan Science Park, Director of Fong Huang Innovation Investment Co., Ltd., Director of Fong Huang II Innovation Investment Co., Ltd., Director of Fong Huang VI Innovation Investment Co., Ltd., Director of Tainan Traditional Chinese Cultural College Foundation, Supervisor of The Hatta Yoichi Memorial Foundation for the Culture and Arts.(Note 2)	General Manager and R&D Supervisor Manager of Domestic Business Department	HSU MING-CHE HSU WEN-PU	Spouse Mother/ Daughter	Note 3
General Manager and R&D Supervisor	The Republic of China	HSU MING-CHE	Male	October 14, 1998	6,127,271	6.86%	4,009,675	4.49%	0	0.00%	Master of Mechanical Engineering of Universität Stuttgart	Director of CHIEFTEK PRECISION CO., LTD.	CEO Manager of Domestic Business Department	CHEN LI-FEN HSU WEN-PU	Spouse Father/ Daughter	Note 3
Vice-General Manager of Domestic Business Department	The Republic of China	CHEN MIN-CHANG	Male	February 5, 2021	53,597	0.06%	0	0.00%	0	0.00%	WYGL Textile Machinery Department	General Manager of CHIEFTEK Machinery (Kunshan) Co., Ltd	Nil	Nil	Nil	

Job Title	Nationality	Name	Gender	Date of Election	Shareholdings		Shareholdings of the Spouse and Minor Children		Shareholdings in the Name of Others		Main Experience/ Education Background	Post concurrently occupied in other companies at present	Manager with the relationship of spouse or that within the second degree of kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Assistant Manager of International Sales Department	The Republic of China	PENG CHIUNG-YIN	Female	December 17, 2010	601,040	0.67%	0	0.00%	0	0.00%	German Department of Universität Trier Assistant Business Manager of cpc Europa GmbH	Nil	Nil	Nil	Nil	
Chief Financial Officer Corporate Governance Officer	The Republic of China	LI PAI-TSANG	Male	June 8, 2012	3,440	0.00%	0	0.00%	0	0.00%	NCKU Department of Accountancy; Financial Manager of Univacco Technology Inc.	Supervisor of CHIEFTEK Machinery (Kunshan) Co., Ltd	Nil	Nil	Nil	
HR manager	The Republic of China	YEH CHING-CHING	Female	July 7, 2011	566,003	0.63%	0	0.00%	0	0.00%	German Language Teaching Department of Universität Trier	Nil	Nil	Nil	Nil	
Manager of Product Development	The Republic of China	WU HSUAN-CHUN	Male	March 31, 2015	0	0.00%	0	0.00%	0	0.00%	National Cheng Kung University, Department of Mechanical Engineering	Nil	Nil	Nil	Nil	
Manager of Domestic Business Department	The Republic of China	HSU WEN-PU	Female	May 21, 2024	549,359	0.62%	0	0.00%	0	0.00%	Bachelor of Architecture, Universität Kassel	Supervisor of Bright Biomedical Co., Ltd	CEO General Manager and R&D Supervisor	CHEN LI-FEN HSU MMING-CHE	Spouse Father/Daughter	
Technical Manager of Software Development Department	The Republic of China	LI YI-RU	Male	September 24, 2021	0	0.00%	0	0.00%	0	0.00%	Master of Electric Engineering, National Cheng Kung University	Nil	Nil	Nil	Nil	
Assistant Manager of Health Division	The Republic of China	CHU YU-KU	Male	February 18, 2022	7,000	0.01%	0	0.00%	0	0.00%	Bachelor of Department of Information Management, Southern Taiwan University of Science and Technology;	Nil	Nil	Nil	Nil	

Job Title	Nationality	Name	Gender	Date of Election	Shareholdings		Shareholdings of the Spouse and Minor Children		Shareholdings in the Name of Others		Main Experience/ Education Background	Post concurrently occupied in other companies at present	Manager with the relationship of spouse or that within the second degree of kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name	Relation	
Deputy Manager of Equipment Maintenance Division and Factory Affairs Division	The Republic of China	HUANG KUN-WEI	Male	February 18, 2022	0	0.00%	0	0.00%	0	0.00%	Bachelor of Department of Automation Engineering, National Formosa University;	Nil	Nil	Nil	Nil	
Manager of Accounting Department (Accounting Supervisor)	The Republic of China	WU CHIA-YUNG	Female	January 01, 2019 (February, 26, 2024)	40,000	0.04%	0	0.00%	0	0.00%	Bachelor of Department of Accounting Information, Shih Chien University Assistant manager of Deloitte Touche Union Accountants firm	Nil	Nil	Nil	Nil	
Audit Supervisor	The Republic of China	LIN, SHU-SING	Female	February 5, 2021	0	0.00%	0	0.00%	0	0.00%	Master in Accounting, National Chung Cheng University Auditor of C.T.I. Ltd. Cashier, FU LUONG Hi-Tech co. ltd	Nil	Nil	Nil	Nil	

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

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

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

II. Remuneration paid to Directors (including Independent Directors), General Manager, and Vice-General Managers in the Most Recent Fiscal Year (2024)

(1) Remuneration paid to Director and Independent Director

Unit: NT$ thousand /share in thousand

Job Title	Name	Director's remuneration								Proportion of total amount of A, B, C and D in profit after tax (%)		Remuneration received by employee concurrently served								Proportion of total amount of the first seven items (A, B, C, D, E, F and G) in profit after tax (%)		Whether receiving the remuneration from re-investment career beyond the subsidiary company
		Remuneration (A)		Resignation retirement pay (B)		Director's remuneration (C)		Business execution cost (D)				Salary, bonus, extraneous charges, etc. (E)		Resignation retirement pay (F)		Employee rewards (G)						
																The company		All companies in the financial reports				
		The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The company	All companies in the financial reports	
Chairman and CEO	CHEN LI-FEN	0	0	0	0	1,418	1,418	126	126	1,544 1.65%	1,544 1.65%	14,090	14,090	0	0	1,080	0	1,080	0	16,714 17.82%	16,714 17.82%	Nil
Board Director, General Manager and R&D Supervisor	HSU MING-CHE																					
Board Director	LI AN																					
Board Director	WANG CHEN PI-HSIA																					
Board Director	CHEN JIA-HAO																					
Independent Director	HO MING-ZIH	600	600	0	0	782	782	168	168	1,550 1.65%	1,550 1.65%	0	0	0	0	0	0	0	0	1,550 1.65%	1,550 1.65%	Nil
Independent Director	ZENG XU-WEN																					
Independent Director	WANG YONG-ZHANG																					
Independent Director	WU LING-LING																					

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

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

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

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

Note 3: The Company provides a vehicle to CHEN LI-FEN, Chairman and CEO. Annual rental cost paid in 2024 is NT$633 thousand.

Note 4: The Company provides a vehicle to HSU MING-CHE, Board Director and concurrently occupied of General Manager and R&D supervisor. Annual rental cost paid in 2024 is NT$175 thousand, and fuel expense is around NT$35 thousand

Note 5: The proposed distribution of employee compensation and director remuneration for the year 2024 has not yet been approved by the Remuneration Committee, Audit Committee, and Board of Directors.

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

Note 7: Business execution fee means traffic allowance.

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

Remuneration Interval Table

1.Board Directors:

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

2.Independent Directors

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

(2) Remuneration of General Managers and Deputy General Managers

Unit: NT$ in thousand

Job Title	Name	Salary (A)		Resignation retirement pay (B)		Bonus, extraneous charges, etc. (C)		Employee rewards (D)				Proportion of total amount of the first four items (A, B, C, D) in profit after tax (%)		Remuneration received from non-subsidiary reinvestment business or parent company
		The company	All companies in the financial reports	The company	All companies in the financial reports	The company	All companies in the financial reports	The company		All companies in the financial reports		The company	All companies in the financial reports	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General manager R&D Supervisor (Note 1)	HSU MING-CHE	10,376	11,064	0	0	489	489	688	0	688	0	11,553 12.31%	12,241 13.05%	Nil
Vice-General Manager of Domestic Business Department (Note 2 and 3)	CHEN MIN-CHANG													

Note 1: The Company provides a vehicle to HSU MING-CHE, Board Director and concurrently occupied of General Manager and R&D supervisor. Annual rental cost paid in 2024 is NT$175 thousand, and fuel expense is around NT$35 thousand.

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

Note 3: The Company provides a vehicle to CHEN MIN-CHANG, Vice-General Manager of the Business Department. Annual rental cost paid in 2024 is NT$280 thousand (personal responsibility for fuel expenses).

Remuneration Interval Table

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

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

March 31, 2025; Unit: NT$ in thousand

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

Note 1: The proposed distribution of annual employee remuneration for 2024 has not yet been approved by the Remuneration and Remuneration Committee, the Audit Committee and the Board of Directors.

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

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

Summary	2024		2023	
	Proportion in profit after tax (%)		Proportion in profit after tax (%)	
	The company	All companies in the Financial reports	The company	All companies in the Financial reports
Board Director	17.82%	17.82%	17.55%	17.55%
Independent Director	1.65%	1.65%	1.78%	1.78%
General Manager and Vice-general Manager	12.31%	13.05%	13.43%	14.15%

2. Remuneration policies, standards and portfolios, the procedure for determining remuneration of the company, and its linkage to operating performance and future risk exposure:

(1) Remuneration policy of board directors, independent directors, general manager and deputy general manager of the company:

Implemented in accordance with Articles 16, 19, and 21-1 of the Articles of Association, the details are below:

Article 16: The directors and supervisors of the company are allowed to receive remuneration such as transportation fees and salaries. The remuneration of the board of directors authorizes the board of directors and supervisors to agree on the degree of participation and contribution of the directors and supervisors to the operation of the company, and to negotiate in accordance with industry standards

Article 19: The company may have a manager, and its appointment, termination and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Act

Article 21-1: The company shall distribute the employees' remuneration from 3% to 15% of the current year 's profit status and the directors and supervisors from the current year 's profit status of not more than 3%. But the company should make up for the accumulated losses

Employee compensation can be paid in cash or stock, and the recipients of cash or stock can include employees of subordinate companies that meet certain conditions, which are determined by the board of directors.

The profit status of the year refers to the current year's pre-tax benefits before deducting the distribution of employees' compensation and the benefits of directors and supervisors' compensation.

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

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

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

A. The Remuneration Committee considers and approves the proposal for the remuneration policy and system for directors, general managers and deputy general managers, and submits it to the board of directors for resolution and implementation
B. The Remuneration Committee reviews and approves the performance evaluation system for directors, supervisors, general managers and deputy general managers, and regularly assesses and evaluates individual business performance as a reference for remuneration

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

A. Remuneration payment varies according to the degree of participation and contribution value of each director, independent director, general manager and deputy general manager to the company
B. The remuneration of directors and employees in the remuneration structure are directly related to operating performance
C. Prior to the start of the operating year, the proposed remuneration for directors, supervisors, and employees will be based on profitability, and submitted for approval of a fixed amount by the general manager and chairman. After the end of the year, the individual distribution amount will be determined based on the actual

profitability, degree of personal participation in the company's operation and contribution value, and the achievement rate of performance goals.

IV. Implementation of corporate governance

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

1. The number of board meetings held by the ninth Board of Directors in the most recent fiscal year was (2024): 5(A). The attendance by the directors was as follows:

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

Other Essential Matters:

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

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

1. On February 2, 2024, the board of directors discussed the "Manager's 2023 Year-end Bonus Proposal Reviewed by the Remuneration Committee." Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
2. On February 2, 2024, the board of directors discussed the "Salary and Compensation Regulations for Managers in 20223 Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
3. On August 7, 2024, the board of directors discussed the "Distribution of 2023 Remuneration for Directors Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
4. On August 7, 2024, the board of directors discussed the "Distribution of Employee Compensation for Managers in 2023 Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
5. On January 24, 2025, the board of directors discussed the "Manager's 2024 Year-end Bonus Reviewed by the Remuneration Committee" proposal. Except for Director CHEN LI-FEN and Director HSU MING-CHE, who abstained from discussing and voting due to conflicts of interest, all other directors (including independent directors) had no objections and passed the proposal.
6. On January 24, 2025, the board of directors discussed the "2024 Salary and Compensation Regulations for Managers Reviewed by the Remuneration Committee". Except for Director CHEN LI-FEN and

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

(II) Other resolution matters of the board of directors that independent directors hold the objection or reservations and have related record or written statement:

The decisions of the independent directors at the 2024 Board of Directors are summarized as follows (For details, please refer to (9) Important Resolutions of the Shareholders 'Meeting and the Board of Directors for the recent fiscal year and as of the date of publication of the annual report):

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

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

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

III. Public companies should disclose information such as the board's self (and peer) evaluation's assessment cycle and period, range, method, and content.

The Company established the Board Assessment Scheme on 9 February 2018 through the Board Meeting. The Scheme includes an annual assessment cycle and the method of self-assessment questionnaire for the Board Directors. The assessment report reviewed by the Board would be released on the Company's website.

The self-assessment questionnaires for 2024 have been completed in February 2025 and would be released after review by the Board Meeting on January 24, 2025.

The performance assessment of the Board of Directors in the most recent fiscal year (2024) is as follows: The performance assessment for the current year included the internal self-evaluation of the Board as a whole as well as the performance of each functional committee and individual director. The evaluation results were Excellent (The average score of the evaluation results is above 4 points: Excellent; above 3 points but below 4 points: Ordinary; above 2 points but below 3 points: Poor; below2 points: Very Poor.)

Assessment Cycle	Assessment Period	Assessment Range	Assessment Method	Assessment Content
Once every year	January 1, 2024 to December 31, 2024	The Board	The Board's Internal Assessment	1. The level of participation in the company's operations 2. The quality of the board's decisions 3. The composition and structure of the board 4. The selection and continuous training of directors 5. Internal control
		Individual Board Members	Board Members' Self Evaluation	1. The company's objectives and tasks 2. The recognition of directors' responsibilities 3. The degree of participation in the company's operations 4. Internal relationship management and communication 5. The professional and continuous training of directors 6. Internal control, etc.

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

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

(II) Article 13 of the Articles of Association stipulates: the company shall set an Audit Committee in accordance with the regulations of Securities Exchange Act; the Audit Committee shall be composed of the whole independent directors, whose number shall be not less than 3, and at least 1 person

should have accounting or financial expertise; function and power execution, organizational rules and other observable matters of the Audit Committee shall be handled according to relevant statutes or the company regulations; the company is due to establish Audit Committee after the re-election of the 2020 Board of Directors to strength the board's functions, and further set various functional committees in accordance with Articles of Association, so as to perfect the decision-making function and strengthen the management mechanism.

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

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

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

(V) Improvement of information transparency

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

(VI) In order to increase the protection of directors, the directors and officers' responsibilities are rationalized through the insurance of directors and officers' liability insurance. The company has insured liability insurance for directors and officers, with an insurance amount of USD 1 million and an insurance period from September 26, 2024 to September 26, 2025. The report was submitted to the board of directors on November 6, 2024.

(VII) Provided relevant executive education courses for the directors to enhance the function of the board of directors. The total hours of course taken in 2024 was 54 hours with 9 members of the Board.

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

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

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

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

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

Date	Communication Points	Opinions of opposition or reservation from the board
February 2, 2024	Audit Business Implementation and Deficiency Improvement Tracking Report of October, November, December 2023, and January 2024 (summary of internal audit report)	None
May 7, 2024	Audit Business Implementation and Deficiency Improvement Tracking Report of February and March 2024 (summary of internal audit report)	None
August 7, 2024	Audit Business Implementation and Deficiency Improvement Tracking Report of April, May, and June 2024 (summary of internal audit report)	None
November 6, 2024	Audit Business Implementation and Deficiency Improvement Tracking Report of July, August, and September 2024 (summary of internal audit report)	None
January 24, 2025	Audit Business Implementation and Deficiency Improvement Tracking Report of October and November 2024 (summary of internal audit report)	None
February 26, 2025	Audit Business Implementation and Deficiency Improvement Tracking Report of December 2024 and January 2025 (summary of internal audit report)	None

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

In 2024, up to the date of publication of the annual report, the main communication issues with the accountants through the forum are excerpted as follows:

Date	Communication Points	Opinions of opposition or reservation from the board
February 02, 2024	1. Reminders and explanations on significant regulations and legislative updates 2. Latest legal and regulations development	Good communication with mutual exchange.
February 26, 2024	1. Audit Business Implementation and Deficiency Improvement Tracking Report of 2023 (summary of internal audit report) 2. Annual financial and operation situation of the company 3. Latest legal and regulations development	Good communication with mutual exchange.
May 7, 2024	1. Audit Business Implementation and Deficiency Improvement Tracking Report of Quarter 1 of 2024 (summary of internal audit report) 2. Quarterly financial and operation situation of the Company 3. Latest legal and regulations development	Good communication with mutual exchange.
August 7, 2024	1. Audit Business Implementation and Deficiency Improvement Tracking Report of Quarter 2 of 2024 (summary of internal audit report) 2. Quarterly financial and operation situation of the Company Latest legal and regulations development	Good communication with mutual exchange.

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

(II) State of operations of the Audit Committee:

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

3. 2024 Work highlights:
   (1) Regularly communicating with the internal audit supervisor about the results of the audit report in accordance with the annual audit plan.
   (2) Regularly communicating with the Company's CPAs regarding the review or audit results of the quarterly financial statements.
   (3) Reviewing the quarterly financial reports.
   (4) Evaluating the effectiveness of the internal control system.
   (5) Evaluating the independence and suitability of CPAs in providing audit and non-audit services.
   (6) Reviewing assets, derivatives, loans and endorsements, and endorsement/guarantee transactions.
   (7)Legal compliance.
4. The operation of the Audit Committee:
   The number of Audit Committee meetings held in the most recent fiscal year (2024) is as follows:
   (1) 5(A) meetings were held by the second Audit Committee
   (2) The attendance of independent directors is as follows:

Job Title	Name	Actual attendance time (B)	Entrusted attendance time	Actual attendance ratio (%) (B/A)	Remark
Independent Director	HO MING-ZIH	5	0	100.00%	
Independent Director	ZENG XU-WEN	5	0	100.00%	
Independent Director	WANG YONG-ZHANG	5	0	100.00%	
Independent Director	WU LING-LING	4	0	80.00%	

Other Essential Matters:

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

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

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

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
			shareholders holding 5% of shares is declared in MOPS as required by the competent authority in accordance with codes and regulations.	
(III) Does the company establish and execute the risk control and firewall mechanism with the affiliated enterprise?	✓		(III) The company's internal control system covers enterprise-level risk management and operation-level operational activities, and has "Subsidiary Management Measures" to implement the risk control and firewall mechanism for subsidiaries Assets, finance and accounting of the Company and affiliated enterprise are operated independently, and the company formulates "Management on Transactions with Related Parties" handling related matters according to the regulations of the internal control system of the Company and shall be able to really execute the risk control and firewall mechanism.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
(IV) Does the company formulate the internal specification to prohibit the corporate insiders to buy or sell negotiable securities by using the information undisclosed in market?	✓		(IV) The company formulates "Management Method to Prevent Insider Trading", "Ethics Codes" and other internal control methods to standardize all employees, managers, board directors, supervisors and all people knowing about the company information based on occupation or control relation and prohibit any behavior involving insider trading and irregularly makes internal training education and advocacy.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
III. Composition and duties of the board of directors (I) Does the board of directors draft the diversification policy and implement it in terms of the member composition?	✓		(I) The company has a board member diversity policy in the "Corporate Governance Code" 1. The "Corporate Governance Codes" is carried out practically. 2. Currently, all board members are specialists in various fields	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
			or personnel experienced in corporate businesses. It shall meet the diversification policy of composition of the Board and implement it in practice. 3. As required in Article 20 of the "Corporate Governance Codes": The Board of the Company shall provide instruction for the corporate strategies, and supervision management level, which shall report to the Company and the shareholder's meeting. In terms of various operations and arrangements related to corporate governance system, it shall ensure the Board to exercise rights based on the applicable laws, the regulations of the Articles of Association or the resolution of the shareholder's meeting. As for the structure of the Board, it shall consider the business development scale of the company and the shareholding of the major shareholders, as well as the practical demands of operation, which shall determine the appropriate number of members more than 5. The composition of the Board shall consider diversification. The number of directors concurrently serving as the manager shall not exceed one third of the total number. Moreover, it shall formulate appropriate diversification policies based on the business, operation pattern and development demands, including but not limited to the standards of the following two dimensions: (1) Basic conditions and values: gender, age, nationality, culture, etc. (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
			industrial experience. The members of the Board shall acquire the knowledge, skills and character required to exercise the rights. To achieve the ideal goal of corporate governance, the overall Board shall possess the abilities listed below: (1) Operating adjustment. (2) Accounting and financial analysis (3) Business management (4) Crisis handling (5) Industrial knowledge (6) International market view (7) Leadership (8) Decision-making The diversification policies of the board composition are disclosed on the official website of the Company and MOPS. 4. According to our company's articles of incorporation, starting from the date that electronic voting is established as one of the channels for exercising voting rights, the election of directors (including independent directors) shall adopt a nomination system, and the candidates shall be elected from the list of nominees by the shareholders' meeting. 5. The Company's board members have extensive experience and expertise in the fields of finance, business and management. In addition, the company also pays attention to the gender equality of the members of the board of directors. The female director ratio target is more than 25%. The 9th board of directors consists of 9 members, including 5 directors and 4 independent directors, among which the 3 female directors and 1 female independent	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			director take up 44.44%.	
(II) Does the company voluntarily set other functional committees apart from the Remuneration committee and Audit Committee?	✓		(II) In order to improve the decision-making function and strengthen the management mechanism, the company has set up various functional committees in the charter, and the organizational rules of each committee are determined by the board meeting. In addition to the establishment of a remuneration committee in accordance with the law and an audit committee after the 2020 regular shareholders meeting, the company will also set up other functional committees at an appropriate time.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(III) In order to implement corporate governance and enhance the functions of the company's board of directors, establish performance targets to enhance the efficiency of the board 's operation, the company discussed and adopted the "Board Performance Evaluation Method" after discussion by the board of directors on February 9, 2018. 1. 2024 performance evaluation method adopts questionnaire self-evaluation method to conduct overall internal evaluation of the board of directors and self-evaluation of individual directors: (1) The measurement items of the board performance evaluation include: participation in the company's operations, improving the quality of the board's decision-making, composition and structure of the board, selection and continuous training of directors, and internal control. (2) The measurement items	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
	Yes	No	Summary documentation	
			of the director members' self-performance evaluation include: mastering the company's goals and tasks, director's responsibilities, participation in the company's operations, internal relationship management and communication, professional and continuous training of directors and internal control. 2. Internal evaluation steps: In the first stage of internal board performance evaluation, individual directors self-assessed by questionnaire, and then submitted to the chairman for the second stage evaluation and overall board self-evaluation. 3. 2024 Internal board performance self-assessment results: (1) Comprehensive comments on overall board performance evaluation: The overall operation of the board of directors is mostly in line with the spirit of corporate governance. (2) Self-assessment score results of directors: The self-assessment results of the director 's questionnaire are between "agree" and "very agree". The average result is nearly full marks, which shows that the board is functioning well and will continue to strengthen the effectiveness of the board.	

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			(3) Application of evaluation results: According to the company's "Board Self-assessment or Peer Evaluation Operation Method", the company will use the performance evaluation results of the board of directors as the reference basis for selecting or nominating directors; and the performance evaluation results of individual directors are used as the reference basis for determining their individual salary and remuneration. In the future, the performance evaluation of the internal board of directors should be performed at least once a year, and an external professional independent institution or a team of external experts and scholars should perform the performance evaluation once every three years.	
(IV) Does the company regularly evaluate the independence of certified public accountant?	✓		(IV) The company's accounting department assesses the independence of CPAs regularly on a yearly basis and reports the evaluation results to the board of directors after obtaining the CPAs' "transcendental independence statement." (In 2024, CPA was changed in line with PwC Taiwan's internal adjustment on administrative organization.) Only after the company confirms that the accountant and the company have no other	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

<table>
<tr><th rowspan="2">Item evaluated</th><th colspan="3">Operation situation (Note)</th><th rowspan="2">Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary documentation</th></tr>
<tr><td></td><td></td><td></td><td>financial interests and business relationships except for certification and taxation expenses, and members of the accountant family do not violate the independence requirements, will the accountant’s appointment be reviewed.
1. To regulate the review of CPA appointment of the Company and build good corporate governance system, Article 29 of the “Corporate Governance Codes” of the Company shall be based to evaluate the independence of CPA and handle, enhance and promote financial report quality.
2. In line with the internal adjustment on administrative organization of PwC Taiwan, the Company proceeds with the review and evaluation on independence elements, independence operation, and competence of CPA YEH FANG-TING and CPA TIEN ZHONG-YU. All CPAs are appointed upon the resolution by the Board on February 2, 2024.
3. The CPA review and evaluation content are listed as below:
<table>
<tr><th colspan="2">I. Review of independence elements</th><th>Yes</th><th>No</th></tr>
<tr><td>01</td><td>The CPA, or the spouse or a minor child thereof, has not invested in the Company, or shares in financial gains therewith.</td><td>✓</td><td></td></tr>
<tr><td>02</td><td>The CPA, or the spouse or a minor child thereof, has not lent or borrowed funds to or from the Company.</td><td>✓</td><td></td></tr>
</table></td><td></td></tr>
</table>

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	Yes	No	Summary documentation	

	However, this does not apply if the client is a financial institution, and the borrowing or lending is part of a normal business relationship.			
03	The accounting firm doesn't present the assurance service report for the effective operation of the designed or assistive executing financial information system.	✓		
04	The CPA or the members of the Audit Service Team are not appointed as the director, or manager, or take up the post that has material influence on the audit case currently or in the last two years.	✓		
05	There is no key item of non-audit service provided by the Company that will show direct influence on the audit case.	✓		
06	The CPA or the members of the Audit Service Team is not engaged in the publicity or brokerage for the shares or other securities issued by the Company.	✓		
07	Except for the businesses permitted by laws, the CPA or the members of the Audit Service Team doesn't serve as the defender for the Company or coordinate the conflict with a third party on behalf of the Company.	✓		
08	The CPA or the	✓		

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	members of the Audit Service Team does not have a relationship of spouse, direct kinship, direct affinity or sub blood kinship within two degrees with the personnel who are appointed as the director or manager of the Company or take up the post that shows material influence on the audit case.		
09	A former partner of CPA doesn't serve as the director or manager of the Company or take up the post that shows material influence on the audit case within one year of the disappointment.	✓	
10	The CPA or the members of the Audit Service Team doesn't accept valuable gifts or preferential treatment from the Company, the director, manager, or major stockholder.	✓	
11	The CPA is not employed by the client or the audit subject to take up a regular post with fixed payment or is appointed as director or supervisor.	✓	
12	Publicly listed companies: The CPA doesn't provide audit service for the Company for 7 consecutive years.	✓	
II.Review of independence operation			
01	Does the CPA avoid and refuse the engagement when s/he	✓	

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	may have been involved in any direct or material indirect interests that may impair their impartiality and independence?		
02	Does the CPA maintain Independence of Mind and in Appearance in the work of assurance services including an audit or review of financial statements, or a special audit case?	✓	
03	Are the members of the audit team, the CPA partners or shareholders of corporate accounting firms, accounting firms, any of its affiliates, and network firms, always independent with the Company?	✓	
04	Does the CPA provide professional service based on a straightforward and prudent attitude?	✓	
05	Does the CPA maintain an unbiased and objective basis and avoid bias, conflict of interest, or stakes from affecting professional judgment when exercising professional services?	✓	
06	The CPA shall be always honest, unbiased and objective, which shall not be influenced due to the lack of independence.	✓	
III. Review of competence			
01	The CPA has no disciplinary records of the Disciplinary Commission of the CPA in the last two years.	✓	

<table>
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<tr><td></td><td></td><td></td><td><table>
<tr><td>02</td><td>Does the Accounting Firm have adequate scale, resources, and coverage for handling enterprise audit service?</td><td>✓</td><td></td></tr>
<tr><td>03</td><td>Does the Accounting Firm have a clear quality control procedure, which covers the levels and key points of audit procedures, the method of handling audit issues and judgment, independent quality control review, and risk management?</td><td>✓</td><td></td></tr>
<tr><td>04</td><td>Does the Accounting Firm timely notify the Board (the Audit Committee) of the significant issues and development in terms of the risk management, corporate governance, financial & accounting and the related risk control?</td><td>✓</td><td></td></tr>
</table></td><td></td></tr>
<tr><td>IV. Does the publicly listed company set up special (concurrent) unit or personnel responsible for the corporate governance related affairs (including not limited to providing the data required by the directors to implement business, dealing with the matters related to the board meeting and shareholders' meeting, handling the corporate registration and change registration, making minutes of board meeting and shareholders' meeting)?</td><td>✓</td><td></td><td>On March 23, 2017, the board of directors discussed and approved the use of the Ministry of Finance as a full-time (part-time) unit for corporate governance. On May 2, 2019, the board of directors discussed and approved that CFO LI, PAI-TSANG is the director of corporate governance, responsible for corporate governance-related matters, while cooperating with the chairman's office and various departments provide necessary assistance to protect shareholders 'rights and strengthen the functions of the board of directors. Chief Financial Officer LI, PAI-TSANG has more than three years of experience in the management of legal affairs and other public offering companies. The main responsibility of corporate governance personnel is to provide</td><td>Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies</td></tr>
</table>

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			directors and independent directors with information required to execute business, assist directors and independent directors to comply with laws and regulations, and handle matters related to board of directors and shareholders' meetings in accordance with law. The business performance in 2024 is as follows: 1. Assist independent directors and general directors to perform their duties, provide necessary information and arrange directors' further training: (1) Regularly notify the members of the board of directors regarding the revision and development of the latest laws and regulations related to the company's business field and corporate governance. (2) Review the level of relevant information confidentiality and provide company information required by directors to maintain smooth communication and communication between directors and business executives. (3) In accordance with the Corporate Governance Code of Conduct, independent directors meet with internal audit supervisors or visa accountants individually to understand the company's financial business needs and assist in arranging related meetings. (4) Assist independent directors and general directors in formulating annual refresher plans and arranging courses in accordance with the company's industrial characteristics, directors' academic and experience background. 2. Assist the board of directors and shareholders in meeting procedures and resolution compliance matters:	

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			(1) Report to the board of directors, independent directors, and supervisors on the company's corporate governance operations and confirm whether the company's shareholders' meeting and directors' meeting comply with relevant laws and corporate governance codes. (2) Assist and remind the directors of the laws and regulations that should be observed when performing business or making a formal resolution of the board of directors and make suggestions when the board of directors will make an illegal resolution. (3) After the meeting, it is responsible for reviewing the important information release matters of important resolutions of the board of directors, ensuring the legality and correctness of the content of the important information, so as to protect the investor's transaction information equivalence. 3. Maintain investor relations: Arrange exchanges and communication between directors and major shareholders, institutional investors or general shareholders as necessary, so that investors can obtain sufficient information to evaluate and determine the reasonable capital market value of the enterprise and protect shareholders' rights and interests. 4. To draw up the agenda of the board of directors, notify the directors seven days ago, convene the meeting and. provide meeting materials and give advance reminders if the topic needs to be avoided and complete the minutes of the board meeting within seven days after the meeting. 5. Handle pre-registration of shareholders' meeting date in accordance with the law, prepare meeting notices, discussion manuals,	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			and minutes of proceedings within the statutory time limit, and handle changes in registration by revising the articles of association or re-election of directors 6. In order to implement corporate governance, regularly conduct the performance evaluation of directors and the overall board of directors. 7. Added "Operating Procedures for Dealing with Directors' Requests"	
V. Does the Company establish the communication channel with the interested parties (including but not limited to the shareholders, employees, customers and suppliers), sets the interested party zone on the corporate website, and properly responds to the corporate social responsibility issues concerned by the interested parties?	✓		The company establishes a spokesperson, agent spokesperson and investor relations liaison in accordance with the law and sets up a stakeholder area on the company's website to expose the channel information and contact information of complaints other than investors and properly respond to the concerns of stakeholders CSR issues. The company's operations on issues of concern to stakeholders: 1. Creditors: In addition to regularly providing sufficient financial information to the correspondent banks, and having someone in charge of communication and communication, the company's operating and financial status will be fully and transparently disclosed. 2. Customers: Frequent interactions with customers, in addition to regular visits by dedicated business leaders, and dedicated lines and the Internet to establish a customer relationship management system. 3. Supplier: Committed to maintaining a harmonious relationship with third-party manufacturers, and achieving mutual benefit in the process of mutual learning and growth 4. Investors: The company immediately publishes the information on the public information observatory and the company's website, and has a	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

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			spokesperson and agent spokesperson mechanism. Investors who still feel insufficient about the information provided by the company or need more detailed understanding can use the dedicated line or e-mail contact. 5. Government: Follow the laws and regulations, continue to operate, and actively give back to the society. 6. Employees: The company maintains close relations with employees through communication channels such as labor-management meetings and grievance systems. Through good corporate culture, retain outstanding talents and work hard with employees.	
VI. Does the company entrust the professional stock service agent to handle the affairs of shareholder meeting?	✓		The company has entrusted the professional service agent- Fubon Securities Co., Ltd to handle the shareholders' meeting affairs and various share affairs of the company.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
VII. Information disclosure (I) Does the company set up a website, discloses the financial business and corporate governance information? (II) Does the company implement other forms of information disclosure (for instance, setting English website, assigning special person to take charge of collection and disclosure of corporate information, implementing spokesperson system, placing the corporate explanation meeting on the corporate website)?	✓ ✓		(I) The company has set up a website (www.chieftek.com) to introduce the company, related financial business and corporate governance information. (II)The company's website has Chinese, English, and Japanese pages, as well as a spokesperson, agent spokesperson, and investor relations liaison, and a person is assigned to collect information about the company's finances, business, and corporate governance. It is detailed, correct, and timely Disclosure of the company's operating performance, operating conditions and major information, and the spokesperson and acting spokesperson will make a unified external statement and expose the information on the company's website for the convenience of inquiries	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

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(III) Does the Company publish and release its annual financial report within two months since the end of fiscal year and announce and submit its financial reports of the first three quarters of the year and the review of operation in each month?	✓		(III) The company has announced and filed its financial report for the fiscal year 2023 on February 26, 2024. In addition, the financial reports for the first, second, and third quarters of 2024 and the monthly operating conditions have been announced and filed prior to the prescribed period.	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies
VIII. Does the company has other important information to help understand the corporate governance operation situation (including but not limited to rights and interests of employees, employee caring, investor relations, supplier relationship, right of interested party, study situation of board directors, execution situation of risk management policy and risk measurement standard, execution situation of customer policy, situation of liability insurance purchased by the company for board directors)?	✓		(I) Rights and interests of employees: with the establishment of healthy and safe work environment as the duty, the company abides by the corporate social responsibility policy and environmental and occupational health and safety regulations, implements emission reduction and energy saving, guarantees employee benefit and operation safety, and safeguards legitimate interest of employees according to the Labor Standard Law. (II) Employee caring: Measures like tidying work environment, guaranteeing personal safety, regularly implementing employees' health examination, arranging consultation of occupational physician are adopted, besides, employee life is enriched by welfare system and excellent educational training system, finally establishing a good relationship with mutual trust and interdependence. (III) Investor relations: The company honestly discloses the company information according to the related regulations to ensure basic rights and interests of investors, fulfills its duty to shareholders, handles the suggestions of shareholders through the company spokesperson and agent spokesperson, sets "investors zone" on the company website to	Meet the regulations of Corporate Governance Best Practice Principles for Listed Companies

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			help investors understand the financial and business situation of the company, replies the questions of shareholders in detail, increases the communication with investors of professional institutes and promotes transparency of the company operation. (IV) Supplier relationships: The company exchanges experience with suppliers concerning environment, health, safety, enterprise social responsibility and other related issues, and maintain a smooth communication channel and good relationship with suppliers. (V) Rights of interested parties: The company discloses the company financial and business information according to regulations. Besides, correspondent banks, creditors, employees, shareholders and other interested parties may understand the company operation situation through the company spokesperson and agent spokesperson. Moreover, it sets the “interested party zone” on the official website to disclose the channel and contact information for complaints made by others rather than the investors and properly responds the enterprise social responsibility issues concerned by the interested parties. (VI) Study situation of board directors: To implement the corporate governance system, the company actively notices board directors of corporate governance information and study message. The board directors have studied in accordance with “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies ”; please see the following table for detail.	

Item evaluated	Operation situation (Note)			Situation and causes of its difference with Corporate Governance Best Practice Principles for Listed Companies
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			(VII) Execution situation of risk management policy and risk measurement standard: (1) The company's major operational policies, investment cases, acquisition or disposal of assets, endorsement guarantees, capital loans and other matters are evaluated and analyzed by the relevant authority and can only be implemented after the resolution of the board of directors is passed. (2) The Audit Office draws up and implements an annual audit plan based on the results of the risk assessment and implements the supervision mechanism and controls various risks. (VIII) Execution situation of customer policy: The company maintains a stable and good relationship with clients, attaches great importance to the customer satisfaction and takes the promotion of client value and competitive power as target. Apart from mastering and checking the delivery situation at any time and conducting real-time improvement, the company also regularly conducts the satisfaction survey for clients, striving to become the long-term partner of clients' career and creating a win-win result. (IX) The company purchased liability insurance for directors and managerial officers: The company has purchased liability insurance for directors, supervisors and managers, and submitted a report of the board of directors on November 6, 2024.	
6 Schedule The directors, independent directors, managerial officers, audit supervisors, and corporate governance officer of the Company participated in the training in 2023, and all the directors and independent directors have obtained the 6-hour training certificate. The training situation is as follows:				

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	Yes	No	Summary documentation	

Job Title	Name Sponsor	Sponsor	Refresher course	Study hours
Chairman	CHEN LI-FEN	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Board Director	HSU MING-CHE	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Board Director	LI AN	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Board Director	WANG CHEN PI-HSIA	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Board Director	CHEN JIA-HAO	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Independent Director	HO MING-ZIH	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Independent Director	ZENG XU-WEN	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Independent Director	WU LING-LING	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Independent Director	WANG YONG-ZHANG	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Accounting Supervisor	WU CHIA-YUNG	Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
		National Cheng Kung University	Continuing development course of principal accounting officers	12
Audit Manager	LIN SHU-SING	Securities and Futures Institute	2024 Insider Trading Prevention Awareness Seminar	3
		The Institute of Internal Auditors-Chinese Taiwan	“Analysis on sustainable information disclosure policy” and internal control/audit key points seminar	6

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		Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3
Corporate Governance Officer	LI PAI-TSANG	Taiwan Academy of Banking and Finance	Corporate Governance Forum No.65	3
		Securities and Futures Institute	2024 Insider Trading Prevention Awareness Seminar	3
		Taiwan Academy of Banking and Finance	Corporate Governance Forum No. 84	3
		Taiwan Corporate Governance Association	Corporate sustainable governance essentials: Externalities diversified management	3
			The roles and responsibilities of the board of directors in ESG governance	3

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

The Taiwan Stock Exchange Co., Ltd. Corporate Governance Center's third corporate governance evaluation results were specially awarded with the "Progress Award" for encouragement, and were ranked in the fourth, fifth and sixth corporate governance evaluation results. The distances are in the range of 6% to 20%. It can be seen that the company continues to work hard in the field of corporate governance, not only receiving the affirmation of the evaluation system, but also not receiving the items or measures that should be improved or should be prioritized.

In addition, the company switched the trading market to the Taiwan Stock Exchange on December 23, 2020. The ranking of listed companies in the 10th Corporate Governance Evaluation is 36%~50%. The company has begun to study the improvement or priority enhancement items and measures for the evaluation indicators that have not been scored in the 8th Corporate Governance Evaluation as follows:

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

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Does the Company put into resources to support the development of domestic culture and disclose the means and results of such support on the Company website, in annual reports or sustainability reports?			Improving	

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

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

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

March 31, 2025

Qualifications / Capacity	Name	Professional qualifications and work experience	Independence situation	Number of independent directors concurrently occupied in other public offering companies
Independent Director	HO, MING-ZIH	Doctor of Electrical Engineering, Texas A&M University Researcher of Research headquarters, Ritek Corporation Assistant Professor and Associate Professor of Engineering, National Cheng Kung University	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; not holding shares of the Company; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0
Independent Director	WANG YONG-ZHANG	Director of Chieftek Precision Co., Ltd (March 17, 2011 - June 16, 2014), Master of Electrical and Computer Engineering of Princeton University, Vice President of Great King Electronics Co., Ltd., Vice President of Acer Incorporated, Vice President of Hong Hai Precision Ind., Co., Ltd., Hsinchu Science Park Branch, Vice President of Antuo Technology Co., Ltd., CEO of Guangquan Technology Co., Ltd., General Manager of DSG Technology Inc, General Manager Assistant of Chimei Corporation	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; The individual holds 136,943 shares of the company, representing a 0.20% ownership; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

Independent Director	WU LING-LING	Master of Special Education of University of Southern California, Supervisor of Chieftek Precision Co., Ltd (November 12, 2010 - June 20, 2012)	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; The individual holds 37,747 shares of the company, representing a 0.04% ownership; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0
Independent Director	ZENG XU-WEN	Bachelor of Business Administration of National Cheng Kung University, Planning Supervisor of General Manager's Office of TECO Electric & Machinery Co., Ltd, Supervisor of Chieftek Precision Co., Ltd (June 17, 2011 - June 21, 2020)	An independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship. Not serving as a director, supervisor or employee of the Company or its affiliated companies; The individual holds 93,150 shares of the company, representing a 0.10% ownership; Not acting as a director, supervisor or employee of a specific affiliated company; not recipient of the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

2. Information of operation situation of the Remuneration Committee
   (1) Remuneration Committee of the company includes 4 members, who are all independent directors.
   (2) Tenure of this term of members:
   The fifth term runs from May 26, 2023 to May 25, 2026. In the most recent fiscal year (2024), 3 meeting(A) was held by the Remuneration Committee. Qualifications and attendance situation of the committee members are as follows:

Job Title	Name	Actual attendance time (B)	Entrusted attendance time	Actual attendance ratio (%) (B/A) (Note)	Remark
Convener	HO MING-ZIH	3	0	100.00%	
Committee	WANG YONG-ZHANG	3	0	100.00%	
Committee	WU LING-LING	2	1	66.67%	
Committee	ZENG XU-WEN	3	0	100.00%	

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

(3) Responsibilities of the Remuneration Committee

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

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

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

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

(1) Salary management should be in line with the company's philosophy on salaries.
(2) The performance evaluation and remuneration of directors, supervisors and managers shall refer to the usual level of payment in the industry and consider the rationality of the relationship between individual performance and the company's operating performance and future risks.
(3) Directors and managers should not be led to engage in behaviors that exceed the risks of the company in the pursuit of remuneration.
(4) The proportion of short-term performance bonuses for directors and senior managers and the timing of payment of certain variable salaries should be determined in consideration of industry characteristics and the nature of the company's business.
(5) Contents of the resolutions of the 2024 1st to 3rd meetings and the 1st meeting of the fifth Remuneration Committee are as follows:

1st Meeting in 2024 by the fifth term-February 2, 2024			
Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2023 Year-End Bonus Distribution for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2	2023 Review on Remuneration and Relevant Regulations for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
3	2023 Remuneration for Directors and Employees	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.

2nd Meeting in 2024 by the fifth term-August 7, 2024			
Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2023 Managers Allotment of Remuneration for Employees	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2	2023 Remuneration Allotment for Directors	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
3	New Appointment of Chief Accounting Officer; and Review on Remuneration and Relevant Regulations for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
3rd Meeting in 2024 by the fifth term-November 6, 2024			
Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2025 Work Plan Drafted by the Remuneration Committee	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
1st Meeting in 2025 by the fifth term-January 24, 2025			
Number	Case	Resolution	Implementation/Company's handling of the Remuneration Committee
1	2024 Year-End Bonus Distribution for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
2	2024 Review on Remuneration and Relevant Regulations for Managers	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.
3	2024 Remuneration for Directors and Employees	The committee members present unanimously passed after discussions	Implemented in accordance with the resolution; submitted to the Audit Committee and the Board of Directors; and approved by all directors present.

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

(IV) Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Item Promoted	Implementation situation (note 1)			Differences and reasons from the "Code of Practice for Sustainability of Listed Companies"
	Yes	No	Abstract Statement	
(I) Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		The Company has established the "Sustainable Development Promotion Committee". The Board of Directors has also designated the Office of Chairman to be the dedicated (part-time) unit for the establishment and promotion of sustainable development. The unit is in charge of proposing and executing sustainability policies, systems, management guidelines, and specific action plans; and reports the same at the Board meetings on a regular basis. (1) Actively facilitate the implementation of each task by four working groups, namely, environmental sustainability, corporate governance, product service, and employee care/social participation; conduct regular performance inspection; and make timely adjustments to the relevant strategies as well as promotion targets through continuous communication with stakeholders to incorporate the philosophy of sustainability into the overall operational strategy of the business. (2) When necessary, convene a meeting at least once a year, to report on the implementation of sustainable development. (3) Take charge of the preparation and revision of sustainability reports.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(II) Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	✓		1. The company has developed the Code of Conduct of Enterprise Social Responsibility and Enterprise Social Responsibility Policy based on the Code of Conduct of Social Responsibility of Listed and OTC Companies and Enterprise, which were approved by the board of directors in May 9, 2014 through discussion after submission. Moreover, the amendments of the Code of Conduct of Enterprise Social Responsibility and Enterprise Social Responsibility Policy was passed in the board meeting held on January 20, 2017. On February 22, 2023, the board of directors discussed and approved the amendment of the "Corporate Social Responsibility Practice Guidelines" to "Sustainable Development	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Practice Guidelines". The implementation results will be reported to the board of directors at least once a year, such as the presentation of the implementation results for 2023 to the board of directors on January 24, 2025.

2. The company conducts operation-related risk assessment on environmental, social and corporate governance issues in accordance with the corporate social responsibilities materiality principle, and stipulate relevant risk management policies or strategies as follows:

Major Issues	Risk Assessment Item	Risk Management Policies or Strategies
Environmental	Environmental Protection	1. The company passed the ISO14001: 2015 version of the environmental management system. Its system calculates whether the internal and external issues and environmental risks of the company's environment are in compliance with China's regulations, international laws and ISO spirit. 2. The company's environmental security policy is as follows: (1) It is necessary to provide a high-quality and maintain a healthy physical and mental working environment to achieve the goal of zero disasters and accidents. (2) To protect the environment, maintain natural ecology, save energy and reduce waste. (3) To comply with laws and regulations, implement risk management, prevent pollution, and implement 6S activities. (4) Environmental protection and safety are uninterrupted activities for all employees. 3. Every year, environmental management goals and plans are set, and the progress of each goal is tracked and reviewed regularly to ensure that the goals are achieved. 4 Energy-saving and carbon reduction measures:

					Energy-saving: From 2015 to 2024, the Company has achieved a 1.74% reduction in energy consumption, which is higher than the Energy Bureau's standard of 1% per year and has met the requirement of average annual energy-saving consumption for the years from 2015 to 2024. Carbon reduction: In 2024, the company reduced carbon emissions by 140,580 kg.		
				Social	Occupational Safety	The company has obtained OHSAS18001: 2018 Occupational Health and Safety Management System Certification, and its system is designed to carry out various industrial safety inspections and nuclear inspections of the company, and at the same time use SGS third verifier to check and further implement the occupational safety and health management system; Fire drills and industrial safety education and training and various industrial safety measures are held regularly every year to cultivate employees' emergency response and self-safety and sanitation management capabilities and to improve good and healthy workplaces.		
					Product Safety	1. The company upholds a professional and innovative attitude, improves product efficiency and an honest and honest attitude to serve customers, and expects to provide customers with satisfactory products and services. Therefore, the company formulates standard customer complaint procedures, properly judges the responsibility to resolve the problem, and sets preventive measures to prevent similar problems from occurring, and regularly investigates and		

					tracks customer satisfaction to understand customer needs and problems, and the results of the investigation will be used as research improvements Basis of strategy. 2. The company's products are mechanical components, and there are relevant international standards. The company follows the relevant laws and international standards and implements the process and raw material management. 3. The company's products comply with China's laws and regulations and EU RoHS and REACH regulations, and do not contain harmful environmental substances. If customer needs, also provide customer RoHS, REACH inspection report.		
				Corporate Governance	Socio economic and legal compliance	In order to ensure that the company's owners comply with the laws and regulations, the company's goals are established through the establishment of a governance organization audit process and standard operation procedures (SOP).		
(III) Develop sustainable environment (I) Does the company establish applicable environmental management system based on its industrial characteristics?	✓					(I)1. The Occupational Safety Department of the company shall take charge of environmental management, establishing and controlling environmental management system, setting up safety and health committee and jointly dealing with environmental safety problems. 2. Besides observing environmental laws earnestly, the Company passed ISO14001 environmental management system, OHSAS 18001 occupational safety and health management system and CNS15506 Taiwan occupational safety and health management system in September 2014. 3. In August 2017, the Company passed ISO 9001:2015 version quality management system, ISO 14001:2015 version environmental management system, OHSAS 18001:2017 version occupational safety and health management system and version renewal certification of CNS15506 Taiwan occupational safety and health management system.		In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

			4. In August 2020, the Company passed ISO 45001:2018 version occupational safety and health management system and version renewal of CSN 45001:2018 Taiwan occupational safety and health management system.	
(II) Is the company dedicated to improving utilization efficiency of various resources and making use of renewable materials with low environmental impact?	✓		(II) The company is committed to improving the efficiency of the use of various resources, such as: 1. Recycling pallets, wooden boxes, etc. are used for shipping packaging or inventory management. 2. Perform garbage resource classification and recycling, set up rainwater recycling system and on-site process water recycling, which can not only reduce costs but also reduce environmental impact and impact. 3. Improve the efficiency of resource use and e-standardize documents. 4. Fully turn off the lights during breaks to reduce power consumption. 5. The company will invest too much in the second phase of the plant in Shugu in 2022 Solar power generation system 999.81KWp, the investment amount is 48,590 thousand yuan, invest in solar power generation system, mainly to protect land Globalization, sustainable development, energy conservation and carbon reduction, and clean energy are the core values and vision. A new solar power system has been installed, with an estimated annual electricity generation of 1,379,437 kWh. This is expected to reduce carbon emissions by 764.209 metric tons, equivalent to planting approximately 50,947.24 trees, contributing to the well-being of our planet.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the company assess the present and future risks and opportunities climate change poses on the company?	✓		(III) With the increasingly severe environmental damage caused by global climate change, Taiwan has faced severe typhoons, flood threats and lack of water, energy and other resources in recent years. In order to effectively grasp the development trend of climate change issues, conduct climate change management and assessment, through climate risk issues, to mitigate the impact of climate change and reduce the harm to the environment. Climate Change Risk Interval | Countermeasures and Results	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Category	Item	
Codes and Regulations	1. Greenhouse gas inventory investigation and declaration 2. Total Emission Control	1. The Southern Science and Industry Park Administration of the Ministry of Science and Technology investigates companies' greenhouse gas emissions 2. In accordance with the implementation of Taiwan's "Energy Administration Act", carry out energy saving and carbon reduction measures and declaration 3. Obtain ISO 14064-1 greenhouse gas inventory certificate for future planning
Energy/ Resources	Waste recycling	Recycling waste into plastics, iron and aluminum cans, paper, general waste, etc. can reduce waste incineration and reduce carbon emissions
	Solar energy	The Tree Valley Plant has set up solar energy equipment, which can be used for the basic use of electricity in the plant to achieve green energy supply.
Extreme Climate	Extreme climate may cause heavy rainfall events, long periods of drought and rain, floods, and typhoons to directly affect operations.	1. Respond and handle according to emergency preparedness and response management procedures 2. The pump at the discharge port increases the discharge pressure 3. Before and after floods and typhoons, carry out emergency response to reduce damage
Long-Term	Sea level rise	Reducing greenhouse gas emissions can reduce the melting of ice in the South Pole and the Arctic, and ease the rising trend of sea level

				Impact on employee health	Reduce greenhouse gas emissions, reduce the occurrence of extreme climates, and thereby reduce the impact of extreme climates (such as sandstorms...) on the human body, such as asthma, allergies, etc.	
(IV) Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	✓		(IV) In the design of the factory, the company is based on energy saving and carbon reduction, with high design, additional ventilation and heat dissipation external walls, and natural circulation of ventilation and heat dissipation to reduce the temperature in the factory, replace the air conditioning system, and save electricity. 1. Energy saving target In accordance with ISO 50001 as the norm, and in accordance with the provisions of Articles 8, 9 and 12 of the Energy Administration Act, if the energy consumption reaches the specified amount, an energy verification system shall be established, and energy conservation goals and implementation plans shall be set to achieve the 2015-2024 annual power saving rate of more than 1%. 2. Energy saving measures The energy saving measures for 2024 includes the replacement of dryer#2 and the renewal of high bay light in the factory of the Southern Taiwan Science Park, reducing 29,606 kWh of electricity consumption. The annual power-saving rate in 2024 was 0.35% and the carbon reduction volume was 14,625.36 kg. 3. Carbon reduction targets According to data from the Energy Administration of the MOE, 0.494 kg of CO2 is produced per kilowatt-hour of electricity. Given that the energy-saving consumption for 2024 was 29,606 kWh, the carbon reduction target for 2024 was 14,625.36 kg. 4. Greenhouse gas emissions, water usage, or total waste: The indirect sources of greenhouse gas emissions of the Company are mainly from purchased electricity, which amounted to 8,705 thousand kWh, 9,537 thousand kWh, 10,547 thousand kWh, 8,924 thousand kWh,		In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

and 8,411 thousand kWh from 2020 to 2024 respectively. The total greenhouse gas emissions of the Company were 4,370.110 tons CO2e/yr in 2020, 4,854.434 tons CO2e/yr in 2021, 5,368.626 tons CO2e/yr in 2022, 4,417.578 tons CO2e/yr in 2023, and 4,155.231 tons CO2e/yr in 2024.

In response to the environmental impact caused by greenhouse gas emissions, the Company will promote measures to reduce greenhouse gas emissions in the future, achieve sustainable energy development that balances cost and resource efficiency, energy conservation, and environmental protection.

Year	2020	2021	2022	2023	2024
Total Power Consumption (KWh)	8,705,400	9,537,200	10,547,400	8,924,400	8,411,400
CO2Emissions (mt)	4,370.110	4,854.434	5,368.626	4,417.578	4,155.231
Data from the Bureau of Energy, Ministry of Economic Affairs	0.502 kilograms of CO_2 is produced per kilowatt-hour of electricity	0.509 kilograms of CO_2 is produced per kilowatt-hour of electricity	0.495 kilograms of CO_2 is produced per kilowatt-hour of electricity	0.494 kilograms of CO_2 is produced per kilowatt-hour of electricity	The Ministry of Economy Energy Bureau has not yet announced the result. It is firstly calculated for 2023 that 0.494 kilograms of CO_2 are produced per kilowatt-hour of electricity

Improvement of energy utilization efficiency in 2024: Chieftek Precision Co., Ltd. has set up the renewable energy facility for the photovoltaic system in the Tree Valley Park's Phase I plant. The capacity of the said solar power facility is 268.46KW with an area of 1,403.52 square meters. 866 solar panels have been installed with 310W of electricity production per solar panel. In 2024, the electricity

production by solar power was 341,244 kWh. Based on the electricity carbon emission factor of 0.494 kgCO2e for 2023, which was recently announced by the Energy Administration, 168.574 metric tons of CO2 emissions can be reduced and 4.05% of renewable energy utilization can be increased.

Chieftek Precision Co., Ltd. has set up the facility for photovoltaic system in the Tree Valley Park's Phase II plant with a capacity of 999.81KW and an area of 4,942.26 square meters. 3,225 solar panels have been installed with 310W of electricity production per solar panel. In 2024, the electricity production by solar power was 1,338,016 kWh. Based on the electricity carbon emission factor of 0.494 kgCO2e for 2023, which was recently announced by the Energy Administration, 660.979 metric tons of CO2 emissions can be reduced and 15.9% of renewable energy utilization can be increased.

The major energy consumption of the Company (excl. its subsidiaries) is from purchased electricity. The major source of greenhouse gas emissions in the most recent 2 years is purchased electricity, accounting for more than 82% of the total emissions. The rest was the diesel fuel for emergency generators as well as the gasoline, refrigerant, and WD-40 for Company vehicles.

Year	GHG emissions (tonCO2e)
2020	5,354.76
2021	4,900.43
2022	5,331.52
2023	5,126.50
2024	5,097.60

The water consumption of the Company (excl. its subsidiaries) during 2020 and 2024 is as follows:

Year	Water consumption (m3)	Number of employees (Average)	Average water consumption (m3)
2020	37,306	409	91.21
2021	36,038	386	93.36
2022	35,054	442	79.31
2023	36,954	397	93.08
2024	25,058	333	75.24

The total weight of the Company's wastes (excl. its subsidiaries) during 2020 and 2024 is as follows:

Year	Weight of Wastes (metric ton)	
	Hazardous wastes	Non-hazardous wastes
2020	0	321
2021	0	378
2022	0	334
2023	0	217
2024	0	146

The Company's (excl. its subsidiaries) water consumption and the total weight of wastes have been verified by ISO 14001 Environmental Management Systems, of which verification process was carried out in accordance with the water pollution prevention measures and waste management plan. The Environmental Management System of the Ministry of Environment was also used for data verification.

Water resources management or reduction targets:

1. Rainwater recycling: The rainwater collected in the rainwater recycling tanks are used for toilet flushing and cleaning and for spraying bottles of plants in order to reduce the tap water consumption.
2. Cutting fluid recycling from waste grit: In the manufacturing process, waste grit is produced after grinding, which contains an average of 37% cutting fluid. We use centrifugal dehydrator to filter out the cutting fluid and recycle it for machine use in order to reduce the adding of tap water. The recycled volume of cutting fluid in 2024 was 28.48 tons, reducing 28.48 tons of water consumption in 2024. Our objective is to reduce tap water consumption by 30 tons in 2026.

Waste management policy or reduction targets:

1. Manufacturers recycle wooden cases to minimize the wastes and reduce deforestation. In 2024, 2.28 tons of waste wood were reduced in 2024. Our target is to reduce 5 tons of waste wood in 2026.
2. Pallets and wooden cases are recycled to be reused in shipping packaging or inventory management.
3. The unusable pallets and wooden cases are declared for re-use in accordance with the Ministry of

			Environment. Qualified companies then recycle and process them into recycled pallets and cases and the rest into sawdust used as fuel for boiler factories. 4. We recycle cutting fluid from waste grit in order to lighten the weight of waste grit removal. 5. Garbage sorting and recycling are implemented. 6. The lubricating oil produced by the machines within the factory is separated by the oil skimmer in the phase-II recycling factory and then poured into iron drums for static storage. When a certain amount is reached, it is declared in accordance with the Ministry of Environment. Then, qualified companies recycle and process it into recycled fuel oil for boiler factories in order to reduce the impact on the environment. 4.58 tons of waste lubricating oil was recycled in 2024. Our target is to reduce 5 tons of waste lubricating oil in 2026.	
IV. Maintaining social welfare (I) Does the company make related management policy and procedure pursuant to relevant regulations and international covenants of human rights?	✓		(I) The company complies with the "Labor Standards Law", "International Human Rights Convention", and the relevant laws and regulations issued by the government, formulating complete and compliant with labor laws and regulations related systems and management methods, which are carried out by dedicated personnel to protect employees' legal labor rights and employment policies. Treatment and other management principles. 1. All forms of forced labor are strictly prohibited. 2. Apply for labor insurance, health insurance, and insure employer liability accident insurance for all employees. 3. Implement employment policies in accordance with the Employment Service Law, including prohibiting child labor. 4. Follow internationally recognized labor human rights and equality and prohibit any form of discrimination. 5. Continue to promote gender equality. 6. Based on the principle of "employee care" and "employee well-being", withdraw pensions and set up employee welfare committees in accordance with the law. Under the principle of stable	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

			operation, provide various benefits and measures that are better than legal conditions as far as possible. In order to cooperate with the legal changes, announcements are made in the factory area. In accordance with the implementation policy, the company implements the human rights policy, which is applicable to all levels of the company, and continuously enhances and improves the management of human rights-related issues, reducing the risk of human rights incidents, and implementing the policy and the management plan for human rights-related issues.	
(II) Does the company formulate and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	✓		(II) The relevant measures are as follows: 1. The company's main remuneration principle is to link departmental responsibilities and performance results and hopes to recruit and retain excellent talents by setting reasonable remuneration policies. 2. The company explicitly defines the employee code of conduct standards, related disciplinary and incentive measures in the work rules and internal control system (previously the employee Handbook). 3. The company set up a "Pay and Remuneration Committee" composed of four independent directors. The four remuneration committees with different backgrounds not only have rich academic experience, but also fully grasp the pulse of domestic and foreign industries. A reasonable salary and compensation policy and performance appraisal system will gradually improve the integration of the above system and corporate social responsibility policies based on the pulsation of operations to continuously improve the quality and competitiveness of the company at each stage. 4. Gender Equality and Diversity The company's professional management team upholds the spirit of integrity and integrity, and is committed to providing employees with a diverse, inclusive, friendly and safe workplace, and aims to create equal growth and development opportunities for each employee and a sense of belonging to the company. The Company currently has 10 disabled persons (7 of actual employment, based	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

on the regulations stipulating that when employing a person with severe disabilities, the person shall be calculated as two). Apart from complying with the obligatory number stated in the “People with Disabilities Rights Protection Act”, the Company has employed 6 people with disabilities.

(1) Female’s Diversity Indicators

Indicators	%
Female for the total workforce (%)	27.33%
Female for the all supervisors (%)	22.22%
Female for the grassroots supervisors (%)	10.00%
Female for the senior executives (%)	57.14%

(2) Other Diversification Indicators

Item		All employees %
Handicapped		2.08%
All employees	age group: <30 years old	11.80%
	age group: 30~50 years old	77.02%
	age group: >50 years old	11.18%
	total	100.00%

(3) Salary and Remuneration Equality

The company has a “Salary Reporting Company Commissioner” to regularly review and ensure that the company’s salary policy is competitive. Machinery manufacturing business operations through transparent and fair performance and technology scoring performance feedback to employees. The company also upholds fair and consistent salary standards when using talents. For the same job category, if it is an inexperienced person at the bottom, the salary of the user is the same, if it has work experience related to the job. The salary will be determined according to their education background, relevant professional knowledge and certificates. In addition, the company provides equal opportunities for training and promotion to all employees, regardless of other background, gender or academic experience.

5. Employee health enhancement

In order to enhance the health of employees, the Company provides monthly occupational physician assessment for employees with needs of

<table>
<tr><td></td><td></td><td></td><td>health consultation or employees with chronic diseases such as obesity and the Three Highs (i.e., high blood sugar, high cholesterol, and high blood pressure). Additionally, we have designated occupational nursing to care for employees' physical and mental health and to control, promote, and assist with the physical and mental health improvement of employees. Also, we provide annual health checkups, so that employees can better understand their physical condition and take precautionary measures.</td><td></td></tr>
<tr><td>(III) Does the company create a safe and healthy working environment and implements safety and health education for employees regularly?</td><td>✓</td><td></td><td>(III) The company shall set up Labor Safety and Health Committee as per labor safety and health law, convene labor safety and health meeting regularly, persistently assist the factory in completing various tasks related to environmental safety and health to make sure the safety and health of working environment. Explanation of only relevant items is made below:
<table>
<tr><th>Items</th><th>Contents</th></tr>
<tr><td>Entrance Guard</td><td>1. Strict entrance guard monitoring system is set up in the daytime and nighttime.
2. Connect with police organs online to take precaution.</td></tr>
<tr><td>Maintenance and Inspection of Various Equipment</td><td>1. In accordance with buildings public safety inspection and visa & declaration regulations, entrust specialized company to carry out public safety inspection every year or every four years.
2. According to fire protection law, conduct fire safety inspection by outsourcing every year.
3. Maintain and check such equipment as electrical equipment, lift, air conditioner, water dispenser, automobile, and fire apparatus in terms of Code of Conduct of Safety and Health in the company.</td></tr>
<tr><td>Contingency Measures for Disaster Prevention</td><td>1. Develop emergency preparedness and response procedure, emergency response plan, Code of Conduct of Labor Safety and Health, accident investigation and management procedure together with other disaster prevention, rescue precautions and accident & disaster reporting procedure, well define responsibilities of personnel at all levels for such important incidents and accidents as acts of God and fire disaster and corresponding tasks and arrange safety</td></tr>
</table></td><td>In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
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				protection drills as required. 2. Entrust fire competent authority to carry out fire control & disaster prevention training.	
			Physiological Health	1. Perform periodic health examination on a yearly basis in accordance with Occupational Safety and Health Law. 2. Health in working environment: Ban smoking entirely in working environment, hold health lecture, arrange CPR training and regularly conduct office environment cleaning and sterilization.	
			Mental Health	1. Educational training: provide communication skill and emotion management courses as well as employee psychological adjustment and profession skill strengthening training. 2. Expression of opinion: set employee suggestion zone and provide various manuals, educational training announcement and channels for employee's expression of opinion and interactive learning. 3. Sexual harassment prevention: set forth complaint and punishment terms.	
			Insurance and Medical Condolence	1. Buy labor insurance (including occupational hazard insurance) and health insurance by law. 2. Buy officers liability insurance. 3. Buy group insurance.	
			Contractor Management	1. Inform contractors of hazard factors during working and hold meetings for contractor agreement in accordance with Occupational Safety and Health Law. 2. Set contractor management procedure and provide related forms for contractor applying and filling out.	
			Educational Training	Implement pertinent safety and health educational trainings, such as general safety and health educational trainings, manufacture, disposal, and usage of hazardous chemical educational trainings, and additional 3h of safety and health trainings prior to operation of manufacturing machine/equipment, aerial working vehicle, winch trucks, assignment in oxygen deficient environment, and electric welding, in accordance with Occupational Safety and Health Law.	
			Healthy and safe working environment The company shall provide employees with safe and sound working environment, earnestly observe fire regulations and take the following measures to protect personal		

			safety and health in the working environment: 1. ISO 14001/ISO 45001/CNS 45001 environmental safety and health management system: set up a management system to evaluate performance and efficiency of environmental and occupational safety & health and enhance environmental safety & health, thus guaranteeing personal safety of employees. 2. Identify environmental considerations and various hazards in all activities, products and services of the Company, evaluate the risks of major environmental considerations and its hazards, judge the priority action level and control unacceptable environmental safety and health risks that may facilitate the planning, management and implementation of environmental and occupational safety and health. 3. Establish unified regulations for hazardous labeling of chemicals in compliance with regulations and requirements; be able to take emergency measures immediately upon occurrence of hazard and leakage during working through effective reminders to prevent from occurrence of hazards and extension of accidents. 4. For industrial wastes produced, establish resources recovery and related management mechanism to realize waste recycling, stabilization, hazard-free treatment, economization and satisfy the requirements of decree by improving environmental sanitation. 5. Raise contingency ability of employees under emergency circumstances and define correct handling procedure to make sure personal safety and normal operation of the company in the hope of minimizing loss in case of accident. 6. Check the fire apparatuses on a regular basis to reduce the losses after accident occurrence and guarantee personal safety of employees. 7. Lay down *Code of Conduct of Safety and Health* to avoid occupational accident, maintain the safety and health of employees and ensure the normal operation of working place, further reaching the target of sustainable business operation. 8. Appoint *Safety and health Personnel* to take charge of planning and advancing environmental safety and health policies and management system of the company	

			and checking their performance. Train occupational safety personnel for occupational safety, including A Grade occupational safety and health manager, B Grade occupational safety and health specialist, A Grade occupational safety and health executive, first-aid personnel and fire controller, to strengthen environmental safety and health management in workplace and maintain a safe and healthy workplace. 9. In order to enhance the health of employees, the Company provides monthly occupational physician assessment for employees with needs of health consultation or employees with chronic diseases such as obesity and the Three Highs (i.e., high blood sugar, high cholesterol, and high blood pressure). Additionally, we have designated occupational nursing to care for employees' physical and mental health and to control, promote, and assist with the physical and mental health improvement of employees. Also, we provide annual health checkups, so that employees can better understand their physical condition, take precautionary measures, and protect their safety and health. 10. Conduct Working Environment Monitoring twice a year, get hold of working environment dynamics and evaluate exposure hazard; conduct daily automatic inspection for the environment to examine potential hazards in workplace by means of automatic inspection for the purpose of preventing disasters and protecting company property and personal operation safety. 11. Field inspection: conduct regular or irregular inspection for in-plant safety and health to eliminate actual or potential hazards and risks. 12. Objective and scheme of environmental sanitary and hygiene: The 2024 improvement plan, including the prevention of falling-down on the AWEA machine, has been completed. 13. There was no occurrence of fire in 2024; that is, the number of fire accidents, the number of fire-caused deaths, and the ratio of fire-caused deaths and injuries to the total number of employees in 2024 were all zero.	

(IV) Does the company develop an efficient career capability development training plan?	✓		(IV) The company has been committed to creating a learning environment providing endless talent force and increasing remarkable competitive power, set Educational Training Management and Operational Procedure and cultivated right talents by virtue of internal and external training resources. Currently, the company has provided a series of educational trainings for common knowledge, professional skill and management to stimulate employee's potential and occupational development ability, realize close coordination between enterprise development and talent development plan of colleagues and heighten awareness of production efficiency and enterprise social responsibility. Training plan mainly implemented is composed of general training, educational training for labor safety, operation & management and traditional culture, professional training, training for employees dispatched to foreign subsidiaries, and internship training for international exchange. The company shall train head of all units and senior colleagues as internal lecturer to inherit company culture and skills.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(V) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company complied with relevant regulations and international standards, and formulated relevant policies and appeal procedures for consumer protection?	✓		(V) The company upholds a professional and innovative attitude, improves product efficiency and an honest and honest attitude to serve customers, and expects to provide customers with satisfactory products and services. Therefore, the company formulates standard customer complaint procedures, properly judges the responsibility to resolve the problem, sets preventive measures to prevent similar problems, and regularly investigates and tracks customer satisfaction to understand customer needs and problems. The results will serve as the basis for the development of improvement strategies. The company's products are mechanical components, and there are relevant international standards. The company follows relevant laws and international standards and implements them on the process and raw material management.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(VI) Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental protection,	✓		(VI) 1. The company possesses tight and complete supply chain system and can assist suppliers in improving product quality by integration. Suppliers contracting	In compliance with the Sustainable Development Best Practice

occupational safety and health or labor human rights, and their implementation?			constructions are assessed according to 2-IS-2-K-001 contractor management procedure. In addition to the implementation of safety and health self-management, education and training, organization agreement, notification of hazards in the factory, and other safety management, we also require on-site environmental management. In addition, according to the 1-AD-2-B-001 supplier management program, the environmental management assessment and social responsibility assessment and evaluation of suppliers and new outsourcing processing plants include whether the manufacturer is ISO14001 environmental management system or SA8000 corporate social responsibility certification. 2. The company conducts "Factory Environmental Management Assessment Form" and "Social Responsibility Assessment Form" assessments of suppliers and new outsourced processing plants according to supplier management procedures, including contracts with major suppliers requiring suppliers and contractors to comply with Labor Standards Act and related human rights regulations, including prohibition of child labor, forced labor, health and safety, freedom of association and collective bargaining rights, discrimination, etc., involve violations of corporate social responsibility policies and have a significant impact on the environment and society, the terms of the contract may be terminated or cancelled at any time. 3. There was no arrangement of on-site environmental safety and health inspections at or suppliers in 2024.	Principles for TWSE/TPEx Listed Companies
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	The Company is in the process of preparing a sustainability report.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
6. If the company has its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe its operation and the differences from the sustainability code: The Company has complied with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the "Evaluation Items for Assessing the Effectiveness of Internal Control Systems of Public Companies" revised by the Financial Supervisory Commission on April 22, 2024 by incorporating the management of sustainability information into the Company's internal control systems and including it as an				

audit item in the Company's annual audit plans. On November 6, 2024, the Board of Directors approved the establishment of the "Procedures for the Preparation and Assurance of Sustainability Reports" and the "Management of Sustainability Information", which have been functioning and adhered to.

7. Other important information conducive to understanding the operation of sustainable development:

(I) The Company has acquired various certifications.

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

(II) In terms of participation in social activities and social contribution, the company actively cooperates with various universities and colleges in Tainan (such as Southern Taiwan University of Technology (STUST), Kunshan University, and Far East University) to provide opportunity of observation learning and internship and enhance industry-university collaboration, with the aim to accelerate the regional prosperity and bring more employment opportunities. In addition, the Company also cooperates with communities to establish prize for moral excellence and provide financial aid for students in community colleges.

(III) In response to the resource recycling policy of the government, carefully sort the garbage and recycle.

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

(V) Give emergency allowances for employees and help employees overcome the difficulties.

(VI) It is prohibited to employ child workers as labor.

(VII) The company actively sponsored the festival and cultural events held by the local government

(VIII) Assisted Prof. Wu Chung-Hsin of National Chiao Tung University with the DD Motors and Drivers for his ARRC rocket research project, using the small DD motor and driver of **cpc** to build an advanced rocket propulsion system to improve the control stability of the entire launch trajectory. We believe that the current success will take us to future challenges and mutual endeavors. We never stop!

(IX) We made donations to the Temple of Heaven, the Temple of Ultimate Bliss, the 2024 performance of Tainan Philharmonic Orchestra (Tainan 400. Generations of Legacy), Tainan Traditional Chinese Cultural College Foundation, Taiwan Industrial Technology Association, and dedicated account of Tainan City Earthquake Assistance Fund, etc.

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

In accordance with "Code of Ethical Management of the Listed and Over-The-Counter Companies" released by the competent authority, based on the management ideas of integrity, transparency and accountability, this company formulated the integrity-based policy, established a good corporate governance and risk management mechanism to create a business environment with sustainable development, and formulated the code of ethical management of this company. The "Code of Ethical Management" was passed by the resolution of the board of directors on March 21, 2012 and reported by the general meeting of shareholders on June 20, 2012; and the revised "Ethical Management Procedures and Behavioral Guidelines" was passed by the resolution of the board of directors on March 26, 2015. In addition, to carry out the ethical management policy, through the resolution of the board of directors on May 9th, 2014, the chairman room should serve as the unit responsible for promoting enterprise ethical management, and adopt this management idea to sincerely serve all customers and suppliers, and continuously strengthen the company's business information transparency to make shareholders know the company's operation more clearly.

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
I. Formulation of ethical management policy and scheme (I) Does the company clearly specify the policy, practice of ethical management in the rules and external files, and does the board of directors, management level actively implement the commitment of ethical management?	✓		(I) On March 21, 2012, the board of directors of the company approved the "Code of Integrity Management" and reported it to the shareholders' general meeting on June 20, 2012. On March 26, 2015, the board of directors passed a resolution to amend to "Ethical Operating Procedures and Behavior Guide", which specifically regulates the matters that the company's personnel should pay attention to when performing business and serves as a commitment for the board and management to actively implement operating policies. The company designates the chairman's office as the designated unit (hereinafter referred to as the company's designated unit), which is affiliated with the board of directors and handles the relevant operations and supervision and implementation of the revision, execution, interpretation, consulting services and registration of the contents of the procedures and behavior guidelines, the main duties the following matters, and should be reported to the board of directors regularly: 1. Assist in integrating integrity and moral values into the company's business strategy and cooperate with the legal system to formulate relevant anti-fraud measures to ensure integrity management. 2. To formulate plans to prevent dishonesty, and to establish standard operating procedures and behavior guidelines for work operations in each plan. 3. Plan the internal organization, organization and functions, and set up a mutual supervision and check mechanism for business activities with a high risk of dishonesty in the business scope. 4. Promotion and coordination of integrity policy advocacy training. 5. Plan the reporting system to ensure the effectiveness of the implementation. 6. Assist the board of directors and management to	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies .

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			check and evaluate whether the preventive measures established by the implementation of integrity management are operating effectively and regularly evaluate and follow the relevant business processes and make reports.	
(II) Does the company implement prevention measures for the business activities with high risk of dishonest behaviors in each clause of Item II of Article 7 of "Code of Ethical Management of the Listed and Over-The-Counter Companies" or within the other business scope?	✓		(II) The company formulates the "Code of Ethical Management" according to the "Code of Ethical Management of the Listed and Over-The-Counter Companies" released by the competent authority as the basis to abide by and clearly specifies the prohibition of dishonest behaviors. The directors, supervisors, manager, employees or those with substantial control ability of this company shall not directly or indirectly provide, promise, request or accept any illegitimate benefits, or have other dishonest behaviors of violation of good faith, illegitimacy or breach of the trustee obligation, etc. to gain or maintain the interests. The relevant prevention measures include operation procedures, behavioral guidelines and education training, etc. The prevention scheme formulated by this company covers the prevention measures for the following behaviors: 1. Offer bribes and accept bribes. 2. Provide illegal political contributions. 3. Improper charitable donation or sponsorship. 4. Provide or accept unreasonable gift, hospitality or other improper benefits. 5. Do not provide or promise any facilitation payments.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the company formulate the scheme of preventing dishonest behaviors, clearly specify the operation procedures, behavioral guidelines, violation penalties and appeal system, and carry out the implementation, and regularly review and revise the pre-release	✓		(III) The company clearly formulates the code of practice of enterprise social responsibility, code of employee behavior, code of ethical management, relevant specification of preventing insider trading procedures, carries out the management ideas of "Integrity and Fairness, Integrity and Ability" and other principles of ethical management, continues to review, revise the relevant operation procedures, behavioral guideline, violation punishment and appeal system in each stage,	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
plan?			and supplements the internal training, external training, independent director special instruction and other education training to gradually implement and conform to the relevant provisions.	
II. Implementation of ethical management (I) Does the company assess the credit records of trading objects, and clearly specify the honesty behavior clauses in the contract signed with the trading objects?	✓		(I) Before the establishment of commercial relation, firstly assess the legality of this trading object, policy of ethical management, and assess whether there ever exist the records of dishonest behaviors to ensure its business operation mode fair, transparent, and no behavior of asking for, offering or accepting bribes. 1. Before establish business relations, the Company shall evaluate the legality, ethical practices, and trading records of its agent, distributer, customer and other entities with commercial dealing to ensure the business operates in a fair manner with transparency without corruptions like requesting or providing bribes. 2. When contracting with others, the Company shall evaluate the business operation of the contracting party and include the honesty and ethical business clauses into the contract with the article below: (1) If the agent or staff of the contracting parties have violated the prohibition to receive commission, rebates, or other inappropriate interests defined under this contract, the contracting party shall inform the other party with the relevant information of such incident, such as the identity of the agent or staff, the offer or promise made, the interests, and comply with the investigation of the other party. Shall the contracting party exposed to any damage or loss due to such incident, the party are entitled to seek compensation for other party. (2) Shall the contracting party have dishonest or unethical behaviors, the other party may terminate the contract at any time.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			(3) Set clear and reasonable articles about payment, including the location and method of making payment, and the relevant tax law and regulations.	
(II) Does the company set up a special unit under the board of directors to promote the integrity management of the enterprise, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent dishonesty and supervision and implementation?	✓		(II) This company has designated the Chairman's Office through the board of directors on May 9, 2014 as a special responsible unit, and regularly (i.e., February 26, 2024) reports the 2023 report on integrity management policies and plans to prevent dishonesty and supervision and implementation: 1. It handles the revision, implementation, interpretation, consultation service, reporting content registration document and other relevant operation, will supervise its performance and regularly report to the Board of Directors. 2. It continuously conducts related training courses covering food safety, law safety and asset safety to practice business integrity.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the company formulate the policy of preventing conflict of interest, provide the proper statement channel, and carry out the implementation?	✓		(III) The company has formulated the "Integrity Management Code" which requires directors, supervisors, managers and others to uphold a high degree of self-discipline when attending or non-voting during the board of directors. Resolutions brought up in the board of directors may have conflicting interests with attendees or the legal person they represent, causing harm to the resolutions listed in the board of directors. Those who are in danger of compromising the company's interests may state their opinions and answer inquiries. They may not participate in discussions and voting, and they should withdraw from discussions and voting. They may not exercise their voting rights on behalf of other directors. Directors should also be self-disciplined and must support each other. Directors and managers of the company shall not use their positions in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person. In 2024 and up to now, resolutions of the board of directors in which there is a conflict of interest with the directors themselves and	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			therefore withdrew from discussion, according to where company law article 206, article 178 is applicable： 1. On February 2, 2024, the board of directors discussed the case of "2023 Year-End Bonus Distribution for Managers" 2. On February 2, 2024, the board of directors discussed the case of "2023 Remuneration and Related Regulations for Managers." 3. On August 7, 2024, the board of directors discussed the case of "2023 Managers Allotment of Remuneration for Employees." 4. On August 7, 2024, the board of directors discussed the case of "2023 Remuneration Allotment for Directors" 5. On January 24, 2025, the board of directors discussed the case of "2024 Year-End Bonus Distribution for Managers" 6. On January 24, 2025, the board of directors discussed the case of "2024 Remuneration and Related Regulations for Managers"	
(IV) Has the company established relevant accounting system and internal control system and assigned an internal auditing unit to draft the counter measures to avoid the dishonest behaviors or seek approval from the entrusted account after evaluating the risk of dishonest behaviors?	✓		(IV) For business activities with a high risk of dishonesty, the company has established an effective and complete accounting system and internal control system. There should be no false transaction accounting, and it should be reviewed at any time to ensure that the design and implementation of the system continue to be effective. The company conducts self-inspection once a year, and then the internal audit unit reviews the self-evaluation reports of various units and subsidiaries including the control environment, risk assessment, control operations, information and communication and supervision, etc., and improvements of deficient and abnormal events in internal control found by the audit unit serves as the main basis for the board of directors and the general manager to evaluate the effectiveness of the overall internal control system and issue a statement of internal control system.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			The company's internal auditors regularly audit the system to follow the situation and make an audit report to the board of directors. In addition, PwC Taiwan also regularly audits the company's internal control.	
(V) Has the company organized internal and external training on honest and ethical business operation on a regular basis?	✓		(V) In addition to regularly holding the internal education training of business integrity, the Company also participates in external similar courses to serve as a channel for the employees' absorption of new knowledge and provision of decision-making assistance.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
III. Operation situation of the company's reporting system (I) Does the company formulate the specific reporting and reward system, establish the convenient reporting channel, and designate the specifically responsible personnel aiming at the reported party?	✓		(I) The company incorporates the ethical management in the employee performance assessment and human resource policy, and sets up a clear, effective reward and punishment and appeal system. The complaints procedure is as follows: Any violation of government decree or any fraud discovered shall be reported to the manager, internal audit personnel, through the dedicated e-mail address of senior executives, internal audit personnel or in writing. The relevant personnel after receiving the reporting shall submit it to the general manager or chairman for deciding. Any severe violations shall be reported to the board of directors, and the unit or department head of the reported object shall be designated to be specifically responsible for acceptance to deal with the follow-up properly.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(II) Does the company formulate the survey standard operation procedure and relevant confidentiality mechanism for accepting the reporting matters?	✓		(II) Article 21 of the company's "Integrity Management Operation Procedures and Conduct Guidelines" clearly states: Encourage internal and external personnel to report dishonesty or misconduct, and the rewards should be awarded according to the severity of the report. If there is any false report or malicious accusation by the internal personnel, disciplinary action shall be taken against the	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			case, and the person with serious circumstances shall be dismissed. The company establishes and announces internal independent reporting mailboxes and dedicated lines on the company's website and internal websites or entrusts other external independent institutions to provide reporting mailboxes and dedicated lines for use by internal and external personnel of the company. The company also stipulates a whistleblowing system in the "Employee Code of Conduct". If an employee discovers an illegal (including corruption) and unethical behavior or suspects of violating the employee's code of conduct, he has the obligation to report to the management and ask the relevant supervisor and Correspondence personnel are kept strictly confidential. For those who violate the integrity of the company, and the circumstances are serious, they should be handled in accordance with relevant laws and regulations or in accordance with the company's personnel methods and continue to build and improve the standard operating procedures for the investigation of acceptance of reports.	
(III) Does the company adopt the measures to protect the reporter from suffering the improper treatment due to reporting?	✓		(III) The company provides protection measures for the reporters in the formulated "Employee Code of Conduct" to ensure the survey quality and avoid the reporter suffering unfair retaliation or treatment.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
IV. Strengthening the disclosure of information Does the company disclose the content of its formulated code of ethical management and promotion effect on its website and public information observation station?	✓		1. The amended Business Integrity Operation Procedure and Code of Conduct was passed upon the resolution of the board meeting on March 11, 2020. Moreover, the information related to business integrity is disclosed under the Investor Relations on the official site of the Company. 2. This company shall disclose the policy of ethical management on the internal regulations, annual report or other statement, and make declarations	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Operation Situation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Abstract Statement	
			on product presentations, corporate seminars and other public activities to make its suppliers, customers or other business relevant institutions and personnel clearly know the company's idea and specification of ethical management.	

V. If the company formulates its own code of ethical management according to the "Code of Ethical Management of the Listed and Over-The-Counter Companies", please explain the differences between its operation and the formulated code:

This company has formulated the code of ethical management of the company (already having been revised as "Ethical Management Procedures and Behavioral Guidelines") to specifically regulate the matters needing attention for the company's personnel when performing the business, without major difference.

Prohibition of dishonest behavior

In the process of being engaged in business activities, it shall not directly or indirectly provide, promise, request, or accept any illegitimate benefits, or have other dishonest behavior of violating integrity, illegitimacy or breach of trustee obligation, etc. to gain or maintain the interests.

Ethical management of commercial activity

It shall carry on the commercial activities in the manner of fairness and transparency. Before the commercial intercourse, it shall consider the legitimacy of agents, suppliers, customers or other commercial trading objects and consider whether there exist the records of dishonest behavior. It shall avoid trading with those who have the records of dishonest behavior.

Prohibition of offering bribes or accepting bribes

When performing the business, it shall not directly or indirectly provide, promise, request or accept the illegitimate interests of any forms.

Prohibition of providing political illegal contributions

It shall conform to the Political Donations Act and the company's relevant internal operation procedures and shall not there out gain commercial interests or trading advantages.

Prohibition of improper charitable donation or sponsorship

It shall conform to the relevant laws and internal operation procedures, instead of disguised bribery.

It shall not directly or indirectly provide or accept any unreasonable gift, hospitality or other improper benefits to there out establish the commercial relations or affect the business transactions.

Accounting and internal control

It shall establish an effective accounting system and internal control system for the business activities with high risk of dishonest behavior, without any external account or keeping any secret account, and shall check at any time to ensure the design and performance of this system continuously effective.

The internal audit personnel of this company shall regularly check the conformance situation of the previous system and shall make it into the audit report to be submitted to the board of directors.

Information disclosure

It shall disclose the performance situation of its code of ethical management on the company website, annual report and prospectus.

VI. Other important information that contributes to understanding of the company's operation situation of ethical management: (such as the company's inspection, revision of its formulated code of ethical management, etc.)

(1) As an important enterprise culture of this company, the integrity has been simultaneously implemented to the company's employees, directors, suppliers, etc.

(2) Announce the company's related information on time according to the regulations of the competent authority

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

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

(VIII) Implementation situation of Internal Control Systems

1. Statement of Internal Control Systems

CHIEFTEK PRECISION CO., LTD.

Date: February 26, 2025

The internal control system of this company in 2024 is hereby stated as follows according to the self-assessment results:

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

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

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

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

V. Based on the assessment results of the preceding paragraph, the Company considers the internal control system (including the supervision and management of subsidiaries) on December 31, 2024 includes understanding the goal realization degree of effective and efficient operation, and reporting the effective design and implementation of internal control system that is reliable, timely, transparent, and conforming to the relevant specification, namely the relevant laws and regulations, which can reasonably ensure the realization of the above goals.

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

VII. This statement had been passed on February 26, 2025, by the board of directors of this company. Among 9 attending directors, no one objects; all of them agree with the content of this statement, and hereby state.

CHIEFTEK PERCISION CO., LTD.

Chairman: CHEN LI-FEN

General Manager: HSU MING-CHE

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

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

1. Material resolutions content and implementation situation of the regular meeting of shareholders in 2024 fiscal year.

Date	Material resolutions	Implementation
May 30, 2024	(1) Approval of the 2023 business report and financial statement	(1) Recognized the 2023 annual business report and financial statements, of which consolidated revenue for the year was NT$1,074,754 thousand, net profit after tax was NT$98,042 thousand and earnings per share were NT$1.12.
	(2) Approval of 2023 retain earnings distribution	(2) Set August 28, 2024 as the base date for ex-interest, and resolved at Shareholders' Meeting that all the payment be completed on September 16, 2024 (cash dividend of NT$0.8 per share).
	(3) Approval of the amendment to the partial articles of the Company's "Procedures for Governing the Making of Endorsements and Guarantees"	(3) Included in the Company's internal control system and implemented accordingly.

2. Material resolutions of the Board of Directors

Material resolutions of the ninth Board of Directors and the second Audit Committee during the 2024 fiscal year and 2025 fiscal year up to the date of publication of the annual report are as follows:

Date	Material resolutions	Independent Directors' Comment and the Company's Response	Implementation
February 2, 2024 (1st Board Meeting of the ninth term in 2024) (1st Audit Committee Meeting of the second term in 2024)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on internal audit. (3) Summary report on the meeting of the remuneration committee. (4) Report on the implementation of 2023 intellectual property management program. (5) Report on 2023 communication achievements with stakeholders. (6) Report on self-assessment of directors, Board of Directors, and functional committees (Audit Committee and Remuneration Committee.) (7) Report on the Company's implementation of GHG inventory and verification schedule.		
	Matters to be Discussed: (1) Approved the case of 2023 Year-End Bonus Distribution for Managers.	None	(1) Approved by the Audit Committee. Except for the directors, CHEN LI-FEN and HSU MING-CHE,

			who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(2) Approved the case of 2023 Remuneration and Related Regulations for Managers.	None	(2) Approved by the Audit Committee. Except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(3) Approved the case of 2023 Remuneration for Directors and Employees.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
February 2, 2024 (1st Board Meeting of the ninth term in 2024) (1st Audit Committee Meeting of the second term in 2024)	(4) Approved the change of CPA in line with the internal admin organization adjustment of the firm and approved the assessment of Company CPA's independence and competence.	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(5) Approved the "Internal Control System Effectiveness Assessment" and the "Internal Control System Statement" for the Company's fiscal year 2023.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(6) Approved the partial amendment of "Board Meetings Regulations," "Articles of Association of the Audit Committee," and "Circular Arrangement of Computerized Information System"; and the "Intellectual Property Management Regulations."	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(7) Approved the increase of endorsement regarding investment subsidiary companies.	None	(7) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(8) Approved the subsidiary company's bank application for loan credit.	None	(8) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(9) Approved bank applications for loan credit.	None	(9) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.

February 26, 2024 (2nd Board Meeting of the ninth term in 2024) (2nd Audit Committee Meeting of the second term in 2024)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the implementation of corporate governance. (3) Report on the implementation of corporate social responsibility (Sustainable Development Best Practice Principles). (4) Report on the Company's implementation of honest business. **Matters to be Discussed:** (1) Approved the partial amendment to the "Procedures for Governing the Making of Endorsements and Guarantees." (2) Approved the 2023 business report and financial report. (3) Approved the profit distribution for 2023. (4) Approved the change of accounting manager and its substitute. (5) Approved the convening of the Company's 2024 shareholders' meeting. (6) Approved the budget plan for 2024.	None None None None None None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
May 7, 2024 (3rd Board Meeting of the ninth term in 2024) (3rd Audit Committe e Meeting	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Report on shareholder proposals received during the 2024 Shareholders' Meeting. (4) Report on the Company's implementation of GHG		

of the second term in 2024)	inventory and verification schedule. **Matters to be Discussed:** (1) Approved the Company's 2024 Q1 consolidated financial report. (2) Approved the increase of endorsement regarding re-invested subsidiary companies. (3) Approved the subsidiary company's bank application for loan credit. (4) Approved bank applications for loan credit.	None None None None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
August 7, 2024 (4th Board Meeting of the ninth term in 2024) (4th Audit Committee Meeting of the second term in 2024)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Summary report on the meeting of the Remuneration Committee. (4) Report on the Company's implementation of GHG inventory and verification schedule. **Matters to be Discussed:** (1) Approved the case of 2023 Year-End Bonus Distribution for Managers. (2) Approved the case of 2023 Remuneration Allotment for Directors.	None None	(1) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent. (2) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of

			interests, the rest of directors agreed and passed the proposal without any dissent.
	(3) New Appointment of Chief Accounting Officer; and Review on Remuneration and Relevant Regulations for Managers.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved the proposal regarding the ex-dividend date and related matters; and the Company's 2024 Q2 consolidated financial report.	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(5) Approved the proposal of participating in the investment for the establishment of Fong Huang VI Innovation Investment Co., Ltd.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(6) Approved the Company's 2024 Q2 consolidated financial report.	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(7) Approved the profit distribution plan for the first half of the year 2024.	None	(7) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(8) Approved the proposal of the establishment of the "Sustainable Development Promotion and Implementation Committee" and the "Risk Management Promotion and Implementation Committee".	None	(8) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(9) Approved bank applications for loan credit.	None	(9) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
November 6, 2024 (5th Board Meeting of the ninth term in 2024) (5th Audit Committee Meeting of the second term in 2024)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Summary report on the meeting of the Remuneration Committee. (4) Report on the important contents for purchasing directors and officers liability insurance. (5) Report on the implementation of 2024 intellectual property management program. (6) Report on 2024 communication achievements with stakeholders.		

	(7) Report on the implementation of 2024 Risk Management Promotion and Implementation Committee. (8) Report on the Company's implementation of GHG inventory and verification schedule. **Matters to be Discussed:** (1) Approved the proposal of 2025 Work Plan Drafted by the Remuneration Committee. (2) Approved the establishment of the "Procedures for the Preparation and Assurance of Sustainability Reports" and the "Management of Sustainability Information". (3) Approved the stipulation of the "2025 Annual Audit Plan". (4) Approved the Company's 2024 Q3 consolidated financial report. (5) Approved the increase of endorsement regarding investment subsidiary companies. (6) Approved the subsidiary company's bank application for loan credit. (7) Approved bank applications for loan credit.	None None None None None None None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (7) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
January 24, 2025 (1st Board Meeting of the ninth term in 2025) (1st Audit Committe	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. (3) Summary report on the meeting of the Remuneration Committee. (4) Report on the self-assessment of directors, Board of Directors, and		

e Meeting of the second term in 2025)	functional committees (Audit Committee and Remuneration Committee). (5) Report on the Company's implementation of GHG inventory and verification schedule. (6) Report on the implementation of corporate governance. (7) Report on the implementation of sustainable development promotion. (8) Report on the Company's implementation of honest business. **Matters to be Discussed:**		
	(1) Approved the proposal of 2024 Year-End Bonus Distribution for Managers.	None	(1) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(2) Approved the proposal of 2024 Review on Remuneration and Relevant Regulations for Managers.	None	(2) Approved by the Audit Committee; except for the directors, CHEN LI-FEN and HSU MING-CHE, who did not participate in the discussion and voting due to conflict of interests, the rest of directors agreed and passed the proposal without any dissent.
	(3) Approved the proposal of 2024 Remuneration for Directors and Employees.	None	(3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(4) Approved the proposal of amendments to the Company's "Articles of Incorporation".	None	(4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
	(5) Approved the change of CPA in line with the internal admin organization adjustment of the firm and approved the assessment of Company CPA's independence and competence.	None	(5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.

	(6) Approved the bank applications for loan credit.	None	(6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.
February 26, 2025 (2nd Board Meeting of the ninth term in 2025) (2nd Audit Committee Meeting of the second term in 2025)	**Matters to be Reported:** (1) Report on the minutes and implementation of the previous meeting. (2) Report on the audit report. **Matters to be Discussed:** (1) Approved the "Internal Control System Effectiveness Assessment" and the "Internal Control System Statement" for the Company's fiscal year 2024. (2) Approved the proposal of amendments to the Company's "Articles of Incorporation". (3) Approved the proposal of Approved the case of 2024 Remuneration and Related Regulations for Managers. (4) Approved the profit distribution for 2024. (5) Approved the convening of the Company's 2025 shareholders' meeting. (6) Approved the budget plan for 2025.	None None None None None None	(1) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (2) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (3) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (4) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (5) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent. (6) Approved by the Audit Committee; discussed and passed by all attending directors without any dissent.

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

IV. Information on CPA professional fees

(I) Information on CPA professional fees:

Unit: NT$ in thousand

Accounting Firm's Name	CPA's Name	Audit Period	Audit Fee	Non-audit Fee	Total	Notes
PricewaterhouseCoopers (PwC) Taiwan	YEH FANG-TING	January 1, 2024~ December 31, 2024	2,760	734	3,494	Note
	TIEN ZHONG-YU	January 1, 2024~ December 31, 2024				

Note: Non-audit public expenses include tax compliance audit (NT$270), transfer pricing report (NT$180), and transportation expenses (NT$284).

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

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

V. Information on change of CPA

The Company's financial statements were originally entrusted to CPA LIN YUNG-CHIH and CPA YEH FANG-TING for auditing. In order to coordinate with the adjustment of the internal administrative organization of the accounting firm, the CPAs in charge of auditing the company's financial statements have been changed to CPA YEH FANG-TING and CPA TIEN CHUNG-YU since the first quarter of 2024.

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

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

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

Unit: Shares

Job Title	Name	2024		Current fiscal year up to April 15	
		increase (or decrease) number of shares transferred	Increase (or decrease) number of shares pledged	Increase (or decrease) number of shares transferred	Increase (or decrease) number of shares pledged
Chairman CEO	CHEN LI-FEN	(10,000)	0	0	340,000
Director General manager	HSU MING-CHE	(10,000)	(200,000)	0	373,000
Director	LI AN	0	0	0	0
Director	WANG CHEN PI-HSIA	0	0	0	0
Director	CHEN JIA-HAO	0	0	0	0
Independent director	HO MING-ZIH	0	0	0	0
Independent director	ZENG XU-WEN	0	0	0	0
Independent director	WANG YONG-ZHANG	(33,000)	0	(8,000)	0
Independent director	WU LING-LING	0	0	0	0
Vice-General Manager	CHEN MIN-CHANG	0	0	0	0
Assistant Vice President	PENG CHIUNG-YIN	0	0	0	0
Financial Supervisor Corporate Governance Supervisor	LI PAI-TSANG	0	0	0	0
Accounting Supervisor (Note 2)	WU JIA-YUNG	0	0	0	0

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

Note 2: On February 26, 2024, the Board of Directors resolved the internal position reorganization of accounting supervisors; WU JIA-YUNG was designated as the accounting supervisor.

(II) Status about Share Transfer:

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	No. of shares	Transaction price
Chairman CEO CHEN LI-FEN	Acquired	December 12, 2024	WU GUANG-CI	Relative within the second degree of kinship	10,000	93.50
Director General Manager HSU MING-CHE	Acquired	December 12, 2024	WU GUANG-CI	Relative within the second degree of kinship	10,000	93.50

(III)Status about Share Pledge:

Unit: Shares

NAME	REASONS FOR CHANGES IN PLEDGE	CHANGE DATE	COUNTERPARTY	THE RELATIONSHIP BETWEEN THE COUNTERPARTY OF THE TRANSACTION AND THE COMPANY, DIRECTORS, SUPERVISORS, MANAGERS AND SHAREHOLDERS HOLDING MORE THAN 10% OF THE SHARES	NUMBER OF SHARES	% OF SHARES HELD	PLEDGE RATIO	PLEDGE(REDEEM) AMOUNT
DIRECTOR HSU MING-CHE	REDEEM	August 12, 2024	CATHAY UNITED BANK XIN-XING BRANCH	NONE	(200,000)	0.22%	3.26%	-
DIRECTOR CHEN LI-FEN	PLEDGE	April 9, 2025	CATHAY UNITED BANK XIN-XING BRANCH	NONE	340,000	0.38%	8.48%	-
DIRECTOR HSU MING-CHE	PLEDGE	April 9, 2025	CATHAY UNITED BANK XIN-XING BRANCH	NONE	373,000	0.42%	6.09%	-

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

March 30, 2025

Name	Shareholding by Self		Shareholding by Spouses, Minor Children		Shareholding Through Nominees		10 Largest Shareholders is Related Party or A Relative Within the Second Degree of Kinship of Another		Note
	Shares	shareholding ratio	Shares	shareholding ratio	Shares	shareholding ratio	Name	Relationship	
HSU MING-CHE	6,127,271	6.86%	4,009,675	4.49%	0	0%	CHEN LI- FEN CHIEFTEK PRECISIOIN CO., LTD.	Spouse General Manager of the company	
XINZHIDE INVESTMENT CO., LTD.	4,246,100	4.76%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
Representative: CHEN LI- FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
CHEN LI- FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
DAVID ENTERPRISE CO., LTD.	3,682,553	4.13%	0	0%	0	0%	None	None	
Representative: HSU RUI-ZHU	0	0%	0	0%	0	0%	None	None	
GUANGMING PUYUAN INVESTMENT CO., LTD.	2,351,100	2.63%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
Representative: CHEN LI-FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
CHIEFTEK PRECISION CO., LTD.	2,000,000	2.24%	0	0%	0	0%	CHEN LI- FEN HSU MING-CHE Note 1	Chairman of the company General Manager of the company Note 1	
Representative: CHEN LI-FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
YIJHIHDE MANAGEMENT CONSULTING CO., LTD.	1,947,040	2.18%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
Representative: CHEN LI- FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
DENENG SUNSHINE INVESTMENT CO., LTD.	1,544,751	1.73%	0	0%	0	0%	CHEN LI- FEN	Chairman of the company	
Representative: CHEN LI- FEN	4,009,675	4.49%	6,127,271	6.86%	0	0%	Note 1	Note 1	
LI AN	1,507,752	1.69%	0	0%	0	0%	None	None	
WANG CHANG-FENG	1,490,552	1.67%	0	0%	0	0%	None	None	

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

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

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

March 31, 2025; Unit: Share; %

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

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

III. FUNDRAISING CIRCUMSTANCE

I. Capital and Shares

(I) Source of capital stock

Unit: NT$ in thousands; share in thousand

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

Month /Year	Issue Price	Authorized Share Capital		Paid-in Share Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Other
2012.10	10	50,000	500,000	48,409	484,087	Capital increase by transferring of surplus NT$44,008 thousand	None	Note 16
2013.01	40	80,000	800,000	53,042	530,417	Increment of cash NT$46,330 thousand	None	Note 17
2013.02	24	80,000	800,000	53,297	532,973	Employee stock options NT$2,556 thousand	None	Note 18
2013.09	10	80,000	800,000	55,962	559,622	Capital increase by transferring of surplus NT$26,649 thousand	None	Note 19
2014.03	24	80,000	800,000	56,208	562,086	Employee stock options NT$ 2,464 thousand	None	Note 20
2014.06	10	80,000	800,000	59,019	590,190	Capital increase by transferring of surplus 28,104 thousand	None	Note 21
2014.12	24	80,000	800,000	59,234	592,338	Employee stock options 2,148 thousand	None	Note 22
2016.08	10	80,000	800,000	62,045	620,455	Capital increase by transferring of surplus 28,117 thousand	None	Note 23
2018.02	10	80,000	800,000	59,045	590,455	Treasury share reduction 30,000 thousand	None	Note 24
2018.08	10	80,000	800,000	73,807	738,069	Capital increase by transferring of surplus 147,614 thousand	None	Note 25
2019.09	10	150,000	1,500,000	81,188	811,875	Capital increased by transferring of surplus 73,087 thousand	None	Note 26
2022.09	10	150,000	1,500,000	89,262	892,619	Capital increased by transferring of surplus 80,743 thousand	None	Note 27

Note 1: Approval of JY Zi No. 87340468 of Construction Bureau of Taipei City Government on October 19, 1998.
Note 2: Approval of BSJSE Zi No. 88345971 of Construction Bureau of Taipei City Government on October 25, 1999.
Note 3: Approval of BSJSE Zi No. 89280975 of Construction Bureau of Taipei City Government on April 28, 2000.
Note 4: Approval of BSJSE Zi No. 89325503 of Construction Bureau of Taipei City Government on September 27, 2000.
Note 5: Approval of J(2001)S Zi No. 09001228200 of Civil Services of Doc, MOEA on July 3, 2001.
Note 6: Approval of J(2002)S Zi No. 09101304180 of Civil Services of Doc, MOEA on July 31, 2002.
Note 7: Approval of JSZ Zi No. 09232488100 of Civil Services of Doc, MOEA on August 8, 2003.
Note 8: Approval of JSZ Zi No. 09232808800 of Civil Services of Doc, MOEA on October 20, 2003.
Note 9: Approval of JSZ Zi No. 09331593930 of Civil Services of Doc, MOEA on January 29, 2004.
Note 10: Approval of JSZ Zi No. 09331877650 of Civil Services of Doc, MOEA on March 29, 2004.

Note 11: Approval of NS Zi No. 0980028767 of Southern Taiwan Science Park Administration on December 25, 2009.
Note 12: Approval of NS Zi No. 0990024356 of Southern Taiwan Science Park Administration on November 5, 2010.
Note 13: Approval of NS Zi No. 1000023845 of Southern Taiwan Science Park Administration on September 23, 2011.
Note 14: Approval of NS Zi No. 1000029971 of Southern Taiwan Science Park Administration on December 6, 2011.
Note 15: Approval of NS Zi No. 1010007820 of Southern Taiwan Science Park Administration on April 6, 2012.
Note 16: Approval of NS Zi No. 1010026797 of Southern Taiwan Science Park Administration on October 30, 2012.
Note 17: Approval of NS Zi No. 1020000730 of Southern Taiwan Science Park Administration on January 11, 2013.
Note 18: Approval of NS Zi No. 1020003932 of Southern Taiwan Science Park Administration on February 18, 2013.
Note 19: Approval of NS Zi No. 1020022718 of Southern Taiwan Science Park Administration on September 11, 2013.
Note 20: Approval of NS Zi No. 1030007680 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on March 28, 2014.
Note 21: Approval of NS Zi No. 1030022837 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on September 5, 2014.
Note 22: Approval of NS Zi No. 1040001256 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on January 15, 2015.
Note 23: Approval of NS ZI No. 1050023001 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on September 07, 2016.
Note 24: Approval of NS ZI No. 1070006680 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on February 27, 2018.
Note 25: Approval of NS ZI No. 1070023518 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on August 14, 2018.
Note 26: Approval of NS ZI No. 1080025362 of Southern Taiwan Science Park Administration of Ministry of Science and Technology on September 16, 2019.
Note 27: Approved of NS ZI No. 1110027282 of the National Science and Technology Commission Southern Science Park Administration on September 13, 2022.

(II) Shares and Capital

March 30, 2025/Unit: per share

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

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

(III) Major Shareholders

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

March 30, 2025/ Unit: per share

Shares / Names	Number of shares held	Shareholding ratio
HSU MING-CHE	6,127,271	6.86%
Xinzhide Investment Co., Ltd.	4,246,100	4.76%
CHEN LI-FEN	4,009,675	4.49%
DAVID ENTERPRISE CO., LTD.	3,682,553	4.13%
GUANGMING PUYUAN INVESTMENT CO., LTD.	2,351,100	2.63%
CHIEFTEK PRECISION CO., LTD.	2,000,000	2.24%
YIJHIHDE MANAGEMENT CONSULTANTS CO., LTD.	1,947,040	2.18%
DENENG SUNSHINE INVESTMENT CO., LTD.	1,544,751	1.73%
LI AN	1,507,752	1.69%
WANG CHANG-FENG	1,490,552	1.67%

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

1. Dividend policy:

   The general final accounts of current year of this company shall be distributed according to the following order in case of surplus:

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

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

2. Implementation status:

   According to Article 21-2 of Company's regulation, the Company shall distribute surplus or subsidize loss after the end of half fiscal year in accordance with the Company Act. For surplus distribution, legal surplus reserves should be estimated and kept for taxes in advance, losses should be made up as per the law, and legal reserve should be recognized. When such legal surplus reserves amount to the total paid-in capital, this provision should not apply. Surplus distributed in cash should be resolved by Board of Directors before proceeding; as of distributed by issuing new shares, it should be resolved by Shareholders' Meetings before proceeding.

   (1) The profit distribution plan for the Company's fiscal year 2024 has been approved by the Board of Directors on February 26, 2025. Cash dividend of NT$0.70 per share will be distributed based on the shareholders' record on the dividend distribution record date. This will be reported and discussed at the shareholder's meeting on May 28, 2025.
   (2) Please see below for 2024 Surplus Distribution Table of the Company.

CHIEFTEK PRECISION CO., LTD.

2024 Surplus distribution table

Unit: NT$ in dollar

Item	Amount	
	Subtotal	Total
Net income after tax of 2024		$ 93,812,841
Add: Actuarial incomes of defined benefit plans	1,664,930	
Reserved surplus basis		95,477,571
Reduce: 10% legal reserve	(9,547,757)	
Add: Reversal of special reserve	22,580,937	
Distributable Net Income for this fiscal year		108,510,751
Accumulative distributable Net Income at the beginning of the year		825,166,298
Accumulated surplus available for distribution during the fiscal year		933,677,049
Distribution Amount		
Dividend to Shareholders- Cash (NT$0.7 per share)	(61,083,263)	
Subtotal		(61,083,263)
Year-end undistributed Balance		($ 872,593,786)

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 shares of current capital stock minus 2,000,000 shares of treasury stock equals 87,261,804 shares of outstanding shares.

(VI) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

The Board of Directors of our company passed a resolution on February 26, 2025, to distribute cash dividends for the 2024 fiscal year. There is no proposal for free stock dividends this time, so it is not applicable.

(VII) Remuneration of Employees and Directors:

1. The percentages or ranges with respect to employee, director, and supervisor remuneration in accordance with the Company's Articles of Association:

   The Company shall pay employees as the remuneration of 3 to 15 percent of the profitability of the current fiscal year and shall pay the directors and supervisors as the remuneration of not more than 3 percent of the profitability of the current fiscal year, in accordance with the provisions of the articles of association of the company. However, the company's accumulated losses shall have been covered. The employees' remuneration could be paid in cash or shares, which obtained qualification could include the employees of the subsidiary that meet certain specific requirements, of which the certain specific requirements are set up by the board of directors.

2. The basis for estimating the remuneration amounts of employees, directors, and supervisors, the calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   In accordance with the provisions of (2007) Ji-Mi-Zih No. 052 Letter released by Accounting Research and Development Foundation of the Republic of China in March 2007, the Company should regard remuneration of employees, directors and supervisors as the expenses, instead of surplus distribution. For the remuneration of employees and directors of current period, if the actually distributed amount through the resolution of the board of shareholders and the estimated amount are with discrepancy, it will be regarded as changes in the accounting estimate, and listed as the profit/loss of 2024. Hence, EPS of 2024 has fully reflected the influence on bonus of employees, remuneration of directors, and supervisors on profits, thus this will not affect the estimated calculation of EPS.
3. Remuneration Distribution results approved by Board of Directors:
   (1) The remuneration of employees and directors distributed in cash or shares: If there are any discrepancies with the annual estimated amount of recognized expenses, the amount, reason and treatment of discrepancy shall be disclosed:
   The Company passed the remuneration of employees and remuneration of directors through the resolution of the board of directors on January 24, 2025, shows as following:
      A. The company proposes to distribute employee compensation in the amount of NT$10,000,000 in cash for the year 2024, which is approximately 8.17% of the profits for the year. This amount is consistent with the recognized employee compensation of NT$10,000,000 on the balance sheet.
      B. The company proposes to distribute director compensation in the amount of NT$2,200,000 in cash for the year 2024, which is approximately 1.80% of the profits for the year. This amount is consistent with the recognized director compensation of NT$2,200,000 on the balance sheet.
   (2) Amount of employee remuneration distributed in shares and proportion occupied in sum of un-consolidated or individual financial reporting profit (loss) for the year and total amount of employee remuneration of current period: The cash method is adopted for this time; therefore, it is not applicable.
4. Status of actual distribution of remuneration of employees and directors of the previous year (including the number of shares distributed, amount and share price), any discrepancies with the recognized remuneration of employees and directors, and detailed description of amount, reason and treatment of discrepancy:
   (1) Employee bonus actually distributed by the Company in 2023 was NT$11,048,450.
   (2) Remuneration of directors actually distributed by the Company in 2023 was NT$2,429,690.
   (3) The original board of directors passed the employee bonus, remuneration of directors of 2023, and such remuneration had distributed to employees and directors and supervisors; meanwhile, the proposed distribution amount passed by the original board of directors was same with the actually distributed amount.

(VIII) Stocks repurchases by the Company:

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

March 31, 2025

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

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

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

II. Issuance of Corporate Bonds: None.

III. Preferred shares: None.

IV. Global depositary receipts (GDR): None.

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

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

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

VII. Capital allocation plans:

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

IV. OPERATIONAL HIGHLIGHTS

I. Business Content

(I) Business scope:

1. Business scope:

(1) Main content of the operating business:

CB01990 other mechanical manufacturing industry.

F401010 international trade.

Research, develop, manufacture and sell the following products:

A. Miniature and standard type linear guide.
B. linear motor.
C. torque motor.
D. Concurrently engaged in international trade related to the above products.
E. Server driver.
F. linear motor module.
G. rotation stage.
H. Sub-system.
I. Six-axis robotic arm
J. Software PLC.
K. Robot gripper.
L. Automatic tool changer system.
M. Automation solution.
N. Robot joint/humanoid robot.

(2) Business percentage:

Unit: NT$ in thousand

Product Name	2024		2023	
	Amount	%	Amount	%
Linear Guide	951,302	91.77%	1,007,115	93.71%
Linear Motor	84,728	8.18%	66,615	6.20%
Other	551	0.05%	1,024	0.09%
Total	1,036,581	100.00%	1,074,754	100.00%

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

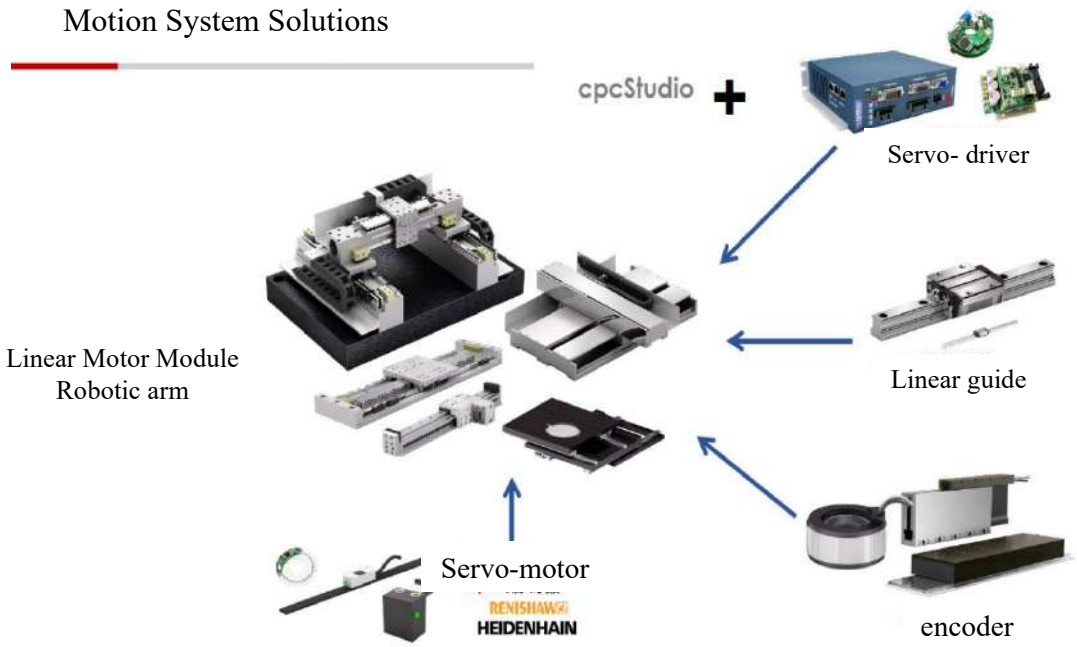
cpc provides the following products and services for cpcCells, cpcRobot, and cpcStudio:

A. cpcCells
(A) Linear rails
(B) Linear motors
(C) Torque motors
(D) Multi-function servo drives
(E) Linear modules

B. cpcRobot
(A) S0 collaborative robot arm
(B) DB0 industrial robot arm
(C) Robot grippers
(D) Automatic tool changers
(E) Joint module
(F) cpcStudio supporting x86 systems
(G) Humanoid robots

C. cpcStudio
(A) Software PLC
(B) EtherCAT master
(C) Motion library
(D) Robotic library
(E) Modbus server
(F) OPC-UA server

(4) New products (services) that are planned to be developed:
A. Implementation of automation solutions.
B. Joint module.
C. cpc Raspberry pi
D. Depth camera
E. Robot vision



(II) Industry Summary

(1) Current status and development of the industry

A. Linear Guide

The Linear guide is low friction component that takes the linear motion rolling bearing and guidance as the purpose. The characteristics of the linear guide superiority lie in

high load capacity, high service life, high precision, high rigidity, high speed, low friction resistance, small energy consumption small space, standardization, and low cost. In the linear motion, the linear guide is main component for load bearing and linear guidance. As the industry has increasing requirements for yield rate, speed and space application, etc., the linear guide must have high load capacity, small energy consumption, small space, standardization, low cost and other conditions to meet the industry requirements.

(A) **The linear guide can be divided into the following according to different rolling elements:**

- Ball type linear guide.
- Roller type linear guide.

(B) **According to the size, it can be divided into:**

- Miniature linear guide (size: 1, 2, 3, 5, 7, 9, 12, 15).
- Standard linear guide (size: 15, 20, 25, 30, 35, 45, 55, 65).
- Ultra-large linear guide (size: 85, 100, 125).
- Wide linear guide (size:17, 21, 27, 35).

Based on different areas and different types of industries, the linear guide is widely used in the straight-line motion mechanism of precision machinery and equipment, automation equipment, medical instrument, food and aerospace science and technology equipment, etc. Because of the rapid development of mobile phones, tablets and other portable 3C products, the application of its main manufacturing equipment and non-standardized automation equipment is continuously increasing as well as the requirement of precision and efficiency. In addition, with the progress of medical technology and other precision equipment, the application of micro machinery is also relatively increasing, and the space application and precision of miniature linear guide in space also become relatively important. Therefore, the linear guide has a significant impact on precision, efficiency, quality and cost, etc. of equipment and production.

As the linear guide is applied to all mechanical equipment needing the linear actuation, each manufacturing industry belongs to the application range.

(C) **Classified by characteristics:**

- High precision: Tool room machine, measuring instrument, semiconductor equipment.
- High speed: Automation machinery and equipment, tool room machine, electronic industry machinery, packaging and printing equipment, optoelectronics industry.
- High load: Large-scale tool room machine, shock absorption system.
- High rigidity: Tool room machine.
- Miniaturization: Semiconductor equipment, electronic machinery, biotechnology, medical equipment, optoelectronics industry.
- Low noise: Semiconductor equipment, electronic machinery, mechanical arm, measuring instrument.
- Low cost: General industry, mechanical arm, handling machinery.

Those belonging to the bulk include the tool room machine industry, automation industry, semiconductor packaging equipment, LCD panel and solar cell process equipment, electronic machine, testing and measuring equipment, biomedical instrument, handling equipment, printing machine, wood-working machine, etc.

In 2017, the requirement of new living industry such as 3C products and electric

car market is increasing, that brings development of related industry. The equipment required by those industry processing belongs to high-end equipment. The automation of Industry 4.0 has been developed naturally in the market. The performance and reliability of equipment required by either automation equipment or high-level industry is stricter, therefore the requirement for accuracy, durability, and reliability of key components is improved relatively. It means the price is not only the requirement of key components, but also include reliability and quality which will be the one of key index.

B. Electronic and mechanical components: Motor (Generators)

The motor has a very wide range of types, which is closely related to our daily life, such as 3C and electrical appliances, industrial products of motor vehicles, aerospace, medical, electronics, automatic tools, machines and equipment, etc., that are absolutely necessary.

It can be roughly divided into induction motor, step motor, servo motor, linear motor and even micro motor according to the type, with the power varying from mini Watt to mega Watt.

The advantages and disadvantages of motor performance can be judged from: motor constant (specific value of power/heat), power density (specify value of power/volume), insulating property, waterproofness, durability, reliability, etc.

The latest development trend of motor is intelligent motor currently, which is the new type of products accompanied with Industry 4.0. It combines driver and motor, that is different from put drivers into power control chest which cause increased space required by room layout and wiring layout. The strengths of combination of both by intelligent motor is as follows: system layout is more specific (can correspond to the driver – motor clearly), flexibility of layout is higher, simplification of the wiring work and saving space in adaptation box. There are these types of products on the market now.

In terms of size requirements, small-size motors has continually been the development trend in the industry. Therefore, small motors can be used flexibly with a harmonic reduction gear, and make the production of products in the robot, PCB industry and semiconductor process equipment more extensive with higher space utilization rate.

C. Controlling components:

Such components include frequency converter, driver, controller (cards), PLC and other accessories, such as communication adapter card, security system module, power supply, relay, switch, wire and cable, etc. The development of controller was focus on processing technique in the past, however, industry 4.0 emphasizes integrating "existing" industry-related techniques, data exchanging ability among equipment and process ability of data analysis, and controlled by intelligence. Therefore, the way it shows on products, that the trend of development will rely on the collection and analysis of big data, compatibility between equipment from different brands with fast communication and good communication quality (low noise interference), enhancement of default functional development of machinery (for example: more customized function that allowed users to setup "condition-reaction" openly, software module function that easy to use, and so on) to process the received information in time and make the purpose of smart control. In term of the development trend, controller need to provide the users with a complete IDE to edit, compile and debug, and with the function to integrate third-party cooperative tools in visualization and communication to meet the basic needs of multi-function equipment.

D. Sensing components:

There are such components like human's nerve, including encoder, image recognition, accelerometer, gyroscope, strain gauge and other components known by the public, and

there are all other components that can sense the information from different sources and analyze to conclude into available signals. With the development of technology, the innovation of this aspect quickly changes at a tremendous pace and is limitless. In terms of precision and the higher resolution came with the semiconductor manufacturing process, the volume needed to be refined with lower energy consumption is the goal to respond to the energy efficiency operation of many sensors in a factory

With development trending of Industry 4.0, sensing components of various types, better precision and multi-signal transmitting format are required to meet requirements of automation equipment and intellectual factories.

E. Mechanical components:

Bearing guidance components: Bearing, linear guide.

Power transmission components: Gear, rack, belt, oil and gas pressure cylinder and balls crew.

There are many other components with different properties, such as locking joint, leak-proof, braking, spring, etc.

F. Linear module:

The linear motion module, as the name suggests, is an integrated platform for performing linear motion, and can be divided into servo motor, stepping motor, linear motor, pneumatic and hydraulic, depending on the driving element. Among them, the linear modules that use rotary motors include belts, screws, and racks as transmission elements. The accuracy, speed, and style of linear modules are increasingly demanded on the market today. Among them, the linear modules that use rotary motors include belts, screws, and racks as transmission elements. The accuracy, speed, and style of linear modules on the market today, which increasingly demands the yield, productivity, and design of automation of various industries. Therefore, the linear motor module has gradually become the only choice for high-speed and high-precision applications; generally speaking, the maximum speed of the linear motor module can reach 10 m/s, and the repeatability is at least less than 1 μm. Moreover, the linear motor requires less wear parts, which has great advantages in dust emission, operating reliability and life. It will be an irreplaceable product in the semiconductor and biomedical industry as well as upgrade of panel specifications.

G. Robotic arm:

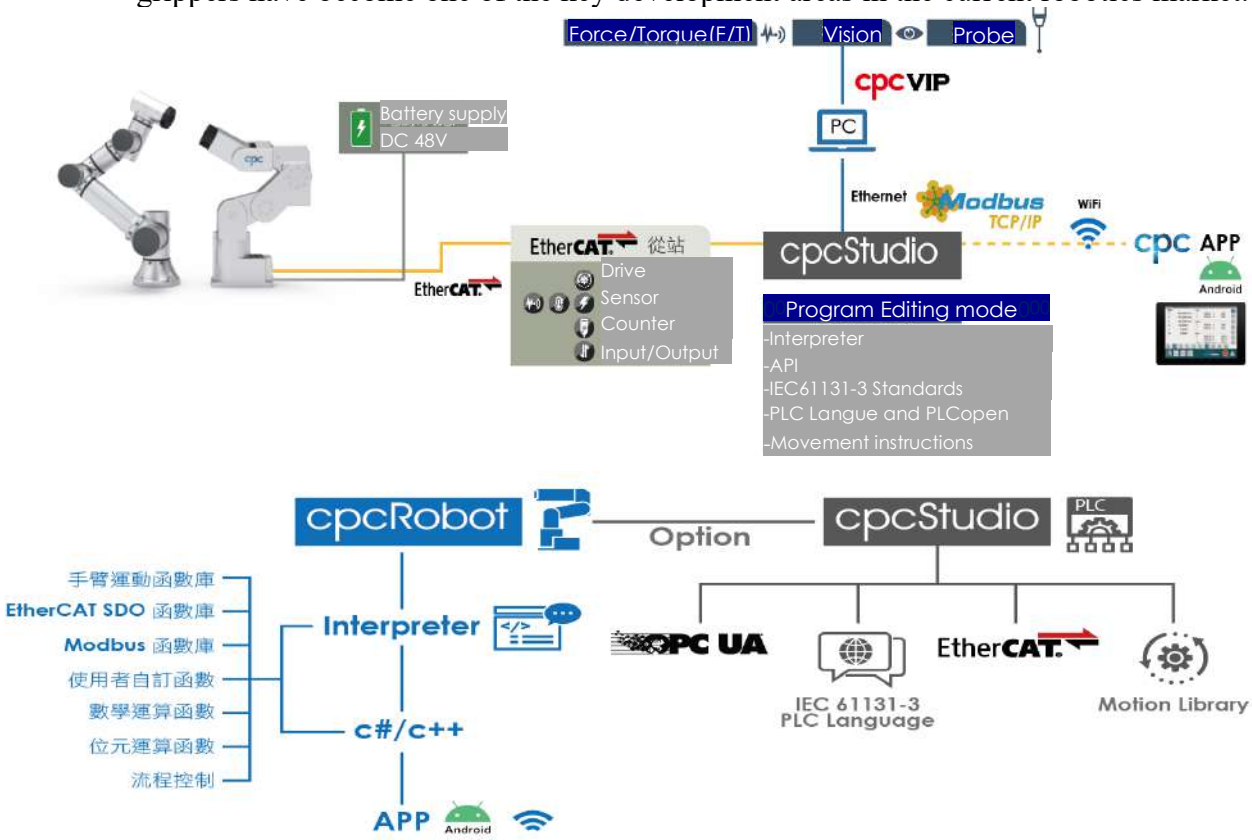
Key components are an important foundation for the development of industrial robots, and also the key to determining the quality of industrial robots. Frankly speaking, reduction drives and bearings, motors and drives, plus controllers account for more than 70% of the cost of industrial robots. Components are still mainly imported from Germany and Japan. There are indeed some domestic enterprises that have achieved localization, but performance stability, reliability and performance still need to be improved. The development of the manufacturing industry means that the demand for industrial robots has increased because industrial robots can not only improve efficiency and production quality but reduce labor costs. Currently enterprises have increasingly higher requirements for industrial robot performance in order to further improve production efficiency and products Quality, so high-speed, high-precision and smart modular industrial robots are the primary development trend.

Not only can miniature robotic arms perform high-precision operations, but also achieve the current demand of human-robot collaboration due to its miniature size. Although the market of miniature robotic arms is still budding, customer inquiries have drastically increased recently with the significant trend of industrial micromation. We are optimistic that the market will march to a period of skyrocketing growth. After the educational market in the past three years, we expect that marketing and marketing-

expanding will become cpc's focus on business.

Factory automation and even intellectualization have become an inevitable trend in the industry. In order to be able to flexibly use existing sites, robotic arms have become an indispensable requirement. Especially in recent years, the shortage of labor and the impact of the COVID-19 pandemic have made the robot industry develop vigorously and demand worldwide. It has also increased year by year. According to statistics provided by the International Federation of Robotics (IFR), although the use of robotic arms in China has decreased by 2% in 2020 due to the spread of COVID-19, such an extent is already a positive result, which can be expected that starting from 2021, the robot industry will have a turning point under the economic recovery of the United States and Europe, and the strong demand will drive the sales of components and finished products to grow significantly. At present, the five major trends in the robot industry are: 1. Smart learning. 2. Autonomous movement. 3. Introduce new markets. 4. Energy saving. 5. Reduction of manual dependency. The company has always been a key player in the industrial supply chain, and will use self-developed DD motors, mechanical components, drives, and encoders to provide small-scale robotic arms in the market. It can be clearly expected in energy saving, mobility, and new market applications. There is a lot of demand, so miniature robotic arms will be a major trend in future market demand.

With the widespread use of robotic arms, there are also more corresponding grippers and automatic tool changers available in the market, all for the purpose of enabling the robotic arms to perform multiple tasks. In terms of grippers, there are options such as finger-type, suction-type, and soft grippers, depending on the characteristics of the objects to be handled. Finger-type grippers are most suitable for heavy objects with a certain degree of hardness on the surface, while suction-type ones are more suitable for large area, light load objects. Soft grippers are more suitable for irregularly shaped objects, as they use a soft and flexible material to wrap around the object. Therefore, grippers have become one of the key development areas in the current robotics market.



H. PLC

PLC (Programmable Logic Controller) is the main upper controller of automatic industrial control. A complete PLC basically includes power module, control module (CPU, memory, communication), input and output module, and communication module. Traditional PLC manufacturers have their own specific hardware to integrate all the above modules. According to a survey by market research agency 360 Research, the total output value of global PLC in 2018 is nearly US$12.4 billion, of which Europe, the Asia-Pacific region and North America are the main consumer markets, and because of the advent of the Industrialization 4.0 era, it is estimated that it will grow to US$15.9 billion in 2026.

In terms of application and complexity, it ranges from single-machine small PLC to large-scale systems such as petrochemical industry, heavy industry and other plant equipment applications. In addition, in terms of real-time, it can also be divided into non-real-time control, such as petrochemical industry applications, and real-time control, such as precision motion control applications.

With the increasing degree of industrial automation and intellectualization, the demand is growing and becoming more diverse. The automation equipment is gradually moving towards a multi-process integrated system. Therefore, the small hardware PLC with DSP or FPGA as the computing core can no longer meet the requirements of increasingly complex systems. Most of the solutions at this stage will use industrial computers (IPC) as the main body to integrate and process various module functions, such as: HMI, visual recognition, PLC, motion control, etc., and then integrate specific communication protocols and PLC and various other devices to perform the operation and data processing of each device. In the sub-process, it also began to evolve from a single-machine PLC to a control platform that can connect various devices to achieve integration of the whole plant and realize automation; the performance of industrial computers has been continuously improving. The modular construction of PLC and other device software on the control platform of the industrial computer has become the trend of whole-factory automation with multi-process integration.

I. Humanoid robots

The global industry of humanoid robots is entering the critical stage from laboratory research to commercial application. With breakthroughs in AI technology and precision manufacturing capabilities, technology giants such as Tesla and Boston Dynamics have launched functional prototypes and announced their specific mass production plans, driving the rapid development of the entire industry chain. Market demand is mainly driven by three major areas that are industrial manufacturing, logistics and warehousing, and professional services. In particular, humanoid robots demonstrate a unique advantage in the scenarios where a high degree of flexibility and human-machine collaboration is required. The current technology development shows two major trends, “vertical integration” and “modularization’, where leading companies focus on fully independent research and development and professional module suppliers concentrate on core components such as joint drives, forming industrial division system. Despite the promising outlook, the high cost of high-precision components and the stability of their complex systems are the major bottlenecks hindering large-scale commercialization. Nevertheless, as technology continues to leap and mass production scales expand, experts have predicted that the next five years will be a critical period for industry breakthroughs. Areas such as industrial collaboration and special working environment especially, are expected to take the lead in realizing large-scale applications. This development will also spur the demand for innovation in related components, sensors, and AI control systems, creating a new industrial ecosystem.

Under the wave of industrial transformation, cpc has established its strategic position as a key component supplier based on the accumulation of solid technology in transmission and joint modules. Our self-developed and high-performance motor drivers and modularized joint design are assisting many system integrators in going beyond the technical bottleneck of motion control. As the industry is making its way toward development of scale, cpc will persist to deepen our core technologies, become an essential partner of techniques in the humanoid industrial chain, and promote this revolution of intellectual machinery.

(2) Relevance of industry upstream, midstream, downstream

A. Upstream: Raw material: Alloy steel / Stainless steel / Copper wire / Magnet.
Processing: Cold drawing, forging, heat treatment, precision cutting processing, PCB panel layout processing, SMT assembly.
Material: Precision ball, roller, precision injection molded parts, electronic component (IC component, passive component).

B. Midstream: Manufacturing of linear motion components.
Linear guide, ball screw, linear motor, linear module / stage.
Supporting industry: Mold designing and manufacturing, specialize processing machines.
Precision spindle, high frequency spindle, controller, driver.

C. Downstream: Machine tool industry, automation industry, semiconductor industry.
LCD panel and solar cell industry, electronic industry.
Medical and biotechnology industry, optical instrument industry.
Aerospace and national defense industry, general machinery industry.

3. Various development trends and competitions of products

(1) Development trend of products

In order to meet the requirements of customers on the market, Chieftek Precision will use its own research and development energy to integrate its own key components and develop linear motor modules and DD motors in different application industries, and continue to extend the product lines to the control side, and development of converting the local area network communication to EtherCAT format, and now the miniature robot arm, which has launched a unique market, provides users with new specifications to choose from, which is no longer limited by the pre-existing size, and realizes the optimal design of the automation system; the software PLC part, based on the form of IDE, gives customers the greatest degree of freedom of choice during the process of system setup. Regardless of the size of the project, the form of control, hardware storage space and cost considerations, they can have more flexibility in system autonomy:

A. Linear guide:
Due to the wide application of linear guide, more and more specifications and sizes are required. The standard products on the market currently have a width of 1-65 mm, including the entire biomedical, semiconductor, machine tool and transportation engineering, and it also has extension of the metal type that can work under environment of high temperature and vacuum, ultra-low type with low center, ultra-long type with higher rigidity and linear guide rail with no return channel for limited travel to meet different applications of linear guide. In terms of precision, it has also reached a high-precision specification with a 4 meter long, with running precision of less than 10 μm; at this stage, CHIEFTEK PRECISION has successfully mass-produced a 2 mm-sized miniature linear guide and has a place in medical instruments.

B. Linear motors and modules:
Due to the direct drive system, linear motors are favored by equipment manufacturers with high production capacity and high precision requirements, and the market

acceptance is getting higher and higher. Although the deal on the market is gradually going with the entire linear motor module, there are still many experienced customers choosing to assemble components on their own. Moreover, the iron-core type and the ironless type have their own suitable markets. For example, the ironless type has smoother speed ripple because of its non-toning power characteristics, which is particularly suitable for scanning, and because the suction force between the moving stator is 0, the volume of the mechanism can be reduced and the space is saved; and the ironcore type has the advantage of high thrust density, which is suitable for the occasion of point-to-point movement.

The electromechanical development blueprint of CHIEFTEK PRECISION can be divided into two major manufacturing processes:

(A) Manufacturing process for special industries:
To develop a miniature linear motor module with an overall thickness of less than 10 mm. SMT equipment that requires high production capacity and biomedical testing equipment with high axis count density will be able to easily arrange the modules and build the most linear modules within limited space to execute high density multi-axis control.

(B) High-precision rotation and positioning stage.
As entering the 5G era of communications, the need of accuracy and demand in semiconductor production process will reach to a new peak in the industry.
Furthermore, the improvement of panel quality will also bring about the wide application of micro LED and OLED technology. Linear motor modules have become the vital component for these production processes.
CHIEFTEK PRECISION has been the main service supplier in the market. Regardless of modules in single-axis, XY platform, hollow optical platform, and gantry-frame linear motor modules, all these CHIEFTEK products have obtained internationally recognized performance certificates and licenses from relevant international manufacturers. CHIEFTEK will cooperate with its customers to develop more specially customized platforms, including vacuum applications, air bearings and even the entire sub-system planning, deepening the depth of technology and expanding the scope of services in this area.

C. Servo driver:
With the arrival of Industry 4.0, it means that the demand for Industry 3.0 will greatly increase, and Industry 3.0 mainly focuses on the capabilities of industrial automation. Therefore, the domestic equipment manufacturers' demand for localized components has increased rapidly. In the international market, CHIEFTEK PRECISION has always been a key component manufacturer of precision machinery. For example, all linear guide, linear motors, linear motor modules, motor servo drivers, and even industrial robots are developed and manufactured by us.

In terms of drive control technology, for linear motor drivers, almost there are no domestically developed products, instead, there are mostly equipped with European and American systems, resulting in a significant reduction in price competitiveness and limited autonomous technology. From practical experience, when using the marketing strategy with European drivers, it is found that the current linear motor market development is usually sold as a completed system. The biggest advantage of this strategy is that customers can maintain a fixed technical contact window, but it is also easy to have restricted price due to closed technology just like Japanese brands, which reduces the competitiveness. In response to this situation, CHIEFTEK PRECISION will use years of experience in electromechanical integration to develop a linear motor driver that truly meets market needs. It can be compatible with not only linear motor

modules manufactured by CHIEFTEK PRECISION, but also other linear motors, linear guide and optical scale on the market. With using current selling channels, we has established domestic independent brand of drivers.

In the aspect of machinery communication, to adopt information exchanging capability emphasized by Industry 4.0 trend, in addition CANopen communicative interface in the related-industry, CHIEFTEK PRECISION is also developed the driver equip with EtherCAT communicative interface. With efficient and real-time communication performance, EtherCAT is gradually valued and preferred in the industry. Its bottom layer is the architecture of industrial communication protocol based on the Ethernet, which can support multi-axis real-time control function. In view of this, CHIEFTEK PRECISION will not only take the driver based on EtherCAT communication as a slave but in the future, we will develop the motion controller with master identity vertically.

D. Driver software function update:

In the recent years, high precision and high-speed automation industry has gradually developed. In addition to the highly reliable driver by integrated closed-system manufacturer, due to the high prices, there are more open system linear motor drivers which have high compatibility available in the market. The development trend is as below:

(A) Friendly operational environment and medium
(B) Additional supporting function to enhance the stability and precision of the system.
(C) Smart information collection and analysis function
(D) Encoding function
(E) Mobile language editing
(F) High-speed EtherCAT internet platform

E. Sensor:

Sensor is like the nerve which makes machine can sense outside and be in charge of message transmission. One of the key links of intelligent industrialization is how to obtain required information and transmit through whole inflation network. So, the sensor is the critical component to directly decide whether the data is correct or not; the reliability, resolution and anti-dirt of sensor is the key index of quality. Now CHIEFTEK PRECISION has already developed and mass-produced magnetic position sensing component with resolution up to 0.5μ. In the future, we will use the micro mechanic and electronic design to extend application on products such as acceleration ruler, force ruler and sensor-related. Focus of the developing directions is as follows:

(A) Higher responding.
(B) Can filter outside noise.
(C) Origin signal is stable (no noise from its own).

F. DD Motor:

With increasing assembling processing demands of big and unusual shaped components, direct drive rotated component, which is necessary for Axis A and C, is a critical component. CHIEFTEK PRECISION will develop frameless DD motor with 30-210mm of its outer diameter. When users have space and price considerations, they will be able to purchase products with only rotor stators. Of course, depending on needs for different loads, speeds and accuracy, we can also customize most suitable drive rotating stage for each customer. Designed for light loads (e.g. wafer equipment) and high precision. In the future, **cpc** will develop a full range of frameless and framed DD motors, which can be mainly divided into multi-axis articulated robots, machine tools, and automation industries; its main technical threshold is that it can achieve motor efficiency in a limited space with the highest torque and maximum torque, and providing high-speed DD motors according to customer requirements to become a

professional manufacturer of rotary direct-drive motors.

G. Communication Transmission Device:
Currently, the automation industry still depends on the higher-level PLCs of famous foreign manufacturers. When the upper-level communication protocol used to transmit commands is not disclosed, users will be forced to use the entire closed system, that the expansion of system, cost and technology reliability are all limited. Therefore, there are signal conversion devices on the market, which translate the original copper communication protocol into a public communication protocol, which enable devices to exchange information flexibly.

H. Six-axis robotic arm
cpc has officially launched the DB0 and S0 micro-robotic arms, both of which have a storage size no larger than an A4 paper, with a positional accuracy of less than 0.01mm. Since all the components inside the robotic arm are products developed by Direct Technology, paired with highly responsive drives and high-precision encoders, the cpcRobot achieves the highest level of precision, space utilization, and control performance in the industry. The use of robotic arms for automation has shifted from lifting heavy objects or working in hazardous environments to tackling labor-intensive jobs that are no longer attractive to human workers, due to changes in demographics and the diversification of professions. The trend towards automation will only become more apparent, and micro-robotic arms will undoubtedly bring highly efficient, precise, and flexible automation options to the industry.

I. Software PLC
cpcStudio provides an IDE software development platform to push hardware PLC toward software PLC and allows customers to expand and combine other software modules for high integration to meet automation application systems. The development trends are as follows:

(A) Software integration to meet more complex application requirements:
Today's industrial applications such as motion control and visual recognition have rapidly developed into basic package modules, and their computing capabilities need to be supported by higher-end computers. In the IPC control system, the gap between various tool programs can be integrated, including cooperation manufacturer's I/O, HMI human-machine interface, "Vision" vision, "Motion" motion control and Fieldbus network communications, etc., while traditional hardware PLC still needs to use various customized extension methods to deal with these tools. The support for real-time processing is easily limited, and the software PLC can seamlessly support its own third-party tool programs to help users develop high-complexity applications.

(B) IDEs for standardized programming languages:
The editing trend of the software helps users to develop high-complexity applications. It is done by integrating various device tool programs into an integrated development environment (IDE). Therefore, it is necessary to provide an integrated development environment installed on the IPC and comply with the international standard IEC61131-3 programming language, so that the application system developers can reduce the time necessary to learn other specific programming languages.

(C) RTOS (Real Time Operating System):
The biggest task of RTOS is to use the scheduling execution of CPU to achieve the goal of multi-tasking real-time work. In order to maximize the utilization of CPU performance, virtual cores can be used to transform into multi-core systems, and different configurations can be performed at the same time to improve execution

efficiency.

J. The construction of the network communication layer:
As a host controller, it must provide corresponding communication protocols according to different integrated systems to ensure data exchange between devices. Currently, the more common ones in the market are: Modbus, EtherCAT, Ethernet/IP, CClink, etc.

K. Arm Gripper:
The arm gripper is the most commonly used tool in conjunction with the robot arm, used for grabbing, transporting, and handling various objects. In the future, the use of robot arm grippers is sure to become increasingly widespread. Different types of grippers are suitable for different objects, and selecting the appropriate gripper is crucial for improving production efficiency and quality. Currently, they can be divided into three types based on their shape:

(A) Finger-type gripper: Finger-type grippers are usually composed of several mechanical fingers and can easily grip objects of various shapes. The main advantages of this gripper are high precision, the ability to grasp small objects, and the ability to adjust the grip size by changing the shape of the fingers.

(B) Vacuum gripper: Vacuum grippers usually consist of a hollow suction cup and a pump, which uses vacuum suction to grab objects. They are mainly used to pick up lightweight and thin objects, and the grip size and suction strength can be adjusted by changing the size of the suction cup and the vacuum pump.

(C) Soft gripper: The main feature of a soft gripper is its high flexibility. They are usually made of flexible materials such as silicone and rubber and can handle irregularly shaped objects by directly enveloping them with the gripper's shape.

These three types of grippers are suitable for various different situations, but their purpose is to allow the robot arm to quickly perform different tasks. Therefore, gripper development is becoming more and more prosperous as robot arms are widely applied.

L. Automatic Tool Changing System:
An automatic tool changing system for robotic arms refers to the ability of a robotic arm to automatically change its tool without human intervention. With the development of the manufacturing industry, automated production has become increasingly popular, and the automatic tool changing system for robotic arms has evolved and developed accordingly. The main development directions are multitasking, precision, modularity, and networking, with the aim of making automated processes more direct and comprehensive, thereby improving production efficiency and quality.

M. Humanoid robots:

The humanoid robot industry is expeditiously moving from the laboratory to commercialization. These three trends are leading future development; that are, modularized design for reducing manufacturing costs and development thresholds, AI-driven control for enhancing environment adaptability and interactive capability, and vertical application for focusing on industrial collaboration and professional service scenarios. With the self-developed smart joint modules and the highly integrated drive systems, **cpc** plays a crucial role. We provide comprehensive technical chain from core components to motion control solutions to help the industry leap beyond the boundaries of mass production and embrace a new era for the universalization of humanoid robots.

(4) Competition

A. Linear guide

The world's first largest linear guide company is Japan's THK, and the second is Germany's Bosch Rexroth, then Schaeffler, HIWIN, IKO, PMI, Schneeberger, **cpc**, NB, etc. The quality leaders are mainly THK, Bosch Rexroth, INA, then IKO, Schneeberger, **cpc**.; while the price leaders are HIWIN, PMI, TBI, etc.

When the linear guide manufacturers continuously increase the company establishment in the mainland with some large factories, in addition to the quality, the price competition is also increasingly fierce. **cpc** has actively put into development of large-scale high load and high rigidity linear guide, and improved the process and design to increase profits. Meanwhile, in response to the fiercely competitive market price, it has also actively developed the high-tech products, such as the linear guide with the miniature size of 1mm and 2mm, to provide the market demand of high precision and micro machine.

B. Linear motor and module

Regarding the development of manufacturing of key components of industry robots, the products such as encoder, motor component, linear guide and driver are all made by **cpc**. It can combine with the practical application in market to optimize the performance of the parts and components. Moreover, it puts into more efforts in the development of process equipment. While improving the entire scale of production volume, it can reduce the yield rate of products. This can control the entire costs betters. Moreover, the core technologies are expanded to customer needs, and better products quality are taken as the primary goal, providing innovative and optimal service for customers.

C. DD Motor

Multi-axis is another aspect of precision processing. To reduce the consumption occurred by the time spent on workpiece turnover and material feed in/out and avoid precision difference and cost spend of core changing. At present, rotary axis of five-axis processing machine use a large number of DD motor progressively to achieve high speed, high precision processing. The structure of DD motor may be imagined the linear motor packaged into one object. Therefore, in the terms of DD motor research and production, it can take over the development experience of linear motor. Which cause the DD motor of CHIEFTEK PRECISION compared with competitor has higher motor performance and reliability. Now **cpc** stresses the optimization of procedure to have more efficient cost control on products. As for specification, in order to deal with workload and size range of robot arms on the market, we will continue developing DD motor with 30mm at the smallest of its outer diameter, cooperating with torque output from harmonic reduction gear which makes more options for robot arms.

D. Sensor

Germany and Japan are the countries with the highest level of automation implementation in the world. As for sensors, which are essential components for

automation, they are already quite mature in Germany and Japan. The sensitivity and quality of these sensors are reliable, but their prices are often several times higher than those of sensors from other countries. Among many types of sensors such as force, vision, and distance sensors, in addition to the traditional magnetic linear encoders, absolute optical rotary encoders with higher resolution have also been introduced. These products can be applied to their own machine arms and rotating platforms, which undoubtedly increases the competitiveness of the automation services provided by **cpc**.

E. Servo driver

Currently, Europe and Japan are still the largest manufacturers of linear motor drives in the world, while Taiwan lags far behind manufacturers in Europe, America, and Japan. Linear motor drives require hardware design and special algorithms to match high-response linear motors in order to exhibit excellent dynamic characteristics. Taiwanese manufacturers must bear high technology transfer costs if they want to develop and produce these drives, which reduces their willingness to invest. At present, the main qualities required of linear motor drives are high response, ease of operation, and complete additional functions. Besides these basic quality requirements, brand, price, and service are all equally important. Therefore, the only way to become a global product supplier is to establish their own brand. In order to provide real-time service both domestically and internationally, it is necessary to establish their own service and sales centers by combining with local professional agents and strategic alliances. **cpc** has been continuously developing its own technology, integrating manufacturing and testing capabilities, in order to effectively control costs and quality. The key technologies are all self-developed, so there is no need to pay high technology transfer fees, making their cost competitiveness superior to manufacturers in Europe, America, and Japan. **cpc** has subsidiaries in China, Germany, and the United States, and reliable sales channels in South Korea, Japan, and India, providing customers with more direct and timely technical services. **cpc**'s quality in the international linear motion component market (linear slides, linear motors) has been recognized, and they have accumulated sales channels for a long time. With the addition of this project's driver products, they will be able to expand their industry sector to become a system integrator of electromechanical integration, enhancing the country's competitiveness.

F. PLC and controller

PLC software is a new control method based on PC based control. Users only need to confirm the computer's operating system and CPU to turn the computer into a controller with PLC functions. In order to respond to market demand and implement the investment philosophy rooted in Taiwan, CHIEFTEK PRECISION will continue to invest in talents in related fields to develop software PLC derivative products, such as: IO modules, communication modules, power modules ... etc. Now we have formally transformed into a completely independent research and development system integrator, that we no longer rely on foreign technology. The integrity of products and technical thresholds can be improved, and several benefits brought by its added value will enable CHIEFTEK PRECISION and overall technology industry in Taiwan to be more competitive.

G. Robot Arms

Currently, most robot arms on the market have a minimum size specification of a payload of 3 kg and an arm length of 900 mm or more, which forces users to compromise their designs and makes it inconvenient for spatial configuration, energy consumption, and transportation. However, many leading robot arm manufacturers have started to develop smaller robot arms. Companies from Japan, Canada, and Germany have already produced products with such small specifications, and **cpc** is currently the

only domestic manufacturer with autonomous R&D capability in this area.

H. Gripper

In order to make robotic arms capable of handling different tasks, there are manufacturers specializing in designing grippers. Currently, manufacturers from Japan, Germany, the United States, and Canada are the main players in this market. However, **cpc** utilizes its own expertise in mechatronic integration to develop a vacuum suction cup gripper with a built-in pump. Unlike traditional grippers that require an external air supply, this gripper only needs a power supply to utilize vacuum suction to pick up the corresponding workpiece, greatly increasing the convenience of use for users.

I. Humanoid robots

A multi-layered competition ecosystem is forming at speed at the global market of humanoid robots. Technical tycoons, such as Tesla and Boston Dynamics, get the upper hand in branding and funding and dominate the high-end research and development; whereas startup companies aim at vertical fields such as logistics and services to seek for breakthroughs. Suppliers such as cpc who hold crucial module technologies are setting their irreplaceable positions in the industrial chain through cost-effective joint driving solutions. As the technical bars are rising and the mass production costs are declining, a shuffle in the market is imminent. Only those companies with the independence of core technologies and the capability of commercialization can remain in an advanced position during the revolution of intelligent robots.

(III) Technology and research and development situation

1. Technological level and research and development of the operated business

As a professional manufacturer of linear motion mechanical and electronic components, CHIEF PRECISION has obtained several invention patents for its products of Taiwan, Mainland China, Germany, the United States and Japan.

The linear guide products have complete size, from size 3(2W) to size 55, all in the range of mass production. Among them, the ball type products are included. Now CHIEF PRECISION is carrying on the mass production of roller type products, ultra-long, ultra-short, wide type products step by step. The products produced take the realization of best function in the same industry as the goal. In the aspect of load capacity, high-speed operation, low-noise design, self-lubrication design, retaining chain design and miniaturization design, CHIEF PRECISION has also reached the above goals.

In terms of linear motor components, we will continue to develop more specifications to directly replace the competitor market as the target. In addition, we have also begun to develop water-cooled iron core linear motors to maximize the thrust of the motor.

In terms of industrial robots, our research and development types include single-axis, double-axis, orthogonal platform, open frame and Gantry Stage systems with speeds up to 10 m/s, acceleration of 10 G, reproducibility of less than 0.3 μm, and movable stroke even up to 8 meters.

As for the DD motor, we aim at the humanoid articulated robot. In addition to developing the DD motor used in the large-diameter machine tool, we have also designed a DD motor with an outer diameter of 30 mm or less, which is very suitable for driving the palm joint motor.

The Company predicts market opportunities for self-driving vehicles and drones, and has successfully developed 48V DC drivers, which are used with mobile power to drive devices with special circuits and power control to output a capacity of more than 1 KW in a small volume. The new development opens another level of product specifications.

In the aspect of controller, the goal design is multi-axis controlling to realize real-time control through EtherCAT. In the first step, the automation industry is settled as the major target market and provide humanized user UI. Helps customers' complete rapid and

precision working items with smooth data transmission, high-level operating path plan.
At the beginning of engaging in miniature linear guides, cpc was questioned by the outside world for the developmental capacity of the niche market. The market was filled with curiosity and doubts towards miniature robotic arms. Nonetheless, the available advantages have been discovered gradually with our constant market education in the past three years and the intensive communication with terminal customers. Some precision industries with strict requirements of techniques and precision assembly used to only rely on hand-making. Now, miniature robotic arms with micro-level accuracy and repetition can replace manual operations and achieve automation.
Moving step by step toward becoming a flexible system integrator, cpc not only provides self-made key components, the electromechanical technology services will be the Company's business target in the future. Additionally, we have begun to invest in other automation-related industries, cultivate professionals in vision, robots, and human-robot interfaces in order to expand our business territory.

2. Yearly research and development expenditure invested in the most recent five years

Unit: thousands of NTD

Year	2020	2021	2022	2023	2024	2025Q1
Research and development expenditure (A)	61,232	70,421	73,929	72,493	75,829	19,537
Net sales revenue (B)	1,381,885	1,856,920	1,635,779	1,074,754	1,036,581	253,359
Proportion (A)/(B)	4.43%	3.79%	4.52%	6.75%	7.32%	7.71%

3. Successfully developed technology or products in the most recent five years up to the publication date of annual report

Year	Research results
2020	UFC super thin linear motor module. EtherCAT Communication adapter box. RP-160 series: frame direct-drive motor. 2 mm super micro linear guide.
2021	A new series of cpcRobot miniature six-axis robotic arms. cpcStudio software PLC/IDE platform.
2022	Robot gripper. Automatic tool changer system. Automation solution.
2023	Robot vision. Robotic arms software.
2024	Robotic joints Humanoid robots

(IV) Long-term and short-tern plans for business development:

1. Short-term business development plan
   (1) Sales strategy
      A. With good quality services, use self-own brand, **cpc**, for global marketing to gain

brand awareness and value as well as recognition from other international brands.

B. Keep improving area operation function to improve the overall revenues.
C. Aggressively expand the market to increase the market share.
D. System integrators are the main areas of business, expanding the on-site technical service network.
E. Actively promote new products.

(2) Production strategy
A. Maintain good quality and technology advance for higher level pf market competitiveness.
B. No acceptance, manufacturing and leaking of defects.
C. Quality improvement is always a non-stop activity for all the company.
D. Aggressively manufacturing of new products.

(3) R&D strategy
A. Continue expanding specification range of linear guide and provide service of integrated product line with exquisite technology.
B. Improve the automation and autonomy degree.
C. Improve technology and continue to develop new product.
D. Take Taiwan as the center of core technology and product development.

(4) Operation strategy
A. By changing from OTC market to TWSE, attract distinguished talents, strengthen training of personnel, and intensify the concept of profession and working.
B. Implement the quality policy constantly improved to increase the competitiveness of products.
C. Implement each management system to strengthen the management performance.
D. Implement performance audit system to enable employees with potential find their best position.

(5) Environment and occupational safety and health policy
A. Providing a working environment with high quality and available for maintaining physical and psychological health, and reach the goal of no disaster, no accident.
B. Protec the environment, maintain the natural ecology, and realize the energy conservation and waste reduction.
C. In accordance with the laws, implement the risk management, prevent the pollution, and carry out 6S activities.
D. Environmental protection is an uninterrupted activity of entire personnel.

2. Long-term business development plan

(1) R&D strategy
A. Development of new products: high precision positioning system, miniature Linear product development、 nanoscale high level servo driver, air-floating and vacuum position system, PLC controller.
B. Closely work with upstream, midstream and downstream suppliers to improve together.
C. Implement strength and development of software and hardware to play a long-term roll of creator internationally.

(2) Marketing strategy
A. Conduct global marketing for self-brand **cpc**, to improve brand awareness and value.
B. Enhance the management of existing customers and establish good interaction.
C. Continuously strengthen the operation function of each region to improve the overall revenues.
D. Actively extend market to increase market share.

E. System integrators are the main business areas, expanding the on-site technical service network.

(3) Operation Strategy

A. By changing from OTC market to TWSE the good social image of the Company, attract distinguished talents.

B. Establish the best management team by enhancing the staff training, internal control, and more refined management structures.

C. Strengthen the cooperation of the related products and industry.
Implement the industrial division, vertical integration, and strengthen the integration of upstream, downstream industry to establish a powerful product supply chain, and give full play to the advantage of mass production scale economy.

D. Strengthen the patent layout.

II. Market and Sales Overview

(I) Market Analysis

1. Sales Region of Main Products

Unit: NT$ in thousands; %

Year / Note / Sales Area		2024		2023	
		Net sales Revenue	Percentage	Net sales Revenue	Percentage
Export	America	198,025	19.11%	196,781	18.31%
	Europe	335,776	32.39%	363,898	33.86%
	Asia	290,458	28.02%	326,798	30.40%
	Others	85,544	8.25%	71,115	6.62%
	Subtotal	909,803	87.77%	958,592	89.19%
Domestic		126,778	12.23%	116,162	10.81%
Total		1,036,581	100.00%	1,074,754	100.00%

2. Market share

According to the Customs Administration of the Ministry of Economy, the total export value of ball or roller linear guides for the year of 2024 was approximately US$16.621 million. In the same year, our company's consolidated export revenue was approximately NT$909 million. Based on these figures, the estimated market share of our company in the ball or roller linear guide industry in 2024 was about5.47%.

3. Supply and Demand Status as well as Growth of Future Market

In the past few years, the global economy has faced multiple risks due to factors such as the pandemic, declining birth rates, labor shortages, inflation and interest rate pressures, the "zero-COVID" policy in mainland China, the Ukraine-Russia conflict, and the US-China trade and technology disputes. Despite this, the increasing importance of robotics applications in various industries has been on the rise, especially with the rise of zero-contact business opportunities and digital transformation in Taiwan.

(1) In the development roadmap of smart manufacturing, machine tools and robotic arms are critical components, and the manufacturing industry is striving to digitize production experiences as it moves towards smart manufacturing.

(2) Achieving zero carbon emissions has become a challenge that the manufacturing industry must face. Both large and small enterprises need to invest considerable resources to achieve their zero carbon emission targets.

(3) From an energy supply perspective, the manufacturing industry needs to reduce overall carbon emissions by using low-carbon or zero-carbon energy. On the other hand, it also needs to improve energy efficiency and reduce energy usage in the manufacturing process. With the emergence and development of "robotics" technology, it not only solves the problem of labor shortage but also enhances the quality and efficiency of machine tool products.

4. Competition Niche

(1) High competitiveness of quality and technology

A. With the goal of "product quality" and "product function", **cpc** increase the value added of the products, and controls the cost strictly.

B. Ample experiences in research and development, which can quickly adapt to the need of customer and market.

(A) The product competitive advantage, core key technology and main product key technology are described respectively as below:

a. Unique production and manufacture technology: **cpc**'s product quality is stable, because our patent design could reduce the manufacture cost in processing.

b. Product R&D capacity advantage: **cpc**'s product is developed and designed by R&D team, and acquires the patent, to make the product functional quality leading in the industry through the quality control of production personnel.

c. Complete independent R&D in machinery motor specialized technology: R&D team of **cpc** controls the key core technology, with excellent integrating capacity.

d. Positive input for patent layout: **cpc** has acquired several innovation patents and shall input the patent layout continuously to protect the technology and intellectual property in the future.

e. Electromechanical integration system engineering.

(B) Core key technologies of **cpc** are as below:

a. Bearing technology engineering.

b. Manufacture processing technology engineering.

c. Motor technology engineering.

d. Drive control technology engineering.

(C) Key technologies of main products of **cpc** are described respectively as below:

a. Miniature linear guide rail

(a) Mass production capacity leading in the industry.

cpc had made the mass production of linear guide rail of size 3 in 2004, which was the pioneer in the industry. Moreover, it is making breakthroughs towards the more advanced linear guide rail of size 2.

(b) Design leading in the industry

i. Embedded patent design:

(i.) Greatly simplify the processing, to make the product with absolute competitive advantage in the manufacture cost.

(ii.) Make the product extremely micro, unable to cause processing difficulty.

(ii) Embedded lubrication pad design: to make the product with permanent lubricating effect.

(iii) Exclusive reinforced pad patent design: to make the product running speed reaching10 m/sec, higher than the general running speed of 3~5m/sec.

(iv) Operating smoothness could realize the optimal performance.

b. Standard linear guide rail

(a) Design leading in the industry.

(b) German heavy load capacity design: **cpc**'s product mainly adopts the German design, to make the product load capacity higher, and service life longer.

(c) Reinforcing plate patent design: **cpc** has the unique reinforcing plate design, to make the running speed reaching 10 m/sec.
(d) Embedded lubrication pad patent design: to make the product with permanent lubricating effect.
(e) Waterproof, iron scrape preventive and sealed design: to make the product running smoothness and realize the optimal performance.
(f) Product service life is longer than other competitors.

c. Ironless linear motor
(a) Design leading in the industry
i. High-efficiency design:
The **cpc** adopts the own researched and developed coil stacking patent technology, with the professional magnetic recording analysis software, to manufacture the maximum motor efficiency of maximum thrust generated under energy consumption per unit of same specification and dimension.
ii. Patented heat dissipation design:
With compact internal design matching the heat dissipation patent technology of special material, **cpc**'s linear motor is featured in the heat dissipation of low thermal resistance.
iii. High thrust density design:
The **cpc** linear motor featured in high efficiency and low thermal resistance, presents the high thrust in the same dimension compared to the competitor, to make the client saving the needed space for motor installation.
iv. Production technology guarantee:
Since the linear motor belongs to the key component of high-precision application industry, all the processes are researched, developed and manufactured by **cpc** own, thus it could indeed control the manufacture quality and quick customized response.

d. Ironcore linear motor
(a) Design leading in the industry
i. Low-pause-power design / low-adsorption design:
Although the ironcore linear motor has high thrust density compared to the ironless type, there also goes along with the pause power, while the pause power would increase the difficulty in the motor running stability and control; thus, **cpc** adopts the special structure design matching the practice and simulation to realize the ironcore linear motor with low pause power.
The adsorption force of ironcore linear motor with special design structure is below half of that of the industry under the same thrust.
ii. Structure design maximum motor constant:
Optimize the ironcore linear motor's structure group, and build the Hall component sensor inside the forcer, to achieve the minimum dimension and high heat dissipation capacity to realize the maximum motor constant.

e. DD motor
(a) Highest motor efficiency:
The design of DD motor still takes the maximum motor efficiency as the development goal, which can make the entire system achieve the energy-saving goal effectively.
(b) Low cogging:
In the application of ironcore motor, the silicon steel plate will generate cogging when moving from N pole to S pole as the magnetic field has 180-degree magnetic rotation direction. Generally, it should design the cogging

within 2% of rated torque, which can obtain high response for controlling.

(c) Large hollow external diameter:

The application of DD motor mostly fixes the load on the motor. The central hole of DD motor is usually used as the path of flat cable. With the increasing integration of the device, the wiring becomes more and more complicated. In this case, the size of hollow diameter is one of the indicators considered by the user.

(d) Guarantee of production technology:

The performance of **cpc** DD motor is far superior to other competitors in the market. Aside from the leading design, another key is the powerful process that can realize more strict processing conditions than other competitors. Besides the precision machining of fixture, the entire processing devices are self-designed and manufactured. Thus, the production technology is mastered by its own.

(e) Completed Specification:

The target specification is from 30 mm to 210 mm in outer diameter. Each outer diameter has different thickness options, allowing users to choose the DD motor that is most suitable for their mechanism under the same rated torque output, and also for future robotic arms and AGVs as well as drones of market demand, and the design uses 48 Vdc as the main driving power supply.

f. Magnetic encoder

High resolution and high precision: The magnetic encoders CHIEFTEK PRECISION developed which have been able to achieve the resolution up to 0.5 μm, and achieve the precision up to 10 μm/muse with our own unique calibration method, so we can provide another type of linear encoder in the market.

As for different applications, we have also designed the read head to be able to directly combine with the slide, and even directly read the magnetic pole of the stator for position feedback.

g. PLC and controller

Technology was completely independent development, from the bottom operation system software to UI control interface all can be handled totally. The development will establish efficiency channel onto the good foundation of electromechanical business.

h. Servo Drive

With the demand for mobile machinery has increased significantly (such as AGV, Drone, etc.), increasingly importance has been attached to DC drives, especially with the advent of Harmonic Driver, the maximum speed of the motor itself has also been greatly challenged, so high current drive devices is required to achieve the application conditions at this time. Therefore, CHIEFTEK PRECISION will use fully autonomous technology to develop small-volume, high-power servo drives.

i. EtherCAT transfer box

The device is an EtherCAT motor controller, which replaces the traditional pulse wave signal controlled by PLC, improves the anti-noise ability, enhances the stability of the system, and provides simultaneous conversion support of up to 12 axes. The device communicates with the existing PLC, which obtains the data of the internal components of the PLC, and then converts the corresponding commands, which are transmitted from the EtherCAT of the device to the **cpc** driver. In addition, the driver information can be collected by EtherCAT and written to the specified PLC component in order to achieve command and

feedback on the bus signal.

j. Miniature robotic arms

According to the International Federation of Robotics, the five trends for robotic development in 2024 include:

(a) AI and machine-learning

(b) New applications of robotic arms

(c) Diversity of robot controls

(d) Digital synchronization

(e) Humanoid robots

In summary, with the enhancing technology of AI production, robotic arms and linear motion components are brought to life and thus create an unprecedented market. The cpcRobot with the new size can make the most of itself just in time with these new applications. Ranging from fundamental industrial application to the public livelihood, the new miniature robotic arms are indeed a foreseeable market demand.

(2) Continuously improve technology and develop new products

A. The **cpc** linear electrical product technology development trends to the “precision”, “speed/efficiency”, “reliability / quality”, “durability/ service time”, “miniaturization / multifunction”, “flexibility / diversity” and “energy conservation / environmental protection”, which are the product development tendency of “big data integration”, “information processing / communication / transmission / confidentiality…”, “remote control”, “AI intellectualization”.

B. In the field of linear motor industrial robots, we have mastered the mechanical experience of the lowest level of critical components and processing technology, and long-term sales channels, we can provide customers with the best solution for their most suitable for its application, and with our plant expansion plan, in order to meet the customer's capacity needs.

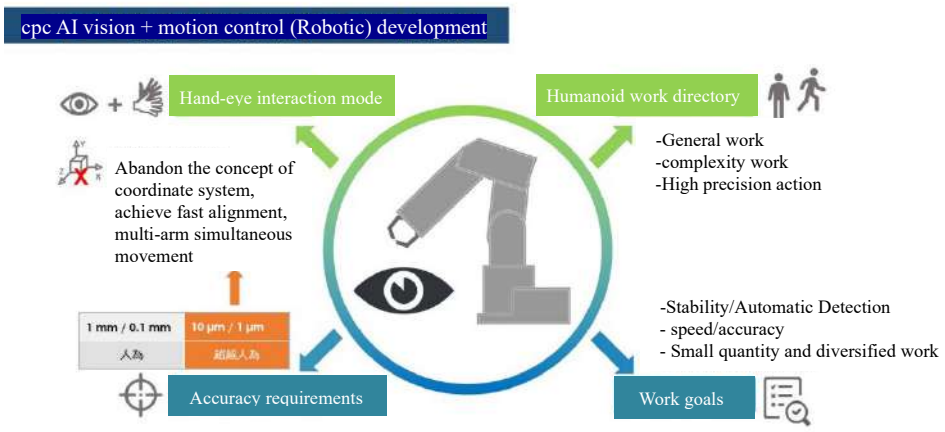
C. In today's energy-saving era, the efficiency of the motor is often an important indicator of the use of the factory. Therefore, the motors will extend the patented technology to the development of rotary products based on our development experience of linear motors, in order to improve the efficiency of the motor to the top.

D. Both of controller software, which is developed from bottom level, real-time operation system are going to catch up with the realization of industry 4.0.

(3) Good service quality

A. Good customer service quality can provide the best foundation for the competitiveness of the Company.

B. Keep good customer relationship to win the trust from the customers.



5. Favorable and unfavorable factors in long term development and the contingent plans

(1) Favorable factors:

With many years of experience in the linear motion component market, **cpc** has developed more diverse, higher-precision and reliable products, which are used in the semiconductor, panel, biomedical, circuit board and automation industries. The products of **cpc**, including software, firmware, and hardware are all independently developed, produced and manufactured.

A. For the Standard linear guide rail, **cpc** mainly adopts the German design, to make the product load capacity higher, and service life longer with many patents, such as the enhanced strengthening plates and built-in oil storage blocks. The patent design allows the product to be extremely minimized to avoid difficulties in processing and improves the smoothness of the operation. Currently, the 2mm miniature linear slides can be mass-produced.

B. For linear motors, **cpc** actively invest in linear motors, DD motors, high-precision X and Y platforms by enhancing in system development, design, and manufacturing. The development of upper-level controllers can be used as control platforms for Industry 4.0 with the goal of achieving highly flexible and highly reliable system integration prevent over dependency on foreign manufacturers and reduce the risk of product replaceability.

C. Unique manufacturing technology.

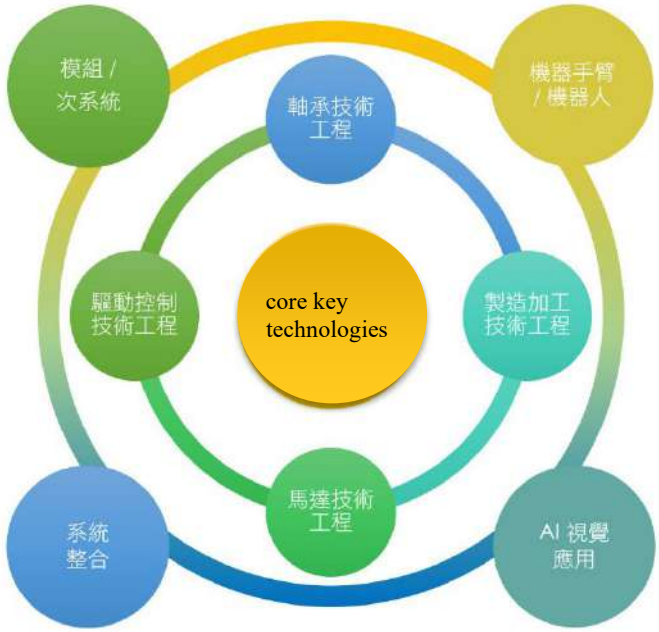
D. The mechanical and electrical technology are completely **cpc** self-developed.

E. Possess core key technologies in engineering domains, such as manufacturing and processing, bearing, drive control and motor.

F. cpcStudio provides IDE software development platform to push hardware PLC toward software PLC and allows customers to expand and combine other software modules for high integration to satisfy the needs of automation application systems.

G. Leveraging our in-house expertise in electromechanical integration, we developed a vacuum suction gripper with a built-in pump.

Service Expansion



(2) Unfavorable Factors and Countermeasures

A. Difficulty in high-level talent acquisition and cultivation

Industrial and equipment automation require more high-level research and development and manufacturing talent, but recruiting talent is difficult, personnel stability is insufficient, and labor costs are increasing.

Countermeasures:

(A) **cpc**'s main technology is developed on its own, thus the internal training mechanism shall be independent; in the handling principle of divided management, clear rights and liabilities, distinct right and wrong, encouraging innovations, and continuing improvements.

(B) With the excellent brand image of the Company, to attract more talents to join the Company.

(C) It should promote the welfare system of the Company, to attract and retain the talents.

(D) Improve level of automation to lower operation by human.

(E) Adjust wages and increase employee benefits.

B. With severe situation caused by COVID-19, inflation, and pressure from raising interest rates, global economic activities and production pace are disturbed.

Countermeasures:

(A) Developing smart manufacturing application platforms and expanding collaborations between industry, academia, and research institutions to increase automation and intelligence in production lines.

(B) Ensuring sufficient long-term funding.

(II) Important Uses and Production Procedures of Main Products:

1. Important Uses of Main Products

(1) Linear guide rail

Mainly apply to the automation industry, machine tool industry, TFT-LCD, photoelectrical manufacture detection and carrier, electronic industry machinery equipment, and semiconductor manufacture detection/packaging/handling equipment, medical instrument, printing and packaging machine, industrial machine and aerospace industry, and national defense industry, etc.

(2) Linear motor

The machinery equipment with output capacity demand are the main selling market of linear motor. Taking the ironless linear motor as example, it has no pause power and has light forcer, which is particularly suitable for the application in the semiconductor industry, panel industry, biochemical technology, laser cutting and automation industry. While the ironcore linear motor with high thrust and low stator cost is suitable for the application in the automated storage, solar energy industry, laser industry, panel industry, and semiconductor carrier and automation industry.

(3) Driver and linear motor module

At present, the major linear motor goes with the driver in the drive method of one to one, thus the occasion to use the linear motor is also the market of driver and linear motor, which is just different in the using habit and form of the client.

(4) DD motor

It is mainly divided into frameless (DR) and framed (RP) series. The difference between these two types is that the RP series doesn't only have rotator and stator, but also includes bearing, encoder and other processing parts. The entire product is modularized when being provided for user. The market demand of DR series is that the customer can purchase the stator for using when there are special restriction on cost or space, such as the manufacturer of rotation motor and robotic arm. On the other hand, the RP series allows the user to fix the load on the rotating table directly, which is for the high-speed and high-precision

application. Currently, the main application scenarios include the panel industry, automation device, biomedical robot, machine tool industry and semi-conductor industry.

(5) Magnetic encoder

Encode is massively used as the product of position feedback in the industries, with the resolution reaching 0.5μm. Therefore, its track can be found in the entire rotation or linear motion system. It is naturally included in **cpc**'s development plan of key parts and components.

(6) Miniature robotic arms

The robotic arm assembly of **cpc** has been quite modularized. Jigs are used to precisely locate harmonic reduction gears, rotary direct-drive motors, bearings, and encoders. Combining corresponding software for control and test, robotic arms are finally assembled as a whole to execute scenarios for reliability confirmation.

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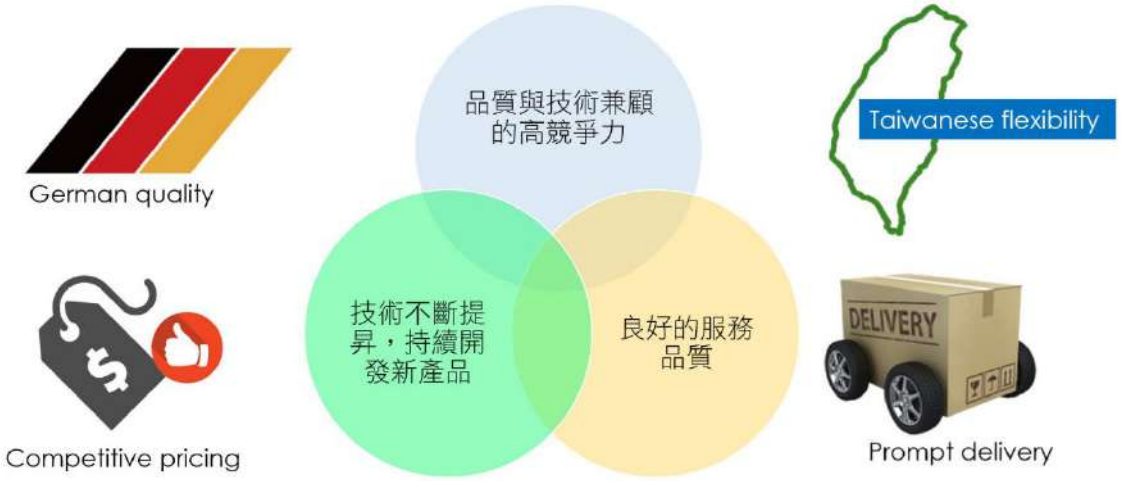


2. Production Procedures of Main Products

The main production flows of the product produced by **cpc** are as below:

(1) Linear guide

Heat treatment→ Straighten→ Drill→ Polish→ Grinding→ Cut→ Measurement system→ Assembly→ Clean & Package →Automated warehousing

(2) Magnetic part of motor

Raw material→ Processing→ Chrome plating→ Magnet paste→ Measure

(3) Winding part of motor

Raw material→ Coil wire→ Wiring→ Perfuse→ Measurement

(4) Linear motor module and industry robot

Plateform→ Stator guide→ Plateform deck→ Measure

(5) Magnetic encoder and driver

PCB plate→ Shell→ Packaging→ Calib→ Measure

(III) Supply Status of Main Materials

cpc mainly engages in the manufacture of linear guide rail, whose major raw materials are the cold drawn, plastic fittings and steel balls, and the purchase source is the domestic and overseas manufacturer, which all have established the long-term and good cooperation relation with the Company. As of now, the supplying condition of major raw materials of the Company is good.

Major raw material	Supplier	Supply condition
Cold drawn	Company A, Company B, and Company C	Normal
Plastic fittings	Company D and Company E	Normal
Steel ball	Company Fand Company G	Normal

In addition, the major raw materials of linear motor are the rare earth magnet, enameled wire and epoxy resin, with suppliers all over the world, with long-term and good cooperation mode, to ensure the normal and good major raw material supply.

(IV) Lists of Major Suppliers and Customers

1. Major Suppliers in the 2 Most Recent Fiscal Years and Purchased Amount and Percent as well as Change Reason Explanation

Unit: NT$ in thousands; %

Item	2023				2024				As of the previous quarter in 2025 Fiscal Year			
	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer
1	COMPANY A	38,868	26.43	None	COMPANY A	72,729	40.20	None	COMPANY A	19,188	38.54	None
2	COMPANY B	23,753	16.15	None	COMPANY B	17,397	9.62	None	COMPANY B	13,477	27.07	None
3	COMPANY C	19,331	13.14	None	COMPANY D	15,240	8.42	None	COMPANY D	3,120	6.27	None
	Others	65,126	44.28	None	Others	75,538	41.76	None	Others	14,003	28.12	None
	Net total supplies	147,078	100.00		Net total supplies	180,904	100.00		Net total supplies	49,788	100.00	

Note 1: The names and purchase amounts and ratios of suppliers whose purchase total exceeds 10% of the total purchase amount in the past two years are listed below. However, suppliers whose names cannot be disclosed due to contractual agreements or those whose transaction objects are individuals and not related parties may be identified by code.

Note 2: Reasons for increase or decrease: Although the revenue in 2024 decreased by 3.55%, the purchase amount increased by NT$33,826 thousand due to the increase in inventories and the decrease in air freight costs in response to the demands of European and American customers as well as the demands for robotic arms and linear motors.

2. Major Customers in the 2 Most Recent Fiscal Years and purchased Amount and Percent as well as the Change Reason Explanation

Unit: NT$ in thousands; %

Item	2023				2024				As of the previous quarter in 2025 Fiscal Year			
	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer	Company Name	Amount	Percent in the annual purchases (%)	Relation with Issuer
1	Company A	52,785	4.91	None	Company C	52,728	5.09	None	Company D	16,140	6.37	None
2	Company B	52,416	4.88	None	Company D	40,281	3.88	None	Company E	10,422	4.11	None
	Others	969,553	90.21	None	Others	943,572	91.03	None	Others	226,799	89.52	None
	Net total supplies	1,074,754	100.00		Net total supplies	1,036,581	100.00		Net total supplies	254,039	100.00	

Note 1: List the names of customers whose sales revenue accounts for more than 10% of total sales revenue in the past two years, along with their sales amount and proportion. However, due to contractual obligations, the names of customers or transaction objects that are individuals and non-related parties can be represented by codes.

Note 2: Reasons for increase/decrease in sales revenue: Due to slumping economy and intensified geopolitical risks, the revenue for 2024 reduced 3.55%. There were no customers accounting for more than 10% of net sales in the 2023 and 2024.

III. Number of employees of recent two years up to the print date of the annual report

March 31, 2025

Fiscal Year		2023	2024	As of March 31, 2025
Number of Employees	Administrative staff	77	82	84
	R & D personnel	28	30	29
	Business personnel	29	28	31
	Field staff	267	221	219
	Total	401	361	363
Average Age		36.95	39.33	39.53
Average Years of Service		6.40	8.81	9.04
Education distribution ratio	Ph.D.	0%	0%	0%
	Masters	6.0%	6.6%	6.9%
	Bachelor’s Degree	53%	55.7%	55.8%
	Senior High School	40%	36.0%	35.7%
	Below Senior High School	1%	1.7%	1.6%

IV. Disbursements for environmental protection

For the loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report, and the future countermeasures as well as possible expenditures:

(I) According to the regulation provisions, those applying for the pollution facility setting license or pollution discharge license or payable pollution prevention expense or needing to set the environmental protection specific personnel, the explanation of application, payment or setting condition is as below: **cpc** is the linear guide rail manufacturer, located in Southern Taiwan Science Park and Tree Valley Park, and has applied and acquired the pollution facility setting license or pollution discharge license according to the environmental protection laws.

(II) Main equipment and its usage as well as possible benefit invested by the Company for the environmental pollution prevention:

December 31, 2024; Unit: in thousand

Equipment Name	Qty.	Acquisition Date	Invested Cost	Balance	Usage and Estimated Benefit
Reconstruction of wastes storage area	1	August 1, 2006	517	366	Waste treatment
Addition of south wastes collection site at phase-II factory	1	November 3, 2014	270	23	Waste treatment
Smoke extraction on second floor at phase-II factory, including smoke extraction for straighteners at phase-I factory	1	December 4, 2014	1,167	0	Smoke treatment
Oil skimmer	1	April 1, 2022	331	149	Oil skimming
Pulsed dust collectors	2	May 15, 2024	773	670	Dust collection equipment
Smoke extraction equipment	1	March 28, 2014	550	31	Smoke treatment
Purification equipment	7	October 20, 2021	476	179	Oil purification
Addition of exhaust equipment on second floor	1	March 23, 2022	350	158	Smoke treatment
Exhaust equipment	1	June 6, 2022	2,421	1,170	Smoke treatment

(III) During the environmental pollution progress of the Company in the latest year and up to the printing date of this annual report, there is any pollution dispute, and it shall describe the disposal process: the Company has no pollution dispute during the latest year and up to the printing date of this annual report.

(IV) During the latest year and up to the printing date of this annual report, the loss (including compensations) and punishment sum caused by the environmental pollution of the Company, and disclosed future countermeasures (including improvement measures) and possible expenses (including the estimated amount of possible loss, punishment and compensation if not taking the countermeasures; if unable to estimate reasonably, it shall state the fact unable to estimate reasonably): None.

(V) Present pollution status and influence of improvement to the company surplus, competition status and capital expenditure, and estimated significant environmental protection capital expenditure in future two years: None.

V. Labor Relations

(I) Employee welfare measure, advanced study, training, retirement system and implementation condition, and agreement on labor and capital as well as various staff rights and interests maintenance measure condition of the Company:

1. Employee welfare measures and their implementation status:

◆ Reward measures

(1) Year-end bonuses.
(2) Employee Remuneration.
(3) Business bonuses.
(4) Lunch and dinner allowances.
(5) Performance bonuses / Technical allowance.
(6) Special bonuses / Production bonuses / outstanding performance bonuses.
(7) Operating bonuses.
(8) R & D Patent bonuses.
(9) Referral bonuses.
(10) Other wage adjustment for performance mechanism and flexible reward system.
(11) Appropriation of retirement pensions.

◆ Insurance and subsidies

(1) Labor Insurance.
(2) Health Insurance.
(3) Occupational Injury Insurance.
(4) Casualty insurance, Group insurance.
(5) Catastrophic illness and Emergency Condolence / Subsidies, etc.

◆ Equipment

(1) Employee Restaurant.
(2) Free parking area.
(3) Breast-feeding room.
(4) Set up Automated External Defibrillator (AED).

◆ Holidays / take time off system.

(1) 2 days off a week.
(2) Annual paid leave of absence.
(3) Paternity leaves.
(4) Pregnancy checkup leaves.
(5) Family care leaves.
(6) Female worker menstrual leaves.
(7) Paternity checkup leaves.
(8) Vaccine leaves.
(9) Epidemic prevention care leaves.

◆ Others

(1) Internal and External Education and Training for Employee.
(2) Employee Welfare Committee.
- Holiday bonuses/Gift, Year-end party, Bonuses/Gift.
- Wedding subsidies, Hospitalized condolences, etc.
(3) Regular physical examination.
(4) Set up health management consultant and regular occupational physician to visit during the health consultation period.
(5) Strengthen the knowledge and training related to industrial safety, occupational safety, fire prevention and disaster prevention for the employees, and set up self-defense fire prevention team, and conduct fire prevention advocacy and drills regularly.

2. Employee advanced study, training system and implementation condition:
The Company dedicates in creating the study environment for talent sustainability and excellent competitiveness improvement, specially formulates the "educational training management procedure" and "educational training operational procedure", to cultivate the proper excellent talent via the internal and external training resource.
At present, the Company provides a series of common knowledge, professional skill and management educational trainings, to cultivate the section head and senior employees as the internal lecturer to inherit the company culture and skill, and also irregularly invite the external specialists to give instructions. In 2024, the Company held training courses with a total of 786 classes, total training hours nearly 1,037 hours, and total participation rate of 7,629 persons.
The training courses in 2024 include:
(1) New employee educational training:
It includes the company regulations, labor, safety and health related introduction as well as the arrival guidance; every new employee has the educational trainer, to assist adapting the work environment, and getting familiar with the work content as soon as possible.
(2) Common knowledge training:
It refers to the common knowledge training activity required by government decree, company policy and the whole company or all sectors at each level, such as: education of prohibition and prevention of insider trading, staff HSE educational training, safety and health training course, quality training course, factory emergency response training course, and personal performance management series course.
(3) Professional training:
It refers to the technology and professional training of each unit, such as R&D course, processing course, finance and accounting course, and information technology course.
(4) Supervisor training:
It refers to the planning of supervisor management training and development course. The content includes the management and leadership control course as well as other supplementary courses.
(5) Direct personnel training:
It refers to the training course providing the necessary knowledge, skill and attitude of technical personnel on production line, such as the machine skill training course for direct personnel.
(6) Periodically make the technical evaluation and performance evaluation, positively train the reserve leaders and talents.
(7) Hold the internal and external education and training related to the issue of faithful management (including faithful management comply with the requirements of laws and regulations, food safety and hygiene, inspection, accounting system and internal control systems and other related courses).
In 2024, the company organized internal and external education and training related to the issue of integrity management, so as to implement the ethical management policy and

prevent dishonest behavior. Course contents included to how directors should fulfill their duty of care and fiduciary duty, accounting systems and internal control systems, confidential work, public work and violation handling. To summarize the training course situation in 2024, there were 332 person-times in attendance, with a total of 395.5 person-hours.

(8) Education and training for accounting supervisors, auditors, and corporate governance supervisors both internally and externally. The total number of courses held in 2024 was 87 person-times, with a total of 124 person-hours.

3. Employee retirement system and implementation condition: the Company's retirement system is mainly based on the relevant laws and regulations of Labor Standard Act.

(1) For the company in the Republic of China: It shall follow the labor retirement management regulation of Labor Standard Act, and allocate the pension reserve monthly to the labor retirement reserve fund supervision committee special account according to the provisions. Moreover, it has overall implemented the "Labor Pension Act" since July 1, 2005, in which the applicable provisions are as below:

A. Employee arriving the post after July 1, 2005 (included) shall be entirely applicable for the "Labor Pension Act".

B. Employee arriving the post before July 1, 2005 (excluded) shall select the pension provision of "Labor Pension Act" or "Labor Standard Law" depending on personal actual demand within five years since July 1, 2005; if the employee doesn't make selection before the due date, s/he will continuously apply the pension provision of "Labor Standard Law" since the implementation date

C. If the colleague has any one of the conditions below, it shall apply for retirement voluntarily:

(A) Taking office over 15 years (included) and over 55-year-old.

(B) Taking office over 25 years (included).

(C) Taking office over 10 years (included) and over 60-year-old.

D. If the colleague has any one of the conditions below, it shall be forced to handle the retirement:

(A) Over 65-year-old.

(B) Lunacy or physically disabled for the work.

If the specific work dangerous in nature, or requires substantial physical strength or otherwise with a special nature, a business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph according to the Article 54 paragraph 2 of Labor Standard Act, however, the age shall not be reduced below fifty-five. If an employee meets the requirements of mandatory retirement and compliance with the Article 11 of the Labor Standards Act may be terminated the labor contract, it shall be treated in a retirement manner according to the Labor laws and regulations.

E. Pension payment standards:

(A) For the employees arriving at the post before March 1, 1998(not including March 1), it shall pay pension based on 2 cardinal numbers for each working year. For the working years more than 15, it shall pay 1 cardinal number additionally for every one full year, which shall not exceed 61 cardinal numbers at most.

(B) For the employees arriving the post after March 1, 1998(including March 1), it shall pay pension based on 2 cardinal numbers for each working year. For the working years more than 15, it shall pay 1 cardinal number for every one full year, which shall not exceed 45 cardinal numbers at most except for the compulsory retirement due to occupational injury and disease.

(C) For the employees retired compulsorily, if the lunacy or physical disability is caused by the work and results in compulsory retirement, the pension shall be paid based on 20% plus the above regulation.

F. Under the new pension system, it shall monthly allocate 6% to labor pension special account, and estimate the balance of labor pension reserve by the end of every year. If it is less than the amount to be paid for the employees who meet the retirement conditions within one year according to subparagraph 1-1 of Article 53 or Article 54, it shall appropriate the difference at one time by the end of March in the next year. Moreover, it shall be submitted to the Supervisory Committee of Workers' Retirement Fund for review.

G. It shall advocate the personal voluntary pension contribution and encourage improving the economic life after retirement from diverse perspectives.

(2) For the company in China: For the endowment insurance after labor retirement, the company shall pay the endowment insurance based on the local laws and regulation at the premises of the enterprise.

A. According to the operation of local social insurance, the endowment insurance is included in social insurance (including medical insurance, maternity insurance, endowment insurance, occupational injury insurance, and unemployment insurance). After adding member for social insurance, the company shall start to fulfill the obligation of paying endowment insurance.

B. If the employee reaches the retirement age stipulated by laws, and pays the endowment insurance (including the deemed years of contribution) for 15 years accumulatively, s/he shall be eligible to the treatment of basic endowment insurance, which is composed of the following:

(A) For those working since January 1, 1993: Basic pension+ pension of personal account, explained as below:

a. Basic pension: When employee is retired, the monthly wage of workers employed in the previous year *individual payment years *1%.

b. Pension of personal account: When employee is retired, the balance in account /months paid for retirement.

4. Agreement on labor and capital as well as various staff rights and interests maintenance measure condition:

The Company adopts the open and two-way communication method for the policy advocacy and employee opinion, uses E-MAIL and bulletin board to timely deliver the relevant information, complaint box, conference communication, supervisor communication, and welfare committee. In addition, it sets up an employee communication and care channel for the foreign employees. With the assistance of translator, it improves the adaptation and performance of foreign employees in work and life. This is to maintain the labor and management relation harmoniously, without labor and management disagreement.

5. Employee Stock Ownership Trust

To enhance internal welfare, reward employees for financial planning, promote employee participation, and further achieve a win-win situation in labor relations, the Company has officially established the “Employee Stock Ownership Trust Committee,” which is applicable for employees with more than three years of experience of the Company and its subsidiary companies. On one hand, said employees will contribute a fixed amount from their monthly salaries. On the other hand, the company will contribute a 1-1 amount of bonus and deposit to dedicated accounts of employee stock ownership trust, in hope of retaining talents, assisting in employees’ financial management for accumulation of wealth, and planning for future retirement.

(II) During the latest year and up to the printing date of this annual report, for the losses caused by labor dispute, and disclosure of current and future possible estimated amount and response measures: None.

VI. Information Security Management

(I) Describing the framework for managing information security risks, information security policies, specific management plans, and resources allocated to information security management.

1. Information Security Risk Management Framework
   (1) The Information Technology Department is responsible for planning, implementing, and promoting information security management matters, and promoting information security education.
   (2) The Internal Audit Office serves as the auditing unit for information security supervision. If any deficiencies are found during the audit, the Information Technology Department is required to propose relevant improvement plans and track the effectiveness of the improvements to reduce information security risks. The execution status will be summarized in a report and submitted to three independent directors for review by the end of the following month. The independent directors may also instruct the case audit report if needed.
2. Information Security Policies
   (1) Maintain the normal operation of various information systems.
   (2) Prevent hackers and various viruses from invading and destroying systems.
   (3) Prevent unauthorized and illegal use.
   (4) Prevent confidential information from leaking.
   (5) Avoid human errors and accidents.
   (6) Maintain the safety of the physical environment.
3. Specific Management Plans for Information Security
   (1) The company's computer hosts, various application servers, and other equipment are all located in dedicated computer rooms, where access control is enforced, and surveillance cameras are installed to keep records of entry and exit.
   (2) The computer room has independent air conditioning to maintain an appropriate temperature environment for computer equipment to operate, and a chemical fire extinguisher is placed to avoid fire accidents.
   (3) The host in the computer room is equipped with an uninterruptible power supply (UPS) and a voltage stabilizer to avoid system crashes caused by sudden power outages or to ensure that computer application systems can operate during temporary power outages.
   (4) Reminders and publicity: colleagues are required to change their system passwords regularly to maintain account security.
   (5) Information security education: providing information security examples to colleagues and conducting information security education at appropriate times.
4. Resources for Information Security Management

Project	Contents	Results
Cyber Security	1. Install firewalls to block cyber attack from outer networks. 2. Install terminal protection to prevent viruses and hackers. 3. Install antivirus software in computer equipment	*100% installment of antivirus software in computer equipment *100% firewall installment and situational updates. *100% update of antivirus software.
Data System Security	1. Install data backup mechanism to back up important system data and perform unscheduled restoration drills. 2. Virtualize important system and backup system daily.	*100% backup of host system *100% back up of important data. *At least 4 times a year of unscheduled restoration drills of virtual host. *Breached confidential documents: Zero.

	3. Install document-encryption software.	
Educational Training	Educational trainings on information security.	*Unscheduled promotion and explanation of information security.
Employee Information Security	Sign code of conduct of employee information security.	*New employees accessing computers shall sign "Code of Conduct of Employee Information Security."

(II) Describing the losses, potential impacts, and response measures incurred due to significant information security incidents in the most recent fiscal year and up to the date of publication of the annual report. If it is impossible to make a reasonable estimate, explain the fact that it cannot be reasonably estimated: None.

VII. Important Contracts

Contract Nature	Counterparty	Contracted Period	Major Content	Restrictions
Medium and long-term borrowings	Taipei Fubon Commercial Bank	August 25, 2023~ August 25, 2028	Credit granting contract	None
Medium and long-term borrowings	Ten banks including Mega International Commercial Bank	February 15, 2024~ February 15, 2031	Joint credit granting contract	Note 1
Medium and long-term borrowings	Taipei Fubon Commercial Bank	May 27, 2024~ May 27, 2027	Credit granting contract	None
Medium and long-term borrowings	Cathay United Bank	November 29, 2022~ November 29, 2027	Credit granting contract	None
Medium and long-term borrowings	Chinatrust Commercial Bank	December 23, 2024~ December 23, 2026	Credit granting contract	None
Medium and long-term borrowings	BANK OF THE WEST	December 28, 2020~ December 28, 2028	Bank financing and credit granting contract	Note 2
Land lease	Southern Taiwan Science Park Administration, MOST	January 01, 2023~ December 31, 2042	Land lease contract	No
Land lease	Southern Taiwan Science Park Administration, MOST	August 28, 2014~ August 27, 2034	Land lease contract	No

Note 1: The Company signed an interim-guaranteed joint credit granting contract on January 3, 2023with ten banks including Mega International Commercial Bank. The contract under question features a total credit amount of NT$2 billion, with a credit granting period of 7 years starting from the date of first activation. The Company shall follow the provisions and make the commitment of following items to the joint loan bank consortium during the joint credit granting period:

(1) During the joint credit granting period, according to the accountant checked annual report or accountant audited consolidated financial statement of second quarter, the Company shall maintain the following financial ratio, and be inspected once every half year:

A. Liquidity ratio (current asset/current liability): over 100% (included).

B. Debt ratio (balance of debt/net value): From 2023 to 2025, it should maintain below 220%; For 2026 and 2027, it should maintain below 200%; Starting from 2028, it should maintain below 180%(inclusive).

C. Lowest tangible asset (net value-intangible asset): It should maintain above NT$ 1 billion.

(2) If the company does not meet the above financial ratios and standards, the company should adjust it within 9 months after the end of the fiscal year or semi-annual period. If the adjusted financial ratio after accounting adjustment or review meets the agreed, it is not considered a breach of contract. During the adjustment period, the unutilized credit line of the credit will suspend the use of the equity to the financial ratio in accordance with the agreement, and the unused principal balance will be used. The financing interest rate shall be from the second payment date after the management bank's notice to the next payment of the agreed interest rate, the annual interest rate of the joint credit agreement is increased by an annual interest rate of 0.125%.

2.As of March 31, 2025, the Company’s financial ratios has not breached the above promised conditions.

Note 2: This is a credit granting contract between the subsidiary Chieftek Precision International LLC and BANK OF THE WEST.

V. REVIEW OF FINANCIAL CONDITIONS, FINANCIAL PERFORMANCE, AND RISK MANAGEMENT

I. Review and Analysis of Financial Condition

Comparative analysis table of financial condition

Unit: NT$ in thousands

Year / Account item	2024	2023	Increased (decreased)	
	Amount	Amount	Amount	%
Current assets	1,916,919	1,814,988	101,931	5.62%
Property, plant and equipment	1,954,502	1,942,263	12,239	0.63%
Intangible assets	55,161	63,322	(8,161)	(12.89%)
Other assets	233,345	134,411	98,934	73.61%
Total assets	4,159,927	3,954,984	204,943	5.18%
Current liabilities	678,183	652,282	25,901	3.97%
Non-current liabilities	1,089,928	959,134	130,794	13.64%
Total liabilities	1,768,111	1,611,416	156,695	9.72%
Equity attributable to owners of the parent	2,391,816	2,343,568	48,248	2.06%
Capital stock	892,619	892,619	0	0.00%
Capital reserves	446,121	446,121	0	0.00%
Retained earnings	1,203,127	1,177,459	25,668	2.18%
Other equity interest	(2,481)	(25,061)	22,580	90.10%
Treasury stock	(147,570)	(147,570)	0	0.00%
Non-controlling interests	0	0	0	0.00%
Total equity	2,391,816	2,343,568	48,248	2.06%

Explain reasons for changes (Changes over 20% and the amount of change reach NT$10 million or more):

1. Main reason for other assets to increase by NT$98,934 thousand compared to the previous period:
   (1) In 2024, the Company invested NT$50,000 thousand in Fong Huan VI Innovation Investment Co., Ltd. After adding the profits and losses of 2024, it resulted in the financial assets at fair value through profit or loss – non-current to increase by NT$48,792 thousand.
   (2) The Company purchased machines and equipment, resulted in prepayments for equipment to increase by NT$43,647 thousand.
2. Main reason for non-current liabilities to increase by NT$130,794 thousand compared to the previous period:
   On January 3, 2024, the Company signed a joint granting contract of 2 billion with ten banks. On February 15, 2024, the first drawdown was processed, one of which was for the premises expansion and equipment purchase of the Phase-II plant in Tainan Tree Valley Park in response to the government policy under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan”. Such arrangement was initiated by July 30, 2024 in accordance with the laws and regulations, resulting in an increase in long-term loans.
3. Main reason for other equity to increase by NT$22,580 thousand compared with the previous period was exchange rates changes, which resulted in exchange differences resulting from translating the financial statements of a foreign operation.

II. Analysis of financial performance

(IV) Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years:

Unit: NT$ in thousands

Year / Account item	2024	2023	Increased (decreased)	
	Amount	Amount	Amount	%
Sales revenue	1,036,581	1,074,754	(38,173)	(3.55%)
Operating margin	424,159	468,647	(44,488)	(9.49%)
Operation profit and loss	94,977	117,582	(22,605)	(19.22%)
Non-operating income and expense	22,978	25,398	(2,420)	(9.53%)
Net profit before tax	117,955	142,980	(25,025)	(17.50%)
Net profit of the term to continuous operation unit	93,813	98,042	(4,229)	(4.31%)
Loss of discontinued operation	-	-	-	-
Net profit (loss) of the term	93,813	98,042	(4,229)	(4.31%)
Other comprehensive (loss) Income (net profit after tax)	24,244	(3,180)	27,424	862.39%
Total comprehensive income (loss)	118,057	94,862	23,195	24.45%
Net profit attributable to the owner of parent company	93,813	98,042	(4,229)	(4.31%)
Non-controlling interest's net profit	-	-	-	-
Parent company owner's consolidated profit	118,057	94,862	23,195	24.45%
Comprehensive profit attributable to the owner of parent company	-	-	-	-
Earnings per share (NT$)	1.08	1.12	(0.04)	(3.57%)

Explain reasons for changes (Changes over 20% and the amount of change reach NT$10 million or more):

1. Main reason for other comprehensive Income (loss) (net profit after tax), total comprehensive income (loss), and net profit attributable to the owner of parent company to increase compared to the previous period was that exchange rates changes resulted in an increase of NT$22,580 thousand in exchange differences resulting from translating the financial statements of a foreign operation.

(V) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response:

1. Please refer to "LETTER TO SHAREHOLDERS" for the expected sales volume and its basis.

2. The possible impact on the Company's future financial business and the corresponding plan:

With the continuous business growth, the Company is also expanding in scales. In terms of finance, we look for long-term and stable funding resources to cover expenses and to strengthen financial structure through improving finance ratios.

Through self-developed products, **cpc** satisfies customers' technical demands for total solution. By elevating the value and status in the market, the Company advances towards its goal of sustainable business. The Company will set sales targets and strive to achieve them based on market conditions and past experiences in the industry.

III. Cash flow

(I) Liquidity Analysis for the Current Year:

Unit: NT$ in thousands

Year / Account subject	2024	2023	Increased (decreased)	
	Amount	Amount	Amount	%
Operating activities inflows (outflows)	205,804	(21,057)	226,861	1,077.37%
Investment activities inflows(outflows)	(247,152)	(174,325)	(72,827)	(41.78%)
Financial activities inflows (outflows)	52,710	105,918	(53,208)	(50.24%)
Effect of exchange rate	19,177	(661)	19,838	3,001.21%
Net cash inflows (outflows)	30,539	(90,125)	120,664	133.89%

1. Main reason for net cash inflow from operating activities to increase by NT$226,861 thousand:
   (1) The notes payable, accounts payable, and other payables in the year end of 2022 were paid off during the year of 2023, resulting in a cash outflow of NT$179,332 thousand. Along with increasing procurement in 2024, the notes payable, accounts payable, and other payables were paid off during the year of 2024, resulting in a decrease of NT$42,390 thousand in cash outflows. The above altogether caused an increase of NT$221,722 thousand in cash inflows.
   (2) As the profits in 2023 were fewer than that in 2022, the income tax paid during 2024 was less than the previous year, resulting in a decrease of NT$48,571 thousand in cash outflows.
2. Main reason for net cash outflows from investment activities to increase by NT$72,827 thousand:
   (1) The Company obtained financial assets at fair value through profit or loss – non-current (Fong Huan VI Innovation Investment Co., Ltd.) at NT$50,000 thousand.
   (2) The Company added financial assets measured at amortized cost – current (time deposits for more than three months) at NT$87,123 thousand.
   (3) The Phase-II plant construction of the Tree Valley Park has been partially completed. The decrease in the investment of the unfinished construction resulted in a decrease of NT$50,743 thousand in the cash payments for purchasing property, plant, and equipment.
3. Main reason for net cash outflow from financial activities to decrease by NT$53,208 thousand:
   (1) On January 3, 2024, the Company signed a joint granting contract of 2 billion with ten banks. On February 15, 2024, the first drawdown was processed, one of which was for the premises expansion and equipment purchase of the Phase-II plant in Tainan Tree Valley Park in response to the government policy under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan”. Such arrangement was initiated by July 30, 2024 in accordance with the laws and regulations, resulting in an increase in long-term loans.
   (2) A short-term loan of NT$205,000 thousand was paid off to lighten the load from interests.
   (3) The cash dividends for distribution decreased by NT$104,715 thousand due to reduced profits.

(II) Corrective measures to be taken in response to illiquidity:
The Company has no illiquidity issues in the most recent fiscal year.

(III) Liquidity analysis for the coming year:

Unit: NT$ in thousand

Cash Surplus in the beginning (1)	Estimated Cash Flow from Operating Activities for the Year (2)	Estimated Cash outflow for the Year (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Investment Plans
864,632	177,632	(196,196)	846,068	-	-

Analysis of cash flow change for the coming year:

1. Operating activities:
   Despite the fact that the economic slump had caused a poor revenue in 2024 and that 2025 remains to be a year with changes, there are still opportunities for our revenue to grow gradually and to expect net cash inflows from operating activities.
2. Investment activities:
   It is expected that the net cash outflows from investment activities will be generated due to the ongoing procurement of the related machines and equipment for "Phase-II Plant of Tree Valley Park" in 2025.
3. Financial activities:
   In accordance with the earnings distribution proposal approved by the Board of Directors on February 26, 2025, we expect to distribute NT$61,083 thousand of cash dividends, which will generate net cash inflows from financial activities.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year:

(I) Reason for plant construction and benefits

Plant area	Products manufactured	Annual capacity	Remark
New construction of factory building on Phase II Tree Valley Park	Linear guide, linear motors (modules), and robotic arms	Expand the business scale and increase the operating revenue.	

1. Main reason for plant construction:
   (1) In order to deal with requirements of the market and sales and needs of the Company's operation development in the future, the Company has built phase-II factory at Tree Valley Park and purchased its related machines and equipment.
   (2) To improve the capacity of linear guide, linear motor (module), and robotic arms.
2. Benefits: Expand the business scale and increase the operating revenue and profit.

(II) The impact on the Company's financial business
Please refer to the description in Section III Cash Flow above.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) The Company's reinvestment policy shall focus on business-related field with an expectation to improve its overall operating performance. Relevant executive departments shall implement in accordance with internal control system "Investment Cycle" and "Procedures for Acquisition or Disposal of Assets"; stipulate "Subsidiary Management Approach" for internal control system to facilitate motoring each subsidiary to stipulate relevant operating procedure on major financial and business matters and establish subsidiary operating risk management system in accordance with laws to maximize the performance.

(II) Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

Unit: NT$ in thousand

Description / Item	Profit or loss amount of 2024	Main reason of profit or loss	Improvement plans	Investment plans for the coming year
CHIEFTEK PRECISION HOLDING CO., LTD.	9,065	Recognized as profit and loss on investments of CHIEFTEK MACHINERY KUNSHAN CO., LTD.	-	None
cpc Europa GmbH	(2,708)	Mainly due to the decrease of revenue.	-	Build new self-owned factories to reduce rental burden.
Chieftek Precision International LLC	1,848	Mainly due to the rental income of leased real estate being greater than the daily operating expenses.	-	None
CHIEFTEK PRECISION USA CO., LTD.	19,815	Mainly due to growth of revenue.	-	None
Chieftek Machinery Kunshan Co., Ltd.	9,064	Mainly due to the pandemic outbreak and looming economy of China. Both turnover and profit decreased compared to the previous year.	-	None

(III) The Investment Plan in for the Coming Year: Depending on the operating conditions the reinvestment business.

VI. Risk matters

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

1. Interest Rate Fluctuations:

The Fed and the ECB maintained the policy of cut interest rate. A few days ago, the BoJ initiated the normalization of monetary policy by raising the policy rate and terminating the control policy of negative interest rate and yield curve, but still maintained an accommodative monetary pace. The market focus lies on the monetary policy movement of the central banks of the major economies, creating volatility in the international financial markets. The Company's 2024 and 2023 interest payments are NT$30,562 thousand and NT$23,483 thousand, respectively, accounting for 2.95% and 2.19% of Net Operating Revenue, respectively.

(1) The interest expense in fiscal year 2024 increased by NT$7,079 thousand compared with

fiscal year 2023, and due to the turnover in fiscal year 2024 decreased compared with fiscal year 2023, the ratio of interest expense to net revenue increased by 0.76%.

(2) In 2024, the continued interest rate hikes by the central bank, the active construction of new plants (Phase II) in Tree Valley Park, the procurement of the related machines and equipment, and the operational funding demand in Europe led to an increase in the interest expenses.

(3) The Company regularly evaluates bank borrowing rates and maintains close contact with banks to obtain preferential interest rates. As the financial institutions are supporting the Company's performance, the interest rate changes do not have a significant impact on the Company.

2. Exchange Rate Fluctuations:

The Company's export revenue is mainly in US dollars, Euros, and Yen, while the foreign currency is mainly in Euros and Yen. Therefore, parts of assets and liabilities have natural hedging effects. However, in response to the risk of exchange rate changes, the Company has actively collected exchange rate changes to grasp and research the trend of exchange rate, as well as take appropriate hedging measures to reduce the impact of exchange rate risk.

(1) The Company's 2024 net profit on currency exchange was NT$26,790 thousand and 2023 net profit on currency exchange was NT$19,470 thousand, accounting for 2.59% and 1.81% of net operating revenue, respectively. This shows that the proportion of exchange losses or gains to net operating revenue was not significant.

(2) Overall, exchange rate factors have not yet constituted a significant risk burden on our profitability.

3. Inflation:

Taiwan is under heavy inflationary pressure this year. Various factors causing price increases are threatening economic stability. The challenge of keeping the inflation rate within a reasonable range is a grave difficulty. The government should take proactive actions to curb inflation through monetary and fiscal policies and by improving production efficiency, enhancing supply chain structure, and minimizing market monopoly. With intractable climate and international energy factors, Taiwan has been effectively controlling inflation at a healthy range of around 2% for many years by restricting the rates of public utilities. However, as the long-term losses of the public utilities become overwhelming, prices have had to be adjusted recently, which further triggers inflationary factors and more difficult problems. Moreover, production elements such as labor costs, capital, etc., along with labor wage adjustments, corporate financing needs, and external inflationary pressure, will become one of the factors for price increases.

After U.S. President Trump took office, he initiated a trade war, sabotaging global supply chain and prices of existing products and increasing worldwide inflationary pressure. It is even more difficult for Taiwan, as an importer of commodities and raw materials, to counteract inflation.

Nonetheless, the Company will continue to closely monitor the economic environment and market price fluctuations to avoid suffering from the adverse effects of inflation and deflation to the greatest extent possible.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; Major reasons and future contingency plan for the profits/losses generated thereby:

(1) The Company is dedicated to the operation of major business, and its financial policies are based on the conservative principle. The Company did not engage in any high-risk or high-leverage investments.

(2) As for lending funds to others, endorsement and guarantee, and the transaction of derivative products, in addition to cautious evaluation, regular reporting, and monthly control, the

Company's operations all comply with the "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantee", "Procedures for Financial Derivatives Transactions" and "Procedures for Acquisition or Disposal of Assets" passed by the Board of Directors.

(3) For the situation of loans to other parties, endorsements, guarantees, and derivatives transactions for 2024 and the period up to the printing of the annual report, please refer to relevant descriptions in the financial report, tables, and figures.

(III)Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The company adheres to the concept of continuous research and development, and long-term cultivation of R&D personnel to conduct project research and develop new technologies, thereby enhancing our competitiveness. In 2024, we invested NT$75,829 thousand in R&D, an increase of NT$3,336 thousand compared to the amount of NT$72,493 thousand in 2023. On top of that, the ratio of R&D expenses to the net operating income increased from 6.75% to 7.32% during the downturn, which demonstrates that **cpc** attaches great importance to research and development.

cpc's R&D products have evolved from simple mechanical and electrical components to the integration of mechanical and electrical components and software services. With the development of cpcCells, cpcRobot, and cpcStudio, we plan to increase our R&D budget to about NT$80,000 thousand in 2024.

cpc has also begun to build its own smart factory, where machine design, mechanical assembly, electrical engineering, programming, interface development, and data management can all use our own products and self-developed technologies to meet the needs of machine processing and factory IoT and ultimately achieve the realization of the **cpc** smart factory.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

1. In March 2022, the Taiwan Stock Exchange requested all listed OTC companies (i.e., all applicable companies regardless of level) to complete the "parent company" greenhouse gas inventory and verification schedule before the end of the second quarter of 2011 and submit it to the board of directors. In addition, before the end of the first quarter of 2023, the greenhouse gas inventory and verification schedule of the "Group (including all subsidiaries)" should be completed and submitted to the board of directors. Subsequently, the progress of the previous disclosure should be reported to the board of directors for control on a quarterly basis. For companies that need to complete the inventory after 2026 of application, they still have to report the implementation progress to the board of directors on a quarterly basis for control. The company will implement the regulations in accordance with the regulations and continue to discuss and respond to the relevant departments.
2. Compliance with the Financial Supervisory Commission for implementation of sustainable development
   (1) Listed companies with a paid-in capital of more than 2 billion should prepare and file a 2024 annual sustainability report. (The first year's report should be completed and filed by the end of September 2025; the second year's report should be completed and filed by the end of June 2026. The FSC plans to advance the reporting date to the end of March of the following year.)
   (2) The FSC has confirmed that companies with a capital of more than 10 billion should publish a 2026 annual sustainability report in 2027, which will further be expanded to include all listed companies.
3. The Company will comply with the regulations and continue to discuss with each department for corresponding handling.

(V) Effect on the company's financial operations of developments in science and technology (incl.

cyber security risks) as well as industrial change, and measures to be taken in response:

1. Information security trends indicate that the importance of supply chain security is continuously rising, and AI technology will play an increasingly critical role in cybercrimes. Therefore, businesses of all sizes should fortify their risk management strategies to protect themselves and their supply chains from potential threats. In the meanwhile, raising employees' awareness on cyber security is also an important part for the prevention of attacks.
2. As AI and mechanical power technologies become more sophisticated and prestigious brands such as NVIDIA and Tesla are making deployment actively, the robotics issue will continue to attract market attention in 2025. As for technological development, software platforms focus on machine learning and digital twins simulation, whereas machine models concentrate on collaborative robots, mobile robotic arms, and humanoid robots to adapt to various environments and human-machine collaboration and interaction.
3. The technology in the electronics and semiconductor industries are advancing by leaps and bounds. For that the Company will continue to invest in research and development resources, improve organizational efficiency, and pay close attention to market demands and trends to consolidate and expand market share.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company's corporate image first focuses on integrity, upholding the people-oriented business philosophy, providing an environment that is challenging and full of learning, and giving full play to the potential of employees to continuously grow and expand their overall capabilities. The Company attracts outstanding talents but does not seek illegal benefits. The Company concentrates on its own business operations with integrity and abides by government laws and regulations to establish a fresh image in the industry with an international business model, always based on promoting social economy, improving environmental prosperity, and protecting employee welfare, and strictly abides by the laws and regulations of the competent authority. There is no incident of enterprise crisis management due to major changes.

(VII)Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans:

The Company has no ongoing merger and acquisition activities. In considering future M&A activities, the Company will evaluate their efficiency, risks, vertical integration and other factors in accordance with its internal control system to guarantee the Company's interests and original shareholders' equities.

(VIII)Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

The Company cautiously implements the plant expansion plan. Besides strengthening the financial structure through capital increase out of earnings, it also cooperates with bank club to acquire adequate funds. Moreover, the operating team of the Company has rich industrial experience, understands the industrial demands for products, and can fully make use of the utilization rate of the new plant. The plant expansion of the Company goes through the complete, cautious and professional evaluation process. For any major capital expenditures, it shall report to director's meeting and fully consider the investment returns and possible risks.

To achieve the business goal of sustainable operation, the Company will complete the "Phase-II Plant Construction in Tree Valley Park" and will continue to execute equipment installment, trial runs, and mass production. Please refer to "IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year" in Section V. REVIEW OF FINANCIAL CONDITIONS, FINANCIAL PERFORMANCE, AND RISK MANAGEMENT.

(IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

1. Purchase

Based on industry's characteristics, quality rate, delivery and market supply and demand, the

Company purchases most miniature linear guides and slide cold drawing steel from Company A (Taiwan is the main production base for the Company, so the main stock manufacture of the combined company shall be same with the parent company's). This manufacture is a world leading manufacture in cold drawing piece production, whose product quality is good. The Company has established cooperative relationship with it since the beginning and the long-term relationship is good. In order to maintain the elasticity with the supplier, the Company has not signed a long-term supply contract with Company A. And in order to avoid a shortage of materials and uncontrollable cost risk caused by a single supplier, in addition to maintain a good cooperative relationship with Company A, the Company is also actively seeking a new supplier to reduce the stock concentration. The purchase proportion from Company A has been reduced year by year since 2009 and the situation of stock concentration has been improved. The risk is limited.

2. Sales

The Company did not have customers accounting for more than 10% of net sales for the year of 2024. The Company will continue to develop new products and new customers. It is expected that there will not be circumstances affecting the normal operation due to concentrated sales.

(X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings of Directors, Supervisors, or Shareholders with Shareholdings of over 10%:

As of the most recent fiscal year up to the date the annual report is printed, the shareholdings of the Company's directors have been stable during the last few years, and there have been no major transfers or swaps of shares.

(XI) Effects of, Risks Relating to and Response to the Changes in Management Rights:

The Company's directors actively participate in the Company's operation and the management class has stronger sense of mission to the Company, regarding company's operation as a tenure career. Our policy is to maintain a steady ownership and management structure. As of the date of this Annual Report, such risks were not identified by the Company.

(XII)Litigation or other non-litigation involved:

1. Until the printing date of Company's recent annual report, major ongoing lawsuits, non-lawsuits or administrative lawsuits, the matters that may have significant impact on shareholder's equity or security price are: None.
   (1) **cpc** and Huafeng Build Co., Ltd. (hereinafter referred to as Hua Fong Construction) have disputes over the construction of Tree Valley Park plant
   (2) The preceding incident was adjudicated by Tainan District Court in the civil judgement of 109 Jian-Zih No. 13 that the Company shall pay Hua Fong Construction NT$9,674 thousand and the interest of (5%) per annum from March 20, 2020 to the settlement date, and that Hua Fong Construction shall pay the Company NT$8,555 thousand and the interest of (5%) per annum from April 22, 2020 to the settlement date.
   (3) Hua Fong Construction disagrees with the civil judgement of 109 Jian-Zih No. 13 made by Tainan District Court, in which states that t Hua Fong Construction shall pay the Company NT$8,555 thousand and the interest of (5%) per annum from April 22, 2020 to the settlement date, and have filed a second instance appeal. The case is currently on trial under the jurisdiction of Taiwan High Court Tainan Branch in 113 Jian-Shang-Zih No.8.

   In summary, the Company has proactively entrusted attorneys to handle the preceding litigation, which is currently under legal proceedings. The amount of money at stake in the dispute is not significant. The outcome does not have crucial impact on the Company's organization, capital, business plan, financial condition, or production suspension, nor does it materially affect shareholders' equity or the prices of securities. Therefore, it should not have materially adverse impact on the Company's financial operations.

2. Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by the Company's director, supervisor, general manager, the actual head, major shareholder who holds more than 10% of the shares and affiliated company by the date of printing the annual report, with the matters that may have major effect on shareholder's equity or security price: None.

(XIII) Other significant risks and Response Measures: None.

VII. Other important matters: None.

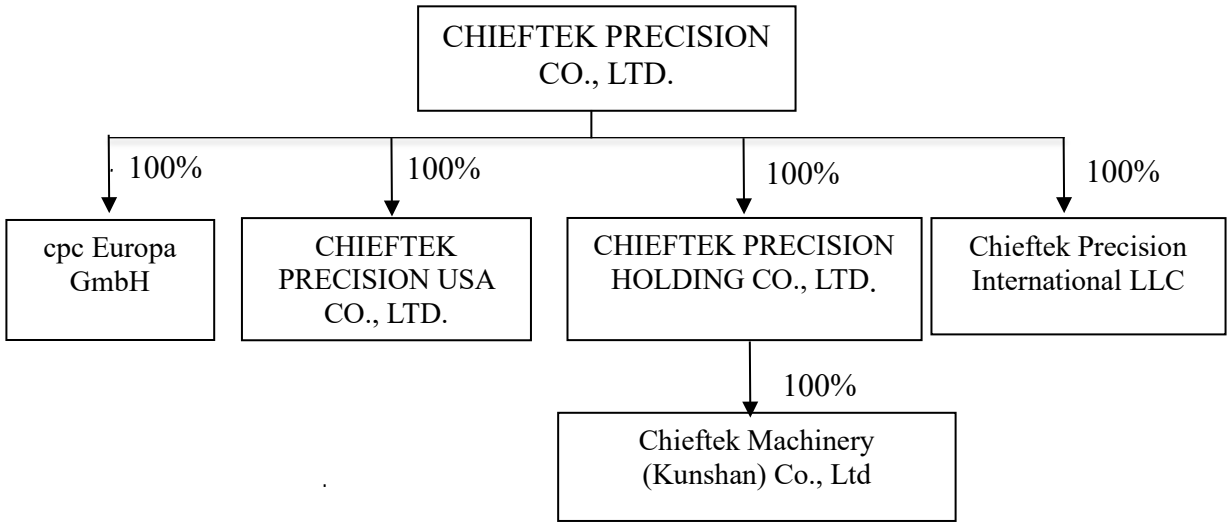
VI. OTHER ITEMS DESERVING SPECIAL MENTION

I. Information related to the Company's affiliates

(I) Affiliate enterprises consolidated financial statements: Please refer to the Market Observation Post System at http://mops.twse.com.tw following the route of Single Company – Download Digital Documents – Three Reporting Forms for Affiliated Enterprises.

(II) Affiliate enterprises consolidated operating report

1. Affiliate enterprises organizational table



2. Relationship between affiliate enterprises, shareholding ratio, share and actual investment amount

March 31, 2025; Unit: Shares in thousand / NT$ in thousand

Affiliate enterprises name	The relationship with the Company	The company's shares held by the affiliate enterprises		Affiliate enterprises' shares held by the Company		
		Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Actual investment amount
CHIEFTEK PRECISION HOLDING CO., LTD.	The Company adopts equity method to evaluate invested company	-	-	5,100	100%	USD5,100
cpc Europa GmbH	The subsidiary CHIEFTEK PRECISION (HONG KONG) CO., LTD. adopts equity method to evaluate invested company	-	-	Note 1	100%	EUR2,500
Chieftek Precision International LLC	The Company adopts equity method to evaluate invested company	-	-	Note 3	100%	USD 3,600
CHIEFTEK PRECISION USA CO., LTD.	The Company adopts equity method to evaluate invested company	-	-	1,660	100%	USD1,660
Chieftek Machinery Kunshan Co., Ltd.	Affiliate enterprises (cpc holdings) adopt equity method to evaluate invested company	-	-	Note 2	100%	USD5,100

Note 1: The German Company directly invested in by the Company is a limited liability company. No shares.

Note 2: The Mainland Chinese company indirectly invested in by the Company is a limited liability company. No shares.

Note 3: The US Company directly invested in by the Company is a limited liability company. No shares.

3. Basic documents of affiliate enterprises

March 31, 2025; Unit: US$/EUR

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

4. Same shareholder data of the one that presumed to have control and subordinate relationship: None.

5. The industries covered by the business operated by the overall affiliate enterprises are related to the business operated by each affiliate enterprise, which shall illustrate the division situation:
The business operated by the Company's affiliate enterprises are the same with the Company's, which are based on "linear motion key components", supporting each other in technology, capacity.

6. Documents of each affiliate enterprise's director, supervisor and general manager:

Unit: share in thousand

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

7. Operation situation of each affiliate enterprise

Unit: NT$ in thousand

Enterprise name	Capital sum (in thousand)	Total assets	Total liabilities	Net value	Revenue	Sales revenue	Current profit and loss (after tax)	Earnings per share (dollar) (after tax)
CHIEFTEK PRECISION HOLDING CO., LTD.	USD 5,100	175,357	0	175,357	0	0	9,065	0.06
cpc Europa GmbH	EUR 2,500	235,819	168,970	66,849	335,904	1,825	(2,708)	Non-equity
Chieftek Precision International LLC	USD 3,600	212,920	90,559	122,361	11,469	3,798	1,848	Non-equity
CHIEFTEK PRECISION USA CO., LTD	USD 1,660	132,585	15,559	117,026	198,025	19,620	19,815	0.37
Chieftek Machinery Kunshan Co., Ltd.	RMB32,118	232,902	60,161	172,741	136,703	13,958	9,064	Non-equity

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other matters that require additional description: None.

VII. DURING THE MOST RECENT FISCAL YEAR OR DURING THE CURRENT FISCAL YEAR UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT, THE MATTERS THAT PRESCRIBED IN SECURITIES EXCHANGE ACT ARTICLE 36, PARAGRAPH 3, SUBPARAGRAPH 2 THAT HAVE GREAT IMPACT ON SHAREHOLDER'S EQUITY OR SECURITY PRICE: None.

Chieftek Precision Co., Ltd

Chairman: Chen, Li-Fen

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cpc's products inspire you!

Together with cpc to achieve new levels of innovation!