CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2026 AND 2025

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

MARCH 31, 2026 AND 2025 CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of CHIEFTEK PRECISION CO., LTD. and subsidiaries (the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

The financial statements and related information disclosed in Note 13 of insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT$421,233 thousand and NT$212,960 thousand, constituting 10% and 5% of the consolidated total assets, and total liabilities of NT$85,255 thousand and NT$87,412 thousand, both constituting 5% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively, and total comprehensive income (loss) of NT$3,388 thousand and (NT$2,976) thousand, constituting 7% and (11%) of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

	Tien, Chung-Yu
Independent Auditors	
	Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan

Republic of China

May 6, 2026

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

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 660,044	16	$ 706,758	17	$ 827,896	20
1136	Financial assets at amortized cost - current	6(2) and 8	190,748	5	184,632	5	87,824	2
1150	Notes receivable, net	6(4)	25,556	1	23,434	1	24,386	1
1170	Accounts receivable, net	6(4) and 12	328,317	8	281,795	7	237,467	6
1200	Other receivables		3,466	-	9,270	-	5,870	-
1220	Current income tax assets	6(23)	10,253	-	12,187	-	10,393	-
130X	Inventories	6(5)	622,016	15	624,752	15	669,617	16
1410	Prepayments		19,995	1	17,938	-	26,612	1
1470	Other current assets		-	-	-	-	26	-
11XX	**Total current assets**		1,860,395	46	1,860,766	45	1,890,091	46
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(3)	62,941	2	66,760	2	44,217	1
1600	Property, plant and equipment	6(6) and 8	1,968,553	48	1,982,832	49	1,946,331	47
1755	Right-of-use assets	6(7)	83,703	2	76,552	2	80,149	2
1780	Intangible assets	6(8)	44,926	1	47,129	1	52,820	1
1840	Deferred income tax assets	6(23)	35,914	1	34,998	1	35,069	1
1915	Prepayments for equipment	6(6)(8)	11,207	-	8,144	-	54,944	2
1920	Guarantee deposits paid		12,673	-	12,701	-	12,599	-
1990	Other non-current assets		3,243	-	3,392	-	3,447	-
15XX	**Total non-current assets**		2,223,160	54	2,232,508	55	2,229,576	54
1XXX	**Total assets**		$ 4,083,555	100	$ 4,093,274	100	$ 4,119,667	100

(Continued)

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31, 2025 AMOUNT	%
	Liabilities							
	Current liabilities							
2100	Short-term borrowings	6(9)	$ 230,000	6	$ 230,000	5	$ 130,000	3
2130	Current contract liabilities	6(16)	2,106	-	1,557	-	5,620	-
2150	Notes payable		73,065	2	78,837	2	58,519	2
2170	Accounts payable		42,058	1	26,917	1	45,158	1
2200	Other payables	6(10)(15)	182,186	4	120,711	3	173,021	4
2230	Current income tax liabilities	6(23)	9,412	-	1,238	-	4,655	-
2280	Current lease liabilities	6(7)	4,661	-	4,209	-	4,153	-
2320	Long-term liabilities, current portion	6(11), 8 and 9	262,909	6	285,587	7	317,528	8
21XX	**Total current liabilities**		806,397	20	749,056	18	738,654	18
	Non-current liabilities							
2540	Long-term borrowings	6(11), 8 and 9	750,600	18	815,942	20	904,914	22
2570	Deferred income tax liabilities	6(23)	39,150	1	34,224	1	30,006	1
2580	Non-current lease liabilities	6(7)	85,613	2	78,722	2	81,886	2
2640	Non-current net defined benefit liabilities	6(12)	6,910	-	7,025	-	6,473	-
25XX	**Total non-current liabilities**		882,273	21	935,913	23	1,023,279	25
2XXX	**Total liabilities**		1,688,670	41	1,684,969	41	1,761,933	43
	Equity							
	Share capital	6(13)						
3110	Common stock		892,619	22	892,619	22	892,619	22
	Capital reserves	6(14)						
3200	Capital surplus		446,121	11	446,121	11	446,121	11
	Retained earnings	6(15)						
3310	Legal reserve		266,970	7	266,970	7	257,422	6
3320	Special reserve		2,481	-	2,481	-	25,061	1
3350	Unappropriated retained earnings		928,208	23	951,383	23	873,189	21
3400	Other equity		6,056	-	(3,699)	-	10,892	-
3500	Treasury shares	6(13)	(147,570)	(4)	(147,570)	(4)	(147,570)	(4)
3XXX	**Total equity**		2,394,885	59	2,408,305	59	2,357,734	57
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
3X2X	**Total liabilities and equity**		$4,083,555	100	$ 4,093,274	100	$ 4,119,667	100

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Three months ended March 31			
			2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Revenue	6(16)	$ 334,402	100	$ 253,359	100
5000	Operating costs	6(5)(7)(12)(21)(22)	(194,744)	(58)	(140,798)	(55)
5900	Gross profit		139,658	42	112,561	45
	Operating expenses	6(7)(8)(12)(21)(22), 7 and 12				
6100	Selling expenses		(27,175)	(8)	(26,717)	(11)
6200	General and administrative expenses		(41,734)	(13)	(41,261)	(16)
6300	Research and development expenses		(21,513)	(6)	(19,538)	(8)
6450	Expected credit impairment gain (loss)		(4,935)	(2)	(2,855)	(1)
6000	Total operating expenses		(95,357)	(29)	(90,371)	(36)
6900	Operating profit		44,301	13	22,190	9
	Non-operating income and expenses					
7100	Interest income	6(2)(17)	664	-	793	-
7010	Other income	6(18)	13,533	4	2,890	1
7020	Other gains and losses	6(3)(19) and 12	1,579	-	5,650	2
7050	Finance costs	6(7)(20)	(7,989)	(2)	(8,445)	(3)
7000	Total non-operating income and expenses		7,787	2	888	-
7900	**Profit before income tax**		52,088	15	23,078	9
7950	Income tax expense	6(23)	(14,180)	(4)	(9,450)	(3)
8200	**Profit for the period**		$ 37,908	11	$ 13,628	6
	Other comprehensive income (loss) (net)					
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		$ 9,755	3	$ 13,373	5
8300	**Total other comprehensive income (loss) for the period**		$ 9,755	3	$ 13,373	5
8500	**Total comprehensive income (loss) for the period**		$ 47,663	14	$ 27,001	11
	Earnings per share (in dollars)	6(24)				
9750	Basic		$ 0.43		$ 0.16	
9850	Diluted		$ 0.43		$ 0.16	

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity		
	Notes	Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury shares	Total equity
Three months ended March 31, 2025									
Balance at January 1, 2025		$ 892,619	$ 446,121	$ 257,422	$ 25,061	$ 920,644	($ 2,481)	($ 147,570)	$ 2,391,816
Profit for the period		-	-	-	-	13,628	-	-	13,628
Other comprehensive income for the period		-	-	-	-	-	13,373	-	13,373
Total comprehensive income for the period		-	-	-	-	13,628	13,373	-	27,001
Appropriations of 2024 earnings:									
Cash dividends	6(15)	-	-	-	-	(61,083)	-	-	(61,083)
Balance at March 31, 2025		$ 892,619	$ 446,121	$ 257,422	$ 25,061	$ 873,189	10,892	($ 147,570)	$ 2,357,734
Three months ended March 31, 2026									
Balance at January 1, 2026		$ 892,619	$ 446,121	$ 266,970	2,481	$ 951,383	($ 3,699)	($ 147,570)	$ 2,408,305
Profit for the period		-	-	-	-	37,908	-	-	37,908
Other comprehensive loss for the period		-	-	-	-	-	9,755	-	9,755
Total comprehensive income (loss) for the period		-	-	-	-	37,908	9,755	-	47,663
Appropriations of 2024 earnings:									
Cash dividends	6(15)	-	-	-	-	(61,083)	-	-	(61,083)
Balance at March 31, 2026		$ 892,619	$ 446,121	$ 266,970	$ 2,481	$ 928,208	$ 6,056	($ 147,570)	$ 2,394,885

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	Three months ended March 31 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 52,088	$ 23,078
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on valuation of financial assets at fair value through profit or loss	6(3)(19)	3,189	4,575
Expected credit impairment loss	12	4,935	2,855
Reversal of inventory market price decline	6(5)	(1,951)	(832)
Depreciation	6(6)(7)(21)	22,249	18,804
Amortization	6(8)(21)	2,633	2,627
Interest income	6(17)	(664)	(793)
Dividend Income	6(18)	(10,558)	-
Interest expense	6(20)	7,989	8,445
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(2,122)	(6,082)
Accounts receivable		(51,978)	(11,073)
Other receivables		5,804	207
Inventories		4,279	(28,793)
Prepayments		(2,057)	(708)
Changes in operating liabilities			
Current contract liabilities		549	2,361
Notes payable		(3,847)	(7,593)
Accounts payable		15,141	12,122
Other payables		(15)	(4,904)
Non-current net defined benefit liabilities		(115)	(105)
Cash inflow generated from operations		46,179	14,191
Interest received		664	793
Interest paid		(8,176)	(8,473)
Receipt of dividends		10,558	-
Income tax received		1,103	-
Income tax paid		(1,165)	(3,822)
Net cash flows from operating activities		49,163	2,689

(Continued)

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase (decrease) in financial assets at amortized cost - current		($ 6,116)	$ 31,938
Cash paid for acquisition of property, plant and equipment	6(25)	(5,284)	(1,936)
Acquisition of intangible assets	6(8)	(196)	(227)
Increase in prepayments for equipment		(3,301)	(4,795)
Decrease (Increase) in guarantee deposits paid		28	(813)
Decrease in other non-current assets		149	254)
Net cash flows used in investing activities		(14,720)	24,421
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(26)	290,000	110,000
Decrease in short-term borrowings	6(26)	(290,000)	(140,000)
Payments of lease liability	6(26)	(1,153)	(1,026)
Increase in long-term borrowings	6(26)	-	36,361
Decrease in long-term borrowings	6(26)	(89,339)	(87,836)
Net cash flows used in financing activities		(90,492)	(82,501)
Effect of foreign exchange rate changes on cash and cash equivalents		9,335	18,655
Net decrease in cash and cash equivalents		(46,714)	(36,736)
Cash and cash equivalents at beginning of period	6(1)	706,758	864,632
Cash and cash equivalents at end of period	6(1)	$ 660,044	$ 827,896

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

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

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

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board("IASB")
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1,2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1,2026
IFRS 17, 'Insurance contracts'	January 1,2023
Amendments to IFRS 17, 'Insurance contracts'	January 1,2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1,2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1,2026

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

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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. IFRS 18, 'Presentation and disclosure in financial statements':

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

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

B. The consolidated financial statements of the Group should be read together with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

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

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is the same as the consolidated financial statements for the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			Note
Name of investor	Name of subsidiary	Business activities	March 31, 2026	December 31, 2025	March 31, 2025	
CHIEFTEK PRECISION CO., LTD. ("CHIEFTEK PRECISION")	CHIEFTEK PRECISION HOLDING CO., LTD	Professional investment	100	100	100	-
CHIEFTEK PRECISION CO., LTD.	CHIEFTEK PRECISION INTERNATIONAL LLC	Lease of real estate property	100	100	100	Note 1
CHIEFTEK PRECISION CO., LTD.	CHIEFTEK PRECISION USA CO., LTD. ("cpc USA")	Sales of high precision linear motion components and rendering after-sales service	100	100	100	Note 2

CHIEFTEK PRECISION CO., LTD.	cpc Europa GmbH (“cpc Europa”)	Sales of high precision linear motion components and rendering after-sales service	100	100	100	-
CHIEFTEK PRECISION HOLDING CO., LTD	Chieftek Machinery (Kunshan) Co., Ltd. (“Chieftek (Kunshan)”)	Production, processing and sales of high precision linear motion components and after-sales service	100	100	100	-

Note 1: The financial statements of the entity as of and for the three-month periods ended March 31, 2026 and 2025 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The financial statements of the entity as of and for the three-month period ended March 31, 2025 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

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

(5) Income tax

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

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

There have been no significant changes as of March 31, 2026. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash:			
Cash on hand	$ 1,359	$ 1,357	$ 1,621
Checking accounts and demand deposits	653,178	705,401	793,070
	654,537	706,758	794,691
Cash Equivalents:			
Time deposits	5,507	-	33,205
	$ 660,044	$ 706,758	$ 827,896

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

B. The Group has no cash and cash equivalents pledged to others as of March 31, 2026, December 31, 2025 and March 31, 2025.

(2) Financial assets at amortized cost - current

	March 31, 2026	December 31, 2025	March 31, 2025
Restricted time deposits	$ 8,700	$ 8,700	$ 8,700
Time deposits with maturity of over 3 months	182,048	175,932	79,124
	$ 190,748	$ 184,632	$ 87,824

A. The Group recognized interest income of $208 and $200 (listed as "Interest income") from financial assets at amortized cost for the three-month periods ended March 31, 2026 and 2025, respectively.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was its book value.

C. For more information about the Group's time deposits pledged to others as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025, refer to Note 8, 'Pledged assets'.

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	$ 62,941	$ 66,760	$ 44,217

A. The Group recognized net loss of $3,819 and $4,575 on financial assets at fair value through profit or loss (listed as "Other gains and losses") for the three-month period ended March 31, 2026 and 2025, respectively.

B. The Group has no financial assets at fair value through profit or loss pledged to others as of March 31, 2026, December 31, 2025 and March 31, 2025.

(4) Notes and accounts receivable, net

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 25,556	$ 23,434	$ 24,386
Accounts receivable	$ 356,979	$ 305,001	$ 261,967
Less: Allowance for doubtful accounts	(5,507)	(-)	(33,205)
	$ 660,044	$ 706,758	$ 827,896

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 25,371	$ 248,686	$ 23,254	$ 215,497	$ 24,076	$ 166,596
Up to 30 days	-	16,159	-	16,834	-	29,636
31 to 90 days	-	55,859	-	35,608	127	41,968
91 to 180 days	-	13,185	-	21,186	-	6,863
181 to 365 days	-	8,861	-	2,253	-	1,875
Over 365 days	185	14,229	180	13,623	183	15,029
	$ 25,556	$ 356,979	$ 23,434	305,001	$ 24,386	$ 261,967

The above ageing analysis was based on past due date

B. The Group's notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2025, the balances of notes receivable and accounts receivable from contracts with customers amounted to $269,198.

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

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group does not hold any collateral as security for accounts receivable.

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

(5) Inventories

	March 31, 2026		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 63,016	($ 5,225)	$ 57,791
Supplies	83,321	(25,183)	58,138
Work in process	319,048	(23,553)	295,495
Finished goods	257,389	(46,797)	210,592
	$ 722,774	($ 100,7582)	$ 622,016

	December 31, 2025		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 64,994	($ 5,190)	$ 59,804
Supplies	78,588	(25,626)	52,962
Work in process	319,600	(25,078)	294,522
Finished goods	263,871	(46,407)	217,464
	$ 727,053	($ 102,301)	$ 624,752

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

The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	2026	2025
Cost of goods sold	$ 196,647	$ 141,648
Reversal of allowance on inventory market price decline (Note)	(-)	(832)
Loss on physical inventory	102	31
Revenue from sale of scraps	(54)	(49)
	$ 194,744	$ 140,798

Note: For the three-month periods ended March 31, 2026 and 2025, the Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the average cost of inventory decreased due to the increase in production capacity.

(6) Property, plant and equipment

At January 1, 2026	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements and other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ 408,374	$ 1,608,242	$ 962,328	$ 6,973	$ 29,385	$ 237,235	$ 137,744	$ 3,400,281
Accumulated depreciation	-	(306,109)	(897,215)	(5,106)	(24,910)	(184,109)	(-)	(1,417,449)
	$ 408,374	$ 1,302,133	$ 65,113	$ 1,876	$ 4,475	$ 63,126	$ 137,744	$ 1,982,832
Three-month period ended March 31, 2026								
At January 1, 2026	$ 408,374	$ 1,302,133	$ 65,113	$ 1,876	$ 4,475	$ 63,126	$ 137,744	$ 1,982,832
Additions	-	690	1,694	-	402	971	196	3,953
Transferred after acceptance inspection	-	-	41,470	-	-	8,458	(49,928)	-
Depreciation	-	(10,139)	(5,662)	(141)	(529)	(4,433)	-	(20,904)
Disposals－Cost	-	-	(995)	-	(32)	-	-	(1,027)
－Accumulated depreciation	-	-	995	-	32	-	-	1,027
Net currency exchange differences	811	1,855	(3)	3	7	(1)	-	2,672
At March 31, 2026	$ 408,374	$ 1,302,133	$ 65,113	$ 1,876	$ 4,475	$ 63,126	$ 137,744	$ 1,982,832
At March 31, 2026								
Cost	$ 408,374	$ 1,608,242	$ 962,328	$ 6,973	$ 29,385	$ 237,235	$ 137,744	$ 3,400,281
Accumulated depreciation	-	(306,109)	(897,215)	(5,106)	(24,910)	(184,109)	(-)	(1,417,449)
	$ 408,374	$ 1,302,133	$ 65,113	$ 1,876	$ 4,475	$ 63,126	$ 137,744	$ 1,982,832

At January 1, 2025	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements and other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ 408,069	$ 1,596,339	$ 988,122	$ 7,088	$ 26,495	$ 198,253	$ 123,527	$ 3,347,893
Accumulated depreciation	-	(268,818)	(923,209)	(4,602)	(23,799)	(172,963)	(-)	(1,393,391)
	$ 408,069	$ 1,327,521	$ 64,913	$ 2,486	$ 2,696	$ 25,290	$ 123,527	$ 1,954,502
Three-month period ended March 31, 2025								
At January 1, 2025	$ 408,069	$ 1,327,521	$ 64,913	$ 2,486	$ 2,696	$ 25,290	$ 123,527	$ 1,954,502
Additions	-	876	474	-	-	750	2,094	4,194
Transferred from prepayments for equipment	-	-	-	-	-	-	875	875
Transferred after acceptance inspection	-	3,692	-	-	-	149	(3,841)	-
Depreciation	-	(9,556)	(5,336)	(159)	(326)	(2,228)	-	(17,605)
Disposals－Cost	-	-	-	-	(94)	-	-	(94)
－Accumulated depreciation	-	-	-	-	94	-	-	94
Net currency exchange differences	2,529	1,425	335	93	10	57	-	4,365
At March 31, 2025	$ 410,598	$ 1,323,598	$ 60,386	$ 2,336	$ 2,380	$ 24,018	$ 122,655	$ 1,982,832
At March 31, 2025								
Cost	$ 408,598	$ 1,602,901	$ 990,030	$ 7,143	$ 26,626	$ 199,432	$ 122,655	$ 3,359,385
Accumulated depreciation	-	(278,943)	(929,644)	(4,807)	(24,246)	(175,414)	-	(1,413,054)
	$ 408,598	$ 1,323,958	$ 60,386	$ 2,336	$ 2,380	$ 24,018	$ 122,655	$ 1,946,331

A. Property, plant and equipment of the Group were all for operating purposes as of March 31, 2026, December 31, 2025 and March 31, 2025.

B. For the three-month periods ended March 31, 2026 and 2025, no borrowing costs were capitalized as part of property, plant and equipment.

C. Information about the property, plant and equipment that were pledged to others as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025 is provided in Note 8, 'Pledged assets'.

(7) Leasing arrangements－lessee

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

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

Carrying amount:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 83,703	$ 76,552	$ 80,149

Depreciation charge:

	For the three-month periods ended March 31,	
	2026	2025
Land	$ 76,552	$ 80,149

C. For the three-month periods ended March 31, 2026 and 2025, there were no additions to right-of-use assets; revaluations to right-of-use assets were $8,496 and $－, respectively.

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

Items affecting profit or loss	For the three-month periods ended March 31,	
	2026	2025
Interest expense on lease liabilities	$ 409	$ 390
Expense on short-term lease contracts	$ 3,480	$ 3,297

E. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases were $5,042 and $4,713, respectively.

(8) Intangible assets

At January 1, 2026	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
Cost	$ 752	$ 17,210	$ 14,183	$ 90,718	$ 60,000	$ 182,863
Accumulated amortization	(627)	(7,550)	(13,126)	(54,431)	(13,500)	(89,234)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 125	$ 9,660	$ 1,057	$ 36,287	$ -	$ 47,129

Three-month period ended March 31, 2026	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
Net value at January 1, 2026	$ 125	$ 9,660	$ 1,057	$ 36,287	$ -	$ 47,129
Additions－acquired separately	-	196	-	-	-	196
Transferred from prepayments for equipment	-	-	238		-	238
Amortization	(5)	(244)	(116)	(2,268)	-	(2,633)
Net currency exchange differences	-	-	(4)	-	-	(4)
Net value at March 31, 2026	$ 120	$ 9,612	$ 1,175	$ 34,019	$ -	$ 44,926

At March 31, 2026	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
Cost	$ 752	$ 17,406	$ 14,406	$ 90,718	$ 60,000	$ 183,282
Accumulated amortization	(632)	(7,794)	(13,231)	(56,699)	(13,500	(91,856)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 120	$ 9,612	$ 1,175	$ 34,019	$ -	$ 44,926

At January 1, 2025	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
Cost	$ 752	$ 14,840	$ 13,977	$ 90,718	$ 60,000	$ 180,287
Accumulated amortization	(610)	(6,671)	(12,486)	(45,359)	(13,500)	(78,626)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 142	$ 8,169	$ 1,491	$ 45,359	$ -	$ 55,161

Three-month period ended March 31, 2025	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
Net value at January 1, 2026	$ 142	$ 8,169	$ 1,491	$ 45,359	$ -	$ 55,161
Additions－acquired separately	-	227	-	-	-	227
Amortization	(4)	(213)	(142)	(2,268)	-	(2,627)
Net currency exchange differences	-	-	59	-	-	59
Net value at March 31, 2025	$ 138	$ 8,183	$ 1,408	$ 43,091	$ -	$ 52,820

At March 31, 2025	Trademarks	Patents	Software	Turn-key professional technique	Others	Total
Cost	$ 752	$ 15,067	$ 14,113	$ 90,718	$ 60,000	$ 180,650
Accumulated amortization	(614)	(6,884)	(12,705)	(47,627)	(13,500	(81,330)
Accumulated impairment	-	-	-	-	(46,500)	(46,500)
Net value	$ 138	$ 8,183	$ 1,408	$ 43,091	$ -	$ 52,820

A. For the three-month periods ended March 31, 2026 and 2025, no borrowing costs were capitalized as part of intangible assets.

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

	For the three-month periods ended March 31,			
	2026		2025	
General and administrative expenses	$	78	$	73
Research and development expenses		2,555		2,554
	$	2,633	$	2,627

(9) Short-term borrowings

Nature	March 31, 2026		Interest rate range	Collateral
Bank unsecured borrowings	$	130,000	1.73%～1.90%	None

Nature	December 31, 2025		Interest rate range	Collateral
Bank unsecured borrowings	$	160,000	1.52%～2.05%	None

Nature	March 31, 2025		Interest rate range	Collateral
Bank secured borrowings	$	30,000	1.81%	Buildings
Bank unsecured borrowings		205,000	1.37%～1.62%	None
	$	235,000		

(10) Other payables

	March 31, 2026		December 31, 2025		March 31, 2025	
Dividends payable	$	61,083	$	-	$	61,083
Accrued salaries and bonuses		54,953		59,128		46,920
Employees' compensation and directors' remuneration payable		16,176		706,758		14,325
Equipment payable		5,188		10,300		3,122
Miscellaneous payable		4,980		4,640		3,671
Others		39,806		42,049		43,900
	$	182,186	$	120,711	$	173,201

(11) Long-term borrowings

Nature	Expiry date	March 31, 2026	Interest rate range	Collateral
Long-term bank borrowings				
Secured borrowings	November 29, 2027～ February 15, 2031	$ 576,879	1.86%～ 2.24%	Land, buildings
Unsecured borrowings	May 15, 2026～ February 19, 2029	436,630	1.82%～ 2.54%	None
		1,013,509		
Less: Current portion		(262,909)		
		$ 750,600		

Nature	Expiry date	December 31, 2025	Interest rate range	Collateral
Long-term bank borrowings				
Secured borrowings	November 29, 2027～ February 15, 2031	$ 588,009	1.86%～ 2.81%	Land, buildings
Unsecured borrowings	February 21, 2026～ February 19, 2029	513,520	1.82%～ 2.70%	None
		1,101,529		
Less: Current portion		(285,587)		
		$ 815,942		

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

For more information about interest expense recognized by the Group for the three-month periods ended March 31, 2026 and 2025, refer to Note 6(20), ‘Finance costs’.

(12) Pensions

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

(b) No pension cost was recognized under the aforementioned defined benefit pension plan of the Company for the three-month periods ended March 31, 2026 and 2025.

(c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 amount to $450.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The other subsidiaries are subject to local government sponsored defined contribution plan. In accordance with related laws of the respective local government, the independent pension fund of employees is administered by the government. Other than the monthly contributions, these subsidiaries do not have further obligations. The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2026 and 2025 were $3,957 and $3,518, respectively.

(13) Share capital

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

	For the three-month periods ended March 31,	
	2026	2025
Balance at beginning and end of period	87,262	87,262

B. Treasury shares

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

	Balance at beginning and end of the three-month periods ended March 31	
Reason for reacquisition	2026	2025
To be reissued to employees	2,000	2,000

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus. As of March 31, 2026, December 31, 2025 and March 31, 2025, the treasury shares both amounted to $147,570.

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

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

C. As of March 31, 2026, the Company's authorized capital was $1,500,000 (including $30,000 reserved for employee stock options), and the paid-in capital was $892,619 (89,262 thousand shares) with par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(14) Capital reserve

For the three-month periods ended March 31, 2026 and 2025	Share premium	Treasury share transactions	Others	Total
Balances at beginning and end of period	$ 440,553	$ 5,454	$ 114	$ 446,121

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

(15) Retained earnings

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

B. According to the Company's Articles of Incorporation, the Company's dividend policy is to distribute the current year's earnings, if any, in the following order: (1) pay all taxes and dues; (2) offset any loss of prior years; (3) set aside 10% as legal reserve; (4) set aside or reverse special reserve as required by regulations or the Competent Authority; (5) The appropriation of the remaining amount after deducting items (1) to (4), along with the unappropriated retained earnings of prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the shareholders' meeting. However, the distribution of dividends shall not be lower than 20% of the current year's profit after deducting items (1) to (4). In order to continually expand the scale of operations, increase competitiveness and support the Company's long-term development plans, future capital requirements and long-term financial plan, the Company's dividend policy is to distribute stock dividends and partially as cash dividends. Cash dividends shall not be less than 10% of the total dividends distributed to shareholders. The Board of Directors of the Company shall adopt a resolution by a majority of more than two-thirds of the directors present to distribute whole or a part of the distributable dividends, bonuses, capital reserves or legal reserve in the form of cash, and report to the shareholders during their meetings. The above is not subject to provisions that require shareholders' approval.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. As of March 31, 2026, December 31, 2025 and March 31, 2025, the above special reserve amounted to $2,481, $2,481 and $25,061.

D. The cash dividends recognized by the Company for distribution to owners in 2025 amounted to $61,083 (NT$0.7 (in dollars) per share). On February 26, 2026, the Board of Directors proposed for the distribution of cash dividends from 2025 earnings in the amount of $61,083 (NT$0.7 (in dollars) per share).

(16) Operating revenue

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

	For the three-month periods ended March 31,	
	2026	2025
Miniature linear guides	$ 179,076	$ 150,527
Large linear guides	125,372	85,021
Linear motor	29,835	17,762
Others	119	49
	$ 334,402	$ 253,359

B. The Group has recognized revenue-related contract liabilities amounting to $2,106, $1,557, $5,620 and $3,259 as of March 31, 2026, December 31, 2025, March 31, 2025 and January 1, 2025, respectively. Revenue recognized that were included in the contract liability balance at the beginning of 2025 and 2024 for the three-month periods ended March 31, 2026 and 2025 were $1,466 and $3,097, respectively.

(17) Interest income

	For the three-month periods ended March 31,	
	2026	2025
Interest income from bank deposits	$ 454	$ 593
Interest income from financial assets measured at amortized cost	208	200
Other interest income	2	-
	$ 664	$ 793

(18) Other income

	For the three-month periods ended March 31,	
	2026	2025
Dividend income	$ 10,558	$ -
Income from sales of solar energy power	1,507	1,463
Other income-other	1,468	1,427
	$ 13,533	$ 2,890

(19) Other gains and losses

	For the three-month periods ended March 31,	
	2026	2025
Currency exchange gain	$ 5,398	$ 10,618
Net loss on financial assets at fair value through profi	(3,819)	(4,575)
Other losses	-	(393)
	$ 1,579	$ 5,650

(20) Finance costs

	For the three-month periods ended March 31,	
	2026	2025
Interest expense:		
Interest expense on bank borrowings	$ 7,580	$ 8,055
Interest expense on lease liabilities	409	390
	$ 7,989	$ 8,445

(21) Expenses by nature

	For the three-month periods ended March 31, 2026		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 64,249	$ 49,989	$ 114,238
Depreciation	12,599	9,650	22,249
Amortization	-	2,633	2,633
	$ 76,848	$ 62,272	$ 139,120

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

(22) Employee benefit expense

	For the three-month periods ended March 31, 2026		
	Operating cost	Operating expense	Total
Wages and salaries	$ 54,343	$ 43,820	$ 98,163
Labor and health insurance expense	5,227	3,096	8,323
Pension costs	2,378	1,579	3,957
Other personnel expenses	2,301	1,494	3,795
	$ 64,249	$ 49,989	$ 114,485

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

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

For the three-month periods ended March 31, 2026 and 2025, the Company's employees' compensation were $4,536 and $1,700, respectively; while directors' remuneration were $1,340 and $425, respectively. The aforementioned amounts were recognized in salary expenses and were estimated and accrued based on the earnings of current period and the percentage specified in the Articles of Incorporation of the Company.

The employees' compensation and directors' remuneration for 2025 as resolved by the Board of Directors were $8,500 and $1,800, respectively. The employees' compensation and directors' remuneration for 2025 as resolved by the Board of Directors were equal to the amounts recognized in the 2025 financial statements. The employees' compensation will be distributed in the form of cash.

Information about the appropriation of employees' compensation and directors' remuneration of the Company as proposed by the Board of Directors is posted in the "Market Observation Post

System” at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense:

Components of income tax expense:

	For the three-month periods ended March 31,			
	2026		2025	
Current income tax:				
Income tax incurred in current period	$	10,170	$	8,242
Deferred income tax:				
Origination and reversal of temporary differences		4,010		1,208
Income tax expense	$	14,180	$	9,450

B. The Company’s income tax returns through 2023 have been assessed and approved by the Tax Authority. There were no disputes existing between the Company and the Tax Authority as of May 6, 2026.

(24) Earnings per share (“EPS”)

	For the three-month periods ended March 31, 2026				
	Amount after tax		Weighted average number of shares outstanding EPS Amount after tax (shares in thousands)	EPS (in dollars)	
Basic earnings per share					
Profit attributable to ordinary shareholders of the parent	$	37,908	87,262	$	0.43
Diluted earnings per share					
Profit attributable to ordinary shareholders of the parent	$	37,908	87,262		
Assumed conversion of all dilutive potential ordinary shares Employees’ compensation		-	106		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$	37,908	87,368	$	0.43

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

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the three-month periods ended March 31,	
	2026	2025
Acquisition of property, plant and equipment	$ 3,953	$ 4,194
Add: Beginning balance of notes payable	3,774	124
Beginning balance of payable for equipment	4,594	4,638
Less: Ending balance of notes payable	(1,849)	(3,898)
Ending balance of payable for equipment	(5,188)	(3,122)
Cash paid for acquisition of property, plant and equipment	$ 5,284	$ 1,936

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

	For the three-month periods ended March 31,	
	2026	2025
(a) Prepayments for equipment reclassified to property, plant and equipment	$ -	$ 875
(b) Prepayments for equipment reclassified to Intangible assets	$ 238	$ -
(c) Cash dividends appropriation	$ 61,083	$ 61,083

(26) Changes in liabilities from financing activities

	Short-term borrowings	Lease liability	Long-term borrowings	Liabilities from financing activities-gross
At January 1, 2026	$ 230,000	$ 82,931	$ 1,101,529	$ 1,414,460
Changes in cash flow from financing activities	-	(1,153)	(89,339)	(90,492)
Revaluations	-	8,496	-	8,496
Effect of changes in foreign exchange rate	-	-	1,319	1,319
At March 31, 2026	$ 230,000	$ 90,274	$ 1,013,509	$ 1,333,783

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

7. RELATED PARTY TRANSACTIONS

(1) Significant transactions and balances with related parties

None.

(2) Key management compensation

	For the three-month periods ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	$ 7,313	$ 7,421

8. PLEDGED ASSETS

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

	Book value			
Asset pledged	March 31, 2026	December 31, 2025	March 31, 2025	Purpose of collateral
Restricted time deposits (Note 1)	$ 8,700	$ 8,700	$ 8,700	Performance guarantee
Land (Note 2)	373,324	372,326	375,459	Guarantee for long- term borrowing
Buildings - net (Note 2)	493,797	495,584	511,339	Guarantee for long and short-term borrowings
	$ 875,821	$ 876,610	$ 895,498	

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

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

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2026, December 31, 2025 and March 31, 2025, the endorsements and guarantees provided by the Company to the subsidiary, cpc Europa GmbH, amounted to $330,390 $332,100 and $323,730, respectively, and the actual amounts drawn down were $43,690, $79,950 and $136,686, respectively.

(2) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group’s remaining balance due for construction in progress and prepayments for equipment were $63,536, $64,066 and $70,440, respectively.

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

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

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

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

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

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

As of March 31, 2026, the Company has not violated any of the above covenants.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

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

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

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

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

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

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

	March 31, 2026		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 6,865	31.995	$ 219,630
JPY:NTD	107,184	0.2005	21,490
EUR:NTD	2,859	36.71	104,936
Financial liabilities			
Monetary items			
JPY:NTD	14,815	0.2005	2,970
EUR:NTD	413	36.71	15,073

	December 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 6,135	31.413	$ 189,655
JPY:NTD	85,519	0.2008	17,172
EUR:NTD	2,143	36.90	79,087
Financial liabilities			
Monetary items			
EUR:NTD	287	36.90	10,480

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

Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at financial reporting date. If the exchange rate of NTD to other currencies had appreciated/depreciated by 1% with all other factors remaining constant, the Group's net profit after tax for the three-month periods ended March 31, 2026 and 2025 would decrease/increase by $2,624 and $2,208, respectively.

(v) The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2026 and 2025 amounted to $5,398 and $10,618, respectively

II. Price risk

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

III. Cash flow and fair value interest rate risk

(i) The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. However, partial interest rate risk is offset by cash and cash equivalents held at variable rates. For the three-month periods ended March 31, 2026 and 2025, the Group's borrowings at variable rate were mainly denominated in NTD, EUR, and USD.

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

(iii) If the borrowing interest rate had increased/decreased by 10% with all other variables held constant, profit, net of tax for the three-month periods ended March 31, 2026 and 2025 would have decreased/increased by $606 and $644, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

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

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

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

IV. The Group classifies customers' accounts receivable in accordance with the credit rating of customers and credit risk on trade. The Group applies the simplified approach using the provision matrix and the forecast ability to adjust historical and timely information to estimate expected credit loss. The Group's provision matrix as of March 31, 2026, December 31, 2025 and March 31, 2025 is as follows:

March 31, 2026	Current	Up to 180 days	More than 181 days past due	Total
Expected loss rate	0.03%~2%	0.03%~21.73%	22%~100%	
Total book value	$ 248,686	$ 85,203	$ 23,090	$ 356,979
Loss allowance	1,632	7,172	19,858	28,662

December 31, 2025	Current	Up to 180 days	More than 181 days past due	Total
Expected loss rate	0.03%~2%	0.03%~22.65%	22%~100%	
Total book value	$ 215,497	$ 73,628	$ 15,876	$ 305,001
Loss allowance	1,596	6,272	15,338	23,206

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

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

	For the three-month periods ended March 31,	
	2026	2025
	Accounts receivable	Accounts receivable
At January 1	$ 23,206	$ 21,068
Provision for impairment	4,935	2,855
Effect of foreign exchange	521	577
At March 31	$ 28,662	$ 24,500

(c) Liquidity risk

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

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

III. The Group has the following undrawn borrowing facilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate:			
Expiring within one year	$ 1,139,182	$ 1,175,035	$ 1,054,050
Expiring beyond one year	1,295,065	1,240,000	1,473,089
	$ 2,434,247	$ 2,415,035	$ 2,527,139

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

March 31, 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 230,926	$ -	$ -	$ -
Notes payable	73,065	-	-	-
Accounts payable	42,058	-	-	-
Other payables	182,186	-	-	-
Lease liability	6,245	6,245	18,736	73,382
Long-term borrowings (including current portion)	282,161	343,147	445,216	-

December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 230,461	$ -	$ -	$ -
Notes payable	78,837	-	-	-
Accounts payable	26,917	-	-	-

Other payables	120,711	-	-	-
Lease liability	5,665	5,665	16,995	67,979
Long-term borrowings (including current portion)	306,299	401,211	56,167	401,127

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

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

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market is included in Level 3.

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

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 62,941	$ 62,941

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 66,760	$ 66,760

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

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

E. For the three-month periods ended March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2.

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

	For the three-month period ended March 31	
	2026	2025
	Equity instrument	Equity instrument
At January 1	$ 66,760	$ 48,792
Losses recognized in profit or loss	(3,819)	(4,575)
At March 31	$ 62,941	$ 44,217

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

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

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Equity securities	$ 62,941	Net asset value	Not applicable	—	Not applicable

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Equity securities	$ 66,760	Net asset value	Not applicable	—	Not applicable

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

13. SUPPLEMENTARY DISCLOSURES

(According to the regulatory requirement, only information for the three-month period ended March 31, 2026 is disclosed.)

(1) Significant transactions information

A. Loans to others: None.

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

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

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

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 3.

F. Significant inter-company transactions during the reporting period: Refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 7.

14. SEGMENT INFORMATION

(1) General information

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

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

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

	For the three-month period ended March 31, 2026					
	CHIEFTEK PRECISION	Chieftek (Kunshan)	cpc Europa	cpc USA	Others	Total
Segment revenue	$ 244,616	$ 47,611	$ 103,444	$ 56,538	$ 2,824	$ 455,033
Inter-segment revenue	(117,334)	-	(473)	-	(2,824)	(120,631)
External revenue	127,282	47,611	102,971	56,538	-	334,402
Interest income	462	105	-	96	1	664
Depreciation and amortization	23,270	25	689	48	850	24,882
Capital expenditures	4,877	203	2,370	-	-	7,450
Interest expense	6,998	-	451	-	540	7,989
Segment pre-tax income (loss)	45,672	7,996	2,132	16,309	(23)	72,086
Segment assets	3,233,264	209,744	246,500	189,868	204,179	4,083,555
Segment liabilities	1,534,988	4,048	61,929	6,499	81,206	1,688,670

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

(3) Reconciliation for segment income

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

	For the three-month period ended March 31	
	2026	2025
Reportable segments pre-tax income	$ 72,109	$ 31,802
Other segments pre-tax (loss) gain	(23)	(46)
Inter segments gain	(19,998)	(8,678)
Profit before income tax	$ 52,088	$ 23,078

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2026

Table 1 | Expressed in thousands of NTD

		Party being endorsed/guaranteed												
Nunber (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount during the period	Outstanding endorsement/ guarantee amount at March 31, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	CHIEFTEK PRECISION CO., LTD.	cpc Europa GmbH	1	$ 1,197,443	$ 338,220	$ 330,390	$ 43,690	$ -	14%	$ 1,197,443	Y	N	N	—

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

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

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

(Note 4) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:31.995) as of March 31, 2026.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

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

March 31, 2026

Table 2

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
CHIEFTEK PRECISION CO., LTD	Stocks: Phoenix VI Innovation Investment Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	5,000,000	$ 62,941	2.54%	$ 62,941	—

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

March 31, 2026

Table 3

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as of March 31, 2026	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CHIEFTEK PRECISION CO., LTD	cpc Europa GmbH	Subsidiary	$ 110,878	2.63	$ -	—	$ 30,383	$ -

(Note) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:31.995) as of March 31, 2026.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the three-month period ended March 31, 2026

Table 4 | Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	CHIEFTEK PRECISION CO., LTD.	cpc Europa GmbH	1	Endorsements and guarantees	$ 330,390	—	8%
				Revenue	61,534	180 days after monthly-closing, T/T	18%
				Accounts receivable	110,878	—	3%
		CHIEFTEK PRECISION USA CO., LTD.	1	Revenue	16,791	180 days after monthly- closing, T/T	5%
				Accounts receivable	12,362	—	-
		Chieftek Machinery (Kunshan) Co., Ltd.	1	Revenue	39,009	180 days after monthly- closing, T/T	12%
				Accounts receivable	53,349	—	1%
1	CHIEFTEK PRECISION USA CO., LTD.	CHIEFTEK PRECISION INTERNATINAL LLC	3	Rent payment	2,824	—	1%
				Guarantee deposits paid	1,600	—	-

(Note 1) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.
(Note 2) Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.
(Note 3) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.
(Note 4) Only transactions over 1 million are disclosed.
(Note 5 Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:31.995) as of March 31, 2026.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

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

For the three-month period ended March 31, 2026

Table 5 Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Balance as of March 31, 2026	Balance as of December 31, 2025	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2026	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2026	Footnote
CHIEFTEK PRECISION CO., LTD	CHIEFTEK PRECISION HOLDING CO., LTD.	Samoa	Professional investment	$ 152,263	$ 152,263	5,100,000	100%	$ 166,250	$ 6,235	$ 6,235	Subsidiary
	CHIEFTEK PRECISION INTERNATIONAL LLC	United States of America	Lease of real estate property	110,054	110,054	-	100%	121,314	(23)	(23)	Subsidiary
	CHIEFTEK PRECISION USA CO., LTD.	United States of Ame	Sales of high precision linear motion components and rendering after -sale services	50,027	50,027	1,660,000	100%	172,608	12,549	12,549	Subsidiary
	cpc Europa GmbH	Germany	Sales of high precision linear motion components and rendering after -sale services	98,695	98,695	-	100%	73,693	1,237	1,237	Subsidiary

(Note) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:31.995) as of March 31, 2026.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Basic information

For the three-month period ended March 31, 2026

Table 6 Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the three-month period ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three month period ended March 31, 2026 (Note 2)	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chieftek Machinery (Kunshan) Co., Ltd.	Production, processing and sales of high precision linear motion components and rendering after-sale services	$ 163,175	Note 1	$ 163,175	$ -	$ -	$ 163,175	$ 6,235	100%	$ 6,235	$ 177,188	$ 288,666	—

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
CHIEFTEK PRECISION CO., LTD.	$ 163,175	$ 163,175	$ 1,436,931

(Note 1) Through investing in an existing company in the third area (CHIEFTEK PRECISION HOLDING CO., LTD.) which then invested in the investee in Mainland China.

(Note 2) The investment income (loss) is recognized based on the investees' financial statements that were reviewed by the parent company's auditors for the three-month period ended March 31, 2026.

(Note 3) The ceiling amount is 60% of the higher of net worth or consolidated net worth. (Note 4) Foreign currencies were translated into New Taiwan Dollars using the exchange rate (USD:NTD 1:31.995) as of March 31, 2026.

CHIEFTEK PRECISION CO., LTD. AND SUBSIDIARIES

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

For the three-month period ended March 31, 2026

Table 7

Expressed in thousands of NTD

	Sales (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at March 31, 2026	%	Balance at March 31, 2026	Purpose	Maximum balance during the three-month period ended March 31,2026	Balance at March 31, 2026	Interest rate	Interest during the three-month period ended March 31, 2026	Others
Chieftek Machinery (Kunshan) Co., Ltd	$ 39,009	16%	$ -	-	$ 53,349	15%	$ -	-	$ -	$ -	-	$ -	$ -