

RECHI PRECISION CO., LTD. and its  
subsidiaries

Consolidated Financial Statements for the  
Six Months Ended June 30, 2025 and  
2024 and Independent Auditors' Review  
Report

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## §Table of Contents§

| Items                                                                                           | Page  | Notes to financial<br>the statements No. |
|-------------------------------------------------------------------------------------------------|-------|------------------------------------------|
| 1. Cover                                                                                        | 1     | -                                        |
| 2. Table of Contents                                                                            | 2     | -                                        |
| 3. Auditor's Report                                                                             | 3~4   | -                                        |
| 4. Consolidated Balance Sheet                                                                   | 5     | -                                        |
| 5. Consolidated Statements of Comprehensive<br>Income                                           | 6     | -                                        |
| 6. Consolidated Statements of Changes in Equity                                                 | 7     | -                                        |
| 7. Consolidated Statements of Cash Flows                                                        | 8~9   | -                                        |
| 8. Notes to Consolidated Financial Statements                                                   |       |                                          |
| (1) Organization and operations                                                                 | 10    | 1                                        |
| (2) Financial reporting date and procedures                                                     | 10    | 2                                        |
| (3) Application of new and revised standards<br>and interpretation                              | 10~12 | 3                                        |
| (4) Summary of significant accounting<br>policies                                               | 12~13 | 4                                        |
| (5) Main source of significant accounting<br>judgment, estimates and assumptions<br>uncertainty | 13    | 5                                        |
| (6) Summary of significant accounting titles                                                    | 13~40 | 6~25                                     |
| (7) Related party transactions                                                                  | 40~42 | 26                                       |
| (8) Pledged assets                                                                              | 42    | 27                                       |
| (9) Significant contingent liabilities and<br>unrecognized contractual commitments              | 43    | 28                                       |
| (10) Significant disaster loss                                                                  | -     | -                                        |
| (11) Significant subsequent events                                                              | -     | -                                        |
| (12) Other information                                                                          | -     | -                                        |
| (13) Information of foreign currency assets<br>and liabilities with significant effects         | 43~45 | 29                                       |
| (14) Notes of disclosure                                                                        |       |                                          |
| 1. Information about important<br>transactions                                                  | 46    | 30                                       |
| 2. Information on Investees                                                                     | 46    | 30                                       |
| 3. Information regarding investment in<br>the territory of Mainland China                       | 46    | 30                                       |
| (15) Segment information                                                                        | 47~48 | 31                                       |

## **Auditor's Report**

To RECHI PRECISION CO., LTD.:

### **Introduction**

We have reviewed the accompanying consolidated balance sheet of RECHI PRECISION CO., LTD. (the "Company") and subsidiary (collectively, the "Group") as of June 30, 2025 and 2024, and the related consolidated statement of income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, consolidated statement of changes in equity, consolidated statement of cash flows for the six months then ended, and notes to the consolidated financial statements (including major accounting policy) for the three months then ended. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except for those described in the paragraph of basis of a qualified conclusion, we conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. 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 of qualified conclusion**

As stated in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the accompanying consolidated financial statements were not reviewed by independent auditors. The total assets of these non-significant subsidiaries amounted to NTD 3,170,674 thousand and NTD 3,426,027 thousand, constituting 11.50% and 12.02% of the consolidated total assets, and the total liabilities of these non-significant subsidiaries amounted to NTD 1,201,048 thousand and NTD 1,786,685 thousand, constituting 6.87% and 10.28% of the consolidated total liabilities, as of June 30, 2025 and 2024, respectively. The total comprehensive income of these non-significant subsidiaries and joint operations amounted to NTD 46,233 thousand, NTD 38,486 thousand, NTD 98,604 thousand and NTD 83,776 thousand, constituting (3.86)%, 8.50%, (15.39)%, and 7.23% of the consolidated total comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024. In addition, as stated in Note 12 to the Consolidated Financial Statements, the investments accounted for using the equity method amounted to NTD 190,723 thousand and NTD

173,551 thousand as of June 30, 2025 and 2024, respectively; and the shares of profit/loss on associates accounted for using the equity method amounted to NTD (2,430) thousand, NTD (614) thousand, NTD (4,483) thousand and NTD (1,393) thousand for the three months ended June 30, 2025 and 2024, and for the six months ended June 30, 2025 and 2024, respectively. These amounts and relevant information disclosed in Note 30 to the Consolidated Financial Statements were based on the financial statements of these investees for the same period that were not reviewed by independent auditors.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused 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 June 30, 2025 and 2024, and its consolidated financial performance for the three months June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission.

Deloitte & Touche

CPA CHANG, CHING Hsia

CPA CHENG, CHIN TSUNG

Financial Supervisory Commission Approval  
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August 12, 2025

RECHI PRECISION CO., LTD. and its subsidiaries  
Consolidated Balance Sheet  
As of June 30, 2025, December 31, 2024, and June 30, 2024

Unit: NTD thousand

| Code | Assets                                                                       | June 30, 2025        |              | December 31, 2024    |              | June 30, 2024        |              |
|------|------------------------------------------------------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|      |                                                                              | Amount               | %            | Amount               | %            | Amount               | %            |
|      | Current assets                                                               |                      |              |                      |              |                      |              |
| 1100 | Cash and cash equivalents (Note 6)                                           | \$ 3,450,656         | 13           | \$ 5,839,139         | 20           | \$ 3,199,375         | 11           |
| 1110 | Financial asset at fair value through profit or loss– current (Note 7)       | 1,955,918            | 7            | 1,826,786            | 6            | 1,860,333            | 6            |
| 1136 | Financial assets at amortized cost – current (Notes 8 and 27)                | 4,004,103            | 15           | 3,815,447            | 13           | 3,783,435            | 13           |
| 1150 | Notes receivable – non-related parties (Notes 9 and 27)                      | 5,388,087            | 20           | 3,104,750            | 10           | 6,576,340            | 23           |
| 1170 | Accounts receivables – non-related parties (Note 9)                          | 3,403,100            | 12           | 4,293,538            | 14           | 3,574,577            | 13           |
| 1180 | Accounts receivables – related parties (Note 26)                             | 661                  | -            | 1,697                | -            | 2,208                | -            |
| 1200 | Other receivables (Note 26)                                                  | 141,677              | -            | 195,491              | 1            | 194,815              | 1            |
| 130X | Inventory (Note 10)                                                          | 2,002,463            | 7            | 3,292,966            | 11           | 2,045,350            | 7            |
| 1410 | Prepayments (Note 15)                                                        | 602,874              | 2            | 795,224              | 3            | 773,260              | 3            |
| 1470 | Other current assets (Note 15)                                               | 21,997               | -            | 25,223               | -            | 22,451               | -            |
| 11XX | Total current assets                                                         | <u>20,971,536</u>    | <u>76</u>    | <u>23,190,261</u>    | <u>78</u>    | <u>22,032,144</u>    | <u>77</u>    |
|      | Non-Current assets                                                           |                      |              |                      |              |                      |              |
| 1550 | Investment accounted for using equity method (Note 12)                       | 190,723              | 1            | 195,296              | 1            | 173,551              | 1            |
| 1600 | Property, plant and equipment (Notes 13 and 27)                              | 4,902,258            | 18           | 5,305,175            | 18           | 5,363,481            | 19           |
| 1755 | Right-of-use assets (Note 14)                                                | 124,513              | -            | 136,412              | -            | 148,195              | -            |
| 1821 | Other intangible assets                                                      | 69,565               | -            | 66,748               | -            | 56,500               | -            |
| 1840 | Deferred income tax assets                                                   | 820,183              | 3            | 554,329              | 2            | 471,723              | 2            |
| 1990 | Other non-current assets (Note 15)                                           | 486,312              | 2            | 445,634              | 1            | 262,601              | 1            |
| 15XX | Total non-current assets                                                     | <u>6,593,554</u>     | <u>24</u>    | <u>6,703,594</u>     | <u>22</u>    | <u>6,476,051</u>     | <u>23</u>    |
| 1XXX | Total assets                                                                 | <u>\$ 27,565,090</u> | <u>100</u>   | <u>\$ 29,893,855</u> | <u>100</u>   | <u>\$ 28,508,195</u> | <u>100</u>   |
|      | Liabilities and equity                                                       |                      |              |                      |              |                      |              |
|      | Current liabilities                                                          |                      |              |                      |              |                      |              |
| 2100 | Short-term borrowings (Notes 16 and 27)                                      | \$ 3,994,313         | 15           | \$ 2,750,000         | 9            | \$ 900,000           | 3            |
| 2110 | Short-term notes payable (Note 16)                                           | 648,652              | 2            | 479,056              | 2            | 629,169              | 2            |
| 2150 | Notes payable – non-related party                                            | 6,597,819            | 24           | 6,632,535            | 22           | 6,274,682            | 22           |
| 2170 | Accounts payable – non-related parties                                       | 2,013,443            | 7            | 3,383,344            | 11           | 3,274,186            | 12           |
| 2180 | Accounts payable – related parties (Note 26)                                 | 5,229                | -            | 516                  | -            | 16,217               | -            |
| 2200 | Other payables (Notes 17 and 26)                                             | 783,074              | 3            | 978,251              | 3            | 836,590              | 3            |
| 2230 | Income tax liability (Note 4)                                                | 666,503              | 2            | 743,608              | 3            | 648,021              | 2            |
| 2250 | Provisions – Current                                                         | 174,828              | 1            | 187,158              | 1            | 153,391              | 1            |
| 2280 | Lease liabilities – current (Note 14)                                        | 1,774                | -            | 837                  | -            | 10,808               | -            |
| 2320 | Long-term borrowings and notes payable due within one year (Notes 16 and 27) | 86,829               | -            | 86,829               | -            | 2,035,985            | 7            |
| 2365 | Refund liability – current                                                   | 967,881              | 4            | 1,257,502            | 4            | 895,175              | 3            |
| 2399 | Other current liabilities (Note 26)                                          | 71,364               | -            | 143,394              | 1            | 111,795              | -            |
| 21XX | Total of current liabilities                                                 | <u>16,011,709</u>    | <u>58</u>    | <u>16,643,030</u>    | <u>56</u>    | <u>15,786,019</u>    | <u>55</u>    |
|      | Non-current liabilities                                                      |                      |              |                      |              |                      |              |
| 2541 | Long-term borrowings (Notes 16 and 27)                                       | 423,898              | 1            | 647,312              | 2            | 690,727              | 3            |
| 2570 | Deferred tax liabilities                                                     | 982,078              | 4            | 917,923              | 3            | 830,163              | 3            |
| 2580 | Lease liabilities – non-current (Note 14)                                    | 3,930                | -            | 871                  | -            | 1,742                | -            |
| 2640 | Net defined benefit liabilities (Notes 4 and 18)                             | 33,573               | -            | 35,991               | -            | 39,126               | -            |
| 2670 | Other non-current liabilities                                                | 25,264               | -            | 27,330               | -            | 28,311               | -            |
| 25XX | Total non-current liability                                                  | <u>1,468,743</u>     | <u>5</u>     | <u>1,629,427</u>     | <u>5</u>     | <u>1,590,069</u>     | <u>6</u>     |
| 2XXX | Total liabilities                                                            | <u>17,480,452</u>    | <u>63</u>    | <u>18,272,457</u>    | <u>61</u>    | <u>17,376,088</u>    | <u>61</u>    |
|      | Equity of the company (Notes 19 and 24)                                      |                      |              |                      |              |                      |              |
| 3110 | Common shares                                                                | <u>5,048,951</u>     | <u>19</u>    | <u>5,049,151</u>     | <u>17</u>    | <u>5,049,151</u>     | <u>18</u>    |
| 3200 | Capital reserves                                                             | <u>1,367,666</u>     | <u>5</u>     | <u>1,367,729</u>     | <u>5</u>     | <u>1,367,729</u>     | <u>5</u>     |
|      | Retained earnings                                                            |                      |              |                      |              |                      |              |
| 3310 | Statutory surplus reserves                                                   | 1,332,787            | 5            | 1,231,756            | 4            | 1,231,756            | 4            |
| 3320 | Special surplus reserves                                                     | 556,385              | 2            | 1,097,408            | 4            | 1,097,408            | 4            |
| 3350 | Undistributed earnings                                                       | <u>2,860,789</u>     | <u>10</u>    | <u>2,576,593</u>     | <u>8</u>     | <u>2,141,697</u>     | <u>8</u>     |
| 3300 | Total retained earnings                                                      | <u>4,749,961</u>     | <u>17</u>    | <u>4,905,757</u>     | <u>16</u>    | <u>4,470,861</u>     | <u>16</u>    |
| 3400 | Other equity                                                                 | ( <u>1,742,643</u> ) | ( <u>6</u> ) | ( <u>556,385</u> )   | ( <u>2</u> ) | ( <u>581,557</u> )   | ( <u>2</u> ) |
| 3500 | Treasury shares                                                              | ( <u>228,539</u> )   | ( <u>1</u> ) | ( <u>93,573</u> )    | -            | ( <u>93,573</u> )    | ( <u>1</u> ) |
| 31XX | Total equity of the company                                                  | <u>9,195,396</u>     | <u>34</u>    | <u>10,672,679</u>    | <u>36</u>    | <u>10,212,611</u>    | <u>36</u>    |
| 36XX | Non-controlling interests                                                    | <u>889,242</u>       | <u>3</u>     | <u>948,719</u>       | <u>3</u>     | <u>919,496</u>       | <u>3</u>     |
| 3XXX | Total equity                                                                 | <u>10,084,638</u>    | <u>37</u>    | <u>11,621,398</u>    | <u>39</u>    | <u>11,132,107</u>    | <u>39</u>    |
|      | Total Liabilities and Equity                                                 | <u>\$ 27,565,090</u> | <u>100</u>   | <u>\$ 29,893,855</u> | <u>100</u>   | <u>\$ 28,508,195</u> | <u>100</u>   |

The notes attached shall constitute an integral part of this Consolidated financial statement.  
(Please refer to the review report by Deloitte & Touche dated August 12, 2025)

Chairman: CHEN, SHENG TIEN

Manager: FENG, MING FA

Accounting Manager: WU, CHIN MEI

RECHI PRECISION CO., LTD. and its subsidiaries  
Consolidated Statements of Comprehensive Income

For the Three months Ended June 30, 2025 and 2024 and For the Six Months Ended June 30, 2025 and 2024

Unit: NTD thousand, except Earnings Per Share (NTD)

| Code |                                                                                                                                               | April 1 to June 30, 2025 |               | April 1 to June 30, 2024 |               | January 1 to June 30, 2025 |               | January 1 to June 30, 2024 |              |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|--------------------------|---------------|----------------------------|---------------|----------------------------|--------------|
|      |                                                                                                                                               | Amount                   | %             | Amount                   | %             | Amount                     | %             | Amount                     | %            |
| 4110 | Sales revenue (Note 26)                                                                                                                       | \$ 5,464,634             | 100           | \$ 6,158,617             | 100           | \$ 12,086,804              | 100           | \$ 11,089,864              | 100          |
| 5000 | Operating cost (Notes 10, 20 and 26)                                                                                                          | ( 4,535,255 )            | ( 83 )        | ( 5,128,037 )            | ( 83 )        | ( 10,030,578 )             | ( 83 )        | ( 9,324,399 )              | ( 84 )       |
| 5900 | Operating gross margins                                                                                                                       | <u>929,379</u>           | <u>17</u>     | <u>1,030,580</u>         | <u>17</u>     | <u>2,056,226</u>           | <u>17</u>     | <u>1,765,465</u>           | <u>16</u>    |
|      | Operating expenses (Notes 20 and 26)                                                                                                          |                          |               |                          |               |                            |               |                            |              |
| 6100 | Marketing expenses                                                                                                                            | ( 146,347 )              | ( 3 )         | ( 195,565 )              | ( 3 )         | ( 313,872 )                | ( 3 )         | ( 297,980 )                | ( 3 )        |
| 6200 | Administrative expenses                                                                                                                       | ( 181,068 )              | ( 3 )         | ( 220,484 )              | ( 4 )         | ( 397,418 )                | ( 3 )         | ( 395,542 )                | ( 3 )        |
| 6300 | Research and development expenses                                                                                                             | ( 174,012 )              | ( 3 )         | ( 178,755 )              | ( 3 )         | ( 362,746 )                | ( 3 )         | ( 329,683 )                | ( 3 )        |
| 6450 | Expected credit impairment loss<br>(reversal gain) (Note 9)                                                                                   | <u>5,782</u>             | <u>-</u>      | <u>16,114</u>            | <u>-</u>      | ( <u>20,853</u> )          | <u>-</u>      | <u>14,832</u>              | <u>-</u>     |
| 6000 | Total operating expenses                                                                                                                      | ( <u>495,645</u> )       | ( <u>9</u> )  | ( <u>578,690</u> )       | ( <u>10</u> ) | ( <u>1,094,889</u> )       | ( <u>9</u> )  | ( <u>1,008,373</u> )       | ( <u>9</u> ) |
| 6900 | Net operating income                                                                                                                          | <u>433,734</u>           | <u>8</u>      | <u>451,890</u>           | <u>7</u>      | <u>961,337</u>             | <u>8</u>      | <u>757,092</u>             | <u>7</u>     |
|      | Non-operating income and expense (Note 20)                                                                                                    |                          |               |                          |               |                            |               |                            |              |
| 7100 | Interest revenue                                                                                                                              | 30,087                   | 1             | 30,412                   | -             | 65,684                     | 1             | 60,574                     | -            |
| 7010 | Other income                                                                                                                                  | 17,288                   | -             | 18,252                   | -             | 36,174                     | -             | 46,378                     | -            |
| 7020 | Other gains and losses                                                                                                                        | ( 105,885 )              | ( 2 )         | 35,976                   | 1             | ( 51,633 )                 | -             | 88,479                     | 1            |
| 7050 | Financial costs                                                                                                                               | ( 33,528 )               | ( 1 )         | ( 22,716 )               | -             | ( 63,363 )                 | ( 1 )         | ( 41,775 )                 | -            |
| 7060 | Share of profit (loss) of associates<br>accounted for using equity method                                                                     | ( <u>2,430</u> )         | <u>-</u>      | ( <u>614</u> )           | <u>-</u>      | ( <u>4,483</u> )           | <u>-</u>      | ( <u>1,393</u> )           | <u>-</u>     |
| 7000 | Total non-operating income and<br>expenses                                                                                                    | ( <u>94,468</u> )        | ( <u>2</u> )  | <u>61,310</u>            | <u>1</u>      | ( <u>17,621</u> )          | <u>-</u>      | <u>152,263</u>             | <u>1</u>     |
| 7900 | Net profit before taxation                                                                                                                    | 339,266                  | 6             | 513,200                  | 8             | 943,716                    | 8             | 909,355                    | 8            |
| 7950 | Income tax expenses (Note 21)                                                                                                                 | ( <u>87,270</u> )        | ( <u>1</u> )  | ( <u>164,687</u> )       | ( <u>3</u> )  | ( <u>298,196</u> )         | ( <u>3</u> )  | ( <u>295,504</u> )         | ( <u>3</u> ) |
| 8200 | Net income for the period                                                                                                                     | <u>251,996</u>           | <u>5</u>      | <u>348,513</u>           | <u>5</u>      | <u>645,520</u>             | <u>5</u>      | <u>613,851</u>             | <u>5</u>     |
|      | Other comprehensive income                                                                                                                    |                          |               |                          |               |                            |               |                            |              |
|      | Titles not reclassified as profit and loss<br>accounts:                                                                                       |                          |               |                          |               |                            |               |                            |              |
| 8316 | Unrealized gains (losses) on<br>investments in equity<br>instruments at fair value through<br>other comprehensive income or<br>loss (Note 19) | <u>-</u>                 | <u>-</u>      | ( <u>8,156</u> )         | <u>-</u>      | <u>-</u>                   | <u>-</u>      | ( <u>8,156</u> )           | <u>-</u>     |
| 8310 |                                                                                                                                               | <u>-</u>                 | <u>-</u>      | ( <u>8,156</u> )         | <u>-</u>      | <u>-</u>                   | <u>-</u>      | ( <u>8,156</u> )           | <u>-</u>     |
| 8360 | Accounts to be reclassified to profit or<br>loss subsequently:                                                                                |                          |               |                          |               |                            |               |                            |              |
| 8361 | Exchange differences from the<br>translation of financial<br>statements of foreign operations<br>(Note 19)                                    | ( 1,786,660 )            | ( 33 )        | 137,981                  | 2             | ( 1,583,854 )              | ( 13 )        | 680,330                    | 6            |
| 8399 | Income tax related to items that<br>may be reclassified (Note 19 and<br>21)                                                                   | <u>335,673</u>           | <u>6</u>      | ( <u>25,987</u> )        | <u>-</u>      | <u>297,697</u>             | <u>3</u>      | ( <u>128,013</u> )         | ( <u>1</u> ) |
|      |                                                                                                                                               | ( <u>1,450,987</u> )     | ( <u>27</u> ) | <u>111,994</u>           | <u>2</u>      | ( <u>1,286,157</u> )       | ( <u>10</u> ) | <u>552,317</u>             | <u>5</u>     |
| 8300 | Other comprehensive income for<br>the current period (net, after-tax)                                                                         | ( <u>1,450,987</u> )     | ( <u>27</u> ) | <u>103,838</u>           | <u>2</u>      | ( <u>1,286,157</u> )       | ( <u>10</u> ) | <u>544,161</u>             | <u>5</u>     |
| 8500 | Total comprehensive income in current<br>period                                                                                               | ( \$ <u>1,198,991</u> )  | ( <u>22</u> ) | \$ <u>452,351</u>        | <u>7</u>      | ( \$ <u>640,637</u> )      | ( <u>5</u> )  | \$ <u>1,158,012</u>        | <u>10</u>    |
|      | Profit attributable to:                                                                                                                       |                          |               |                          |               |                            |               |                            |              |
| 8610 | The company's shareholders                                                                                                                    | \$ 226,661               | 4             | \$ 325,734               | 5             | \$ 586,973                 | 5             | \$ 575,422                 | 5            |
| 8620 | Non-controlling interests                                                                                                                     | <u>25,335</u>            | <u>1</u>      | <u>22,779</u>            | <u>-</u>      | <u>58,547</u>              | <u>-</u>      | <u>38,429</u>              | <u>-</u>     |
| 8600 |                                                                                                                                               | \$ <u>251,996</u>        | <u>5</u>      | \$ <u>348,513</u>        | <u>5</u>      | \$ <u>645,520</u>          | <u>5</u>      | \$ <u>613,851</u>          | <u>5</u>     |
|      | Total comprehensive income attributable to:                                                                                                   |                          |               |                          |               |                            |               |                            |              |
| 8710 | The company's shareholders                                                                                                                    | ( \$ 1,110,882 )         | ( 20 )        | \$ 413,399               | 7             | ( \$ 599,285 )             | ( 5 )         | \$ 1,061,307               | 9            |
| 8720 | Non-controlling interests                                                                                                                     | ( <u>88,109</u> )        | ( <u>2</u> )  | <u>38,952</u>            | <u>-</u>      | ( <u>41,352</u> )          | <u>-</u>      | <u>96,705</u>              | <u>1</u>     |
| 8700 |                                                                                                                                               | ( \$ <u>1,198,991</u> )  | ( <u>22</u> ) | \$ <u>452,351</u>        | <u>7</u>      | ( \$ <u>640,637</u> )      | ( <u>5</u> )  | \$ <u>1,158,012</u>        | <u>10</u>    |
|      | Earnings per share (Note 22)                                                                                                                  |                          |               |                          |               |                            |               |                            |              |
|      | Business units in continuing operation                                                                                                        |                          |               |                          |               |                            |               |                            |              |
| 9710 | Basic                                                                                                                                         | \$ <u>0.46</u>           |               | \$ <u>0.65</u>           |               | \$ <u>1.18</u>             |               | \$ <u>1.15</u>             |              |
| 9810 | Diluted                                                                                                                                       | \$ <u>0.46</u>           |               | \$ <u>0.65</u>           |               | \$ <u>1.18</u>             |               | \$ <u>1.15</u>             |              |

The notes attached shall constitute an integral part of this Consolidated financial statement.

(Please refer to the review report by Deloitte & Touche dated August 12, 2025)

Chairman: CHEN, SHENG TIEN

Manager: FENG, MING FA

Accounting Manager: WU, CHIN MEI

RECHI PRECISION CO., LTD. and its subsidiaries  
Consolidated Statements of Changes in Equity  
For the Six Months Ended June 30, 2025 and 2024

Unit: NTD thousand

|      |                                                                                                     | Equity of the company       |              |                  |                            |                          |                        |                                                                                         |                                                                                              |                 |               |                           |               |
|------|-----------------------------------------------------------------------------------------------------|-----------------------------|--------------|------------------|----------------------------|--------------------------|------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------|---------------|---------------------------|---------------|
|      |                                                                                                     |                             |              |                  |                            |                          |                        | Other equity                                                                            |                                                                                              |                 |               |                           |               |
|      |                                                                                                     | Share capital               |              | Capital reserves | Retained earnings          |                          |                        | Exchange differences from the translation of financial statements of foreign operations | Unrealized gain on financial assets at fair value through other comprehensive income or loss | Treasury shares | Total         | Non-controlling interests | Total equity  |
| Code |                                                                                                     | Shares (in thousand shares) | Amount       |                  | Statutory surplus reserves | Special surplus reserves | Undistributed earnings |                                                                                         |                                                                                              |                 |               |                           |               |
| A1   | Balance as of January 1, 2024                                                                       | 504,915                     | \$ 5,049,151 | \$ 1,355,324     | \$ 1,156,333               | \$ 928,988               | \$ 2,340,079           | (\$ 1,025,598)                                                                          | (\$ 71,810)                                                                                  | (\$ 93,573)     | \$ 9,638,894  | \$ 1,162,197              | \$ 10,801,091 |
|      | Dividend allocation and distribution for 2023                                                       |                             |              |                  |                            |                          |                        |                                                                                         |                                                                                              |                 |               |                           |               |
| B1   | Statutory surplus reserves                                                                          | -                           | -            | -                | 75,423                     | -                        | ( 75,423 )             | -                                                                                       | -                                                                                            | -               | -             | -                         | -             |
| B3   | Special surplus reserves                                                                            | -                           | -            | -                | -                          | 168,420                  | ( 168,420 )            | -                                                                                       | -                                                                                            | -               | -             | -                         | -             |
| B5   | Cash dividend to the Company's shareholders                                                         | -                           | -            | -                | -                          | -                        | ( 499,995 )            | -                                                                                       | -                                                                                            | -               | ( 499,995 )   | -                         | ( 499,995 )   |
| O1   | Cash dividend to the subsidiary's shareholders                                                      | -                           | -            | -                | -                          | -                        | -                      | -                                                                                       | -                                                                                            | -               | -             | ( 14,752 )                | ( 14,752 )    |
| M5   | Difference between consideration and carrying amount of subsidiaries acquired or disposed           | -                           | -            | 12,405           | -                          | -                        | -                      | -                                                                                       | -                                                                                            | -               | 12,405        | ( 324,654 )               | ( 312,249 )   |
| D1   | Net income for the six months ended June 30, 2024                                                   | -                           | -            | -                | -                          | -                        | 575,422                | -                                                                                       | -                                                                                            | -               | 575,422       | 38,429                    | 613,851       |
| D3   | Other comprehensive income after tax for the six months ended June 30, 2024                         | -                           | -            | -                | -                          | -                        | -                      | 494,041                                                                                 | ( 8,156 )                                                                                    | -               | 485,885       | 58,276                    | 544,161       |
| D5   | Total comprehensive income for the six months ended June 30, 2024                                   | -                           | -            | -                | -                          | -                        | 575,422                | 494,041                                                                                 | ( 8,156 )                                                                                    | -               | 1,061,307     | 96,705                    | 1,158,012     |
| Q1   | Disposal of equity instrument investments measured at fair value through other comprehensive income | -                           | -            | -                | -                          | -                        | ( 29,966 )             | -                                                                                       | 29,966                                                                                       | -               | -             | -                         | -             |
| Z1   | Balance as of June 30, 2024                                                                         | 504,915                     | \$ 5,049,151 | \$ 1,367,729     | \$ 1,231,756               | \$ 1,097,408             | \$ 2,141,697           | (\$ 531,557)                                                                            | (\$ 50,000)                                                                                  | (\$ 93,573)     | \$ 10,212,611 | \$ 919,496                | \$ 11,132,107 |
| A1   | Balance as of January 1, 2025                                                                       | 504,915                     | \$ 5,049,151 | \$ 1,367,729     | \$ 1,231,756               | \$ 1,097,408             | \$ 2,576,593           | (\$ 506,385)                                                                            | (\$ 50,000)                                                                                  | (\$ 93,573)     | \$ 10,672,679 | \$ 948,719                | \$ 11,621,398 |
|      | Dividend allocation and distribution for 2024                                                       |                             |              |                  |                            |                          |                        |                                                                                         |                                                                                              |                 |               |                           |               |
| B1   | Statutory surplus reserves                                                                          | -                           | -            | -                | 101,031                    | -                        | ( 101,031 )            | -                                                                                       | -                                                                                            | -               | -             | -                         | -             |
| B3   | Special surplus reserves                                                                            | -                           | -            | -                | -                          | ( 541,023 )              | 541,023                | -                                                                                       | -                                                                                            | -               | -             | -                         | -             |
| B5   | Cash dividend to the Company's shareholders                                                         | -                           | -            | -                | -                          | -                        | ( 742,725 )            | -                                                                                       | -                                                                                            | -               | ( 742,725 )   | -                         | ( 742,725 )   |
| L1   | Purchase of treasury stock                                                                          | -                           | -            | -                | -                          | -                        | -                      | -                                                                                       | -                                                                                            | ( 135,273 )     | ( 135,273 )   | -                         | ( 135,273 )   |
| L3   | Retirement of treasury stock                                                                        | ( 20 )                      | ( 200 )      | ( 63 )           | -                          | -                        | ( 44 )                 | -                                                                                       | -                                                                                            | 307             | -             | -                         | -             |
| O1   | Cash dividend to the subsidiary's shareholders                                                      | -                           | -            | -                | -                          | -                        | -                      | -                                                                                       | -                                                                                            | -               | -             | ( 18,125 )                | ( 18,125 )    |
| D1   | Net income for the six months ended June 30, 2025                                                   | -                           | -            | -                | -                          | -                        | 586,973                | -                                                                                       | -                                                                                            | -               | 586,973       | 58,547                    | 645,520       |
| D3   | Other comprehensive income after tax for the six months ended June 30, 2025                         | -                           | -            | -                | -                          | -                        | -                      | ( 1,186,258 )                                                                           | -                                                                                            | -               | ( 1,186,258 ) | ( 99,899 )                | ( 1,286,157 ) |
| D5   | Total comprehensive income for the six months ended June 30, 2025                                   | -                           | -            | -                | -                          | -                        | 586,973                | ( 1,186,258 )                                                                           | -                                                                                            | -               | ( 599,285 )   | ( 41,352 )                | ( 640,637 )   |
| Z1   | Balance as of June 30, 2025                                                                         | 504,895                     | \$ 5,048,951 | \$ 1,367,666     | \$ 1,332,787               | \$ 556,385               | \$ 2,860,789           | (\$ 1,692,643)                                                                          | (\$ 50,000)                                                                                  | (\$ 228,539)    | \$ 9,195,396  | \$ 889,242                | \$ 10,084,638 |

The notes attached shall constitute an integral part of this Consolidated financial statement.

(Please refer to the review report by Deloitte & Touche dated August 12, 2025)

Chairman: CHEN, SHENG TIEN

Manager: FENG, MING FA

Accounting Manager: WU, CHIN MEI

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2025 and 2024

Unit: NTD thousand

| Code   |                                                | January 1 to June 30,<br>2025 | January 1 to June 30,<br>2024 |
|--------|------------------------------------------------|-------------------------------|-------------------------------|
|        | Cash flow from operating activities            |                               |                               |
| A10000 | Net profit before tax for the period           | \$ 943,716                    | \$ 909,355                    |
| A20010 | Profits and loss                               |                               |                               |
| A20100 | Depreciation expenses                          | 399,169                       | 395,928                       |
| A20200 | Amortization expenses                          | 11,999                        | 6,768                         |
| A20300 | Expected credit impairment loss                |                               |                               |
|        | (reversal gain)                                | 20,853                        | ( 14,832 )                    |
| A20400 | Net gains on financial assets at fair value    |                               |                               |
|        | through profit or loss                         | ( 41,914 )                    | ( 35,216 )                    |
| A20900 | Interest expenses                              | 62,398                        | 38,354                        |
| A21200 | Interest revenue                               | ( 65,684 )                    | ( 60,574 )                    |
| A22300 | The share of profit/loss on associates         |                               |                               |
|        | accounted for using the equity method          | 4,483                         | 1,393                         |
| A22500 | Net loss from the disposal and                 |                               |                               |
|        | obsolescence of property, plant,               |                               |                               |
|        | equipment and right-of-use assets              | 6,008                         | 16,275                        |
| A24100 | Unrealized foreign currency exchange           |                               |                               |
|        | loss (gain)                                    | 168,467                       | ( 68,158 )                    |
| A30000 | Net change in operating assets and liabilities |                               |                               |
| A31115 | Increase in financial assets mandatorily       |                               |                               |
|        | measured at fair value through profit          |                               |                               |
|        | or loss                                        | ( 299,229 )                   | ( 408,836 )                   |
| A31130 | Increase in notes receivable                   | ( 2,820,843 )                 | ( 1,869,582 )                 |
| A31150 | Decrease in accounts receivable                | 527,027                       | 771                           |
| A31160 | Decrease (increase) in accounts                |                               |                               |
|        | receivable-related parties                     | 1,036                         | ( 1,016 )                     |
| A31180 | Increase (decrease) in other accounts          |                               |                               |
|        | receivable                                     | 36,468                        | ( 42,551 )                    |
| A31200 | Decrease (increase) in inventories             | 1,073,752                     | ( 396,416 )                   |
| A31230 | Decrease (increase) in prepayments             | 192,350                       | ( 68,796 )                    |
| A31240 | Decrease in other current assets               | 3,226                         | 4,539                         |
| A32125 | Increase (decrease) in refund liability –      |                               |                               |
|        | current                                        | ( 269,237 )                   | 171,241                       |
| A32130 | Increase in notes payable                      | 699,579                       | 1,057,152                     |
| A32140 | Decrease in notes payable -related party       | -                             | ( 1,724 )                     |
| A32150 | Increase (decrease) in accounts payable        | ( 1,116,134 )                 | 871,834                       |
| A32160 | Increase in accounts payable – related         |                               |                               |
|        | parties                                        | 4,713                         | 12,487                        |
| A32180 | Increase (decrease) in other accounts          |                               |                               |
|        | payable                                        | ( 179,614 )                   | 103,040                       |
| A32200 | Increase (decrease) in provisions              | ( 12,330 )                    | 26,537                        |
| A32240 | Decrease in net defined benefit liability      | ( 2,418 )                     | ( 869 )                       |
| A32230 | Increase (decrease) in other current           |                               |                               |
|        | liabilities                                    | ( 72,030 )                    | 62,138                        |
| A33000 | Cash inflow (outflow) from operating           |                               |                               |
|        | activities                                     | ( 724,189 )                   | 709,242                       |
| A33100 | Interest received                              | 83,018                        | 50,750                        |

(Continued on next page)

(Continued from previous page)

| Code   |                                                                               | January 1 to June 30,<br>2025 | January 1 to June 30,<br>2024 |
|--------|-------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| A33300 | Interest payment                                                              | ( \$ 60,821 )                 | ( \$ 38,419 )                 |
| A33500 | Income tax payment                                                            | ( 251,348 )                   | ( 124,700 )                   |
| AAAA   | Net cash inflow (outflow) from operating activities                           | ( 953,340 )                   | 596,873                       |
|        | Cash flow from investing activities                                           |                               |                               |
| B00020 | Disposal of financial assets at fair value through other comprehensive income | -                             | 34                            |
| B00040 | Acquisition of financial assets at amortized cost                             | ( 668,544 )                   | ( 1,004,341 )                 |
| B00050 | Disposal of financial assets at amortized cost                                | 44,350                        | 135,008                       |
| B01800 | Acquisition of long-term equity investments under the equity method           | ( 19,743 )                    | -                             |
| B02700 | Purchase of property, plant, and equipment                                    | ( 351,630 )                   | ( 110,769 )                   |
| B02800 | Proceeds from disposal of property, plant and equipment                       | 2,217                         | 10,578                        |
| B04500 | Purchase of intangible assets                                                 | ( 20,587 )                    | ( 9,322 )                     |
| B06700 | Increase in other non-current assets                                          | ( 242,518 )                   | ( 157,538 )                   |
| B09900 | Acquisition of government subsidies                                           | 2,661                         | -                             |
| BBBB   | Net cash outflow from investing activities                                    | ( 1,253,794 )                 | ( 1,136,350 )                 |
|        | Cash flow from financing activities                                           |                               |                               |
| C00100 | Increase in short-term loans                                                  | 1,248,278                     | 330,000                       |
| C00500 | Increase in short-term notes payable                                          | 169,596                       | 229,965                       |
| C01600 | Proceeds from long-term loan                                                  | -                             | 500,000                       |
| C01700 | Repayments of long-term borrowings                                            | ( 223,414 )                   | ( 423,415 )                   |
| C03100 | Decrease in guarantee deposits received                                       | ( 1,916 )                     | ( 4,168 )                     |
| C04020 | Repayments of principal portion of the lease                                  | ( 815 )                       | ( 5,316 )                     |
| C04500 | Pay owners' dividends                                                         | ( 742,725 )                   | ( 499,995 )                   |
| C04900 | Purchase of treasury stock                                                    | ( 135,273 )                   | -                             |
| C05400 | Acquisition of equity of subsidiaries                                         | -                             | ( 312,249 )                   |
| C05800 | Cash dividends paid to non-controlling interests                              | ( 18,125 )                    | ( 14,752 )                    |
| CCCC   | Net cash inflow (outflow) from financing activities                           | 295,606                       | ( 199,930 )                   |
| DDDD   | Impact of changes in exchange rate on cash and cash equivalents               | ( 476,955 )                   | 206,033                       |
| EEEE   | Net decrease in cash and cash equivalents for this period                     | ( 2,388,483 )                 | ( 533,374 )                   |
| E00100 | Cash and cash equivalents balance – beginning of period                       | 5,839,139                     | 3,732,749                     |
| E00200 | Cash and cash equivalents balance – end of period                             | \$ 3,450,656                  | \$ 3,199,375                  |

The notes attached shall constitute an integral part of this Consolidated financial statement.

(Please refer to the review report by Deloitte & Touche dated August 12, 2025)

Chairman: CHEN, SHENG TIEN

Manager: FENG, MING FA

Accounting Manager: WU, CHIN MEI

RECHI PRECISION CO., LTD. and its subsidiaries  
Notes to Consolidated Financial Statements  
For the Six Months Ended June 30, 2025 and 2024  
(Unless otherwise provided, Unit: NTD thousand)

1. Organization and operations

RECHI PRECISION CO., LTD. (formerly known as RECHI INDUSTRIAL CO., LTD., hereinafter referred to as the Company) was established in December 1989 in accordance with the Company Act of the Republic of China, mainly engaged in the assembly and processing, manufacturing and repairing, and trading of refrigerant compressors, and design services of relevant products, as well as import and export business.

The Company's shares had been listed for trading on the Taipei Exchange since February 2002, and have changed to be listed on the Taiwan Stock Exchange since August 2003.

The consolidated financial statements are presented in the Company's functional currency – New Taiwan dollars.

2. Financial reporting date and procedures

The consolidated financial statements were approved by the board of directors and authorized for issue on August 12, 2025.

3. Application of new and revised standards and interpretation

- (1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendments to the AS 21 "Lack of Exchangeability" does not have material impact on the Group's accounting policies:

- (2) The IFRSs endorsed by the FSC for application starting from 2026

| <u>The new/amended/revised standards or interpretation</u>                                                  | <u>Effective Date per IASB</u> |
|-------------------------------------------------------------------------------------------------------------|--------------------------------|
| 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 Annual Improvements - Volume 11"                                                                      | January 1, 2026                |
| IFRS 17 "Insurance Contracts"                                                                               | January 1, 2023                |
| Amendments to IFRS 17                                                                                       | January 1, 2023                |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"                 | January 1, 2023                |

The Group will continue to evaluate the effect of the amendment on its financial position and performance up to the date when this consolidated company financial statement approved and released. The Group will make appropriate disclosures upon completing this evaluation.

- (3) The IFRSs released by the IASB but not yet approved and announced effective by the Financial Supervisory Commission

| <u>The new/amended/revised standards or interpretation</u>                                                                                             | <u>IASB publication effective date (Note)</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Investment in Associates." | To be determined                              |
| IFRS 18 "Presentation and Disclosure in Financial Statements"                                                                                          | January 1, 2027                               |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures"                                                                                      | January 1, 2027                               |

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements" and the main changes include:

- Items of income and expenses included in the income statement shall be classified into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall present operating profit or loss, profit or loss before financing and income tax, as well as subtotal and total profit and loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses, and cash flows that arise from individual transactions or other events and classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. Items with non-similarity characteristics in the main financial statements and notes should be divided. The Group only marks "other" in the absence of more information.
- Adds disclosures on management-defined performance measures: When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its management-defined performance measures in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards, and the income tax and non-controlling interests effects of related reconciliation items.

In addition to the aforementioned influence, the Group will continue to evaluate the effect of the amendment to each standard and interpretation on its financial position and performance up to the date when this consolidated company financial statement approved and released. The Group will make appropriate disclosures upon completing this evaluation.

#### 4. Summary of significant accounting policies

##### (1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” indorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRSs disclosures required for the full-year financial statements.

##### (2) Basis of preparation

Except for the financial instruments on the basis of fair value and the recognition of net defined benefit liabilities on the basis of the present value of net defined benefit obligation net of the fair value of planned assets, this consolidated financial statement was compiled on the basis of historical cost.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

##### (3) Basis of consolidation

This consolidated financial statement contains the information of the financial statements of the Bank and its controlled entities (subsidiaries). The Consolidated Statement of Comprehensive Income already covered the operating profit and/or loss of the subsidiaries, which have been acquired or disposed of the current term, from the date of acquisition until the date of disposal. The subsidiaries’ financial statements have been properly adjusted to keep the accounting policies consistent with the accounting policies of the Group. In preparing these consolidated financial statements, the transactions, account balances, incomes and loss and expenses among the individual entities are written off in full amount. The total comprehensive incomes of the subsidiaries were non-controlling interest attributed to the Company’s owners and the non-controlling interest, to become the balance of loss even as the non-controlling interest.

When the changes of interest of the subsidiaries' ownership by the Group do not lead to the loss of control, it is disposed of as interest transactions. The book value of the Group and non-controlling interest has been adjusted to reflect the changes of the relative interest of subsidiaries. The differential between the adjustment amount of non-controlling interest and the fair value of consideration received is directly recognized as interest and belongs to the owner of the Company.

For details of subsidiaries, shareholding ratios, and business items, please refer to Note 11 and Table 7.

(4) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1. Defined benefits and retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and significant plan amendments, settlements, or other significant one-off events.

2. Income tax expenses

Income tax expense is the sum of the current income tax and deferred income tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. Main source of significant accounting judgment, estimates and assumptions uncertainty

Please refer to the 2024 consolidated financial statements for descriptions of the main source of significant accounting judgment, estimates, and assumptions uncertainty.

6. Cash and cash equivalents

|                                                                                   | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|-----------------------------------------------------------------------------------|---------------------|----------------------|---------------------|
| Cash on hand and working capital                                                  | \$ 1,681            | \$ 1,542             | \$ 1,404            |
| Bank checks and demand deposits                                                   | 2,448,415           | 3,801,498            | 1,692,719           |
| Cash equivalents (Investment with the original maturity date within three months) |                     |                      |                     |
| Bank time deposit                                                                 | <u>1,000,560</u>    | <u>2,036,099</u>     | <u>1,505,252</u>    |
|                                                                                   | <u>\$ 3,450,656</u> | <u>\$ 5,839,139</u>  | <u>\$ 3,199,375</u> |

7. Financial instruments measured at fair value through profit or loss

|                                   | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|-----------------------------------|---------------------|----------------------|---------------------|
| <u>Financial assets - current</u> |                     |                      |                     |
| Mandatorily measured at FVTPL     |                     |                      |                     |
| Wealth management products        | \$ 1,941,064        | \$ 1,805,772         | \$ 1,836,292        |
| Non-derivative financial assets   |                     |                      |                     |
| – Listed stocks – overseas        | -                   | 4,135                | 3,752               |
| – Beneficial certificates         | 14,854              | 16,879               | 20,289              |
|                                   | <u>\$ 1,955,918</u> | <u>\$ 1,826,786</u>  | <u>\$ 1,860,333</u> |

8. Financial assets at amortized cost

|                                                                 | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|-----------------------------------------------------------------|---------------------|----------------------|---------------------|
| <u>Current</u>                                                  |                     |                      |                     |
| Restricted cash in banks                                        | \$ 3,604,700        | \$ 3,450,581         | \$ 3,646,839        |
| Time deposits with original maturity date of more than 3 months | 399,403             | 364,866              | 136,596             |
|                                                                 | <u>\$ 4,004,103</u> | <u>\$ 3,815,447</u>  | <u>\$ 3,783,435</u> |

For details of financial assets at amortized cost, refer to Note 27.

9. Note receivable and account receivable

|                                                            | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|------------------------------------------------------------|---------------------|----------------------|---------------------|
| <u>Notes receivable</u>                                    |                     |                      |                     |
| Measured on the basis of cost after amortization           |                     |                      |                     |
| Total book value                                           | \$ 5,391,613        | \$ 3,107,510         | \$ 6,582,139        |
| Less: Allowance for losses                                 | ( 3,526)            | ( 2,760)             | ( 5,799)            |
|                                                            | <u>\$ 5,388,087</u> | <u>\$ 3,104,750</u>  | <u>\$ 6,576,340</u> |
| <u>Accounts receivable</u>                                 |                     |                      |                     |
| Measured on the basis of cost after amortization           |                     |                      |                     |
| Total book value                                           | \$ 3,330,173        | \$ 4,297,506         | \$ 3,553,643        |
| Less: Allowance for losses                                 | ( 59,842)           | ( 40,963)            | ( 8,559)            |
|                                                            | 3,270,331           | 4,256,543            | 3,545,084           |
| Measured at fair values through other comprehensive income | 132,769             | 36,995               | 29,493              |
|                                                            | <u>\$ 3,403,100</u> | <u>\$ 4,293,538</u>  | <u>\$ 3,574,577</u> |

(1) Accounts receivable at amortized cost

The Group's average credit period for sales open account with net 0 days to 285 days, and no interest is accrued on accounts receivable.

In order to mitigate the credit risk, the Group has formulated credit management measures to regulate the determination of credit limits, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. Under the circumstance, the Company's management believes that the consolidated company's credit risk is significantly reduced.

The Group will recognize the lifetime expected credit losses as loss allowance for accounts receivable. The full lifetime expected credit losses are calculated using Provision Matrix, which considers the historical default records and current financial status, industry economic conditions, as well as GDP forecast and industry outlook. Because of the different loss patterns of customer groups in different regions of the Group, the Group uses different provisions matrices for different customer groups by location, and determines the expected credit loss rate by taking into account the number of past due days of accounts receivable and the regional economic situation.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, e.g. the counterparty is in liquidation, then the Group directly writes off the relevant accounts receivable, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The Group's allowance for loss of receivables is determined according to the preparation matrix as follows:

#### June 30, 2025

|                                                                 | Not overdue  | Overdue 1 to 30 days | Overdue for 31 to 60 days | Overdue 61 to 90 days | Overdue 91 to 120 days | Overdue over 121 days | Total        |
|-----------------------------------------------------------------|--------------|----------------------|---------------------------|-----------------------|------------------------|-----------------------|--------------|
| Expected credit loss rate                                       | 0%~0.15%     | 4.31%~23.47%         | 9.44%~55.36%              | 18.2%~71.19%          | 34.31%~89.61%          | 39.12%~100%           |              |
| Total book value                                                | \$ 3,129,817 | \$ 144,059           | \$ 21,414                 | \$ 181                | \$ -                   | \$ 34,702             | \$ 3,330,173 |
| Allowance for loss (expected credit loss of the given duration) | ( 4,523 )    | ( 6,667 )            | ( 13,949 )                | ( 1 )                 | -                      | ( 34,702 )            | ( 59,842 )   |
| Cost after amortization                                         | \$ 3,125,294 | \$ 137,392           | \$ 7,465                  | \$ 180                | \$ -                   | \$ -                  | \$ 3,270,331 |

#### December 31, 2024

|                                                                 | Not overdue  | Overdue 1 to 30 days | Overdue for 31 to 60 days | Overdue 61 to 90 days | Overdue 91 to 120 days | Overdue over 121 days | Total        |
|-----------------------------------------------------------------|--------------|----------------------|---------------------------|-----------------------|------------------------|-----------------------|--------------|
| Expected credit loss rate                                       | 0%~0.16%     | 0.52%~13.74%         | 5.84%~45.96%              | 17.76%~59.91%         | 22.63%~84.41%          | 33.08%~100%           |              |
| Total book value                                                | \$ 4,133,530 | \$ 80,759            | \$ 21,190                 | \$ 24,868             | \$ 4,191               | \$ 32,968             | \$ 4,297,506 |
| Allowance for loss (expected credit loss of the given duration) | ( 4,475 )    | ( 414 )              | ( 1,231 )                 | ( 4,424 )             | ( 948 )                | ( 29,471 )            | ( 40,963 )   |
| Cost after amortization                                         | \$ 4,129,055 | \$ 80,345            | \$ 19,959                 | \$ 20,444             | \$ 3,243               | \$ 3,497              | \$ 4,256,543 |

#### June 30, 2024

|                                                                 | Not overdue  | Overdue 1 to 30 days | Overdue for 31 to 60 days | Overdue 61 to 90 days | Overdue 91 to 120 days | Overdue over 121 days | Total        |
|-----------------------------------------------------------------|--------------|----------------------|---------------------------|-----------------------|------------------------|-----------------------|--------------|
| Expected credit loss rate                                       | 0%~0.16%     | 0.52%~13.74%         | 5.84%~45.96%              | 17.76%~59.91%         | 22.63%~84.41%          | 33.08%~100%           |              |
| Total book value                                                | \$ 3,448,624 | \$ 69,533            | \$ 19,824                 | \$ 11,927             | \$ 2,127               | \$ 1,608              | \$ 3,553,643 |
| Allowance for loss (expected credit loss of the given duration) | ( 3,780 )    | ( 590 )              | ( 1,144 )                 | ( 1,945 )             | ( 425 )                | ( 675 )               | ( 8,559 )    |
| Cost after amortization                                         | \$ 3,444,844 | \$ 68,943            | \$ 18,680                 | \$ 9,982              | \$ 1,702               | \$ 933                | \$ 3,545,084 |

(2) Accounts receivable at fair value through other comprehensive income.

For accounts receivable from specific clients, the Group signed the factoring agreement with financial institutions that determine whether to use non-recourse factoring to sell its receivables to the bank or not to sell regarding working capital. The business model of the Group managing this kind of accounts receivable is to complete its goal through receiving contractual cash flows and selling financial assets. Thus, these kinds of accounts receivable are measured through other comprehensive income in fair value.

June 30, 2025

|                                                                 | Not overdue | Overdue 1 to 30 days | Overdue for 31 to 60 days | Overdue 61 to 90 days | Overdue 91 to 120 days | Overdue over 121 days | Total      |
|-----------------------------------------------------------------|-------------|----------------------|---------------------------|-----------------------|------------------------|-----------------------|------------|
| Expected credit loss rate                                       | 0.15%       | 4.31%                | 9.44%                     | 18.2%                 | 34.31%                 | 39.12%~100%           |            |
| Total book value                                                | \$ 132,968  | \$ -                 | \$ -                      | \$ -                  | \$ -                   | \$ -                  | \$ 132,968 |
| Allowance for loss (expected credit loss of the given duration) | ( 199)      | -                    | -                         | -                     | -                      | -                     | ( 199)     |
| Cost after amortization                                         | \$ 132,769  | \$ -                 | \$ -                      | \$ -                  | \$ -                   | \$ -                  | \$ 132,769 |

December 31, 2024

|                                                                 | Not overdue | Overdue 1 to 30 days | Overdue for 31 to 60 days | Overdue 61 to 90 days | Overdue 91 to 120 days | Overdue over 121 days | Total     |
|-----------------------------------------------------------------|-------------|----------------------|---------------------------|-----------------------|------------------------|-----------------------|-----------|
| Expected credit loss rate                                       | 0.06%       | 0.52%                | 5.84%                     | 17.76%                | 22.63%                 | 33.08%~100%           |           |
| Total book value                                                | \$ 37,016   | \$ -                 | \$ -                      | \$ -                  | \$ -                   | \$ -                  | \$ 37,016 |
| Allowance for loss (expected credit loss of the given duration) | ( 21)       | -                    | -                         | -                     | -                      | -                     | ( 21)     |
| Cost after amortization                                         | \$ 36,995   | \$ -                 | \$ -                      | \$ -                  | \$ -                   | \$ -                  | \$ 36,995 |

June 30, 2024

|                                                                 | Not overdue | Overdue 1 to 30 days | Overdue for 31 to 60 days | Overdue 61 to 90 days | Overdue 91 to 120 days | Overdue over 121 days | Total     |
|-----------------------------------------------------------------|-------------|----------------------|---------------------------|-----------------------|------------------------|-----------------------|-----------|
| Expected credit loss rate                                       | 0.06%       | 0.52%                | 5.84%                     | 17.76%                | 22.63%                 | 33.08%~100%           |           |
| Total book value                                                | \$ 29,510   | \$ -                 | \$ -                      | \$ -                  | \$ -                   | \$ -                  | \$ 29,510 |
| Allowance for loss (expected credit loss of the given duration) | ( 17)       | -                    | -                         | -                     | -                      | -                     | ( 17)     |
| Cost after amortization                                         | \$ 29,493   | \$ -                 | \$ -                      | \$ -                  | \$ -                   | \$ -                  | \$ 29,493 |

The information on changes in the allowance for loss on notes receivable and accounts receivable is as follows:

|                                              | January 1 to June 30, 2025 |                     |           |
|----------------------------------------------|----------------------------|---------------------|-----------|
|                                              | Notes receivable           | Accounts receivable | Total     |
| Balance, beginning                           | \$ 2,760                   | \$ 40,984           | \$ 43,744 |
| Add: Impairment loss provided for the period | 1,134                      | 19,719              | 20,853    |
| Foreign currency translation differences     | ( 368)                     | ( 662)              | ( 1,030)  |
| Balance, ending                              | \$ 3,526                   | \$ 60,041           | \$ 63,567 |

|                                                       | January 1 to June 30, 2024 |                     |           |
|-------------------------------------------------------|----------------------------|---------------------|-----------|
|                                                       | Notes receivable           | Accounts receivable | Total     |
| Balance, beginning                                    | \$ 3,439                   | \$ 25,295           | \$ 28,734 |
| Add (less): Impairment loss (reversal) for the period | 2,157                      | ( 16,989)           | ( 14,832) |
| Less: Actual write-off amount in the current year     | -                          | ( 131)              | ( 131)    |
| Foreign currency translation differences              | 203                        | 401                 | 604       |
| Balance, ending                                       | \$ 5,799                   | \$ 8,576            | \$ 14,375 |

As of June 30, 2025, December 31, 2024 and June 30, 2024, the amounts of notes receivable that have expired and have not been cashed were NTD 0 thousand, NTD 0 thousand and NTD 730 thousand, respectively.

Please refer to Note 27 for the amounts of notes receivable pledged by the Group as collateral for notes issued.

#### 10. Inventories

|                      | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|----------------------|---------------------|----------------------|---------------------|
| Finished products    | \$ 1,490,353        | \$ 2,393,263         | \$ 1,455,317        |
| Work-in-process      | 146,698             | 306,259              | 144,748             |
| Raw materials        | 273,815             | 367,469              | 252,911             |
| Inventory in-transit | 91,597              | 225,975              | 192,374             |
|                      | <u>\$ 2,002,463</u> | <u>\$ 3,292,966</u>  | <u>\$ 2,045,350</u> |

For the six months ended June 30, 2025 and 2024, cost of goods sold includes inventory valuation losses of NTD 0 thousand in both periods.

#### 11. Subsidiary

Subsidiaries included in the consolidated financial statements

The business entities of the consolidated financial statements are as follows:

| Investor                                                    | Subsidiary name                                             | Nature of the operation                                                                                                                         | Percentage of shareholdings |                      |                  | Remark   |
|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|------------------|----------|
|                                                             |                                                             |                                                                                                                                                 | June 30,<br>2025            | December<br>31, 2024 | June 30,<br>2024 |          |
| The parent company                                          | Rechi Holdings Co., Ltd.                                    | Investment business                                                                                                                             | 100.00%                     | 100.00%              | 100.00%          |          |
| The parent company                                          | Rechi Investments Co., Ltd.                                 | Investment business                                                                                                                             | 100.00%                     | 100.00%              | 100.00%          |          |
| The parent company                                          | Dyna Rechi Co., Ltd.                                        | BLDC Motor                                                                                                                                      | 94.42%                      | 94.42%               | 94.42%           | (1), (2) |
| Rechi Holdings Co., Ltd.                                    | Rechi International Holdings Co., Ltd.                      | Investment business                                                                                                                             | 100.00%                     | 100.00%              | 100.00%          | (1)      |
| Rechi Holdings Co., Ltd.                                    | Rechi Investments Holdings Co., Ltd.                        | Investment business                                                                                                                             | 100.00%                     | 100.00%              | 100.00%          |          |
| Rechi Holdings Co., Ltd.                                    | Dongguan Rechi Compressor Co., Ltd.                         | Production and sales of refrigerant compressors and refrigerant compressor accessories                                                          | 100.00%                     | 100.00%              | 100.00%          | (1)      |
| Rechi Holdings Co., Ltd.                                    | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Manufacturing and sales of air-conditioning compressors and electric motors, and providing after-sales service and technical consulting service | 77.78%                      | 77.78%               | 77.78%           | (3)      |
| Rechi Holdings Co., Ltd.                                    | Rechi Precision (Huizhou) Mechanism Company                 | Production and sales of refrigerant compressors and refrigerant compressor accessories                                                          | 25.00%                      | 25.00%               | 25.00%           | (1)      |
| Rechi Holdings Co., Ltd.                                    | Rechi Precision (Jiujiang) Electric Machinery Limited       | Production and sales of refrigerant compressors and refrigerant compressor accessories                                                          | 100.00%                     | 100.00%              | 100.00%          |          |
| Rechi International Holdings Co., Ltd.                      | GR Holdings (Hong Kong) Limited                             | Investment business                                                                                                                             | 100.00%                     | 100.00%              | 100.00%          | (1)      |
| GR Holdings (Hong Kong) Limited                             | Rechi Refrigeration Dongguan Co., Ltd.                      | Production and sales of refrigerant compressor motors and air conditioner accessories                                                           | 100.00%                     | 100.00%              | 100.00%          | (1)      |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Rechi Precision (Huizhou) Mechanism Company                 | Production and sales of refrigerant compressors and refrigerant compressor accessories                                                          | 67.86%                      | 67.86%               | 67.86%           | (1)      |
| Rechi Investments Holdings Co., Ltd.                        | Rechi Precision (Qingdao) Electric Machinery Limited        | Production and sales of new electromechanical components, fine blanking dies, precision bearings, and relevant accessories                      | 100.00%                     | 100.00%              | 100.00%          |          |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Qingdao Rechi Electric Machinery Sales Company              | Sales business                                                                                                                                  | 50.00%                      | 50.00%               | 50.00%           |          |

(Continued on next page)

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| Investor                                              | Subsidiary name                                | Nature of the operation                                               | Percentage of shareholdings |                   |               | Remark |
|-------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-------------------|---------------|--------|
|                                                       |                                                |                                                                       | June 30, 2025               | December 31, 2024 | June 30, 2024 |        |
| Rechi Precision (Qingdao) Electric Machinery Limited  | Qingdao Rechi Electric Machinery Sales Company | Sales business                                                        | 50.00%                      | 50.00%            | 50.00%        |        |
| Rechi Precision (Jiujiang) Electric Machinery Limited | Dyna Rechi Jiujiang Co., Ltd.                  | Production and sales of refrigerant compressor motors and BLDC motors | 35.50%                      | 35.50%            | 35.50%        | (1)    |
| Dyna Rechi Co., Ltd.                                  | Dyna Rechi Holdings Co., Ltd.                  | Investment business                                                   | 100.00%                     | 100.00%           | 100.00%       | (1)    |
| Dyna Rechi Holdings Co., Ltd.                         | Dyna Rechi Jiujiang Co., Ltd.                  | Production and sales of refrigerant compressor motors and BLDC motors | 64.50%                      | 64.50%            | 64.50%        | (1)    |
| Dyna Rechi Co., Ltd.                                  | Ablek Technology Co., Ltd.                     | Sales business                                                        | 100.00%                     | 100.00%           | 100.00%       | (1)    |
| Ablek Technology Co., Ltd.                            | Ablek Technology Ltd.                          | Investment business                                                   | 100.00%                     | 100.00%           | 100.00%       | (1)    |
| Ablek Technology Ltd.                                 | Ablek Technology Ltd.                          | Manufacturing and sales of motors for household appliances            | 100.00%                     | 100.00%           | 100.00%       | (1)    |

- (1) The aforementioned companies are non-significant subsidiaries, whose financial statements have not been reviewed by independent auditors.
- (2) In order to integrate the operation of the BLDC motor business, the Company acquired equity stake in its subsidiary, Dyna Rechi Co., Ltd., on April 17, 2024. The acquisition involves purchasing shares from directors and supervisors of Dyna Rechi Co., Ltd., Taiwan Sanyo Electric Co., Ltd., Richtek Technology Corporation, AccessTop Ltd., director HSU, YUNG FU and his first-degree relatives. The transaction involves acquiring a 28.77% equity stake in Dyna Rechi Co., Ltd., resulting in an increase in the Company's shareholding ratio from 65.65% to 94.42%. Please refer to Note 24 for equity transactions associated with non-controlling interests.
- (3) The aforementioned companies are subsidiaries with material non-controlling interests; the material non-controlling interests of the Group did not change significantly for the six months ended June 30, 2025 and 2024.

## 12. Investment under the equity method

### Investments in the affiliated company

|                                               | June 30, 2025     | December 31, 2024 | June 30, 2024     |
|-----------------------------------------------|-------------------|-------------------|-------------------|
| Individual non-dominant associates            |                   |                   |                   |
| Qingdao China Steel Precision Metal Co., Ltd. | \$ 147,569        | \$ 169,724        | \$ 173,551        |
| COMPRA FOR TRADE AND MANUFACTURING S.A.E      | 43,154            | 25,572            | -                 |
|                                               | <u>\$ 190,723</u> | <u>\$ 195,296</u> | <u>\$ 173,551</u> |

The merged company, in order to be closer to the market and customers, and to diversify the risk of concentrated production bases, has established COMPRA FOR TRADE AND MANUFACTURING S.A.E, a rotary compressor manufacturing and sales company in Egypt through its subsidiary Rechi International Holdings Co., Ltd. The planned capital is

USD 10,000 thousand, with the merged company holding a 30% stake. To meet the company's capital requirements, the Company invested US\$780 thousand and US\$678 thousand in October 2024 and June 2025, respectively.

### 13. Property, plant and equipment

|                                                        | Proprietary land  | Building            | Machinery and equipment | Other equipment     | Construction in progress | Total                |
|--------------------------------------------------------|-------------------|---------------------|-------------------------|---------------------|--------------------------|----------------------|
| <u>Costs</u>                                           |                   |                     |                         |                     |                          |                      |
| Balance as of January 1, 2024                          | \$ 207,567        | \$ 3,714,509        | \$ 8,672,008            | \$ 1,542,380        | \$ -                     | \$ 14,136,464        |
| Additions                                              | -                 | 12,158              | 75,038                  | 37,421              | 1,518                    | 126,135              |
| Disposal                                               | -                 | -                   | ( 67,092 )              | ( 49,596 )          | -                        | ( 116,688 )          |
| Net exchange differences                               | -                 | 163,295             | 422,487                 | 49,244              | 21                       | 635,047              |
| Other reclassification                                 | -                 | -                   | 20,724                  | 17,584              | -                        | 38,308               |
| Balance as of June 30, 2024                            | <u>\$ 207,567</u> | <u>\$ 3,889,962</u> | <u>\$ 9,123,165</u>     | <u>\$ 1,597,033</u> | <u>\$ 1,539</u>          | <u>\$ 14,819,266</u> |
| <u>Accumulated depreciation and impairment</u>         |                   |                     |                         |                     |                          |                      |
| Balance as of January 1, 2024                          | \$ -              | \$ 1,608,999        | \$ 5,929,681            | \$ 1,229,986        | \$ -                     | \$ 8,768,666         |
| Depreciation expenses                                  | -                 | 61,840              | 278,298                 | 48,713              | -                        | 388,851              |
| Disposal                                               | -                 | -                   | ( 49,359 )              | ( 40,400 )          | -                        | ( 89,759 )           |
| Net exchange differences                               | -                 | 67,594              | 294,724                 | 38,657              | -                        | 400,975              |
| Other reclassification                                 | -                 | -                   | ( 12,949 )              | 1                   | -                        | ( 12,948 )           |
| Balance as of June 30, 2024                            | <u>\$ -</u>       | <u>\$ 1,738,433</u> | <u>\$ 6,440,395</u>     | <u>\$ 1,276,957</u> | <u>\$ -</u>              | <u>\$ 9,455,785</u>  |
| Net amount as of June 30, 2024                         | <u>\$ 207,567</u> | <u>\$ 2,151,529</u> | <u>\$ 2,682,770</u>     | <u>\$ 320,076</u>   | <u>\$ 1,539</u>          | <u>\$ 5,363,481</u>  |
| <u>Costs</u>                                           |                   |                     |                         |                     |                          |                      |
| Balance as of January 1, 2025                          | \$ 207,567        | \$ 3,929,216        | \$ 9,132,258            | \$ 1,624,905        | \$ 12,154                | \$ 14,906,100        |
| Additions                                              | -                 | 16,671              | 279,522                 | 39,590              | 1,132                    | 336,915              |
| Disposal                                               | -                 | ( 1,890 )           | ( 89,661 )              | ( 62,430 )          | -                        | ( 153,981 )          |
| Net exchange differences                               | -                 | ( 356,284 )         | ( 930,385 )             | ( 105,268 )         | ( 573 )                  | ( 1,392,510 )        |
| Other reclassification                                 | -                 | 6,775               | 108,052                 | 15,205              | ( 9,870 )                | 120,162              |
| Balance as of June 30, 2025                            | <u>\$ 207,567</u> | <u>\$ 3,594,488</u> | <u>\$ 8,499,786</u>     | <u>\$ 1,512,002</u> | <u>\$ 2,843</u>          | <u>\$ 13,816,686</u> |
| <u>Accumulated depreciation and impairment</u>         |                   |                     |                         |                     |                          |                      |
| Balance as of January 1, 2025                          | \$ -              | \$ 1,788,456        | \$ 6,518,466            | \$ 1,294,003        | \$ -                     | \$ 9,600,925         |
| Depreciation expenses                                  | -                 | 62,901              | 285,158                 | 48,042              | -                        | 396,101              |
| Disposal                                               | -                 | ( 1,086 )           | ( 82,624 )              | ( 61,970 )          | -                        | ( 145,680 )          |
| Net exchange differences                               | -                 | ( 157,868 )         | ( 666,870 )             | ( 81,725 )          | -                        | ( 906,463 )          |
| Other reclassification                                 | -                 | -                   | ( 26,113 )              | ( 4,342 )           | -                        | ( 30,455 )           |
| Balance as of June 30, 2025                            | <u>\$ -</u>       | <u>\$ 1,692,403</u> | <u>\$ 6,028,017</u>     | <u>\$ 1,194,008</u> | <u>\$ -</u>              | <u>\$ 8,914,428</u>  |
| Net amount as of December 31, 2024 and January 1, 2025 | <u>\$ 207,567</u> | <u>\$ 2,140,760</u> | <u>\$ 2,613,792</u>     | <u>\$ 330,902</u>   | <u>\$ 12,154</u>         | <u>\$ 5,305,175</u>  |
| Net amount as of June 30, 2025                         | <u>\$ 207,567</u> | <u>\$ 1,902,085</u> | <u>\$ 2,471,769</u>     | <u>\$ 317,994</u>   | <u>\$ 2,843</u>          | <u>\$ 4,902,258</u>  |

Depreciation expenses is appropriated in accordance with the straight-line method and the years of useful life illustrated below:

|                                   |                |
|-----------------------------------|----------------|
| Building                          |                |
| Plant building                    | 10 to 55 years |
| Electromechanical power equipment | 5 to 35 years  |
| Engineering systems               | 2 to 55 years  |
| Others                            | 3 to 35 years  |
| Machinery and equipment           | 1 to 20 years  |
| Other equipment                   | 1 to 20 years  |

Please refer to Note 27 for the amount of property, plant and equipment pledged as guarantees for borrowings.

14. Lease arrangements

(1) Right-of-use assets.

|                                             | June 30, 2025               | December 31,<br>2024        | June 30, 2024                 |
|---------------------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Carrying amount of right-of-use assets      |                             |                             |                               |
| Land                                        | \$ 118,821                  | \$ 134,593                  | \$ 136,555                    |
| Building                                    | -                           | -                           | 8,957                         |
| Transportation equipment                    | <u>5,692</u>                | <u>1,819</u>                | <u>2,683</u>                  |
|                                             | <u>\$ 124,513</u>           | <u>\$ 136,412</u>           | <u>\$ 148,195</u>             |
|                                             | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 |
| Addition of right-of-use assets             | <u>\$ 4,458</u>             | <u>\$ 1,147</u>             | <u>\$ 4,912</u>               |
|                                             |                             |                             | January 1 to<br>June 30, 2024 |
| Depreciation expense of right-of-use assets |                             |                             |                               |
| Land                                        | \$ 1,029                    | \$ 1,093                    | \$ 2,130                      |
| Building                                    | -                           | 2,072                       | -                             |
| Transportation equipment                    | <u>467</u>                  | <u>412</u>                  | <u>938</u>                    |
|                                             | <u>\$ 1,496</u>             | <u>\$ 3,577</u>             | <u>\$ 3,068</u>               |

Except for the additions and depreciation expenses recognized as listed above, the Group did not have any material subleases or impairments of the right-of-use assets during the six months ended June 30, 2025 and 2024.

(2) Lease liabilities

|                                      | June 30, 2025   | December 31,<br>2024 | June 30, 2024    |
|--------------------------------------|-----------------|----------------------|------------------|
| Carrying amount of lease liabilities |                 |                      |                  |
| Current                              | <u>\$ 1,774</u> | <u>\$ 837</u>        | <u>\$ 10,808</u> |
| Non-current                          | <u>\$ 3,930</u> | <u>\$ 871</u>        | <u>\$ 1,742</u>  |

The range of lease liability discount is as follows:

|                          | June 30, 2025 | December 31,<br>2024 | June 30, 2024 |
|--------------------------|---------------|----------------------|---------------|
| Land                     | -             | -                    | -             |
| Building                 | -             | -                    | 1.35%~2.20%   |
| Transportation equipment | 1.35%~2.08%   | 1.35%~2.00%          | 1.35%~2.70%   |

(3) Important rental activities and terms

The Group leases land located in Mainland China for a lease term of 50 years. All rents have been paid at the time of the lease, and when the lease term is terminated, the Group has no preferential right to acquire the land leased.

(4) Other lease information

The Group has leased out part of the plant buildings, dormitories, machinery, and equipment, etc., under operating leases, with lease terms of 1 to 5 years.

|                                                                           | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Short-term lease expense                                                  | <u>\$ 3,145</u>             | <u>\$ 3,520</u>             | <u>\$ 6,233</u>               | <u>\$ 7,071</u>               |
| Variable lease payments<br>not included in lease<br>liability measurement | <u>\$ 3,429</u>             | <u>\$ 2,781</u>             | <u>\$ 7,605</u>               | <u>\$ 5,486</u>               |
| Total cash (outflow) of<br>leases                                         | <u>( \$ 6,935 )</u>         | <u>( \$ 9,058 )</u>         | <u>( \$ 14,668 )</u>          | <u>( \$ 18,016 )</u>          |

15. Other assets

|                           | June 30, 2025     | December 31,<br>2024 | June 30, 2024     |
|---------------------------|-------------------|----------------------|-------------------|
| <u>Current</u>            |                   |                      |                   |
| Prepayment for purchase   | \$ 293,707        | \$ 318,545           | \$ 417,359        |
| Other prepayments (Note)  | 309,167           | 476,679              | 355,901           |
| Others                    | <u>21,997</u>     | <u>25,223</u>        | <u>22,451</u>     |
|                           | <u>\$ 624,871</u> | <u>\$ 820,447</u>    | <u>\$ 795,711</u> |
| <u>Non-current</u>        |                   |                      |                   |
| Prepayments for equipment | \$ 458,638        | \$ 414,677           | \$ 234,020        |
| Refundable deposits       | <u>27,674</u>     | <u>30,957</u>        | <u>28,581</u>     |
|                           | <u>\$ 486,312</u> | <u>\$ 445,634</u>    | <u>\$ 262,601</u> |

Note: Other prepayments refer to input tax and retained tax credit.

16. Borrowings

(1) Short-term borrowings

|                                | June 30, 2025       | December 31,<br>2024 | June 30, 2024     |
|--------------------------------|---------------------|----------------------|-------------------|
| <u>Secured loans</u> (Note 27) |                     |                      |                   |
| – Bank borrowings              | \$ 1,010,000        | \$ 860,000           | \$ -              |
| <u>Unsecured loans</u>         |                     |                      |                   |
| – Credit borrowings            | <u>2,984,313</u>    | <u>1,890,000</u>     | <u>900,000</u>    |
|                                | <u>\$ 3,994,313</u> | <u>\$ 2,750,000</u>  | <u>\$ 900,000</u> |
| <u>Interest rate collars</u>   |                     |                      |                   |
| – Secured borrowings           | 1.87%               | 1.86%                | -                 |
| – Unsecured borrowings         | 2.00%~5.27%         | 1.87%~2.10%          | 1.97%~2.05%       |

(2) Short-term notes payable

|                                                      | June 30, 2025     | December 31,<br>2024 | June 30, 2024     |
|------------------------------------------------------|-------------------|----------------------|-------------------|
| Commercial papers payable                            | \$ 650,000        | \$ 480,000           | \$ 630,000        |
| Less: Discount of short-term notes and bills payable | ( 1,348 )         | ( 944 )              | ( 831 )           |
|                                                      | <u>\$ 648,652</u> | <u>\$ 479,056</u>    | <u>\$ 629,169</u> |

(3) Long-term borrowings

|                                   | June 30, 2025     | December 31,<br>2024 | June 30, 2024     |
|-----------------------------------|-------------------|----------------------|-------------------|
| <u>Secured loans</u> (Note 27)    |                   |                      |                   |
| Bank borrowings                   | \$ 74,769         | \$ 83,395            | \$ 1,692,023      |
| <u>Unsecured loans</u>            |                   |                      |                   |
| Bank borrowings                   | <u>435,958</u>    | <u>650,746</u>       | <u>685,533</u>    |
|                                   | 510,727           | 734,141              | 2,377,556         |
| Less: Portion due within one year | ( 86,829 )        | ( 86,829 )           | ( 1,686,829 )     |
| Long-term borrowings              | <u>\$ 423,898</u> | <u>\$ 647,312</u>    | <u>\$ 690,727</u> |
| Interest rate collars             | 1.48%~2.05%       | 1.48%~2.08%          | 1.48%~2.03%       |

(4) Long-term notes payable

|                                           | June 30, 2025 | December 31,<br>2024 | June 30, 2024 |
|-------------------------------------------|---------------|----------------------|---------------|
| Commercial papers payable                 | \$ -          | \$ -                 | \$ 350,000    |
| Less: Discount of long-term notes payable | -             | -                    | ( 844 )       |
|                                           | -             | -                    | 349,156       |
| Less: Portion due within one year         | -             | -                    | ( 349,156 )   |
|                                           | <u>\$ -</u>   | <u>\$ -</u>          | <u>\$ -</u>   |

17. Other payables

|                                                 | June 30, 2025     | December 31,<br>2024 | June 30, 2024     |
|-------------------------------------------------|-------------------|----------------------|-------------------|
| Salary and bonus payables                       | \$ 270,311        | \$ 356,563           | \$ 279,785        |
| Remuneration to employees and directors payable | 90,675            | 130,342              | 93,166            |
| Freight payables                                | 81,100            | 99,525               | 95,078            |
| Payable tax                                     | 24,193            | 30,305               | 33,437            |
| Vacation benefit payable                        | 19,339            | 19,931               | 19,094            |
| Equipment payables                              | 55,572            | 70,381               | 48,963            |
| Others (Note)                                   | <u>241,884</u>    | <u>271,204</u>       | <u>267,067</u>    |
|                                                 | <u>\$ 783,074</u> | <u>\$ 978,251</u>    | <u>\$ 836,590</u> |

Note: Others are commission, interest, and utilities expenses payable.

18. Retirement benefits plan

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, pension expenses in respect of the Group's defined benefit retirement plans were NTD 289 thousand, NTD 260 thousand, NTD 579 thousand and NTD 520 thousand, respectively, calculated using the actuarially determined pension cost rate as of December 31, 2024 and 2023.

19. Equity

(1) Share capital

Common shares

|                                                                      | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|----------------------------------------------------------------------|---------------------|----------------------|---------------------|
| Authorized number of shares (thousand shares)                        | <u>600,000</u>      | <u>600,000</u>       | <u>600,000</u>      |
| Authorized capital                                                   | <u>\$ 6,000,000</u> | <u>\$ 6,000,000</u>  | <u>\$ 6,000,000</u> |
| Number of shares issued with fully paid-in capital (thousand shares) | <u>504,895</u>      | <u>504,915</u>       | <u>504,915</u>      |
| Outstanding capital                                                  | <u>\$ 5,048,951</u> | <u>\$ 5,049,151</u>  | <u>\$ 5,049,151</u> |

Common stock shares issued at NTD 10 Par and each share is entitled to one voting right and dividends.

(2) Capital reserves

|                                                                                                            | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|------------------------------------------------------------------------------------------------------------|---------------------|----------------------|---------------------|
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u> |                     |                      |                     |
| Other capital surplus of shares                                                                            | \$ 279,945          | \$ 279,956           | \$ 279,956          |
| Corporate bond conversion premium                                                                          | 1,050,342           | 1,050,383            | 1,050,383           |
| Endowments                                                                                                 | 1,651               | 1,651                | 1,651               |
| Treasury stock trade                                                                                       | -                   | 11                   | 11                  |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed                  | 23,850              | 23,850               | 23,850              |
| <u>For covering loss carried forward only.</u>                                                             |                     |                      |                     |
| Gains on disposal of assets                                                                                | 21                  | 21                   | 21                  |
| Recognition of changes in ownership interests of subsidiaries (2)                                          | 11,693              | 11,693               | 11,693              |
| Others                                                                                                     | <u>164</u>          | <u>164</u>           | <u>164</u>          |
|                                                                                                            | <u>\$ 1,367,666</u> | <u>\$ 1,367,729</u>  | <u>\$ 1,367,729</u> |

- (1) Such additional paid-in capital can be used to make up for losses; also, when the company is without any loss, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.
- (2) Such capital reserves are the effects of equity transactions recognized due to the changes in a subsidiary's equity when the Company has not actually acquired or disposed of the equity of the subsidiary.
- (3) Retained earnings and Dividend Policy

According to the earnings distribution policy of the Company's Articles of Association, if there are earnings in the Company's annual final accounts, the Company shall pay taxes, compensate the accumulated losses over the years, set aside 10% as a statutory surplus reserve, and then appropriate or reverse a special surplus reserve according to the laws or regulations of the competent authority. Regarding the special surplus reserve, if there are still earnings available, shareholder dividends shall be provided therefrom. For stock dividends, the Board of Directors draws up an earnings distribution proposal and submits it to the shareholders' meeting for resolution for distribution of shareholder dividends. If cash dividends are distributed, it shall be approved by a resolution by more than half of all directors present at a board meeting attended by two-thirds or more of all directors and reported to the shareholders' meeting. Please refer to Note 20 (7) regarding the policy for remuneration to the employees and the directors as stipulated in the Company's Articles of Association.

For the Company's need for sustainable operation and business growth and to take into account the maintenance of profitability, the Company's capital budget plan is adopted to measure the capital needs of the following years. The board of directors drafts a shareholders' dividend distribution plan according to the law every year and submits it to the shareholders' meeting. Shareholders' dividends are distributed in two ways: cash dividends and stock dividends. The cash dividends must not be less than 10% of the total dividends distributed, and the rest are stock dividends.

Legal reserve shall be allocated up to the amount equivalent to the paid-in capital of the company. Legal reserve could be allocated for covering loss carried forward. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out as cash dividend.

The Company has a special reserve appropriated and reversed in accordance with FSC.Certificate.Issue.Tzi No. 1010012865 Letter, FSC.Certificate.Issue.Tzi No. 1010047490 Letter, and "Special reserve appropriation Q&A after the adoption of International Financial Reporting Standards (IFRSs)."

In the event that the Company sets aside a special reserve from the net deduction of other equity accumulated from the prior periods, if the undistributed earnings from the prior period are insufficient for provision, the special reserve shall be provided from the net income after tax for the current period, plus items other than net income after tax, included in the amount of the undistributed earnings for the current period.

Proposal for the Company's 2024 and 2023 earnings distribution are as follows:

|                                         | Distribution of retained earnings |           | Dividend Per Share (NTD) |        |
|-----------------------------------------|-----------------------------------|-----------|--------------------------|--------|
|                                         | 2024                              | 2023      | 2024                     | 2023   |
| Legal reserve appropriated              | \$ 101,031                        | \$ 75,423 |                          |        |
| Special reserve appropriated (reversed) | ( 541,023 )                       | 168,420   |                          |        |
| Cash dividend                           | 742,725                           | 499,995   | \$ 1.5                   | \$ 1.0 |

The aforementioned cash dividend distributions were resolved by the board of directors on March 11, 2025 and March 12, 2024, respectively. The rest earnings appropriation items were resolved by the general shareholders meetings on June 11, 2025 and June 13, 2024, respectively.

(4) Special surplus reserves

A special surplus reserve appropriated because of the first-time adoption of IFRSs for the exchange differences on translation of the financial statements of foreign operations (including subsidiaries) is reversed based on the percentage of the Company's disposal. When the Company loses significant influence, said reserve will be fully reversed. When distributing the earnings, a special surplus reserve shall be appropriated for the difference between the net deduction of other shareholders' equity and the special surplus reserve for the first-time application of IFRSs at the end of the reporting period. If the amount debited to the other shareholders' equity is reversed subsequently, the reversed amount can be distributed.

As of June 30, 2025 and 2024, the special surplus reserve provided by the Company in accordance with Letter Jin Guan-Zheng-Fa No. 1010012865 was NTD 556,385 thousand and NTD 1,097,408 thousand, respectively.

(5) Other equity

1. Exchange differences from the translation of financial statements of foreign operations

|                                                           | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|-----------------------------------------------------------|----------------------------|----------------------------|
| Balance, beginning                                        | (\$ 506,385)               | (\$ 1,025,598)             |
| Incurred during the current period                        |                            |                            |
| Exchange differences on translation of foreign operations | ( 1,482,823 )              | 617,551                    |
| Relating income tax                                       | 296,565                    | ( 123,510 )                |
| Balance, ending                                           | (\$ 1,692,643 )            | (\$ 531,557 )              |

2. Unrealized gain on financial assets at fair value through other comprehensive income or loss

|                                                                                                                   | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Balance, beginning                                                                                                | ( \$ 50,000 )                 | ( \$ 71,810 )                 |
| Generated in current year                                                                                         |                               |                               |
| Unrealized gains or losses                                                                                        |                               |                               |
| – equity instruments                                                                                              | -                             | ( 8,156 )                     |
| Cumulative unrealized gain<br>(loss) of equity instruments<br>transferred to retained<br>earnings due to disposal | -                             | 29,966                        |
| Balance, ending                                                                                                   | ( \$ 50,000 )                 | ( \$ 50,000 )                 |

(6) Non-controlling interests

|                                                                       | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|-----------------------------------------------------------------------|-------------------------------|-------------------------------|
| Balance, beginning                                                    | \$ 948,719                    | \$ 1,162,197                  |
| Net income for the period                                             | 58,547                        | 38,429                        |
| Other comprehensive income of the<br>period                           |                               |                               |
| Exchange differences on<br>translation of foreign<br>operations       | ( 101,031 )                   | 62,779                        |
| Relating income tax                                                   | 1,132                         | ( 4,503 )                     |
| Cash dividend to the subsidiary's<br>shareholders                     | ( 18,125 )                    | ( 14,752 )                    |
| Acquisition of non-controlling<br>interests in subsidiaries (Note 24) | -                             | ( 324,654 )                   |
| Balance, ending                                                       | \$ 889,242                    | \$ 919,496                    |

(7) Treasury shares

| Duration                                           | Transfer of shares<br>to employees<br>(thousand shares) |
|----------------------------------------------------|---------------------------------------------------------|
| Number of shares on January 1 and<br>June 30, 2024 | 4,920                                                   |
| Number of shares on January 1,<br>2025             | 4,920                                                   |
| Increase                                           | 5,000                                                   |
| Decrease                                           | ( 20 )                                                  |
| Number of shares on June 30, 2025                  | 9,900                                                   |

The company's Treasury stock may not be pledged in accordance with the Security and Exchange Law; moreover, it is without the privilege of dividend and voting right.

20. Business units in continuing operation income

(1) Interest revenue

|               | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|---------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank deposits | <u>\$ 30,087</u>            | <u>\$ 30,412</u>            | <u>\$ 65,684</u>              | <u>\$ 60,574</u>              |

(2) Other income

|                                     | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Rent revenue                        |                             |                             |                               |                               |
| Other operating<br>leases (Note 14) | \$ 4,402                    | \$ 7,322                    | \$ 8,938                      | \$ 11,492                     |
| Others (Note 23)                    | <u>12,886</u>               | <u>10,930</u>               | <u>27,236</u>                 | <u>34,886</u>                 |
|                                     | <u>\$ 17,288</u>            | <u>\$ 18,252</u>            | <u>\$ 36,174</u>              | <u>\$ 46,378</u>              |

(3) Other gains and losses

|                                                                                                       | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Profit or loss on financial<br>assets mandatorily<br>measured at fair value<br>through profit or loss | \$ 21,331                   | \$ 19,740                   | \$ 41,914                     | \$ 35,216                     |
| Net foreign exchange<br>gain (loss)                                                                   | ( 116,133 )                 | 27,956                      | ( 78,840 )                    | 71,962                        |
| Gains (losses) on<br>disposal of property,<br>plant and equipment<br>and right-of-use assets          | ( 4,682 )                   | ( 9,703 )                   | ( 6,008 )                     | ( 16,275 )                    |
| Others                                                                                                | ( <u>6,401</u> )            | ( <u>2,017</u> )            | ( <u>8,699</u> )              | ( <u>2,424</u> )              |
|                                                                                                       | <u>( \$ 105,885 )</u>       | <u>\$ 35,976</u>            | <u>( \$ 51,633 )</u>          | <u>\$ 88,479</u>              |

The components of financial assets at FVTPL are as follows:

|                                                                                                           | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-----------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Interest income from<br>wealth management<br>products                                                     | \$ 22,264                   | \$ 19,618                   | \$ 43,738                     | \$ 35,538                     |
| Net gains and losses on<br>changes in the fair<br>value of stocks and<br>fund beneficiary<br>certificates | ( <u>933</u> )              | <u>122</u>                  | ( <u>1,824</u> )              | ( <u>322</u> )                |
|                                                                                                           | <u>\$ 21,331</u>            | <u>\$ 19,740</u>            | <u>\$ 41,914</u>              | <u>\$ 35,216</u>              |

(4) Financial costs

|                                  | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Interest from bank<br>borrowings | \$ 24,900                   | \$ 20,699                   | \$ 46,005                     | \$ 38,211                     |
| Other interest expenses          | 7,672                       | -                           | 16,378                        | -                             |
| Interest on lease<br>liabilities | 7                           | 66                          | 15                            | 143                           |
| Other financial costs            | <u>949</u>                  | <u>1,951</u>                | <u>965</u>                    | <u>3,421</u>                  |
|                                  | <u>\$ 33,528</u>            | <u>\$ 22,716</u>            | <u>\$ 63,363</u>              | <u>\$ 41,775</u>              |

(5) Depreciation and amortization

|                                                                 | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Consolidation of<br>depreciation expenses<br>based on functions |                             |                             |                               |                               |
| Operating costs                                                 | \$ 160,613                  | \$ 162,528                  | \$ 325,610                    | \$ 320,950                    |
| Operating expenses                                              | <u>36,024</u>               | <u>37,921</u>               | <u>73,559</u>                 | <u>74,978</u>                 |
|                                                                 | <u>\$ 196,637</u>           | <u>\$ 200,449</u>           | <u>\$ 399,169</u>             | <u>\$ 395,928</u>             |
| Consolidation of<br>amortization expenses<br>based on functions |                             |                             |                               |                               |
| Operating costs                                                 | \$ 92                       | \$ 37                       | \$ 129                        | \$ 62                         |
| Operating expenses                                              | <u>6,036</u>                | <u>3,539</u>                | <u>11,870</u>                 | <u>6,706</u>                  |
|                                                                 | <u>\$ 6,128</u>             | <u>\$ 3,576</u>             | <u>\$ 11,999</u>              | <u>\$ 6,768</u>               |

(6) Employee benefits expenses

|                                      | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|--------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Retirement benefits                  |                             |                             |                               |                               |
| Defined contribution<br>pension plan | \$ 3,080                    | \$ 2,795                    | \$ 6,133                      | \$ 5,619                      |
| Defined benefit<br>plan (Note 18)    | <u>289</u>                  | <u>260</u>                  | <u>579</u>                    | <u>520</u>                    |
|                                      | 3,369                       | 3,055                       | 6,712                         | 6,139                         |
| Other employee benefits              | <u>530,962</u>              | <u>682,337</u>              | <u>1,232,375</u>              | <u>1,210,212</u>              |
| Total employee benefits<br>expenses  | <u>\$ 534,331</u>           | <u>\$ 685,392</u>           | <u>\$ 1,239,087</u>           | <u>\$ 1,216,351</u>           |
| Consolidation based on<br>functions  |                             |                             |                               |                               |
| Operating costs                      | \$ 327,998                  | \$ 423,405                  | \$ 763,288                    | \$ 764,781                    |
| Operating expenses                   | <u>206,333</u>              | <u>261,987</u>              | <u>475,799</u>                | <u>451,570</u>                |
|                                      | <u>\$ 534,331</u>           | <u>\$ 685,392</u>           | <u>\$ 1,239,087</u>           | <u>\$ 1,216,351</u>           |

(7) Remuneration to the employees and the directors

According to the Company's Articles of Association, based on the current year's pre-tax income before deduction of the remuneration to employees and directors, no less than 1% and no greater than 8% of the balance is allocated as remuneration to employees, and no more than 3% for remuneration to directors. For the six months ended June 30, 2025 and 2024, the remuneration to employees and directors was estimated based on the aforementioned pre-tax profit and the possible distributable amount according to the past experience.

According to the amendment to the Securities and Exchange Act in August 2024, the Company passed an amendment to Articles of Incorporation in the 2025 shareholders' meeting, stipulating that no less than 15% of the employee remuneration appropriated for the current year should be set aside as the remuneration to the entry-level employees.

The estimated remuneration to employees and directors for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 is recognized as follows:

Amount

|                           | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|---------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Remuneration to employees | \$ 15,828                   | \$ 22,512                   | \$ 41,084                     | \$ 38,811                     |
| Remuneration of Directors | \$ 4,565                    | \$ 6,494                    | \$ 11,851                     | \$ 11,196                     |

If there are still changes in the amount specified in the consolidated financial statement after announcement, proceed to the accounting of change and adjusted for booking in the next fiscal year.

The remuneration to employees and directors for 2024 and 2023 was resolved by the board of directors on March 11, 2025 and March 12, 2024, respectively, as follows:

|                           | 2024      |       | 2023      |       |
|---------------------------|-----------|-------|-----------|-------|
|                           | Cash      | Stock | Cash      | Stock |
| Remuneration to employees | \$ 67,664 | \$ -  | \$ 47,332 | \$ -  |
| Remuneration of Directors | 19,519    | -     | 14,791    | -     |

There is no difference between the remuneration to employees and directors actually distributed for 2024 and 2023 and the amount recognized in the consolidated financial statements for 2024 and 2023.

For information on the remuneration to employees and directors as resolved by the Company's board of directors, please visit the Market Observatory Post System of the Taiwan Stock Exchange.

(8) Foreign exchange gain (loss)

|                              | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Total foreign exchange gains | \$ 183,851                  | \$ 58,159                   | \$ 286,082                    | \$ 127,607                    |
| Total foreign exchange loss  | ( 299,984 )                 | ( 30,203 )                  | ( 364,922 )                   | ( 55,645 )                    |
| Net gains (losses)           | ( \$ 116,133 )              | \$ 27,956                   | ( \$ 78,840 )                 | \$ 71,962                     |

21. Continuing department income tax

(1) Income tax recognized in profit or loss

The major components of income tax expense (income) are as follows:

|                                           | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Income tax expenses in the current period |                             |                             |                               |                               |
| Incurred in the current period            | \$ 274,065                  | \$ 322,768                  | \$ 485,167                    | \$ 457,555                    |
| Additional levy on undistributed earnings | 35,379                      | 520                         | 35,379                        | 520                           |
| Prior year adjustment                     | ( 282,145 )                 | ( 130,233 )                 | ( 281,031 )                   | ( 171,960 )                   |
|                                           | <u>27,299</u>               | <u>193,055</u>              | <u>239,515</u>                | <u>286,115</u>                |

(Continued on next page)

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|                                                           | April 1 to June<br>30, 2025     | April 1 to June<br>30, 2024        | January 1 to<br>June 30, 2025   | January 1 to<br>June 30, 2024  |
|-----------------------------------------------------------|---------------------------------|------------------------------------|---------------------------------|--------------------------------|
| Deferred tax                                              |                                 |                                    |                                 |                                |
| Incurred in the<br>current period                         | ( \$ 130,963 )                  | ( \$ 127,539 )                     | ( \$ 117,562 )                  | ( \$ 91,468 )                  |
| Prior year<br>adjustment                                  | <u>190,934</u><br><u>59,971</u> | <u>99,171</u><br><u>( 28,368 )</u> | <u>176,243</u><br><u>58,681</u> | <u>100,857</u><br><u>9,389</u> |
| Income tax expense<br>recognized in the<br>profit or loss | <u>\$ 87,270</u>                | <u>\$ 164,687</u>                  | <u>\$ 298,196</u>               | <u>\$ 295,504</u>              |

(2) Income tax recognized in the other comprehensive income or loss

|                                                                                                             | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Deferred tax                                                                                                |                             |                             |                               |                               |
| Incurred during the<br>current period                                                                       |                             |                             |                               |                               |
| — Exchange<br>differences from<br>the translation<br>of financial<br>statements of<br>foreign<br>operations | ( \$ 335,673 )              | <u>\$ 25,987</u>            | ( \$ 297,697 )                | <u>\$ 128,013</u>             |

(3) Income tax audit

The profit-seeking enterprise income tax returns filed by the Company and its domestic subsidiaries, Rechi Investments Co., Ltd., Dyna Rechi Co., Ltd., and Ablek Technology Co., Ltd., up to 2021, 2023, 2023, and 2023, respectively have been approved by the tax collection authority, and the remaining subsidiaries file local income tax returns in accordance with local regulations.

22. Earnings per share (EPS)

Unit: NTD per share

|                            | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Basic earnings per share   | <u>\$ 0.46</u>              | <u>\$ 0.65</u>              | <u>\$ 1.18</u>                | <u>\$ 1.15</u>                |
| Diluted earnings per share | <u>\$ 0.46</u>              | <u>\$ 0.65</u>              | <u>\$ 1.18</u>                | <u>\$ 1.15</u>                |

The earnings and weighted average common stock shares used in calculating the earnings per share are as follows:

Net income for the period

|                                                                    | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| The net income applied to<br>calculate basic earnings per<br>share | <u>\$ 226,661</u>           | <u>\$ 325,734</u>           | <u>\$ 586,973</u>             | <u>\$ 575,422</u>             |

## Number of shares

|                                                                                         | Unit: shares in thousands   |                             |                               |                               |
|-----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
|                                                                                         | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
| Weighted average common<br>stock shares used to calculate<br>basic earnings per share   | 494,995                     | 499,995                     | 495,872                       | 499,995                       |
| Effect of dilutive potential<br>common stock:                                           |                             |                             |                               |                               |
| Remuneration to<br>employees                                                            | <u>1,687</u>                | <u>1,273</u>                | <u>2,614</u>                  | <u>2,075</u>                  |
| Weighted average common<br>stock shares used to calculate<br>diluted earnings per share | <u>496,682</u>              | <u>501,268</u>              | <u>498,486</u>                | <u>502,070</u>                |

If the Group may choose to have the employee compensation distributed via a stock or cash dividend, calculate the diluted earnings per share, assuming that the bonus to employees is with a stock dividend distributed, with the weighted average number of shares outstanding included when the potential common stock has a diluted effect. When diluted EPS is calculated in the next year resolves the number of share distribution for employee compensation, the dilution effect is also considered for such potential common shares.

### 23. Government grant

The amount of government grants received by the Group during the six months ended June 30, 2025 and 2024 was NTD 15,575 thousand and NTD 24,511 thousand, respectively, which were recognized as current profit or loss or debited to assets for deferred recognition based on the nature of the subsidies.

The amounts recognized in other income are as follows:

|              | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|--------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other income | <u>\$ 4,536</u>             | <u>\$ 5,094</u>             | <u>\$ 12,914</u>              | <u>\$ 24,511</u>              |

In addition, for the subsidized items that are transferred to profit or loss within the useful lives of the assets, as of June 30, 2025 and 2024, the amount of NTD 475,745 thousand and NTD 562,015 thousand had been obtained, respectively. The amount of reduction of depreciation expenses is as follows:

|                                       | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Reduction of depreciation<br>expenses | <u>\$ 8,320</u>             | <u>\$ 8,914</u>             | <u>\$ 17,236</u>              | <u>\$ 17,585</u>              |

24. Equity transactions with the non-controlling equity

On April 17, 2024, the Group acquired a 28.77% stake, totaling 30,225 thousand shares, in its subsidiary, Dyna Rechi Co., Ltd., from the subsidiary's directors and supervisors, Taiwan Sanyo Electric Co., Ltd., Richtek Technology Corporation, AccessTop Ltd., director HSU, YUNG FU and his first-degree relatives. As a result of this transaction, the Company's shareholding ratio increased from 65.65% to 94.42%, for a consideration of NTD 312,249 thousand. The transaction price was determined with reference to the CPA's fairness opinion on price and was resolved by the board of directors.

Since the transaction above did not change the Group's control over the subsidiary, the Group treated it as an equity transaction.

|                                                                                                                                                                                         | January 1 to June<br>30, 2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Consideration of cash paid                                                                                                                                                              | ( \$ 312,249 )                |
| The carrying amount of the net assets of the subsidiary<br>is calculated for the amount to be transferred from<br>non-controlling interests based on the relative<br>changes in equity. | <u>324,654</u>                |
| Equity transaction balance                                                                                                                                                              | <u>\$ 12,405</u>              |
| <u>Adjustment of equity transaction balance</u>                                                                                                                                         |                               |
| Capital reserves - difference between consideration<br>and carrying amount of subsidiaries acquired or<br>disposed                                                                      | <u>\$ 12,405</u>              |

25. Financial instruments

- (1) Fair value information- Financial instruments that are not measured at fair value

The Group's management believes that the book value of the financial assets and financial liabilities that are not measured at fair value is close to its fair value.

- (2) Information on fair value – financial instruments at fair value on repetition.

1. Fair value hierarchy

June 30, 2025

|                                                                       | Level 1     | Level 2     | Level 3             | Total               |
|-----------------------------------------------------------------------|-------------|-------------|---------------------|---------------------|
| <u>Financial assets at fair<br/>value through profit and<br/>loss</u> |             |             |                     |                     |
| Beneficiary certificates of<br>fund                                   | \$ -        | \$ -        | \$ 14,854           | \$ 14,854           |
| Wealth management<br>products                                         | <u>-</u>    | <u>-</u>    | <u>1,941,064</u>    | <u>1,941,064</u>    |
|                                                                       | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,955,918</u> | <u>\$ 1,955,918</u> |

December 31, 2024

|                                                               | Level 1         | Level 2     | Level 3             | Total               |
|---------------------------------------------------------------|-----------------|-------------|---------------------|---------------------|
| <u>Financial assets at fair value through profit and loss</u> |                 |             |                     |                     |
| Listed stocks – overseas                                      | \$ 4,135        | \$ -        | \$ -                | \$ 4,135            |
| Beneficiary certificates of fund                              | -               | -           | 16,879              | 16,879              |
| Wealth management products                                    | -               | -           | 1,805,772           | 1,805,772           |
|                                                               | <u>\$ 4,135</u> | <u>\$ -</u> | <u>\$ 1,822,651</u> | <u>\$ 1,826,786</u> |

June 30, 2024

|                                                               | Level 1         | Level 2     | Level 3             | Total               |
|---------------------------------------------------------------|-----------------|-------------|---------------------|---------------------|
| <u>Financial assets at fair value through profit and loss</u> |                 |             |                     |                     |
| Listed stocks – overseas                                      | \$ 3,752        | \$ -        | \$ -                | \$ 3,752            |
| Beneficiary certificates of fund                              | -               | -           | 20,289              | 20,289              |
| Wealth management products                                    | -               | -           | 1,836,292           | 1,836,292           |
|                                                               | <u>\$ 3,752</u> | <u>\$ -</u> | <u>\$ 1,856,581</u> | <u>\$ 1,860,333</u> |

There were no transfers between Level 1 and Level 2 fair values during the six months ended June 30, 2025 and 2024.

- Financial instruments are adjusted according to Level 3 fair value.

|                                                      | <u>Financial instruments measured at fair value through profit or loss</u> |                                   | <u>Financial instruments at fair value through other comprehensive income</u> |                                   |
|------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------|-----------------------------------|
| <u>Financial assets</u>                              | <u>January 1 to June 30, 2025</u>                                          | <u>January 1 to June 30, 2024</u> | <u>January 1 to June 30, 2025</u>                                             | <u>January 1 to June 30, 2024</u> |
| Balance, beginning                                   | \$ 1,822,651                                                               | \$ 1,339,285                      | \$ -                                                                          | \$ 8,190                          |
| Recognized in profit and loss (Other profit or loss) |                                                                            |                                   |                                                                               |                                   |
| -Realized                                            | 41,714                                                                     | 35,833                            | -                                                                             | -                                 |
| Recognized in the other comprehensive income of loss | -                                                                          | -                                 | -                                                                             | ( 8,156 )                         |
| Disposal/Purchase                                    | 303,564                                                                    | 408,835                           | -                                                                             | ( 34 )                            |
| Foreign currency translation differences             | ( 212,011 )                                                                | 72,628                            | -                                                                             | -                                 |
| Balance, ending                                      | <u>\$ 1,955,918</u>                                                        | <u>\$ 1,856,581</u>               | <u>\$ -</u>                                                                   | <u>\$ -</u>                       |

- Evaluation techniques and an input value of Level 3 fair value measurement

The domestic unlisted equity investment is based on the market approach, which is according to the transaction price of a comparable target. The difference between the target evaluated and the comparable target is considered, and the value of the target evaluated is estimated with an appropriate multiple. In the market approach, evaluation is conducted by referring to the prices of stocks

traded in the active market from companies engaged in the same or similar operations so as to determine the value multiple as the basis for evaluation.

Beneficiary certificates of private equity funds are evaluated using the asset approach, with their fair values evaluated with reference to the net assets measured at fair value.

For the RMB wealth management products purchased by subsidiaries, the quoted prices offered counterparties are adopted as the valuation techniques and significant unobservable inputs to calculate the expected return on such investment.

(3) Categories of financial instruments

|                                                    | June 30, 2025 | December 31,<br>2024 | June 30, 2024 |
|----------------------------------------------------|---------------|----------------------|---------------|
| <u>Financial assets</u>                            |               |                      |               |
| Measured at fair values<br>through profit and loss |               |                      |               |
| Mandatorily<br>measured at<br>FVTPL                | \$ 1,955,918  | \$ 1,826,786         | \$ 1,860,333  |
| Financial assets at<br>amortized cost (Note 1)     | 16,415,958    | 17,281,019           | 17,359,331    |
| <u>Financial liabilities</u>                       |               |                      |               |
| Based on cost after<br>amortization (Note 2)       | 14,192,937    | 14,472,928           | 14,287,292    |

Note 1: The balances include cash and cash equivalents, notes receivable, accounts receivable, other receivables, deposits, refundable deposits, and other financial assets measured at amortized cost.

Note 2: The balances include short-term borrowings, short-term notes payable, notes payable, accounts payable, other payables, guarantee deposits received, and long-term borrowings (including long-term borrowings and notes payable due within one year), other financial liabilities measured at amortized cost.

(4) Purpose and policy of financial risk management

The main financial instruments of the Group include investments in equity and debt instruments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Group's financial management department shall provide services to each business unit, to plan and coordinate operations in the domestic and international financial markets, and to monitor and manage the Group's operation-related financial risks with the internal risk report, with the risk exposure analyzed in accordance with the degree and breadth of risks. These risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The financial management department reports quarterly to the Group's board of directors.

## 1. Market Risk

Due to the operating activities, the major financial risk faced by the Group is the foreign currency exchange rate risk (see (1) below) and interest rate risk (see (2) below). The Group manages the foreign currency exchange rate and interest rate risks using the natural hedging method.

The Group's exposure to financial instruments market risk and the management and measurement of the risk exposure have not been changed.

### (1) Exchange rate risk

The Group engages in foreign currency-denominated sales and purchase transactions; therefore, the Group is exposed to exchange rate risks. Approximately 30.61% of the Group's sales are not denominated in the functional currency of any of the Group's entity involved in the transaction, and approximately 1.71% of the cost is not denominated in the functional currency of any of the Group's entity involved in the transaction. The Group manages the exposure to the exchange rate risk using the natural hedging method.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the Group at the balance sheet date (including the monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 29.

#### Sensitivity analysis

The Group is mainly affected by fluctuations in the exchange rates of the USD and RMB.

The Group's sensitivity analysis for New Taiwan Dollar (functional currency) to each relevant foreign currency exchange rates that increased or decreased by 1.7% is illustrated in the following table. The 1.7% sensitivity is used internally for reporting the exchange rate risk to management and is the assessment by management regarding the reasonable and possible changes in foreign exchange rates. The sensitivity analysis includes only the outstanding monetary items in foreign currency; also, the translation at year-end is adjusted in accordance with the changes in exchange rates by 1.7%. Each positive number in the following table represents the amount of increase in net profit before tax when NTD depreciates by 1.7% in relation to each relevant foreign currency; when NTD appreciates by 1.7% in relation to each relevant foreign currency, its effect on net profit before tax will be the negative number of the same amount.

|                | Effect on USD (i)             |                               | Effect on RMB (ii)            |                               |
|----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
| Profit or loss | \$ 16,143                     | \$ 20,792                     | ( \$ 12,851 )                 | ( \$ 15,392 )                 |

- (i) It is mainly derived from the Group's outstanding USD-denominated bank deposits, receivables, and payables at the balance sheet date without cash flow hedging.
  - (ii) It is mainly derived from the Group's outstanding RMB-denominated bank deposits, receivables, and payables at the balance sheet date without cash flow hedging.
- (2) Interest rate risk

Because the entities in the Group hold assets and borrowings with fixed and floating interest rates at the same time, the interest rate risk has arisen. The Group manages interest rate risk by maintaining an appropriate combination of fixed and floating rate.

The book value of the Group's financial assets and financial liabilities with interest rate exposure on the balance sheet date is as follows:

|                         | June 30, 2025 | December 31,<br>2024 | June 30, 2024 |
|-------------------------|---------------|----------------------|---------------|
| With fair value         |               |                      |               |
| interest rate risk      |               |                      |               |
| – Financial assets      | \$ 5,004,663  | \$ 5,851,546         | \$ 5,288,687  |
| – Financial liabilities | 4,648,669     | 3,230,764            | 1,541,719     |
| Contain cash flow       |               |                      |               |
| interest rate risk      |               |                      |               |
| – Financial assets      | 2,448,385     | 3,801,468            | 1,692,689     |
| – Financial liabilities | 510,727       | 734,141              | 2,726,712     |

#### Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. For assets and liabilities with floating interest rates, the analysis method is based on the assumption that the amount of assets and liabilities outstanding at the balance sheet date is outstanding throughout the reporting period. The rate of change used when the interest rates are reported to key management in the Group is 100 base points for increase or decrease in interest rates, which also represents the reasonably possible range of changes in interest rates determined by the management.

If the interest rate increased by 100 base points, with all other variables remaining unchanged, the Group's net profit before tax for the six months ended June 30, 2025 and 2024 would have increased by NTD 9,688 thousand and decreased by NTD 5,170 thousand, respectively, mainly due to the Group's exposure to the risk of changes in the interest rate.

(3) Other price risks.

The Group is exposed to equity price risk due to investment in domestic and foreign listed stocks.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to the equity price risk at the balance sheet date.

If the equity price increased/decreased by 1%, the pre-tax profit or loss for the six months ended June 30, 2025 and 2024 would have increased/decreased by NTD 0 thousand and NTD 38 thousand respectively due to the increase/decrease in the fair value of the financial assets at fair value through profit or loss.

2. Credit Risk

Credit risk meant for the Group's risk of financial loss due to the counterparty's failure in fulfilling contractual obligations. As of the balance sheet date, the top credit risk the Group might incur in financial losses due to failure by the counterparts in failure in performance of the obligations primarily come from the book value of financial assets recognized in the consolidated balance sheet.

Except for the Group's top five customers, the Group does not have any major exposure to the credit risk of any single counterparty or any group of counterparties with similar characteristics. When the counterparty is an affiliated company, the Group has it defined as a counterparty with similar characteristics. For the six months ended June 30, 2025 and 2024, the Group's concentration of credit risk on the top five customers did not exceed 10% of the total monetary assets, and the concentration of credit risk on any other counterparty did not exceed 1% of the total monetary assets.

The Group's credit risk is mainly concentrated on the top five customers. As of June 30, 2025, December 31, 2024 and June 30, 2024, the percentage of the total accounts receivable from the aforementioned customers was 40%, 45% and 40%.

3. Liquidity Risk

The Group has supported the Group's business operation and mitigated the impact of changes in cash flow by managing and maintaining sufficient cash and cash equivalent position. The Group's management monitors the use of banking facilities and ensures the compliance of loan agreement.

Bank borrowing is a main source of liquidity to the Group. For the Group's bank financing amount not drawn down as of June 30, 2025, December 31, 2024 and June 30, 2024, please refer to the description of (2) regarding the financing amount below.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

Non-derivative financial liabilities remaining contract maturity analysis is prepared in accordance with the Group's undiscounted cash flow (including principal and estimated interest) of financial liabilities on the earliest possible repayment date upon request. Therefore, the Group may be required to immediately repay the bank loan is illustrated in the following table without considering the probability that the bank may immediately exercise such right. The other non-derivative financial liabilities maturity analysis is prepared in accordance with the agreed repayment date.

June 30, 2025

|                                             | Payment on<br>demand or less<br>than 1 month | 1 to 3 months       | 3 months to 1<br>year | 1 to 5 years      | Over 5 years |
|---------------------------------------------|----------------------------------------------|---------------------|-----------------------|-------------------|--------------|
| <u>Non-derivative financial liabilities</u> |                                              |                     |                       |                   |              |
| No interest-bearing liabilities             | \$ 2,160,115                                 | \$ 3,608,352        | \$ 3,250,776          | \$ 20,005         | \$ -         |
| Lease liabilities                           | 156                                          | 312                 | 1,404                 | 4,020             | -            |
| Instruments with floating interest rates    | 7,962                                        | 15,909              | 71,260                | 429,093           | -            |
| Instruments with fixed interest rates       | <u>1,307,560</u>                             | <u>2,476,483</u>    | <u>882,902</u>        | <u>-</u>          | <u>-</u>     |
|                                             | <u>\$ 3,475,793</u>                          | <u>\$ 6,101,056</u> | <u>\$ 4,206,342</u>   | <u>\$ 453,118</u> | <u>\$ -</u>  |

Further information about maturity analysis of lease liabilities is as follows:

|                   | Less than 1<br>year | 1 to 5 years    | 5 to 10 years | 10 to 15<br>years | 15 to 20<br>years | Over 20<br>years |
|-------------------|---------------------|-----------------|---------------|-------------------|-------------------|------------------|
| Lease liabilities | <u>\$ 1,872</u>     | <u>\$ 4,020</u> | <u>\$ -</u>   | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>      |

December 31, 2024

|                                             | Payment on<br>demand or less<br>than 1 month | 1 to 3 months       | 3 months to 1<br>year | 1 to 5 years      | Over 5 years |
|---------------------------------------------|----------------------------------------------|---------------------|-----------------------|-------------------|--------------|
| <u>Non-derivative financial liabilities</u> |                                              |                     |                       |                   |              |
| No interest-bearing liabilities             | \$ 2,277,492                                 | \$ 4,150,228        | \$ 4,060,090          | \$ 21,921         | \$ -         |
| Lease liabilities                           | 148                                          | 295                 | 509                   | 823               | 86           |
| Instruments with floating interest rates    | 7,635                                        | 15,273              | 68,549                | 654,006           | -            |
| Instruments with fixed interest rates       | <u>2,404,465</u>                             | <u>331,708</u>      | <u>501,708</u>        | <u>-</u>          | <u>-</u>     |
|                                             | <u>\$ 4,689,740</u>                          | <u>\$ 4,497,504</u> | <u>\$ 4,630,856</u>   | <u>\$ 676,750</u> | <u>\$ 86</u> |

Further information about maturity analysis of lease liabilities is as follows:

|                   | Less than 1<br>year | 1 to 5 years  | 5 to 10 years | 10 to 15<br>years | 15 to 20<br>years | Over 20<br>years |
|-------------------|---------------------|---------------|---------------|-------------------|-------------------|------------------|
| Lease liabilities | <u>\$ 952</u>       | <u>\$ 823</u> | <u>\$ 86</u>  | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>      |

### June 30, 2024

|                                             | Payment on<br>demand or less<br>than 1 month | 1 to 3 months       | 3 months to 1<br>year | 1 to 5 years      | Over 5 years    |
|---------------------------------------------|----------------------------------------------|---------------------|-----------------------|-------------------|-----------------|
| <u>Non-derivative financial liabilities</u> |                                              |                     |                       |                   |                 |
| No interest-bearing liabilities             | \$ 1,968,885                                 | \$ 4,062,111        | \$ 3,978,634          | \$ 21,781         | \$ -            |
| Lease liabilities                           | 926                                          | 1,853               | 8,300                 | 1,601             | 188             |
| Instruments with floating interest rates    | 1,610,266                                    | 20,517              | 426,441               | 706,689           | 5,761           |
| Instruments with fixed interest rates       | <u>481,512</u>                               | <u>1,051,224</u>    | <u>-</u>              | <u>-</u>          | <u>-</u>        |
|                                             | <u>\$ 4,061,589</u>                          | <u>\$ 5,135,705</u> | <u>\$ 4,413,375</u>   | <u>\$ 730,071</u> | <u>\$ 5,949</u> |

Further information about maturity analysis of lease liabilities is as follows:

|                   | Less than 1<br>year | 1 to 5 years    | 5 to 10 years | 10 to 15<br>years | 15 to 20<br>years | Over 20<br>years |
|-------------------|---------------------|-----------------|---------------|-------------------|-------------------|------------------|
| Lease liabilities | <u>\$ 11,079</u>    | <u>\$ 1,601</u> | <u>\$ 188</u> | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>      |

Floating interest rate for the above-mentioned non-derivative financial liabilities will vary due to the differences of the floating interest rate and the interest rate estimated on the balance sheet.

#### (2) Financing amount

|                                   | June 30, 2025       | December 31,<br>2024 | June 30, 2024        |
|-----------------------------------|---------------------|----------------------|----------------------|
| <u>Secured bank loan</u>          |                     |                      |                      |
| – The loan quota used             | \$ 1,084,769        | \$ 943,395           | \$ 1,692,023         |
| – The loan quota not yet used     | <u>1,021,031</u>    | <u>1,145,930</u>     | <u>403,920</u>       |
|                                   | <u>2,105,800</u>    | <u>2,089,325</u>     | <u>2,095,943</u>     |
| <u>Unsecured bank loan amount</u> |                     |                      |                      |
| – The loan quota used             | 4,068,923           | 3,019,802            | 2,563,858            |
| – The loan quota not yet used     | <u>3,550,341</u>    | <u>6,078,644</u>     | <u>7,366,494</u>     |
|                                   | <u>7,619,264</u>    | <u>9,098,446</u>     | <u>9,930,352</u>     |
|                                   | <u>\$ 9,725,064</u> | <u>\$ 11,187,771</u> | <u>\$ 12,026,295</u> |

#### (5) Information on transfer of financial assets

The relevant information on the factoring of the Group's accounts receivable not due at the end of the period is as follows:

##### June 30, 2025

| Counterparties   | Amount factored   | Reclassified to<br>other receivables | Amount<br>available | Amount drawn<br>down | The annual interest<br>rate of prepaid<br>amount (%) |
|------------------|-------------------|--------------------------------------|---------------------|----------------------|------------------------------------------------------|
| DBS Bank Limited | <u>\$ 194,412</u> | <u>\$ -</u>                          | <u>\$ -</u>         | <u>\$ 194,412</u>    | 3.04%~4.14%                                          |

##### December 31, 2024

| Counterparties   | Amount factored   | Reclassified to<br>other receivables | Amount<br>available | Amount drawn<br>down | The annual interest<br>rate of prepaid<br>amount (%) |
|------------------|-------------------|--------------------------------------|---------------------|----------------------|------------------------------------------------------|
| DBS Bank Limited | <u>\$ 152,256</u> | <u>\$ -</u>                          | <u>\$ -</u>         | <u>\$ 152,256</u>    | 3.94%~5.17%                                          |

June 30, 2024

| Counterparties   | Amount factored | Reclassified to other receivables | Amount available | Amount drawn down | The annual interest rate of prepaid amount (%) |
|------------------|-----------------|-----------------------------------|------------------|-------------------|------------------------------------------------|
| DBS Bank Limited | \$ 187,073      | \$ -                              | \$ -             | \$ 187,073        | 4.85%~5.17%                                    |

According to the agreement of the factoring contract, the losses arising from business disputes (such as sales returns or discounts) shall be borne by the Group, and the losses arising from the credit risk shall be borne by the bank.

For the six months ended June 30, 2025 and 2024, the Group discounted some of the banker's acceptance receivable in Mainland China to the bank or endorsed and factored it as payments to suppliers. The amount was NTD 856,138 thousand and NTD 590,731 thousand, respectively. For the banker's acceptance receivable factored, the losses arising from business disputes (such as sales returns or discounts) shall be borne by the Group, and the losses arising from the credit risk shall be borne by said bank.

For the six months ended June 30, 2025 and 2024, the Group recognized financial costs of NTD 333 thousand and NTD 53 thousand, respectively, upon factoring of the banker's acceptance receivable.

26. Related party transactions

The transactions, account balances, income, expenses and losses between the company and subsidiaries (related party of the company) are offset at the time of consolidation; therefore, it is not disclosed in this note. Except as disclosed in other notes, transactions between the Group and other related parties, are also as follows:

(1) Name of related parties and the relations

| Name                                          | Relationship with the Group                                                                                                |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Sampo Corporation                             | Investor with significant influence                                                                                        |
| Sampo Japan                                   | Subsidiary of Sampo Corporation                                                                                            |
| Sampo Home Inc.                               | Subsidiary of Sampo Corporation                                                                                            |
| Qingdao China Steel Precision Metal Co., Ltd. | Affiliated enterprises                                                                                                     |
| COMPRA FOR TRADE AND MANUFACTURING S.A.E      | Affiliated enterprises                                                                                                     |
| Taiwan Sanyo Electric Co., Ltd.               | Substantive related party (a juridical person supervisor of a subsidiary, relieved from office in April 2024)              |
| Rich Technology Electronics Co., Ltd.         | Substantive related party (a juridical person director of a subsidiary, relieved from office in April 2024)                |
| AccessTop Ltd.                                | Substantive related party (a juridical person director of a subsidiary, relieved from office in April 2024)                |
| HSU, YUNG FU and his first-degree relatives   | Substantive related party (a juridical person director representative of a subsidiary, relieved from office in April 2024) |

(2) Operating revenue

| Account titles<br>in book | Type and Name<br>of related party         | April 1 to<br>June 30, 2025 | April 1 to<br>June 30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|---------------------------|-------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Sales revenue             | Investor with<br>significant<br>influence | <u>\$ 5</u>                 | <u>\$ 2,102</u>             | <u>\$ 1,194</u>               | <u>\$ 2,512</u>               |

(3) Purchase

| Type and Name of<br>related party | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|-----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Affiliated enterprises            | <u>\$ 3,931</u>             | <u>\$ 12,710</u>            | <u>\$ 16,336</u>              | <u>\$ 22,804</u>              |

Compared with other customers, there is no significant difference in the price and payment terms of transactions between the Group and its related parties.

(4) Receivables from concerned parties (excluding loans borrowed from concerned parties)

| Account titles in<br>book                | Type and Name of<br>related party      | June 30, 2025 | December 31,<br>2024 | June 30, 2024   |
|------------------------------------------|----------------------------------------|---------------|----------------------|-----------------|
| Accounts receivable<br>– related parties | Investor with<br>significant influence | <u>\$ 661</u> | <u>\$ 1,697</u>      | <u>\$ 2,208</u> |
| Other receivables                        | Affiliated enterprises                 | <u>\$ 710</u> | <u>\$ 779</u>        | <u>\$ 749</u>   |

The outstanding receivables from the related party are without any guarantees collected. No allowance for losses was provided for accounts receivable from related parties during the six months ended June 30, 2025 and 2024.

(5) Payables to concerned parties (excluding loans borrowed from concerned parties)

| Account titles in<br>book             | Type and Name of<br>related party      | June 30, 2025   | December 31,<br>2024 | June 30, 2024    |
|---------------------------------------|----------------------------------------|-----------------|----------------------|------------------|
| Accounts payable –<br>related parties | Affiliated enterprises                 | <u>\$ 5,229</u> | <u>\$ 516</u>        | <u>\$ 16,217</u> |
| Other payables                        | Investor with<br>significant influence | <u>\$ -</u>     | <u>\$ 830</u>        | <u>\$ 830</u>    |

For balance of payables to concerned parties outstanding, no guarantee has been provided.

(6) Other related party transactions

| Account titles in<br>book    | Type and Name of<br>related party                   | June 30, 2025   | December 31,<br>2024 | June 30, 2024    |
|------------------------------|-----------------------------------------------------|-----------------|----------------------|------------------|
| Other current<br>liabilities | Qingdao China Steel<br>Precision Metal Co.,<br>Ltd. | <u>\$ 5,921</u> | <u>\$ 36,668</u>     | <u>\$ 15,123</u> |

(7) Lease agreement

| Type and Name of<br>related party                             | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|---------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>Rent expense</u><br>Investor with significant<br>influence | <u>\$ 2,475</u>             | <u>\$ 2,591</u>             | <u>\$ 4,948</u>               | <u>\$ 5,149</u>               |

The rent of the lease contract between the Group and the above-mentioned related parties is determined through negotiation with reference to the market conditions and is paid on a monthly or quarterly basis in accordance with the general payment terms.

Lease expenses include short-term leases. The total amount of lease payments to be paid in the future for short-term leases is as follows:

|                                                             | June 30, 2025   | December 31,<br>2024 | June 30, 2024   |
|-------------------------------------------------------------|-----------------|----------------------|-----------------|
| The total amount of lease payments to be paid in the future | <u>\$ 4,870</u> | <u>\$ 9,816</u>      | <u>\$ 5,109</u> |

(8) Remuneration to the management

|                              | April 1 to June<br>30, 2025 | April 1 to June<br>30, 2024 | January 1 to<br>June 30, 2025 | January 1 to<br>June 30, 2024 |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Short-term employee benefits | \$ 19,244                   | \$ 13,800                   | \$ 43,786                     | \$ 36,776                     |
| Retirement benefits          | <u>181</u>                  | <u>189</u>                  | <u>362</u>                    | <u>318</u>                    |
|                              | <u>\$ 19,425</u>            | <u>\$ 13,989</u>            | <u>\$ 44,148</u>              | <u>\$ 37,094</u>              |

The remuneration of directors and other key management personnel is determined by the Remuneration Committee after considering the factors, including industry standards and market conditions and taking into account their education and experience, seniority, work performance, and company profitability.

27. Pledged assets

The following assets have been provided as collateral for borrowings from banks, notes issued, and customs guarantees for imported goods:

|                                    | June 30, 2025       | December 31,<br>2024 | June 30, 2024       |
|------------------------------------|---------------------|----------------------|---------------------|
| Proprietary land                   | \$ 207,567          | \$ 207,567           | \$ 207,567          |
| Building                           | 175,067             | 179,766              | 184,319             |
| Machinery and equipment            | 109,700             | 115,625              | 122,167             |
| Other equipment                    | 2,202               | 2,538                | 3,018               |
| Notes receivable                   | -                   | -                    | 20,517              |
| Financial assets at amortized cost | <u>3,563,770</u>    | <u>3,359,365</u>     | <u>3,646,839</u>    |
|                                    | <u>\$ 4,058,306</u> | <u>\$ 3,864,861</u>  | <u>\$ 4,184,427</u> |

28. Significant contingent liabilities and unrecognized contractual commitments

In addition to those disclosed in other notes, the significant commitments and contingencies of the Group as of the balance sheet date are as follows:

- (1) The amount of the unused letter of credit issued by the Group for the purchase of raw materials and machinery and equipment is as follows:

|     | June 30, 2025 | December 31,<br>2024 | June 30, 2024 |
|-----|---------------|----------------------|---------------|
| JPY | \$ -          | \$ 138,000           | \$ -          |

- (2) The Group's unrecognized contractual commitment are as follows:

|                                               | June 30, 2025 | December 31,<br>2024 | June 30, 2024 |
|-----------------------------------------------|---------------|----------------------|---------------|
| Purchase of property,<br>plant, and equipment |               |                      |               |
| RMB                                           | \$ 97,385     | \$ 65,415            | \$ 51,769     |
| JPY                                           | 62,000        | 70,020               | 1,675         |
| NTD                                           | -             | 647                  | 2,728         |
| USD                                           | 2             | 2                    | 2             |

- (3) The Company has commissioned the bank to issue letters of guarantee to the Customs Administration for the post-release duty payments for imported goods. As of June 30, 2025, December 31, 2024 and June 30, 2024, the amount of the letters of guarantee issued by the bank was NTD 10,000 thousand.
- (4) Subsidiary Dyna Rechi Co., Ltd. has commissioned the bank to issue letters of guarantee to the Customs Administration for the post-release duty payments for imported goods. As of June 30, 2025, December 31, 2024 and June 30, 2024, the amount of the letters of guarantee issued by the bank was NTD 500 thousand.

29. Information of foreign currency assets and liabilities with significant effects

The following information is expressed in foreign currencies other than the functional currencies of each entity within the Group; also, the exchange rate disclosed refers to the exchange rate used for having such foreign currency converted into the functional currency. Foreign currency assets and liabilities with significant influence as follows:

June 30, 2025

| Foreign currency<br>assets | Foreign<br>currency | Exchange rate      | Book value   |
|----------------------------|---------------------|--------------------|--------------|
| <u>Monetary items</u>      |                     |                    |              |
| USD                        | \$ 72,604           | 29.3 (USD : NTD)   | \$ 2,127,303 |
| USD                        | 4,889               | 7.1586 (USD : RMB) | 143,242      |
| RMB                        | 103,322             | 4.093 (RMB : NTD)  | 422,896      |

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|                                                  | Foreign<br>currency | Exchange rate      | Book value   |
|--------------------------------------------------|---------------------|--------------------|--------------|
| RMB                                              | \$ 36,993           | 0.1397 (RMB : USD) | \$ 151,412   |
| EUR                                              | 4,117               | 34.35 (EUR : NTD)  | 141,409      |
| <u>Non-Currency</u>                              |                     |                    |              |
| Affiliated company<br>under the equity<br>method |                     |                    |              |
| RMB                                              | 36,054              | 0.1397 (RMB : USD) | 147,569      |
| <u>Foreign currency<br/>liabilities</u>          |                     |                    |              |
| <u>Monetary items</u>                            |                     |                    |              |
| USD                                              | 21,041              | 29.3 (USD : NTD)   | 616,494      |
| USD                                              | 24,043              | 7.1586 (USD : RMB) | 704,458      |
| RMB                                              | 315,013             | 4.093 (RMB : NTD)  | 1,289,339    |
| RMB                                              | 10,000              | 0.1397 (RMB : USD) | 40,930       |
| JPY                                              | 8,269               | 0.0497 (JPY : RMB) | 1,682        |
| EUR                                              | 373                 | 34.35 (EUR : NTD)  | 12,805       |
| <u>December 31, 2024</u>                         |                     |                    |              |
|                                                  | Foreign<br>currency | Exchange rate      | Book value   |
| <u>Foreign currency<br/>assets</u>               |                     |                    |              |
| <u>Monetary items</u>                            |                     |                    |              |
| USD                                              | \$ 76,666           | 32.785 (USD : NTD) | \$ 2,513,496 |
| USD                                              | 5,416               | 7.1884 (USD : RMB) | 177,556      |
| RMB                                              | 161,498             | 4.5608 (RMB : NTD) | 736,564      |
| RMB                                              | 1,423               | 0.1391 (RMB : USD) | 6,491        |
| JPY                                              | 23,455              | 0.2099 (JPY : NTD) | 4,923        |
| EUR                                              | 2,639               | 34.14 (EUR : NTD)  | 90,107       |
| <u>Non-Currency</u>                              |                     |                    |              |
| Affiliated company<br>under the equity<br>method |                     |                    |              |
| RMB                                              | 37,213              | 0.1391 (RMB : USD) | 169,724      |
| <u>Foreign currency<br/>liabilities</u>          |                     |                    |              |
| <u>Monetary items</u>                            |                     |                    |              |
| USD                                              | 11,151              | 32.785 (USD : NTD) | 365,590      |
| USD                                              | 23,911              | 7.1884 (USD : RMB) | 783,926      |
| RMB                                              | 572,612             | 4.5608 (RMB : NTD) | 2,611,582    |
| JPY                                              | 8,269               | 0.046 (JPY : RMB)  | 1,736        |
| EUR                                              | 321                 | 34.14 (EUR : NTD)  | 10,953       |

June 30, 2024

|                                                  | Foreign<br>currency | Exchange rate      | Book value   |
|--------------------------------------------------|---------------------|--------------------|--------------|
| Foreign currency<br>assets                       |                     |                    |              |
| <u>Monetary items</u>                            |                     |                    |              |
| USD                                              | \$ 66,758           | 32.45 (USD : NTD)  | \$ 2,166,313 |
| USD                                              | 5,394               | 7.1268 (USD : RMB) | 175,045      |
| RMB                                              | 293,461             | 4.5532 (RMB : NTD) | 1,336,192    |
| RMB                                              | 151,413             | 0.1403 (RMB : USD) | 689,418      |
| JPY                                              | 23,455              | 0.202 (JPY : NTD)  | 4,738        |
| EUR                                              | 2,158               | 34.71 (EUR : NTD)  | 74,904       |
| <u>Non-Currency</u>                              |                     |                    |              |
| Affiliated company<br>under the equity<br>method |                     |                    |              |
| RMB                                              | 38,116              | 0.1403 (RMB : USD) | 173,551      |
| Foreign currency<br>liabilities                  |                     |                    |              |
| <u>Monetary items</u>                            |                     |                    |              |
| USD                                              | 10,278              | 32.45 (USD : NTD)  | 333,531      |
| USD                                              | 24,184              | 7.1268 (USD : RMB) | 784,769      |
| RMB                                              | 493,719             | 4.5532 (RMB : NTD) | 2,248,014    |
| RMB                                              | 150,000             | 0.1403 (RMB : USD) | 682,983      |
| JPY                                              | 2,505               | 0.202 (JPY : RMB)  | 506          |
| EUR                                              | 243                 | 34.71 (EUR : NTD)  | 8,445        |

The Group mainly bears the foreign currency exchange rate risk in USD and RMB. The following information is presented in the functional currency of each entity possessing foreign currency. The disclosed exchange rate refers to the exchange rate of such functional currency converting into the presentation currency. The realized and unrealized foreign currency exchange gains and losses with a material impact are as follows:

|                        | April 1 to June 30, 2025                                      |                                | April 1 to June 30, 2024                                      |                                |
|------------------------|---------------------------------------------------------------|--------------------------------|---------------------------------------------------------------|--------------------------------|
| Functional<br>currency | Functional currency<br>exchanges for presentation<br>currency | Net exchange<br>losses (gains) | Functional currency<br>exchanges for presentation<br>currency | Net exchange<br>losses (gains) |
| USD                    | 30.823 (USD : NTD)                                            | \$ 20                          | 32.354 (USD : NTD)                                            | \$ 98                          |
| NTD                    | 1 (NTD : NTD)                                                 | ( 118,216 )                    | 1 (NTD : NTD)                                                 | 30,296                         |
| RMB                    | 4.286 (RMB : NTD)                                             | 2,063                          | 4.552 (RMB : NTD)                                             | ( 2,438 )                      |
|                        |                                                               | ( \$ 116,133 )                 |                                                               | \$ 27,956                      |
|                        | January 1 to June 30, 2025                                    |                                | January 1 to June 30, 2024                                    |                                |
| Functional<br>currency | Functional currency<br>exchanges for presentation<br>currency | Net exchange<br>losses (gains) | Functional currency<br>exchanges for presentation<br>currency | Net exchange<br>losses (gains) |
| USD                    | 31.859 (USD : NTD)                                            | \$ 30                          | 31.901 (USD : NTD)                                            | \$ 946                         |
| NTD                    | 1 (NTD : NTD)                                                 | ( 83,202 )                     | 1 (NTD : NTD)                                                 | 74,244                         |
| RMB                    | 4.435 (RMB : NTD)                                             | 4,332                          | 4.490 (RMB : NTD)                                             | ( 3,228 )                      |
|                        |                                                               | ( \$ 78,840 )                  |                                                               | \$ 71,962                      |

30. Notes of disclosure

(1) Information about important transactions:

1. The Loaning of funds: Table 1.
2. Endorsement and Guarantee: Table 2.
3. Major securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 3.
4. The purchase or sale with the related party for an amount exceeding NTD100 million or 20% of paid-in capital: Table 4.
5. Accounts receivable-related party reaching NTD 100 million or more than 20% of the Paid-in shares capital: Table 5.
6. Other: business relationships and significant intercompany transactions between parent and subsidiary units: Table 6.

(2) Information on investees: Table 7.

(3) Information regarding investment in the territory of Mainland China:

1. The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment gains or losses, ending balance, amount received as earnings distributions from the investment, and the limitations on investment: Please see Table 8 attached.
2. Significant direct transactions with the investee in Mainland China or indirectly through third regions, its prices, terms of payment, and unrealized gain or loss: Table 9.
  - (1) Input amounts, percentages, balance, and percentages of relevant payable at end of the term.
  - (2) Sales amounts, percentages, balance, and percentages of relevant receivables at end of the term.
  - (3) Amount of property transaction and amount of the profit and/or loss so incurred.
  - (4) Balance and purposes of endorsements/guarantees or collateral provided at end of the term.
  - (5) The highest balance of fund financing balance at end of the term, range of interest rates and total amount of interest in the current term.
  - (6) Other transactions having significant effect upon profit and/or loss or financial standing of the current term, e.g. provision or acceptance of services.

### 31. Segment information

The information provided to the major operating decision-maker for allocating resources and assessing segment performance is focusing on the type of product or service delivered or offered. The segments of the Group which should be reported are enumerated below:

#### 1. Compressor business unit

The chief operating decision maker regards the direct sales units of the business units in the Group as individual operating segments, but when preparing the financial statements, the Group considers the following factors and combined these operating segments into a single operating segment:

1. The operating segments have similar long-term gross profit;
2. The operating segments' nature of products and the manufacturing processes are similar.

#### Revenues and operating results of segments

Revenues and operating results of the Group's continuing units are analyzed in accordance with segments to be reported, which are summarized as follows:

|                                                               | Compressor<br>business unit | Others              | Total                 |
|---------------------------------------------------------------|-----------------------------|---------------------|-----------------------|
| <u>January 1 to June 30, 2025</u>                             |                             |                     |                       |
| Revenues from external customers                              | \$ 11,441,009               | \$ 645,795          | \$ 12,086,804         |
| Inter-segment income                                          | <u>11,267,307</u>           | <u>486,402</u>      | <u>11,753,709</u>     |
| Department income                                             | <u>\$ 22,708,316</u>        | <u>\$ 1,132,197</u> | 23,840,513            |
| Elimination of intersegment                                   |                             |                     | ( <u>11,753,709</u> ) |
| Consolidated revenue                                          |                             |                     | <u>12,086,804</u>     |
| Segment profit/loss                                           | <u>\$ 1,091,613</u>         | <u>\$ 19,252</u>    | 1,110,865             |
| Interest revenue                                              |                             |                     | 65,684                |
| Other income                                                  |                             |                     | 36,174                |
| Headquarters' administration costs & directors' remuneration  |                             |                     | ( 149,528 )           |
| Other gains and losses                                        |                             |                     | ( 51,633 )            |
| Financial costs                                               |                             |                     | ( 63,363 )            |
| Share of loss of associates accounted for using equity method |                             |                     | ( <u>4,483</u> )      |
| Income before tax from continuing operations                  |                             |                     | <u>\$ 943,716</u>     |

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|                                                               | Compressor<br>business unit | Others               | Total                 |
|---------------------------------------------------------------|-----------------------------|----------------------|-----------------------|
| <u>January 1 to June 30, 2024</u>                             |                             |                      |                       |
| Revenues from external customers                              | \$ 10,463,823               | \$ 626,041           | \$ 11,089,864         |
| Inter-segment income                                          | <u>12,651,976</u>           | <u>517,431</u>       | <u>13,169,407</u>     |
| Department income                                             | <u>\$ 23,115,799</u>        | <u>\$ 1,143,472</u>  | 24,259,271            |
| Elimination of intersegment                                   |                             |                      | ( <u>13,169,407</u> ) |
| Consolidated revenue                                          |                             |                      | <u>11,089,864</u>     |
| Segment profit/loss                                           | <u>\$ 912,279</u>           | ( <u>\$ 31,325</u> ) | 880,954               |
| Interest revenue                                              |                             |                      | 60,574                |
| Other income                                                  |                             |                      | 46,378                |
| Headquarters' administration costs & directors' remuneration  |                             |                      | ( 123,862 )           |
| Other gains and losses                                        |                             |                      | 88,479                |
| Financial costs                                               |                             |                      | ( 41,775 )            |
| Share of loss of associates accounted for using equity method |                             |                      | ( <u>1,393</u> )      |
| Income before tax from continuing operations                  |                             |                      | <u>\$ 909,355</u>     |

Sales between segments are carried out at arm's length.

Segment profits refer to the profits earned by each segment, excluding the headquarters' administrative costs and directors' remuneration to be amortized, share of profit (loss) of associates accounted for using equity method, rental income, interest income, gains or losses on disposal of property, plant and equipment, gains on disposal of investment, net foreign currency exchange gains or losses, financial instrument valuation gains or losses, interest expenses, other financial costs, and income tax expenses. The measured figures are provided for main decision makers to allocate resources to segments and evaluate the performance of each segment.

RECHI PRECISION CO., LTD. and its subsidiaries

The Loaning of Funds

For the Six Months Ended June 30, 2025

Table 1

Unit: NTD thousand or thousand in foreign currencies

| No. | The lender of fund                                    | The borrower of fund                                  | Transaction title | Are they related parties | Maximum balance – current period (Note 3) | Balance, ending (Note 3)    | The actual amounts disbursed (Note 3) | Interest rate collars | Nature of financing (Note 1) | Amount of business transactions | Reasons for the necessity of short-term financing | Amount of provision for bad debts | Collateral |       | Limit of financing particular beneficiary (Note 2) | Total limit of financing (Note 2) | Remark |
|-----|-------------------------------------------------------|-------------------------------------------------------|-------------------|--------------------------|-------------------------------------------|-----------------------------|---------------------------------------|-----------------------|------------------------------|---------------------------------|---------------------------------------------------|-----------------------------------|------------|-------|----------------------------------------------------|-----------------------------------|--------|
|     |                                                       |                                                       |                   |                          |                                           |                             |                                       |                       |                              |                                 |                                                   |                                   | Name       | Value |                                                    |                                   |        |
| 0   | RECHI PRECISION CO., LTD.                             | Rechi Precision (Jiujiang) Electric Machinery Limited | Other receivables | Yes                      | NTD 204,649<br>(RMB 50,000)               | NTD 81,860<br>(RMB 20,000)  | NTD 81,860<br>(RMB 20,000)            | 1.98%                 | 2                            | \$ -                            | Working capital                                   | \$ -                              | —          | —     | NTD 919,540                                        | NTD 1,839,079                     |        |
| 0   | RECHI PRECISION CO., LTD.                             | Dyna Rechi Jiujiang Co., Ltd.                         | Other receivables | Yes                      | NTD 204,649<br>(RMB 50,000)               | NTD 204,649<br>(RMB 50,000) | NTD 204,649<br>(RMB 50,000)           | 2.12%                 | 2                            | -                               | Working capital                                   | -                                 | —          | —     | NTD 919,540                                        | NTD 1,839,079                     |        |
| 1   | Rechi Holdings Co., Ltd                               | Rechi Precision (Jiujiang) Electric Machinery Limited | Other receivables | Yes                      | NTD 688,550<br>(USD 23,500)               | NTD 688,550<br>(USD 23,500) | NTD 688,550<br>(USD 23,500)           | -                     | 2                            | -                               | Working capital                                   | -                                 | —          | —     | NTD 12,162,025                                     | NTD 12,162,025                    |        |
| 2   | Rechi Precision (Jiujiang) Electric Machinery Limited | Dyna Rechi Jiujiang Co., Ltd.                         | Other receivables | Yes                      | NTD 163,719<br>(RMB 40,000)               | NTD 163,719<br>(RMB 40,000) | NTD 163,719<br>(RMB 40,000)           | 2.80%                 | 2                            | -                               | Working capital                                   | -                                 | —          | —     | NTD 1,197,041                                      | NTD 1,197,041                     |        |

Note 1: (1) There are business transactions going on.

(2) There is a need for short-term financing.

Note 2: (1) The Company's limit of financing for individual recipients and the total limit of financing shall not exceed 10% and 20% of the net worth of the Company as in the latest financial statements, respectively.

(2) Rechi Holdings Co., Ltd.'s limit of financing for individual recipients and the total limit of financing shall not exceed 40% of the net worth of the Company as in the latest financial statements; however, for those located overseas who directly and indirectly hold 100% of the voting shares of the company and have a need for purchase of materials or working capital, the limit of financing shall not exceed the net worth of the Company as in the latest financial statements.

(3) Rechi Precision (Jiujiang) Electric Machinery Limited's limit of financing for individual recipients and the total limit of financing shall not exceed 40% of the net worth of the Company as in the latest financial statements; however, for those located overseas who directly and indirectly hold 100% of the voting shares of the company and have a need for purchase of materials or working capital, the limit of financing shall not exceed the net worth of the Company as in the latest financial statements.

Note 3: Measured based on the exchange rate at the end of the period.

Note 4: Already eliminated in the consolidated statements

RECHI PRECISION CO., LTD. and its subsidiaries  
Endorsements and guarantees made for others  
For the Six Months Ended June 30, 2025

Table 2

Unit: NTD thousand or thousand in foreign currencies

| No. | The company providing the endorsement and/or guarantee | The party receiving the endorsement and/or guarantee |          | The limit of endorsements and/or guarantees to a single business entity (Note 4) | The highest balance of endorsements and/or guarantees in the current period | The balance of endorsements and/or guarantees at the end of the period (Note 4) | The actual amounts disbursed (Note 4) | The endorsements and/or guarantees secured with property | Ratio of cumulative endorsement and guarantee to net worth in the most recent financial statement (%) | The upper limit of an endorsement and/or guarantee (Note 4) | Guarantee and endorsement of parent company to subsidiary | Guarantee and endorsement by subsidiary to parent company | Guarantee and endorsement in Mainland China | Remark |
|-----|--------------------------------------------------------|------------------------------------------------------|----------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------|--------|
|     |                                                        | Company name                                         | Relation |                                                                                  |                                                                             |                                                                                 |                                       |                                                          |                                                                                                       |                                                             |                                                           |                                                           |                                             |        |
| 0   | RECHI PRECISION CO., LTD.                              | Rechi Holdings Co., Ltd.                             | Note 1   | NTD 9,195,396                                                                    | NTD 87,900 (USD 3,000)                                                      | NTD 87,900 (USD 3,000)                                                          | NTD - (USD -)                         | \$ -                                                     | 1%                                                                                                    | NTD 13,793,094                                              | Y                                                         | N                                                         | N                                           |        |
| 1   | Dyna Rechi Co., Ltd.                                   | Ablek Technology Co., Ltd.                           | Note 1   | NTD 532,784                                                                      | NTD 15,000                                                                  | NTD 15,000                                                                      | NTD -                                 | -                                                        | 1%                                                                                                    | NTD 532,784                                                 | N                                                         | N                                                         | N                                           |        |
| 2   | Rechi Precision (Jiujiang) Electric Machinery Limited  | Dyna Rechi Jiujiang Co., Ltd.                        | Note 3   | NTD 2,992,604 (RMB 731,156)                                                      | NTD 188,277 (RMB 46,000)                                                    | NTD 73,674 (RMB 18,000)                                                         | NTD 6,356 (RMB 1,553)                 | -                                                        | 2%                                                                                                    | NTD 4,488,906 (RMB 1,096,734)                               | N                                                         | N                                                         | Y                                           |        |
| 2   | Rechi Precision (Jiujiang) Electric Machinery Limited  | Rechi Refrigeration Dongguan Co., Ltd.               | Note 2   | NTD 2,992,604 (RMB 731,156)                                                      | NTD 204,649 (RMB 50,000)                                                    | NTD 204,649 (RMB 50,000)                                                        | NTD 85,887 (RMB 20,984)               | -                                                        | 7%                                                                                                    | NTD 4,488,906 (RMB 1,096,734)                               | N                                                         | N                                                         | Y                                           |        |

Note 1: Subsidiaries in which at least 50% of the ordinary shares are held directly by the Company.

Note 2: For companies that the Company directly and indirectly holds 90% of the voting shares.

Note 3: Companies that have a business relationship with the Company.

Note 4: (1) The upper limit of the Company’s endorsement/guarantee provided to each entity is NTD 9,195,396 (net worth) × 100% = NTD 9,195,396.  
(2) The upper limit of the Company’s endorsements/guarantees provided is NTD 9,195,396 (net worth) × 150% = NTD 13,793,094.  
(3) The upper limit of the Dyna Rechi Co., Ltd.’s endorsement/guarantee provided to each entity is NTD 1,065,568 (net worth) × 50% = NTD 532,784.  
(4) The upper limit of the Dyna Rechi Co., Ltd.’s endorsements/guarantees provided is NTD 1,065,568 (net worth) × 50% = NTD 532,784.  
(5) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited’s endorsement/guarantee provided to each entity is RMB 731,156 (net worth) × 100% = RMB 731,156.  
(6) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited’s endorsements/guarantees provided is RMB 731,156 (net worth) × 150% = RMB 1,096,734.

Note 5: Measured based on the exchange rate at the end of the period.

RECHI PRECISION CO., LTD. and its subsidiaries  
Major securities held at the end of the period  
June 30, 2025

Table 3

Unit: Thousand shares/NTD thousand

| Holding company                                | Types and names of securities                                             | Relationship with the securities issuer | Account titles in book                                        | At ending        |            |                         |            | Remark |
|------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------|------------------|------------|-------------------------|------------|--------|
|                                                |                                                                           |                                         |                                                               | Number of shares | Book value | Shareholding percentage | Fair value |        |
| Rechi Investments Co., Ltd.                    | Taichung Commercial Bank Taiwan Quantitative Fund                         | None                                    | Financial asset at fair value through profit or loss– current | 1,049            | \$ 14,854  | -                       | \$ 14,854  | Note 2 |
| Rechi Refrigeration Dongguan Co., Ltd.         | BOC Wealth Management – Enjoy Everyday                                    | None                                    | Financial asset at fair value through profit or loss– current | -                | 33,047     | -                       | 33,047     | Note 1 |
|                                                | BOC Wealth Management – Enjoy Everyday No. 10                             | None                                    | Financial asset at fair value through profit or loss– current | -                | 24,711     | -                       | 24,711     | Note 1 |
|                                                | BOC Wealth Management – Enjoy Everyday No. 4                              | None                                    | Financial asset at fair value through profit or loss– current | -                | 41,007     | -                       | 41,007     | Note 1 |
| Dongguan Rechi Compressor Co., Ltd.            | BOC Wealth Management – Enjoy Everyday                                    | None                                    | Financial asset at fair value through profit or loss– current | -                | 10,918     | -                       | 10,918     | Note 1 |
|                                                | Zhao-Jin 7007 wealth management product of China Merchants Bank Co., Ltd. | None                                    | Financial asset at fair value through profit or loss– current | -                | 50,546     | -                       | 50,546     | Note 1 |
| Qingdao Rechi Electric Machinery Sales Company | The National Trust Financial Management Jia Long No. 106 - Term Chun Yin  | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Mao  | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Si   | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Wu   | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Wei  | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Shen | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Yu   | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                | The National Trust Financial Management Jia Long No. 106 - Term Chun Hsu  | None                                    | Financial asset at fair value through profit or loss– current | -                | 40,929     | -                       | 40,929     | Note 1 |
|                                                |                                                                           |                                         |                                                               |                  |            |                         |            |        |
|                                                |                                                                           |                                         |                                                               |                  |            |                         |            |        |

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| Holding company | Types and names of securities                                            | Relationship with the securities issuer | Account titles in book                                        | At ending        |            |                         |            | Remark |
|-----------------|--------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------|------------------|------------|-------------------------|------------|--------|
|                 |                                                                          |                                         |                                                               | Number of shares | Book value | Shareholding percentage | Fair value |        |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Chun Hai | None                                    | Financial asset at fair value through profit or loss— current | -                | \$ 40,929  | -                       | \$ 40,929  | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Zi   | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Chou | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Yin  | None                                    | Financial asset at fair value through profit or loss— current | -                | 81,859     | -                       | 81,859     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Mao  | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Chen | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Si   | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Wu   | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Wei  | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Shen | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Yu   | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Hsu  | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Xia Hai  | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Qiu Zi   | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Qiu Chou | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Qiu Mao  | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                 | The National Trust Financial Management Jia Long No. 106 - Term Qiu Yin  | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |

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| Holding company                                       | Types and names of securities                                                                        | Relationship with the securities issuer | Account titles in book                                        | At ending        |            |                         |            | Remark |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------|------------------|------------|-------------------------|------------|--------|
|                                                       |                                                                                                      |                                         |                                                               | Number of shares | Book value | Shareholding percentage | Fair value |        |
| Rechi Precision (Qingdao) Electric Machinery Limited  | The National Trust Financial Management Jia Long No. 107 - Term Dong Ren                             | None                                    | Financial asset at fair value through profit or loss— current | -                | \$ 40,930  | -                       | \$ 40,930  | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Dong Gui                             | None                                    | Financial asset at fair value through profit or loss— current | -                | 61,395     | -                       | 61,395     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Chou                            | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Mao                             | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Chen                            | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Si                              | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Wu                              | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Wei                             | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Shen                            | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Yu                              | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Hsu                             | None                                    | Financial asset at fair value through profit or loss— current | -                | 81,860     | -                       | 81,860     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Chun Hai                             | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | The National Trust Financial Management Jia Long No. 107 - Term Xia Zi                               | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
| Rechi Precision (Jiujiang) Electric Machinery Limited | Bank of Jiujiang Jiu Ying Wealth Management Xinxiang Growth Pure Bond Monthly Regular Open-end No. 3 | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
|                                                       | Bank of Jiujiang Jiu Ying Wealth Management Xinxiang Growth Pure Bond Monthly Regular Open-end No. 8 | None                                    | Financial asset at fair value through profit or loss— current | -                | 40,930     | -                       | 40,930     | Note 1 |
| Ablek Technology Ltd.                                 | Guanlibao Day-to-Day Wealth Management Product                                                       | None                                    | Financial asset at fair value through profit or loss— current | -                | 41,320     | -                       | 41,320     | Note 1 |

Note 1: The fair value measurement is based on the quoted prices offered the counterparties as the valuation techniques and significant unobservable inputs to calculate the expected return on such investments.

Note 2: The fair value is calculated using the asset approach.

RECHI PRECISION CO., LTD. and its subsidiaries  
Total Purchases from or Sales to Related Parties Amounting to at least NTD 100 Million or 20% of the Paid-in Capital  
For the Six Months Ended June 30, 2025

Table 4

Unit: NTD thousand

| Purchase (sale) company                                     | Counterparties                                              | Relation                                           | Transactions    |            |                                         |                                                       | Trading terms different from general trade and reasons |                                                                                | Notes and accounts receivable (payable) |                      |                                                           | Remark       |
|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|-----------------|------------|-----------------------------------------|-------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------|----------------------|-----------------------------------------------------------|--------------|
|                                                             |                                                             |                                                    | Purchase (sale) | Amount     | Proportion to total purchase (sale) (%) | The credit period                                     | Unit price                                             | The credit period                                                              | Title                                   | Balance              | Proportion to notes and accounts receivable (payable) (%) |              |
| RECHI PRECISION CO., LTD.                                   | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Subsidiary of Rechi Holdings Co., Ltd.             | Purchase        | \$ 619,309 | 18%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30–120 days                                                       | Accounts payable                        | \$ 156,490           | 13%                                                       | Note         |
|                                                             | Rechi Precision (Qingdao) Electric Machinery Limited        | Subsidiary of Rechi Investments Holdings Co., Ltd. | Purchase        | 1,347,540  | 39%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30–120 days                                                       | Accounts payable                        | 504,582              | 43%                                                       | Note         |
|                                                             | Rechi Precision (Jiujiang) Electric Machinery Limited       | Subsidiary of Rechi Holdings Co., Ltd.             | Purchase        | 627,467    | 18%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30–120 days                                                       | Accounts payable                        | 245,850              | 21%                                                       | Note         |
|                                                             | Rechi Refrigeration Dongguan Co., Ltd.                      | Subsidiary of GR Holdings (Hong Kong) Limited      | Purchase        | 296,093    | 9%                                      | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30–120 days                                                       | Accounts payable                        | 195,301              | 17%                                                       | Note         |
| Rechi Refrigeration Dongguan Co., Ltd.                      | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Subsidiary of Rechi Holdings Co., Ltd.             | Sale            | 568,774    | 57%                                     | O/A with net 60 days via T/T                          | No significant difference                              | O/A with net 60–90 days via T/T                                                | Accounts receivable<br>Notes receivable | 264,231<br>6,801     | 50%<br>9%                                                 | Note<br>Note |
|                                                             | RECHI PRECISION CO., LTD.                                   | Ultimate parent company                            | Sale            | 296,093    | 30%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 60–90 days via T/T                                                | Accounts receivable                     | 195,301              | 37%                                                       | Note         |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | RECHI PRECISION CO., LTD.                                   | Ultimate parent company                            | Sale            | 619,309    | 19%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30–150 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable                     | 156,490              | 10%                                                       | Note         |
|                                                             | Rechi Refrigeration Dongguan Co., Ltd.                      | Subsidiary of GR Holdings (Hong Kong) Limited      | Purchase        | 568,774    | 20%                                     | O/A with net 60 days via T/T                          | No significant difference                              | O/A with net 30–150 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts payable<br>Payable notes       | 264,231<br>6,801     | 33%<br>-                                                  | Note<br>Note |
|                                                             | Qingdao Rechi Electric Machinery Sales Company              | Subsidiary                                         | Sale            | 2,612,850  | 80%                                     | O/A with net 60 days via 180-day bank acceptance bill | No significant difference                              | O/A with net 30–150 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable<br>Notes receivable | 1,321,448<br>499,225 | 88%<br>31%                                                | Note<br>Note |
|                                                             | RECHI PRECISION CO., LTD.                                   | Ultimate parent company                            | Sale            | 1,347,540  | 42%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable                     | 504,582              | 38%                                                       | Note         |
| Rechi Precision (Qingdao) Electric Machinery Limited        | Qingdao Rechi Electric Machinery Sales Company              | Subsidiary                                         | Sale            | 1,853,056  | 57%                                     | O/A with net 60 days via 180-day bank acceptance bill | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable<br>Notes receivable | 796,036<br>657,901   | 60%<br>45%                                                | Note<br>Note |
|                                                             | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | The parent company                                 | Purchase        | 2,612,850  | 40%                                     | O/A with net 60 days via 180-day bank acceptance bill | No significant difference                              | O/A with net 60 days via 180-day bank acceptance bill                          | Accounts payable<br>Payable notes       | 1,321,448<br>499,225 | 44%<br>18%                                                | Note<br>Note |
| Qingdao Rechi Electric Machinery Sales Company              | Rechi Precision (Qingdao) Electric Machinery Limited        | The parent company                                 | Purchase        | 1,853,056  | 28%                                     | O/A with net 60 days via 180-day bank acceptance bill | No significant difference                              | O/A with net 60 days via 180-day bank acceptance bill                          | Accounts payable<br>Payable notes       | 796,036<br>657,901   | 27%<br>24%                                                | Note<br>Note |
|                                                             | Rechi Precision (Jiujiang) Electric Machinery Limited       | Subsidiary of Rechi Holdings Co., Ltd.             | Purchase        | 2,039,622  | 31%                                     | O/A with net 60 days via 180-day bank acceptance bill | No significant difference                              | O/A with net 60 days via 180-day bank acceptance bill                          | Accounts payable<br>Payable notes       | 868,652<br>760,994   | 29%<br>28%                                                | Note<br>Note |

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| Purchase (sale) company                               | Counterparties                                        | Relation                                                                                                                           | Transactions    |              |                                         |                                                       | Trading terms different from general trade and reasons |                                                                                | Notes and accounts receivable (payable) |                       |                                                           | Remark       |
|-------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------|-----------------------------------------|-------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------|-----------------------|-----------------------------------------------------------|--------------|
|                                                       |                                                       |                                                                                                                                    | Purchase (sale) | Amount       | Proportion to total purchase (sale) (%) | The credit period                                     | Unit price                                             | The credit period                                                              | Title                                   | Balance               | Proportion to notes and accounts receivable (payable) (%) |              |
| Rechi Precision (Jiujiang) Electric Machinery Limited | Qingdao Rechi Electric Machinery Sales Company        | Subsidiary of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Rechi Precision (Qingdao) Electric Machinery Limited | Sale            | \$ 2,039,622 | 65%                                     | O/A with net 60 days via 180-day bank acceptance bill | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable<br>Notes receivable | \$ 868,652<br>760,994 | 65%<br>42%                                                | Note<br>Note |
|                                                       | RECHI PRECISION CO., LTD.                             | Ultimate parent company                                                                                                            | Sale            | 627,467      | 20%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable                     | 245,850               | 18%                                                       | Note         |
|                                                       | Dyna Rechi Jiujiang Co., Ltd.                         | Subsidiary of Dyna Rechi Holdings Co., Ltd.                                                                                        | Purchase        | 1,013,037    | 37%                                     | O/A with net 90 days via T/T                          | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts payable<br>Payable notes       | 754,883<br>13,657     | 66%<br>1%                                                 | Note<br>Note |
| Dyna Rechi Jiujiang Co., Ltd.                         | Rechi Precision (Jiujiang) Electric Machinery Limited | Subsidiary of Rechi Holdings Co., Ltd.                                                                                             | Sale            | 1,013,037    | 64%                                     | O/A with net 90 days via T/T                          | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable<br>Notes receivable | 754,883<br>13,657     | 75%<br>37%                                                | Note<br>Note |
|                                                       | Dyna Rechi Co., Ltd.                                  | The parent company                                                                                                                 | Sale            | 258,528      | 16%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable                     | 100,550               | 10%                                                       | Note         |
|                                                       | Ablek Technology Co., Ltd.                            | Subsidiaries of Dyna Rechi Co., Ltd.                                                                                               | Sale            | 227,838      | 14%                                     | O/A with net 60 days via T/T                          | No significant difference                              | O/A with net 30-120 days/O/A with net 60 days via 180-day bank acceptance bill | Accounts receivable                     | 106,999               | 11%                                                       | Note         |
| Dyna Rechi Co., Ltd.                                  | Dyna Rechi Jiujiang Co., Ltd.                         | Sub-subsidiary                                                                                                                     | Purchase        | 258,528      | 98%                                     | 60–90 days from reimbursement                         | No significant difference                              | O/A with net 30–120 days                                                       | Accounts payable                        | 100,550               | 100%                                                      | Note         |
| Ablek Technology Co., Ltd.                            | Dyna Rechi Jiujiang Co., Ltd.                         | Subsidiary of Dyna Rechi Holdings Co., Ltd.                                                                                        | Purchase        | 227,838      | 100%                                    | O/A with net 60 days via T/T                          | No significant difference                              | O/A with net 30–120 days                                                       | Accounts payable                        | 106,999               | 100%                                                      | Note         |

Note: Already eliminated in the consolidated statements

RECHI PRECISION CO., LTD. and its subsidiaries  
Accounts receivable from related parties for an amount exceeding NTD 100 million or 20% of paid-in capital  
June 30, 2025

Table 5

Unit: NTD thousand

| The company booked in the receivables                       | Name of counterparty                                        | Relation                                    | Balance of accounts receivable from related parties (Note 1) | Turnover rate | Overdue Receivables from related parties |         | Receivables amount collected from related parties subsequently | Amount of provision for bad debts |
|-------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------|---------------|------------------------------------------|---------|----------------------------------------------------------------|-----------------------------------|
|                                                             |                                                             |                                             |                                                              |               | Amount                                   | Process |                                                                |                                   |
| RECHI PRECISION CO., LTD.                                   | Dyna Rechi Jiujiang Co., Ltd.                               | Subsidiary of Dyna Rechi Holdings Co., Ltd. | Other receivables (Note 2)<br>\$ 207,505                     | -             | \$ -                                     | -       | \$ 90,080                                                      | \$ -                              |
|                                                             | Rechi Holdings Co., Ltd.                                    | Subsidiary                                  | Other receivables (Note 4)<br>104,606                        | -             | -                                        | -       | -                                                              | -                                 |
| Rechi Holdings Co., Ltd.                                    | Rechi Precision (Jiujiang) Electric Machinery Limited       | Subsidiary                                  | Other receivables (Note 3)<br>688,550                        | -             | -                                        | -       | -                                                              | -                                 |
| Rechi Refrigeration Dongguan Co., Ltd.                      | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Subsidiary of Rechi Holdings Co., Ltd.      | Accounts receivable<br>264,231                               | 3.87          | -                                        | -       | 75,948                                                         | -                                 |
|                                                             |                                                             |                                             | Notes receivable<br>6,801                                    | 3.87          | -                                        | -       | 414                                                            | -                                 |
|                                                             | RECHI PRECISION CO., LTD.                                   | Ultimate parent company                     | Accounts receivable<br>195,301                               | 2.80          | -                                        | -       | 48,135                                                         | -                                 |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | RECHI PRECISION CO., LTD.                                   | Ultimate parent company                     | Accounts receivable<br>156,490                               | 7.30          | -                                        | -       | 10,638                                                         | -                                 |
|                                                             | Qingdao Rechi Electric Machinery Sales Company              | Subsidiary                                  | Accounts receivable<br>1,321,448                             | 2.65          | -                                        | -       | 432,577                                                        | -                                 |
|                                                             |                                                             |                                             | Notes receivable<br>499,225                                  | 2.65          | -                                        | -       | 284,831                                                        | -                                 |
| Rechi Precision (Huizhou) Mechanism Company                 | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | The parent company                          | Accounts receivable<br>41,909                                | 0.12          | -                                        | -       | 12,660                                                         | -                                 |
|                                                             |                                                             |                                             | Notes receivable<br>1,348,267                                | 0.12          | -                                        | -       | -                                                              | -                                 |
| Rechi Precision (Qingdao) Electric Machinery Limited        | RECHI PRECISION CO., LTD.                                   | Ultimate parent company                     | Accounts receivable<br>504,582                               | 4.93          | -                                        | -       | 262,297                                                        | -                                 |
|                                                             | Qingdao Rechi Electric Machinery Sales Company              | Subsidiary                                  | Accounts receivable<br>796,036                               | 2.35          | -                                        | -       | 100,714                                                        | -                                 |
|                                                             |                                                             |                                             | Notes receivable<br>657,901                                  | 2.35          | -                                        | -       | -                                                              | -                                 |

(Continued on next page)

(Continued from previous page)

| The company booked in the receivables                 | Name of counterparty                                  | Relation                                                                                                                           | Balance of accounts receivable from related parties (Note 1) | Turnover rate | Overdue Receivables from related parties |         | Receivables amount collected from related parties subsequently | Amount of provision for bad debts |
|-------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------|------------------------------------------|---------|----------------------------------------------------------------|-----------------------------------|
|                                                       |                                                       |                                                                                                                                    |                                                              |               | Amount                                   | Process |                                                                |                                   |
| Rechi Precision (Jiujiang) Electric Machinery Limited | Qingdao Rechi Electric Machinery Sales Company        | Subsidiary of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Rechi Precision (Qingdao) Electric Machinery Limited | Accounts receivable<br>\$ 868,652                            | 2.31          | \$ -                                     | -       | \$ 406,635                                                     | \$ -                              |
|                                                       |                                                       |                                                                                                                                    | Notes receivable<br>760,994                                  | 2.31          | -                                        | -       | 44,770                                                         | -                                 |
|                                                       |                                                       |                                                                                                                                    | Other receivables (Note 2)<br>168,819                        | -             | -                                        | -       | 235                                                            | -                                 |
| Dyna Rechi Jiujiang Co., Ltd.                         | Dyna Rechi Jiujiang Co., Ltd.                         | Subsidiary of Dyna Rechi Holdings Co., Ltd.                                                                                        | Accounts receivable<br>245,850                               | 4.71          | -                                        | -       | 135,817                                                        | -                                 |
|                                                       | RECHI PRECISION CO., LTD.                             | Ultimate parent company                                                                                                            | Accounts receivable<br>754,883                               | 2.43          | -                                        | -       | 200,556                                                        | -                                 |
|                                                       | Rechi Precision (Jiujiang) Electric Machinery Limited | Subsidiary of Rechi Holdings Co., Ltd.                                                                                             | Notes receivable<br>13,657                                   | 2.43          | -                                        | -       | 975                                                            | -                                 |
|                                                       | Dyna Rechi Co., Ltd.                                  | The parent company                                                                                                                 | Accounts receivable<br>100,550                               | 2.09          | -                                        | -       | 64,546                                                         | -                                 |
|                                                       | Ablek Technology Co., Ltd.                            | Subsidiaries of Dyna Rechi Co., Ltd.                                                                                               | Accounts receivable<br>106,999                               | 4.13          | -                                        | -       | -                                                              | -                                 |

Note 1: Already eliminated in the consolidated statements

Note 2: It includes loans provided to others and advance payments receivable.

Note 3: It refers to loans provided to others.

Note 4: It refers to dividends receivable.

RECHI PRECISION CO., LTD. and its subsidiaries  
Business relationship and significant transactions between Parent Company and Subsidiaries  
For the Six Months Ended June 30, 2025

Table 6

Unit: NTD thousand

| No.<br>(Note 1) | Trader's name                                               | Counterparty                                                | Affiliation to<br>trader<br>(Note 2) | Transactions        |            |                           |                                                                            |
|-----------------|-------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------|---------------------|------------|---------------------------|----------------------------------------------------------------------------|
|                 |                                                             |                                                             |                                      | Title               | Amount     | Terms and conditions      | Percentage in<br>consolidated total<br>revenue or total<br>assets (Note 3) |
| 1               | Rechi Holdings Co., Ltd.                                    | Rechi Precision (Jiujiang) Electric Machinery Limited       | 3                                    | Other receivables   | \$ 688,550 | No significant difference | 2%                                                                         |
| 2               | Rechi Refrigeration Dongguan Co., Ltd.                      | The parent company                                          | 2                                    | Sale                | 296,093    | No significant difference | 2%                                                                         |
| 2               | Rechi Refrigeration Dongguan Co., Ltd.                      | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | 3                                    | Sale                | 568,774    | No significant difference | 5%                                                                         |
| 3               | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | The parent company                                          | 2                                    | Sale                | 619,309    | No significant difference | 5%                                                                         |
| 3               | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Sale                | 2,612,850  | No significant difference | 22%                                                                        |
| 3               | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Accounts receivable | 1,321,448  | No significant difference | 5%                                                                         |
| 3               | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Notes receivable    | 499,225    | No significant difference | 2%                                                                         |
| 4               | Rechi Precision (Huizhou) Mechanism Company                 | TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | 3                                    | Notes receivable    | 1,348,267  | No significant difference | 5%                                                                         |
| 5               | Rechi Precision (Qingdao) Electric Machinery Limited        | The parent company                                          | 2                                    | Sale                | 1,347,540  | No significant difference | 11%                                                                        |
| 5               | Rechi Precision (Qingdao) Electric Machinery Limited        | The parent company                                          | 2                                    | Accounts receivable | 504,582    | No significant difference | 2%                                                                         |
| 5               | Rechi Precision (Qingdao) Electric Machinery Limited        | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Sale                | 1,853,056  | No significant difference | 15%                                                                        |
| 5               | Rechi Precision (Qingdao) Electric Machinery Limited        | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Accounts receivable | 796,036    | No significant difference | 3%                                                                         |
| 5               | Rechi Precision (Qingdao) Electric Machinery Limited        | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Notes receivable    | 657,901    | No significant difference | 2%                                                                         |
| 6               | Rechi Precision (Jiujiang) Electric Machinery Limited       | The parent company                                          | 2                                    | Sale                | 627,467    | No significant difference | 5%                                                                         |
| 6               | Rechi Precision (Jiujiang) Electric Machinery Limited       | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Sale                | 2,039,622  | No significant difference | 17%                                                                        |
| 6               | Rechi Precision (Jiujiang) Electric Machinery Limited       | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Accounts receivable | 868,652    | No significant difference | 3%                                                                         |
| 6               | Rechi Precision (Jiujiang) Electric Machinery Limited       | Qingdao Rechi Electric Machinery Sales Company              | 3                                    | Notes receivable    | 760,994    | No significant difference | 3%                                                                         |
| 7               | Dyna Rechi Jiujiang Co., Ltd.                               | Rechi Precision (Jiujiang) Electric Machinery Limited       | 3                                    | Sale                | 1,013,037  | No significant difference | 8%                                                                         |
| 7               | Dyna Rechi Jiujiang Co., Ltd.                               | Rechi Precision (Jiujiang) Electric Machinery Limited       | 3                                    | Accounts receivable | 754,883    | No significant difference | 3%                                                                         |
| 7               | Dyna Rechi Jiujiang Co., Ltd.                               | Ablek Technology Co., Ltd.                                  | 3                                    | Sale                | 227,838    | No significant difference | 2%                                                                         |
| 7               | Dyna Rechi Jiujiang Co., Ltd.                               | Dyna Rechi Co., Ltd.                                        | 3                                    | Sale                | 258,528    | No significant difference | 2%                                                                         |

Note 1: The information of business operation between the parent company and its subsidiaries should be documented in the respectively numbered column as follows:

- (1) Fill in "0" for parent company.
- (2) The subsidiaries are sequentially numbered from 1 and so forth.

Note 2: The relationship with the traders is classified into three categories as follows:

- (1) The parent company to subsidiary.
- (2) The subsidiary to parent company.
- (3) Between subsidiaries.

Note 3: Calculate the ratio of the transaction amount to consolidate the total income or total assets. For the assets and liabilities account, calculate the ratio of the ending balance to the consolidated total assets. For the profits and losses account, calculate the ratio of the interim cumulated amount to the consolidated total income.

Note 4: All the transactions listed in the table above have been eliminated during preparation of the consolidated financial statements.

RECHI PRECISION CO., LTD. and its subsidiaries

Information on Investees, location, etc.

For the Six Months Ended June 30, 2025

Table 7

Unit: Thousand shares/NTD thousand or in thousands in foreign currencies

| Investor                               | Name of investee                         | Location               | Principal business             | Sum of initial investment |                     | Ending shareholding |                |               | Current period profit/loss of the investee | Recognized investment Income | Remark                   |
|----------------------------------------|------------------------------------------|------------------------|--------------------------------|---------------------------|---------------------|---------------------|----------------|---------------|--------------------------------------------|------------------------------|--------------------------|
|                                        |                                          |                        |                                | Current period-end        | Previous period-end | Number of shares    | Percentage (%) | Book value    |                                            |                              |                          |
| RECHI PRECISION CO., LTD.              | Rechi Holdings Co., Ltd.                 | British Virgin Islands | Investment business            | \$ 8,560,304              | \$ 8,540,561        | -                   | 100.00         | \$ 12,063,684 | \$ 760,452                                 | \$ 834,308                   | Subsidiary               |
|                                        | Rechi Investments Co., Ltd.              | Taiwan                 | Investment business            | 150,000                   | 150,000             | 15,000              | 100.00         | 107,655       | ( 1,035 )                                  | ( 1,035 )                    | Subsidiary               |
| Rechi Holdings Co., Ltd.               | Dyna Rechi Co., Ltd.                     | Taiwan                 | BLDC Motor                     | 1,003,691                 | 1,003,691           | 99,205              | 94.42          | 1,006,072     | 26,520                                     | 25,039                       | Subsidiary               |
|                                        | Rechi International Holdings Co., Ltd.   | British Virgin Islands | Investment business            | USD 27,226                | USD 26,548          | -                   | 100.00         | USD 36,911    | USD 1,848                                  | Not applicable.              | Sub-subsidiary           |
|                                        | Rechi Investments Holdings Co., Ltd.     | British Virgin Islands | Investment business            | USD 90,000                | USD 90,000          | -                   | 100.00         | USD 144,408   | USD 7,915                                  | Not applicable.              | Sub-subsidiary           |
| Rechi International Holdings Co., Ltd. | GR Holdings (Hong Kong) Limited          | Hong Kong              | Investment business            | USD 25,701                | USD 25,701          | -                   | 100.00         | USD 35,309    | USD 1,836                                  | Not applicable.              | Third-tier subsidiaries. |
|                                        | COMPRA FOR TRADE AND MANUFACTURING S.A.E | Egypt                  | Rotary refrigerant compressors | USD 1,458                 | USD 780             | -                   | 30.00          | USD 1,473     | USD 69                                     | Not applicable.              | Affiliated enterprises   |
| Dyna Rechi Co., Ltd.                   | Dyna Rechi Holdings Co., Ltd.            | Samoa                  | Investment business            | 784,303                   | 784,303             | -                   | 100.00         | 819,928       | 31,560                                     | Not applicable.              | Sub-subsidiary           |
| Ablek Technology Co., Ltd.             | Ablek Technology Co., Ltd.               | Taiwan                 | Sales business                 | 90,746                    | 90,746              | 7,004               | 100.00         | 89,203        | 9,109                                      | Not applicable.              | Sub-subsidiary           |
|                                        | Ablek Technology Ltd.                    | Samoa                  | Investment business            | 90,919                    | 90,919              | -                   | 100.00         | 74,543        | ( 2,141 )                                  | Not applicable.              | Third-tier subsidiaries. |

Note 1: Already eliminated in the consolidated financial statements except for COMPRA FOR TRADE AND MANUFACTURING S.A.E.

Note 2: For information on investments in Mainland China, please refer to Table 8.

RECHI PRECISION CO., LTD. and its subsidiaries  
Information regarding investment in the territory of Mainland China  
For the Six Months Ended June 30, 2025

Table 8

Unit: NTD thousand or thousand in foreign currencies

| Names of investees in China                                 | Principal business                                            | Paid-up capital                | Mode of investments | Accumulated amount of investment remitted from Taiwan at beginning | Amount of investment remitted or recovered in current period |         | Accumulated amount of investment remitted from Taiwan at ending | Current period profit/loss of the investee | The Company's directly or indirectly invested shareholding | Recognized investment Income (Note 4) | Book value of investment at ending | The investment income received at the end of the current period | Remark |
|-------------------------------------------------------------|---------------------------------------------------------------|--------------------------------|---------------------|--------------------------------------------------------------------|--------------------------------------------------------------|---------|-----------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------|---------------------------------------|------------------------------------|-----------------------------------------------------------------|--------|
|                                                             |                                                               |                                |                     |                                                                    | Outward remittance                                           | Recover |                                                                 |                                            |                                                            |                                       |                                    |                                                                 |        |
| Rechi Refrigeration Dongguan Co., Ltd.                      | Refrigerant compressor motors and air conditioner accessories | NTD 221,274<br>(USD 7,552)     | Note 2              | NTD 741,026<br>(USD 25,291)                                        | \$ -                                                         | \$ -    | NTD 741,026<br>(USD 25,291)                                     | \$ 57,837                                  | 100.00                                                     | \$ 57,837                             | NTD 1,000,049<br>(USD 34,131)      | NTD 482,512<br>(USD 16,468)                                     |        |
| Dongguan Rechi Compressor Co., Ltd.                         | Rotary refrigerant compressors                                | NTD 15,353<br>(USD 524)        | Note 1              | NTD 306,156<br>(USD 10,449)<br>(Note 12)                           | -                                                            | -       | NTD 306,156<br>(USD 10,449)<br>(Note 12)                        | ( 791)                                     | 100.00                                                     | ( 791)                                | NTD 91,374<br>(USD 3,119)          | NTD 44,829<br>(USD 1,530)                                       |        |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Rotary refrigerant compressors                                | NTD 2,102,041<br>(USD 71,742)  | Note 1              | NTD 971,705<br>(USD 33,164)                                        | -                                                            | -       | NTD 971,705<br>(USD 33,164)                                     | 256,442                                    | 77.78                                                      | 199,455                               | NTD 2,548,123<br>(USD 86,967)      | NTD 2,116,486<br>(USD 72,235)                                   |        |
| Rechi Precision (Huizhou) Mechanism Company                 | Rotary refrigerant compressor components                      | NTD 1,387,326<br>(USD 47,349)  | Note 1              | NTD 87,900<br>(USD 3,000)                                          | -                                                            | -       | NTD 87,900<br>(USD 3,000)                                       | 1,103                                      | 77.78                                                      | 858                                   | NTD 1,108,094<br>(USD 37,819)      | NTD 170,702<br>(USD 5,826)                                      |        |
| Rechi Precision (Qingdao) Electric Machinery Limited        | Rotary refrigerant compressor components                      | NTD 2,637,000<br>(USD 90,000)  | Note 2              | NTD 820,400<br>(USD 28,000)<br>(Note 7)                            | -                                                            | -       | NTD 820,400<br>(USD 28,000)<br>(Note 7)                         | 252,187                                    | 100.00                                                     | 252,187                               | NTD 4,235,434<br>(USD 144,554)     | NTD 3,862,209<br>(USD 131,816)                                  |        |
| Qingdao Rechi Electric Machinery Sales Company              | Sales business                                                | NTD 28,651<br>(RMB 7,000)      | Note 9              | NTD -<br>(RMB -)                                                   | -                                                            | -       | NTD -<br>(RMB -)                                                | 50,102                                     | 88.89                                                      | 44,536                                | NTD 481,120<br>(RMB 117,548)       | -                                                               |        |
| Qingdao China Steel Precision Metal Co., Ltd.               | Processing production                                         | NTD 586,000<br>(USD 20,000)    | Note 1              | NTD -<br>(USD -)                                                   | -                                                            | -       | NTD -<br>(USD -)                                                | ( 17,139)                                  | 30.00                                                      | ( 5,142)                              | NTD 147,569<br>(USD 5,036)         | NTD 34,105<br>(USD 1,164)                                       |        |
| Dyna Rechi Jiujiang Co., Ltd.                               | Refrigerant compressor motors and BLDC motors                 | NTD 1,056,868<br>(RMB 258,215) | Note 3              | NTD 664,601<br>(RMB 162,376)<br>(Note 10)                          | -                                                            | -       | NTD 664,601<br>(RMB 162,376)<br>(Note 10)                       | 48,929                                     | 96.40                                                      | 47,167                                | NTD 1,224,653<br>(RMB 299,208)     | -                                                               |        |
| Rechi Precision (Jiujiang) Electric Machinery Limited       | Rotary refrigerant compressors                                | NTD 2,226,800<br>(USD 76,000)  | Note 1              | NTD 2,226,800<br>(USD 76,000)                                      | -                                                            | -       | NTD 2,226,800<br>(USD 76,000)                                   | 255,355                                    | 100.00                                                     | 255,355                               | NTD 2,992,604<br>(USD 102,137)     | -                                                               |        |
| Jiangxi Baida Precision Manufacturing Corp.                 | Processing production                                         | NTD -<br>USD -                 | Note 1              | NTD 336,833<br>(USD 11,496)<br>(Note 13)                           | -                                                            | -       | NTD 336,833<br>(USD 11,496)<br>(Note 13)                        | -                                          | -                                                          | -                                     | NTD -<br>(USD -)                   | -                                                               |        |
| Ablek Technology Ltd.                                       | Home appliance motors                                         | NTD 20,510<br>(USD 700)        | Note 11             | NTD -<br>(USD -)                                                   | -                                                            | -       | NTD -<br>(USD -)                                                | ( 2,140)                                   | 94.42                                                      | ( 2,021)                              | NTD 14,732<br>(RMB 3,599)          | -                                                               |        |

| Accumulated investment from Taiwan to Mainland China at ending | Amount of investment approved by Investment Commission of MOEA | Investment amount approved by the Investment Commission MOEAIC |
|----------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| NTD 6,155,421                                                  | NTD 3,641,170<br>(USD 124,272)                                 | (Note 6)                                                       |

Note 1: The Company has established a holding company (Rechi Holdings Co., Ltd.) in the British Virgin Islands and invested in the establishment of Rechi International Holdings Co., Ltd., Rechi Investments Holdings Co., Ltd., TCL Rechi (Huizhou) Refrigeration Equipment Company Limited, Dongguan Rechi Compressor Co., Ltd., Rechi Precision (Huizhou) Mechanism Company, Qingdao China Steel Precision Metal Co., Ltd., Rechi Precision (Jiujiang) Electric Machinery Limited, and Jiangxi Baida Precision Manufacturing Corp. through Rechi Holdings Co., Ltd.

Note 2: Through GR Holdings (Hong Kong) Limited and Rechi Investments Holdings Co., Ltd., the Company has invested in the establishment of Rechi Refrigeration Dongguan Co., Ltd. and Rechi Precision (Qingdao) Electric Machinery Limited in Mainland China.

Note 3: The Company's subsidiary Dyna Rechi Co., Ltd. has invested in the establishment of Dyna Rechi (Jiujiang) Co., Ltd. in Mainland China through Dyna Rechi Holdings Co., Ltd.

Note 4: Except for TCL Rechi (Huizhou) Refrigeration Equipment Company Limited, Rechi Precision (Qingdao) Electric Machinery Limited, Qingdao Rechi Electric Machinery Sales Company, and Rechi Precision (Jiujiang) Electric Machinery Limited, which were recognized based on the financial statements reviewed by independent auditors, the rest were recognized based on financial statements not reviewed by independent auditors for the same period.

Note 5: Investment amounts authorized by Investment Commission, Ministry of Economic Affairs

| Name of investee in China                                   | Amount            |
|-------------------------------------------------------------|-------------------|
| Rechi Refrigeration Dongguan Co., Ltd.                      | \$ 9,827          |
| Dongguan Rechi Compressor Co., Ltd.                         | 408               |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | -                 |
| Rechi Precision (Huizhou) Mechanism Company                 | 6,566             |
| Rechi Precision (Qingdao) Electric Machinery Limited        | -                 |
| Qingdao China Steel Precision Metal Co., Ltd.               | 4,971             |
| Dyna Rechi Jiujiang Co., Ltd.                               | 25,800            |
| Rechi Precision (Jiujiang) Electric Machinery Limited       | 76,000            |
| Jiangxi Baida Precision Manufacturing Corp.                 | -                 |
| Ablek Technology Ltd.                                       | 700               |
|                                                             | <u>\$ 124,272</u> |

Note 6: It has been approved to not be subject to the upper limit of the investment amount or percentage as it meets the proviso of Point 3 of the “Principles for the Review of Investment or Technical Collaboration in Mainland China” per the Jin-Shou-Gong Letter No. 10320409110 issued by the Industrial Development Bureau, Ministry of Economic Affairs (MOEA).

Note 7: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is due to direct investment by Rechi Holdings Co., Ltd. with its own funds.

Note 8: The difference between the accumulated investment amount remitted from Taiwan at the end of the period and the amount approved by the Investment Commission, MOEA, is due to the capitalization of earnings and the repatriation of earnings.

Note 9: It is the joint investment by TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Rechi Precision (Qingdao) Electric Machinery Limited, each with a 50% shareholding percentage.

Note 10: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is due to the direct investment by Rechi Precision (Jiujiang) Electric Machinery Limited with its own funds.

Note 11: Ablek Technology Co., Ltd., the sub-subsidiary of the Company, invests in Ablek Technology Ltd. in China through Ablek Technology Ltd.

Note 12: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is due to the capital reduction of Dongguan Rechi Compressor Co., Ltd. and its return of stock payment to Rechi Holdings Co., Ltd., which was approved by the Investment Commission, Ministry of Economic Affairs.

Note 13: Rechi Holdings Co., Ltd. disposed of Jiangxi Baida Precision Manufacturing Co., Ltd. in May 2023 and recovered RMB 82,727 thousand, equivalent to USD 11,631 thousand, which was approved by the Investment Commission, Ministry of Economic Affairs.

Note 14: Already eliminated in the consolidated financial statements except for Qingdao China Steel Precision Metal Co., Ltd. and Jiangxi Baida Precision Manufacturing Corp.

RECHI PRECISION CO., LTD. and its subsidiaries

Significant direct transactions with the investee in Mainland China or indirectly through third regions, its prices, terms of payment, unrealized gain or loss, and other relevant information.

For the Six Months Ended June 30, 2025

Table 9

Unit: NTD thousand

| Names of investees in China                                 | Transaction type | Purchase/Sale |            | Price  | Terms and conditions          |                                      | Notes and accounts receivable (payable) |            | Unrealized gains or losses | Remark |
|-------------------------------------------------------------|------------------|---------------|------------|--------|-------------------------------|--------------------------------------|-----------------------------------------|------------|----------------------------|--------|
|                                                             |                  | Amount        | Percentage |        | Payment terms                 | Comparison with general transactions | Amount                                  | Percentage |                            |        |
| TCL Rechi (Huizhou) Refrigeration Equipment Company Limited | Purchase         | \$ 619,309    | 18%        | Normal | 60–90 days from reimbursement | Normal                               | ( \$ 156,490 )                          | 13%        | \$ 285                     |        |
| Rechi Precision (Qingdao) Electric Machinery Limited        | Purchase         | 1,347,540     | 39%        | Normal | 60–90 days from reimbursement | Normal                               | ( 504,582 )                             | 43%        | 85                         |        |
| Rechi Precision (Jiujiang) Electric Machinery Limited       | Purchase         | 627,467       | 18%        | Normal | 60–90 days from reimbursement | Normal                               | ( 245,850 )                             | 21%        | 491                        |        |
| Rechi Refrigeration Dongguan Co., Ltd.                      | Purchase         | 296,093       | 9%         | Normal | 60–90 days from reimbursement | Normal                               | ( 195,301 )                             | 17%        | 1,339                      |        |