

RECHI PRECISION CO., LTD. and its  
subsidiaries

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

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## **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 subsidiaries (collectively, the "Group") as of September 30, 2025 and 2024, and the related consolidated statement of income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2024 and 2023, consolidated statement of changes in equity, consolidated statement of cash flows for the nine 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 3,140,403 thousand and NTD 3,297,167 thousand, constituting 11.66% and 11.74% of the consolidated total assets, and the total liabilities of these non-significant subsidiaries amounted to NTD 758,495 thousand and NTD 1,628,827 thousand, constituting 4.70% and 9.63% of the consolidated total liabilities, as of September 30, 2025 and 2024, respectively. The total comprehensive income of these non-significant subsidiaries and joint operations amounted to NTD 34,478 thousand, NTD 7,877 thousand, NTD 133,082 thousand and NTD 91,653 thousand, constituting 4.95%, 18.41%, 240.58% and 7.63% of the consolidated total comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 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 199,427 thousand and NTD 168,978 thousand as of September 30, 2025 and 2024, respectively; and the shares of profit/loss on associates accounted for using the equity method amounted to NTD (1,443) thousand, NTD (3,176) thousand, NTD (5,926) thousand and NTD (4,569) thousand for the three months ended September 30, 2025 and 2024, and for the nine months ended September 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 September 30, 2025 and 2024, and its consolidated financial performance for the three months September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 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 Document No.

Chin-Kuan-Cheng-Shen-Zi No.  
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November 11, 2025

## RECHI PRECISION CO., LTD. and its subsidiaries

## Consolidated Balance Sheet

As of September 30, 2025, December 31, 2024, and September 30, 2024

Unit: NTD thousand

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 4,048,396	15	\$ 5,839,139	20	\$ 3,872,541	14
1110	Financial asset at fair value through profit or loss– current (Note 7)	1,876,645	7	1,826,786	6	1,932,595	7
1136	Financial assets at amortized cost – current (Notes 8 and 27)	3,344,679	12	3,815,447	13	3,734,632	13
1150	Notes receivable – non-related parties (Notes 9 and 27)	5,396,122	20	3,104,750	10	5,349,036	19
1170	Accounts receivable – non-related parties (Note 9)	2,806,179	10	4,293,538	14	3,398,976	12
1180	Accounts receivable – related parties (Note 26)	2,495	-	1,697	-	1,620	-
1200	Other receivables (Note 26)	123,030	1	152,991	1	148,913	1
1220	Current tax assets	42,500	-	42,500	-	28,500	-
130X	Inventories (Note 10)	1,889,441	7	3,292,966	11	2,283,599	8
1470	Other current assets (Note 15)	681,372	3	820,447	3	818,284	3
11XX	Total current assets	<u>20,210,859</u>	<u>75</u>	<u>23,190,261</u>	<u>78</u>	<u>21,568,696</u>	<u>77</u>
	Non-Current assets						
1550	Investment accounted for using equity method (Note 12)	199,427	1	195,296	1	168,978	1
1600	Property, plant and equipment (Notes 13 and 27)	5,086,727	19	5,305,175	18	5,210,396	19
1755	Right-of-use assets (Note 14)	128,636	-	136,412	-	136,615	-
1821	Other intangible assets	74,140	-	66,748	-	61,582	-
1840	Deferred income tax assets	723,173	3	554,329	2	532,705	2
1990	Other non-current assets (Note 15)	498,812	2	445,634	1	407,231	1
15XX	Total non-current assets	<u>6,710,915</u>	<u>25</u>	<u>6,703,594</u>	<u>22</u>	<u>6,517,507</u>	<u>23</u>
1XXX	Total assets	<u>\$ 26,921,774</u>	<u>100</u>	<u>\$ 29,893,855</u>	<u>100</u>	<u>\$ 28,086,203</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 16 and 27)	\$ 4,169,866	16	\$ 2,750,000	9	\$ 2,500,000	9
2110	Short-term notes payable (Notes 16 and 27)	598,941	2	479,056	2	628,705	2
2150	Notes payable – non-related party	5,417,615	20	6,632,535	22	6,342,118	23
2170	Accounts payable – non-related parties	1,835,847	7	3,383,344	11	2,624,286	9
2180	Accounts payable – related parties (Note 26)	3,929	-	516	-	5,482	-
2200	Other payables (Notes 17 and 26)	775,075	3	978,251	3	827,996	3
2230	Income tax liability (Note 4)	671,045	3	743,608	3	607,160	2
2250	Provisions – Current	171,749	1	187,158	1	168,546	1
2280	Lease liabilities – current (Note 14)	1,804	-	837	-	1,238	-
2320	Long-term borrowings and notes payable due within one year (Notes 16 and 27)	86,829	-	86,829	-	436,118	1
2365	Refund liability – current	1,106,484	4	1,257,502	4	1,032,566	4
2399	Other current liabilities (Note 26)	<u>127,819</u>	<u>-</u>	<u>143,394</u>	<u>1</u>	<u>146,456</u>	<u>-</u>
21XX	Total of current liabilities	<u>14,967,003</u>	<u>56</u>	<u>16,643,030</u>	<u>56</u>	<u>15,320,671</u>	<u>54</u>
	Non-current liabilities						
2541	Long-term borrowings (Notes 16 and 27)	82,190	-	647,312	2	669,020	3
2570	Deferred tax liabilities	1,028,875	4	917,923	3	853,925	3
2580	Lease liabilities – non-current (Note 14)	3,511	-	871	-	894	-
2640	Net defined benefit liabilities (Notes 4 and 18)	33,779	-	35,991	-	39,295	-
2670	Other non-current liabilities	25,823	-	27,330	-	27,516	-
25XX	Total non-current liability	<u>1,174,178</u>	<u>4</u>	<u>1,629,427</u>	<u>5</u>	<u>1,590,650</u>	<u>6</u>
2XXX	Total liabilities	<u>16,141,181</u>	<u>60</u>	<u>18,272,457</u>	<u>61</u>	<u>16,911,321</u>	<u>60</u>
	Equity attributable to the company's shareholders (Note 19)						
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 surplus	<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	Legal reserve	1,332,787	5	1,231,756	4	1,231,756	4
3320	Special reserve	556,385	2	1,097,408	4	1,097,408	4
3350	Unappropriated retained earnings	<u>3,016,612</u>	<u>11</u>	<u>2,576,593</u>	<u>8</u>	<u>2,290,027</u>	<u>8</u>
3300	Total retained earnings	<u>4,905,784</u>	<u>18</u>	<u>4,905,757</u>	<u>16</u>	<u>4,619,191</u>	<u>16</u>
3400	Other equity	(1,253,260)	(4)	(556,385)	(2)	(683,025)	(2)
3500	Treasury shares	(228,539)	(1)	(93,573)	-	(93,573)	-
31XX	Total equity of the company	<u>9,840,602</u>	<u>37</u>	<u>10,672,679</u>	<u>36</u>	<u>10,259,473</u>	<u>37</u>
36XX	Non-controlling interests	<u>939,991</u>	<u>3</u>	<u>948,719</u>	<u>3</u>	<u>915,409</u>	<u>3</u>
3XXX	Total equity	<u>10,780,593</u>	<u>40</u>	<u>11,621,398</u>	<u>39</u>	<u>11,174,882</u>	<u>40</u>
	Total Liabilities and Equity	<u>\$ 26,921,774</u>	<u>100</u>	<u>\$ 29,893,855</u>	<u>100</u>	<u>\$ 28,086,203</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 &amp; Touche dated November 11, 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 September 30, 2025 and 2024 and For the Nine Months Ended September 30, 2025 and 2024

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

Code		July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Sales revenue (Note 26)	\$ 3,837,228	100	\$ 4,982,945	100	\$ 15,924,032	100	\$ 16,072,809	100
5000	Operating cost (Notes 10, 20 and 26)	( 3,262,664 )	( 85 )	( 4,250,606 )	( 85 )	( 13,293,242 )	( 83 )	( 13,575,005 )	( 84 )
5900	Operating gross margins	574,564	15	732,339	15	2,630,790	17	2,497,804	16
	Operating expenses (Notes 21 and 27)								
6100	Marketing expenses	( 106,829 )	( 3 )	( 200,656 )	( 4 )	( 420,701 )	( 3 )	( 498,636 )	( 3 )
6200	Administrative expenses	( 165,811 )	( 4 )	( 172,166 )	( 4 )	( 563,229 )	( 4 )	( 567,708 )	( 4 )
6300	Research and development expenses	( 175,333 )	( 5 )	( 169,373 )	( 3 )	( 538,079 )	( 3 )	( 499,056 )	( 3 )
6450	Expected credit impairment loss (reversal gain) (Note 9)	( 15,915 )	-	( 6,593 )	-	( 36,768 )	-	8,239	-
6000	Total operating expenses	( 463,888 )	( 12 )	( 548,788 )	( 11 )	( 1,558,777 )	( 10 )	( 1,557,161 )	( 10 )
6900	Net operating income	110,676	3	183,551	4	1,072,013	7	940,643	6
	Non-operating income and expense (Note 20)								
7100	Interest income	27,920	1	33,617	1	93,604	-	94,191	1
7010	Other income	71,661	2	16,307	-	107,835	1	62,685	-
7020	Other gains and losses	45,662	1	( 18,463 )	-	( 5,971 )	-	70,016	-
7050	Finance costs	( 35,091 )	( 1 )	( 24,220 )	( 1 )	( 98,454 )	( 1 )	( 65,995 )	-
7060	Share of profit (loss) of associates accounted for using equity method	( 1,443 )	-	( 3,176 )	-	( 5,926 )	-	( 4,569 )	-
7000	Total non-operating income and expenses	108,709	3	4,065	-	91,088	-	156,328	1
7900	Net profit before taxation	219,385	6	187,616	4	1,163,101	7	1,096,971	7
7950	Income tax expenses (Note 21)	( 54,413 )	( 2 )	( 36,029 )	( 1 )	( 352,609 )	( 2 )	( 331,533 )	( 2 )
8200	Net income for the period	164,972	4	151,587	3	810,492	5	765,438	5
	Other comprehensive income								
	Components of other comprehensive income that will be reclassified to profit or loss:								
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income or loss (Note 19)	-	-	-	-	-	-	( 8,156 )	-
8310		-	-	-	-	-	-	( 8,156 )	-
8360	Components of other comprehensive income that will be reclassified to profit or loss:								
8361	Exchange differences from the translation of financial statements of foreign operations (Note 19)	653,800	17	( 134,265 )	( 3 )	( 930,054 )	( 6 )	546,065	3
8399	Income tax related to items that may be reclassified (Note 19 and 21)	( 122,817 )	( 3 )	( 25,453 )	( 1 )	( 174,880 )	( 1 )	( 102,560 )	( 1 )
8300	530,983	14	( 108,812 )	( 2 )	( 755,174 )	( 5 )	( 443,505 )	( 2 )	
8300	Other comprehensive income for the current period (net, after-tax)	530,983	14	( 108,812 )	( 2 )	( 755,174 )	( 5 )	435,349	2
8500	Total comprehensive income in current period	\$ 695,955	18	\$ 42,775	1	\$ 55,318	-	\$ 1,200,787	7
	Profit attributable to:								
8610	The company's shareholders	\$ 155,823	4	\$ 148,330	3	\$ 742,796	5	\$ 723,752	5
8620	Non-controlling interests	9,149	-	3,257	-	67,696	-	41,686	-
8600		\$ 164,972	4	\$ 151,587	3	\$ 810,492	5	\$ 765,438	5
	Total comprehensive income attributable to:								
8710	The company's shareholders	\$ 645,206	17	\$ 46,862	1	\$ 45,921	-	\$ 1,108,169	7
8720	Non-controlling interests	50,749	1	( 4,087 )	-	9,397	-	92,618	-
8700		\$ 695,955	18	\$ 42,775	1	\$ 55,318	-	\$ 1,200,787	7
	Earnings per share (Note 22)								
	Business units in continuing operation								
9710	Basic	\$ 0.31		\$ 0.30		\$ 1.50		\$ 1.45	
9810	Diluted	\$ 0.31		\$ 0.30		\$ 1.49		\$ 1.44	

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

(Please refer to the review report by Deloitte & Touche dated November 11, 2025)

## RECHI PRECISION CO., LTD. and its subsidiaries

## Consolidated Statements of Changes in Equity

For the Nine Months Ended September 30, 2025 and 2024

Unit: NTD thousand

Code		Equity attributable to the company's shareholders										Non-controlling interests	Total equity	
		Share capital				Retained earnings			Other equity		Treasury shares	Total		
		Shares (in thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated 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					
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	
B1	Dividend allocation and distribution for 2023	-	-	-	75,423	-	( 75,423 )	-	-	-	-	-	-	
B3	Legal reserve	-	-	-	-	168,420	( 168,420 )	-	-	-	-	-	-	
B5	Special reserve	-	-	-	-	-	( 499,995 )	-	-	-	( 499,995 )	-	( 499,995 )	
C1	Cash dividend to the Company's shareholders	-	-	-	-	-	-	-	-	-	( 499,995 )	-	( 499,995 )	
O1	Cash dividend to the subsidiary's shareholders	-	-	-	-	-	-	-	-	-	( 14,752 )	( 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 nine months ended September 30, 2024	-	-	-	-	-	723,752	-	-	-	723,752	41,686	765,438	
D3	Other comprehensive income after tax for the nine months ended September 30, 2024	-	-	-	-	-	-	392,573	( 8,156 )	-	384,417	50,932	435,349	
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	723,752	392,573	( 8,156 )	-	1,108,169	92,618	1,200,787	
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	-	( 29,966 )	-	29,966	-	-	-	-	
Z1	Balance as of September 30, 2024	504,915	\$ 5,049,151	\$ 1,367,729	\$ 1,231,756	\$ 1,097,408	\$ 2,290,027	( \$ 633,025 )	( \$ 50,000 )	( \$ 93,573 )	\$ 10,259,473	\$ 915,409	\$ 11,174,882	
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	
B1	Dividend allocation and distribution for 2024	-	-	-	101,031	-	( 101,031 )	-	-	-	-	-	-	
B3	Legal reserve	-	-	-	-	( 541,023 )	( 541,023 )	-	-	-	-	-	-	
B5	Special reserve	-	-	-	-	-	( 742,725 )	-	-	-	( 742,725 )	-	( 742,725 )	
C1	Cash dividend to the Company's shareholders	-	-	-	-	-	-	-	-	-	( 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 )	( 18,125 )	
D1	Net income for the nine months ended September 30, 2025	-	-	-	-	-	742,796	-	-	-	742,796	67,696	810,492	
D3	Other comprehensive income after tax for the nine months ended September 30, 2025	-	-	-	-	-	-	( 696,875 )	-	-	( 696,875 )	( 58,299 )	( 755,174 )	
D5	Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	742,796	( 696,875 )	-	-	-	45,921	9,397	55,318
Z1	Balance as of September 30, 2025	504,895	\$ 5,048,951	\$ 1,367,666	\$ 1,332,787	\$ 556,385	\$ 3,016,612	( \$ 1,203,260 )	( \$ 50,000 )	( \$ 228,539 )	\$ 9,840,602	\$ 939,991	\$ 10,780,593	

The notes attached shall constitute an integral part of this Consolidated financial statement.  
(Please refer to the review report by Deloitte & Touche dated November 11, 2025)

RECHI PRECISION CO., LTD. and its subsidiaries  
 Consolidated Statements of Cash Flows  
 For the Nine Months Ended September 30, 2025 and 2024

Unit: NTD thousand

Code		January 1 to September 30, 2025	January 1 to September 30, 2024
	Cash flow from operating activities		
A10000	Net profit before tax for the period	\$ 1,163,101	\$ 1,096,971
A20010	Profits and loss		
A20100	Depreciation expenses	595,073	594,418
A20200	Amortization expenses	18,294	10,563
A20300	Expected credit impairment loss (reversal gain)	36,768	( 8,239 )
A20400	Net gains on financial assets at fair value through profit or loss	( 64,858 )	( 53,362 )
A20900	Interest expenses	94,845	61,334
A21200	Interest income	( 93,604 )	( 94,191 )
A22300	The share of profit/loss on associates accounted for using the equity method	5,926	4,569
A22500	Net loss from the disposal and obsolescence of property, plant, equipment and right-of-use assets	4,249	22,700
A24100	Unrealized foreign currency exchange loss (gain)	36,648	( 5,662 )
A29900	Gains on lease modification	- -	( 904 )
A30000	Net change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	( 97,117 )	( 424,654 )
A31130	Notes receivable	( 2,512,100 )	( 705,305 )
A31150	Accounts receivable	1,315,122	93,194
A31160	Accounts receivable – related parties	( 798 )	( 428 )
A31180	Other receivables	15,339	( 13,636 )
A31200	Inventories	1,252,389	( 648,967 )
A31230	Prepayments	138,646	( 91,187 )
A31240	Other current assets	429	4,357
A32125	Refund liability – current	( 137,546 )	313,207
A32130	Notes payable	( 827,175 )	1,178,660
A32140	Notes payable – related party	- -	( 1,724 )
A32150	Accounts payable	( 1,370,608 )	252,305
A32160	Accounts payable – related parties	3,413	1,752
A32180	Other payables	( 193,890 )	88,406
A32190	Other payables – related parties	( 830 )	- -
A32200	Provisions	( 15,409 )	41,692
A32240	Net defined benefit liability	( 2,212 )	( 700 )
A32230	Other current liabilities	( 15,575 )	96,799
A33000	Cash inflow (outflow) from operating activities	( 651,480 )	1,811,968
A33100	Interest received	108,220	81,844

(Continued on next page)

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Code		January 1 to September 30, 2025	January 1 to September 30, 2024
A33300	Interest payment	(\$ 90,048)	(\$ 61,304)
A33500	Income tax payment	( 292,682)	( 220,168)
AAAA	Net cash inflow (outflow) from operating activities	( 925,990)	1,612,340
	<b>Cash flow from investing activities</b>		
B00020	Disposal of financial assets at fair value through other comprehensive income	-	34
B00040	Acquisition of financial assets at amortized cost	( 28,099)	( 1,008,078)
B00050	Disposal of financial assets at amortized cost	271,710	135,516
B01800	Acquisition of long-term equity investments accounted for using equity method	( 19,743)	-
B02700	Purchase of property, plant, and equipment	( 471,315)	( 169,589)
B02800	Proceeds from disposal of property, plant and equipment	5,812	24,082
B04500	Purchase of intangible assets	( 28,803)	( 18,539)
B06700	Increase in other non-current assets	( 291,943)	( 338,568)
B09900	Acquisition of government subsidies	6,309	-
BBBB	Net cash outflow from investing activities	( 556,072)	( 1,375,142)
	<b>Cash flow from financing activities</b>		
C00100	Increase in short-term loans	1,405,959	1,930,000
C00500	Increase in short-term notes payable	119,885	229,501
C01600	Proceeds from long-term loan	-	500,000
C01700	Repayments of long-term borrowings	( 565,122)	( 2,045,121)
C03100	Decrease in guarantee deposits received	( 1,019)	( 4,248)
C04020	Repayments of principal portion of the lease	( 1,243)	( 7,237)
C04500	Pay owners' dividends	( 742,725)	( 499,995)
C05100	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	62,337	( 224,101)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	( 371,018)	\$ 126,695
EEEE	Net increase (decrease) in cash and cash equivalents for this period	( 1,790,743)	139,792
E00100	Cash and cash equivalents balance – beginning of period	5,839,139	3,732,749
E00200	Cash and cash equivalents balance – end of period	\$ 4,048,396	\$ 3,872,541

The notes attached shall constitute an integral part of this Consolidated financial statement.  
(Please refer to the review report by Deloitte & Touche dated November 11, 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 Nine Months Ended September 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 November 11, 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" (including amendments in 2020 and 2021)	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 1)</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 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability Disclosures" (including amendments in 2025)	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that Taiwanese companies should apply IFRS 18 from January 1, 2028, or may choose to apply it earlier after FSC approval.

#### 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 Company 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**

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and working capital	\$ 1,602	\$ 1,542	\$ 1,569
Bank checks and demand deposits	2,773,430	3,801,498	2,528,965
Cash equivalents (Investment with the original maturity date within three months)			
Bank time deposit	1,273,364 \$ 4,048,396	2,036,099 \$ 5,839,139	1,342,007 \$ 3,872,541

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - current</u>			
Mandatorily measured at FVTPL			
Wealth management products	\$ 1,861,308	\$ 1,805,772	\$ 1,909,374
Non-derivative financial assets			
– Listed stocks – overseas	-	4,135	4,223
– Beneficial certificates	<u>15,337</u>	<u>16,879</u>	<u>18,998</u>
	<u><u>\$ 1,876,645</u></u>	<u><u>\$ 1,826,786</u></u>	<u><u>\$ 1,932,595</u></u>

8. Financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Restricted bank deposits			
	\$ 3,188,737	\$ 3,450,581	\$ 3,599,133
Time deposits with original maturity date of more than 3 months	<u>155,942</u>	<u>364,866</u>	<u>135,499</u>
	<u><u>\$ 3,344,679</u></u>	<u><u>\$ 3,815,447</u></u>	<u><u>\$ 3,734,632</u></u>

Partly restricted bank deposits are restricted because bank regulations allow them to be matched and resold by the bank only on a specified date, and they are not redeemable on demand.

Please refer to Note 27 for details of financial assets at amortized cost.

9. Note receivable and account receivable

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable</u>			
At amortized cost			
Total book value	\$ 5,400,220	\$ 3,107,510	\$ 5,354,200
Less: Allowance for losses	( <u>4,098</u> )	( <u>2,760</u> )	( <u>5,164</u> )
	<u><u>\$ 5,396,122</u></u>	<u><u>\$ 3,104,750</u></u>	<u><u>\$ 5,349,036</u></u>
<u>Accounts receivable</u>			
At amortized cost			
Total book value	\$ 2,802,806	\$ 4,297,506	\$ 3,396,715
Less: Allowance for losses	( <u>75,615</u> )	( <u>40,963</u> )	( <u>15,744</u> )
	<u><u>2,727,191</u></u>	<u><u>4,256,543</u></u>	<u><u>3,380,971</u></u>
Measured at fair values through other comprehensive income			
	<u>78,988</u>	<u>36,995</u>	<u>18,005</u>
	<u><u>\$ 2,806,179</u></u>	<u><u>\$ 4,293,538</u></u>	<u><u>\$ 3,398,976</u></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 Group'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:

September 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	\$ 2,603,492	\$ 84,465	\$ 7,203	\$ 53,574	\$ 11,074	\$ 42,998	\$ 2,802,806
Allowance for loss (expected credit loss of the given duration)	( 3,867 )	( 7,603 )	( 659 )	( 9,740 )	( 10,983 )	( 42,763 )	( 75,615 )
Cost after amortization	\$ 2,599,625	\$ 76,862	\$ 6,544	\$ 43,834	\$ 91	\$ 235	\$ 2,727,191

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

September 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	\$ 3,237,090	\$ 120,831	\$ 27,092	\$ 150	\$ 2,434	\$ 9,118	\$ 3,396,715
Allowance for loss (expected credit loss of the given duration)	( 3,221 )	( 6,307 )	( 1,472 )	( 27 )	( 488 )	( 4,229 )	( 15,744 )
Cost after amortization	<u>\$ 3,233,869</u>	<u>\$ 114,524</u>	<u>\$ 25,620</u>	<u>\$ 123</u>	<u>\$ 1,946</u>	<u>\$ 4,889</u>	<u>\$ 3,380,971</u>

(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.

September 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	\$ 79,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,106
Allowance for loss (expected credit loss of the given duration)	( 118 )	-	-	-	-	-	( 118 )
Cost after amortization	<u>\$ 78,988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,988</u>

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	<u>\$ 36,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,995</u>

September 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	\$ 18,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,015
Allowance for loss (expected credit loss of the given duration)	( 10 )	-	-	-	-	-	( 10 )
Cost after amortization	<u>\$ 18,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,005</u>

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

	January 1 to September 30, 2025		
	Accounts receivable		
	Notes receivable	receivable	Total
Balance, beginning	\$ 2,760	\$ 40,984	\$ 43,744
Add: Impairment loss provided for the period	1,529	35,239	36,768
Foreign currency translation differences	( 191 )	( 490 )	( 681 )
Balance, ending	<u>\$ 4,098</u>	<u>\$ 75,733</u>	<u>\$ 79,831</u>

	January 1 to September 30, 2024		
	Accounts receivable		Total
	Notes receivable	\$ 25,295	\$ 28,734
Balance, beginning	\$ 3,439		
Add (less): Impairment loss (reversal) for the period	1,578	( 9,817)	( 8,239)
Less: Actual write-off amount in the current period	-	( 131)	( 131)
Foreign currency translation differences	147	407	554
Balance, ending	<u>\$ 5,164</u>	<u>\$ 15,754</u>	<u>\$ 20,918</u>

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

#### 10. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Finished products	\$ 1,403,965	\$ 2,393,263	\$ 1,460,376
Work-in-process	149,388	306,259	243,768
Raw materials	240,018	367,469	274,548
Inventory in-transit	<u>96,070</u>	<u>225,975</u>	<u>304,907</u>
	<u>\$ 1,889,441</u>	<u>\$ 3,292,966</u>	<u>\$ 2,283,599</u>

For the nine months ended September 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
			September 30, 2025	December 31, 2024	September 30, 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)

(Continued on next page)

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Investor	Subsidiary name	Nature of the operation	Percentage of shareholdings			Remark (1)
			September 30, 2025	December 31, 2024	September 30, 2024	
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%	
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%	
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 nine months ended September 30, 2025 and 2024.

## 12. Investment accounted for using equity method

### Investments in the affiliated company

	September 30, 2025	December 31, 2024	September 30, 2024
Individual non-dominant associates			
Qingdao China Steel Precision Metal Co., Ltd.	\$ 152,979	\$ 169,724	\$ 168,978
COMPRA FOR TRADE AND MANUFACTURING S.A.E	46,448	25,572	-
	<u>\$ 199,427</u>	<u>\$ 195,296</u>	<u>\$ 168,978</u>

The Group, 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
<b>Costs</b>						
Balance as of January 1, 2025	\$ 207,567	\$ 3,929,216	\$ 9,132,258	\$ 1,624,905	\$ 12,154	\$ 14,906,100
Additions	-	33,924	353,708	68,351	4,267	460,250
Disposal	-	( 1,905 )	( 94,350 )	( 80,946 )	-	( 177,201 )
Net exchange differences	-	( 210,368 )	( 542,033 )	( 63,017 )	( 631 )	( 816,049 )
Other reclassification	-	6,758	153,942	25,916	( 10,563 )	176,053
Balance as of September 30, 2025	<u>\$ 207,567</u>	<u>\$ 3,757,625</u>	<u>\$ 9,003,525</u>	<u>\$ 1,575,209</u>	<u>\$ 5,227</u>	<u>\$ 14,549,153</u>
<b>Accumulated depreciation and impairment</b>						
Balance as of January 1, 2025	\$ -	\$ 1,788,456	\$ 6,518,466	\$ 1,294,003	\$ -	\$ 9,600,925
Depreciation expenses	-	93,482	424,786	72,274	-	590,542
Disposal	-	( 1,067 )	( 86,646 )	( 79,316 )	-	( 167,029 )
Net exchange differences	-	( 92,426 )	( 390,589 )	( 49,074 )	-	( 532,089 )
Other reclassification	-	-	( 25,656 )	( 4,267 )	-	( 29,923 )
Balance as of September 30, 2025	<u>\$ -</u>	<u>\$ 1,788,445</u>	<u>\$ 6,440,361</u>	<u>\$ 1,233,620</u>	<u>\$ -</u>	<u>\$ 9,462,426</u>
Net amount as of September 30, 2025	<u>\$ 207,567</u>	<u>\$ 1,969,180</u>	<u>\$ 2,563,164</u>	<u>\$ 341,589</u>	<u>\$ 5,227</u>	<u>\$ 5,086,727</u>
December 31, 2024	<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>
<b>Costs</b>						
Balance as of January 1, 2024	\$ 207,567	\$ 3,714,509	\$ 8,672,008	\$ 1,542,380	\$ -	\$ 14,136,464
Additions	-	14,311	109,736	57,661	9,877	191,585
Disposal	-	( 10,062 )	( 101,455 )	( 74,028 )	-	( 185,545 )
Net exchange differences	-	135,003	351,888	40,943	22	527,856
Other reclassification	-	-	30,641	24,141	-	54,782
Balance as of September 30, 2024	<u>\$ 207,567</u>	<u>\$ 3,853,761</u>	<u>\$ 9,062,818</u>	<u>\$ 1,591,097</u>	<u>\$ 9,899</u>	<u>\$ 14,725,142</u>
<b>Accumulated depreciation and impairment</b>						
Balance as of January 1, 2024	\$ -	\$ 1,608,999	\$ 5,929,681	\$ 1,229,986	\$ -	\$ 8,768,666
Depreciation expenses	-	91,550	420,288	72,599	-	584,437
Disposal	-	( 5,783 )	( 73,047 )	( 59,819 )	-	( 138,649 )
Net exchange differences	-	55,009	244,056	32,184	-	331,249
Other reclassification	-	-	( 30,958 )	1	-	( 30,957 )
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 1,749,775</u>	<u>\$ 6,490,020</u>	<u>\$ 1,274,951</u>	<u>\$ -</u>	<u>\$ 9,514,746</u>
Net amount as of September 30, 2024	<u>\$ 207,567</u>	<u>\$ 2,103,986</u>	<u>\$ 2,572,798</u>	<u>\$ 316,146</u>	<u>\$ 9,899</u>	<u>\$ 5,210,396</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.

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Land	\$ 123,358	\$ 134,593	\$ 134,373
Building	-	-	-
Transportation equipment	5,278	1,819	2,242
	<u>\$ 128,636</u>	<u>\$ 136,412</u>	<u>\$ 136,615</u>
Addition of right-of-use assets	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025
	\$ -	\$ 4	\$ 4,912
			\$ 1,151
Depreciation expense of right-of-use assets			
Land	\$ 1,009	\$ 1,090	\$ 3,139
Building	-	1,382	-
Transportation equipment	454	432	1,392
	<u>\$ 1,463</u>	<u>\$ 2,904</u>	<u>\$ 4,531</u>
			\$ 9,981

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 nine months ended September 30, 2025 and 2024.

(2) Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of lease liabilities			
Current	\$ 1,804	\$ 837	\$ 1,238
Non-current	<u>\$ 3,511</u>	<u>\$ 871</u>	<u>\$ 894</u>

The range of lease liability discount is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	-	-	-
Building	-	-	-
Transportation equipment	1.35%~2.08%	1.35%~2.00%	1.35%~2.00%

(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.

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term lease expense	<u>\$ 2,986</u>	<u>\$ 3,718</u>	<u>\$ 9,219</u>	<u>\$ 10,789</u>
Variable lease payments not included in lease liability measurement	<u>\$ 2,485</u>	<u>\$ 2,362</u>	<u>\$ 10,090</u>	<u>\$ 7,848</u>
Total cash (outflow) of leases	<u>(\$ 5,927)</u>	<u>(\$ 8,043)</u>	<u>(\$ 20,595)</u>	<u>(\$ 26,059)</u>

15. Other assets

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Prepayment for purchase	\$ 310,361	\$ 318,545	\$ 403,747
Other prepayments (Note)	346,217	476,679	391,904
Others	<u>24,794</u>	<u>25,223</u>	<u>22,633</u>
	<u>\$ 681,372</u>	<u>\$ 820,447</u>	<u>\$ 818,284</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 469,809	\$ 414,677	\$ 376,947
Refundable deposits	<u>29,003</u>	<u>30,957</u>	<u>30,284</u>
	<u>\$ 498,812</u>	<u>\$ 445,634</u>	<u>\$ 407,231</u>

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

16. Borrowings

(1) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured loans (Note 27)</u>			
– Bank borrowings	\$ 1,738,000	\$ 860,000	\$ 860,000
<u>Unsecured loans</u>			
– Credit borrowings	<u>2,431,866</u>	<u>1,890,000</u>	<u>1,640,000</u>
	<u>\$ 4,169,866</u>	<u>\$ 2,750,000</u>	<u>\$ 2,500,000</u>
<u>Interest rate collars</u>			
– Secured borrowings	1.86%~1.87%	1.86%	1.83%
– Unsecured borrowings	1.85%~5.26%	1.87%~2.10%	1.84%~2.13%

(2) Short-term notes payable

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial papers payable	\$ 600,000	\$ 480,000	\$ 630,000
Less: Discount of short-term notes and bills payable	( 1,059 )	( 944 )	( 1,295 )
	<u>\$ 598,941</u>	<u>\$ 479,056</u>	<u>\$ 628,705</u>

(3) Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured loans</u> (Note 27)			
Bank borrowings	\$ 70,455	\$ 83,395	\$ 87,709
<u>Unsecured loans</u>			
Bank borrowings	98,564	650,746	668,140
	169,019	734,141	755,849
Less: Portion due within one year	( 86,829 )	( 86,829 )	( 86,829 )
Long-term borrowings	<u>\$ 82,190</u>	<u>\$ 647,312</u>	<u>\$ 669,020</u>
Interest rate collars	1.98%	1.48%~2.08%	1.48%~2.04%

(4) Long-term notes payable

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial papers payable	\$ -	\$ -	\$ 350,000
Less: Discount of long-term notes payable	-	-	( 711 )
	-	-	349,289
Less: Portion due within one year	-	-	( 349,289 )
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

17. Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salary and bonus payables	\$ 295,937	\$ 356,563	\$ 237,028
Remuneration to employees and directors payable	104,632	130,342	106,006
Equipment payables	58,460	70,381	55,593
Freight payables	46,599	99,525	114,828
Payable tax	26,541	30,305	27,978
Vacation benefit payable	19,122	19,931	19,349
Others (Note)	223,784	271,204	267,214
	<u>\$ 775,075</u>	<u>\$ 978,251</u>	<u>\$ 827,996</u>

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

18. Retirement benefits plan

For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, pension expenses in respect of the Group's defined benefit retirement plans were NTD 290 thousand, NTD 259 thousand, NTD 869 thousand and NTD 779 thousand, respectively, calculated using the actuarially determined pension cost rate as of December 31, 2024 and 2023.

19. Equity

(1) Share capital

Common shares

	September 30, 2025	December 31, 2024	September 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 surplus

	September 30, 2025	December 31, 2024	September 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	164	164	164
	<u>\$ 1,367,666</u>	<u>\$ 1,367,729</u>	<u>\$ 1,367,729</u>

- (1) Such capital surplus 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 surplus 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 legal reserve, and then appropriate or reverse a special reserve according to the laws or regulations of the competent authority. Regarding the special 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 unappropriated retained 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 unappropriated retained 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 reserve

A special 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 reserve shall be appropriated for the difference between the net deduction of other shareholders' equity and the special 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 September 30, 2025 and 2024, the special 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 September 30, 2025	January 1 to September 30, 2024
Balance, beginning	(\$ 506,385)	(\$ 1,025,598)
Incurred during the current period		
Exchange differences on translation of foreign operations	( 871,094)	490,717
Relating income tax	174,219	( 98,144)
Balance, ending	(\$ 1,203,260)	(\$ 633,025)

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

	January 1 to September 30, 2025	January 1 to September 30, 2024
Balance, beginning	(\$ 50,000)	(\$ 71,810)
Incurred during the current period		
Unrealized gains or losses – equity instruments	-	( 8,156)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	29,966
Balance, ending	<u>(\$ 50,000)</u>	<u>(\$ 50,000)</u>

(6) Non-controlling interests

	January 1 to September 30, 2025	January 1 to September 30, 2024
Balance, beginning	\$ 948,719	\$ 1,162,197
Net income for the period	67,696	41,686
Other comprehensive income of the period		
Exchange differences on translation of foreign operations	( 58,960)	55,348
Relating income tax	661	( 4,416)
Cash dividend to the subsidiary's shareholders	( 18,125)	( 14,752)
Acquisition of non-controlling interests in subsidiaries (Note 24)	-	( 324,654)
Balance, ending	<u>\$ 939,991</u>	<u>\$ 915,409</u>

(7) Treasury shares

Cause	Transfer of shares to employees (thousand shares)
Number of shares on January 1 and September 30, 2024	<u>4,920</u>
Number of shares on January 1, 2025	4,920
Increase	5,000
Decrease	( 20)
Number of shares on September 30, 2025	<u>9,900</u>

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 income

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Bank deposits	<u>\$ 27,920</u>	<u>\$ 33,617</u>	<u>\$ 93,604</u>	<u>\$ 94,191</u>

(2) Other income

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Rent revenue	<u>\$ 5,454</u>	<u>\$ 5,945</u>	<u>\$ 14,392</u>	<u>\$ 17,437</u>
Others (Note 23)	<u>66,207</u>	<u>10,362</u>	<u>93,443</u>	<u>45,248</u>
	<u><u>\$ 71,661</u></u>	<u><u>\$ 16,307</u></u>	<u><u>\$ 107,835</u></u>	<u><u>\$ 62,685</u></u>

(3) Other gains and losses

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Profit or loss on financial assets mandatorily measured at fair value through profit or loss	\$ 22,944	\$ 18,146	\$ 64,858	\$ 53,362
Net foreign exchange gain (loss)	24,747	( 27,656 )	( 54,093 )	44,306
Gains (losses) on disposal of property, plant and equipment and right-of-use assets	1,759	( 6,425 )	( 4,249 )	( 22,700 )
Gains on lease modification	-	904	-	904
Others	( 3,788 )	( 3,432 )	( 12,487 )	( 5,856 )
	<u><u>\$ 45,662</u></u>	<u><u>( \$ 18,463 )</u></u>	<u><u>( \$ 5,971 )</u></u>	<u><u>\$ 70,016</u></u>

The components of financial assets at FVTPL are as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Interest income from wealth management products	\$ 22,461	\$ 18,965	\$ 66,199	\$ 54,503
Net gains and losses on changes in the fair value of stocks and fund beneficiary certificates	483	( 819 )	( 1,341 )	( 1,141 )
	<u><u>\$ 22,944</u></u>	<u><u>( \$ 18,146 )</u></u>	<u><u>( \$ 64,858 )</u></u>	<u><u>( \$ 53,362 )</u></u>

(4) Finance costs

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Interest from bank borrowings	\$ 32,106	\$ 22,938	\$ 78,111	\$ 61,149
Other interest expenses	313	-	16,691	-
Interest on lease liabilities	28	42	43	185
Other finance costs	2,644	1,240	3,609	4,661
	<u><u>\$ 35,091</u></u>	<u><u>\$ 24,220</u></u>	<u><u>\$ 98,454</u></u>	<u><u>\$ 65,995</u></u>

(5) Depreciation and amortization

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Consolidation of depreciation expenses based on functions				
Operating costs	\$ 159,983	\$ 160,776	\$ 485,593	\$ 481,726
Operating expenses	<u>35,921</u>	<u>37,714</u>	<u>109,480</u>	<u>112,692</u>
	<u><u>\$ 195,904</u></u>	<u><u>\$ 198,490</u></u>	<u><u>\$ 595,073</u></u>	<u><u>\$ 594,418</u></u>
Consolidation of amortization expenses based on functions				
Operating costs	\$ 90	\$ 24	\$ 219	\$ 86
Operating expenses	<u>6,205</u>	<u>3,771</u>	<u>18,075</u>	<u>10,477</u>
	<u><u>\$ 6,295</u></u>	<u><u>\$ 3,795</u></u>	<u><u>\$ 18,294</u></u>	<u><u>\$ 10,563</u></u>

(6) Employee benefits expenses

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Retirement benefits				
Defined contribution pension plan	\$ 2,926	\$ 2,847	\$ 9,059	\$ 8,466
Defined benefit plan (Note 18)	<u>290</u>	<u>259</u>	<u>869</u>	<u>779</u>
	<u><u>3,216</u></u>	<u><u>3,106</u></u>	<u><u>9,928</u></u>	<u><u>9,245</u></u>
Other employee benefits	<u>476,453</u>	<u>536,676</u>	<u>1,708,828</u>	<u>1,746,888</u>
Total employee benefits expenses	<u><u>\$ 479,669</u></u>	<u><u>\$ 539,782</u></u>	<u><u>\$ 1,718,756</u></u>	<u><u>\$ 1,756,133</u></u>
Consolidation based on functions				
Operating costs	\$ 283,658	\$ 352,160	\$ 1,046,946	\$ 1,116,941
Operating expenses	<u>196,011</u>	<u>187,622</u>	<u>671,810</u>	<u>639,192</u>
	<u><u>\$ 479,669</u></u>	<u><u>\$ 539,782</u></u>	<u><u>\$ 1,718,756</u></u>	<u><u>\$ 1,756,133</u></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 nine months ended September 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 September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 is recognized as follows:

Amount

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Remuneration to employees	<u>\$ 10,832</u>	<u>\$ 9,966</u>	<u>\$ 51,916</u>	<u>\$ 48,777</u>
Remuneration of Directors	<u>\$ 3,125</u>	<u>\$ 2,874</u>	<u>\$ 14,976</u>	<u>\$ 14,070</u>

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	Cash
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)

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Total foreign exchange gains	\$ 56,063	\$ 39,594	\$ 342,145	\$ 167,201
Total foreign exchange loss	( <u>31,316</u> )	( <u>67,250</u> )	( <u>396,238</u> )	( <u>122,895</u> )
Net gains (losses)	<u>\$ 24,747</u>	<u>( \$ 27,656 )</u>	<u>( \$ 54,093 )</u>	<u>\$ 44,306</u>

## 21. Continuing department income tax

### (1) Income tax recognized in income or loss

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

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Income tax expenses in the current period				
Incurred in the current period	\$ 60,401	\$ 88,225	\$ 545,568	\$ 545,780
Additional levy on unappropriated retained earnings	-	-	35,379	520
Prior year adjustment	( 41,516 ) <u>18,885</u>	( 37,816 ) <u>50,409</u>	( 322,547 ) <u>258,400</u>	( 209,776 ) <u>336,524</u>
Deferred tax				
Incurred in the current period	38,676	( 13,698 )	( 78,886 )	( 105,166 )
Prior year adjustment	( 3,148 ) <u>35,528</u>	( 682 ) <u>( 14,380 )</u>	<u>173,095</u> <u>94,209</u>	<u>100,175</u> <u>( 4,991 )</u>
Income tax expense recognized in the profit or loss	<u>\$ 54,413</u>	<u>\$ 36,029</u>	<u>\$ 352,609</u>	<u>\$ 331,533</u>

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

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Deferred tax				
Incurred during the current period				
– Translation of foreign operations	\$ 122,817	( \$ 25,453 )	( \$ 174,880 )	\$ 102,560

### (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

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Basic earnings per share	\$ 0.31	\$ 0.30	\$ 1.50	\$ 1.45
Diluted earnings per share	\$ 0.31	\$ 0.30	\$ 1.49	\$ 1.44

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

Net income for the period

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
The net income applied to calculate basic earnings per share	<u>\$ 155,823</u>	<u>\$ 148,330</u>	<u>\$ 742,796</u>	<u>\$ 723,752</u>

Number of shares

	Unit: shares in thousands			
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Weighted average common stock shares used to calculate basic earnings per share	494,995	499,995	495,577	499,995
Effect of dilutive potential common stock:				
Remuneration to employees	<u>2,119</u>	<u>1,891</u>	<u>2,733</u>	<u>2,424</u>
Weighted average common stock shares used to calculate diluted earnings per share	<u>497,114</u>	<u>501,886</u>	<u>498,310</u>	<u>502,419</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 Group recognizes government grants as current income or defers them as a reduction to assets, depending on the nature of the grant.

(1) The amounts recognized in current profit or loss are as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Other income	<u>\$ 55,574</u>	<u>\$ 3,163</u>	<u>\$ 68,488</u>	<u>\$ 27,674</u>

(2) In addition, for the subsidized items that are transferred to profit or loss within the useful lives of the assets, as of September 30, 2025 and 2024, the amount of NTD 492,692 thousand and NTD 548,660 thousand had been obtained, respectively. The amount of reduction of depreciation expenses is as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Reduction of depreciation expenses	<u>\$ 8,823</u>	<u>\$ 8,886</u>	<u>\$ 26,059</u>	<u>\$ 26,471</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 September 30, 2024
Consideration of cash paid	(\$ 312,249)
The carrying amount of the net assets of the subsidiary is calculated for the amount to be transferred from non-controlling interests based on the relative changes in equity.	<u>324,654</u>
Equity transaction balance	<u><u>\$ 12,405</u></u>
 <u>Adjustment of equity transaction balance</u>	
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	<u><u>\$ 12,405</u></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

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit and loss</u>				
Beneficiary certificates of fund	\$ -	\$ -	\$ 15,337	\$ 15,337
Wealth management products	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,861,308</u></u>	<u><u>\$ 1,861,308</u></u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,876,645</u></u>	<u><u>\$ 1,876,645</u></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	<u>\$ 4,135</u>	<u>\$ -</u>	<u>1,805,772</u>	<u>1,805,772</u>
			<u>\$ 1,822,651</u>	<u>\$ 1,826,786</u>

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit and loss</u>				
Listed stocks – overseas	\$ 4,223	\$ -	\$ -	\$ 4,223
Beneficiary certificates of fund	-	-	18,998	18,998
Wealth management products	<u>\$ 4,223</u>	<u>\$ -</u>	<u>1,909,374</u>	<u>1,909,374</u>
			<u>\$ 1,928,372</u>	<u>\$ 1,932,595</u>

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

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

Financial assets	Financial instruments measured at fair value through profit or loss		Financial instruments at fair value through other comprehensive income	
	January 1 to September 30, 2025	January 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Balance, beginning	\$ 1,822,651	\$ 1,339,285	\$ -	\$ 8,190
Recognized in profit and loss (Other gains and losses)				
- Realized	64,657	53,507	-	-
Recognized in the other comprehensive income of loss	-	-	-	( 8,156)
Disposal/Purchase	101,453	479,158	-	( 34)
Foreign currency translation differences	( 112,116)	56,422	-	-
Balance, ending	<u>\$ 1,876,645</u>	<u>\$ 1,928,372</u>	<u>\$ -</u>	<u>\$ -</u>

3. 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 determines 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

	September 30, 2025	December 31, 2024	September 30, 2024
<b><u>Financial assets</u></b>			
Measured at fair values			
through profit and loss			
Mandatorily			
measured at			
FVTPL	\$ 1,876,645	\$ 1,826,786	\$ 1,932,595
Financial assets at			
amortized cost (Note 1)	15,749,904	17,281,019	16,564,502
<b><u>Financial liabilities</u></b>			
At amortized cost (Note 2)	12,571,503	14,472,928	\$ 13,693,043

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 32.62% 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 1.68% 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 September 30, 2025	January 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
	Profit or loss	\$ 12,759	\$ 31,695	(\$ 17,781)

(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:

	September 30, 2025	December 31, 2024	September 30, 2024
With fair value interest rate risk			
– Financial assets	\$ 4,618,043	\$ 5,851,546	\$ 5,076,639
– Financial liabilities	4,774,122	3,230,764	3,130,837
Contain cash flow interest rate risk			
– Financial assets	2,773,400	3,801,468	2,528,935
– Financial liabilities	169,019	734,141	1,105,138

#### 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 nine months ended September 30, 2025 and 2024 would have increased by NTD 19,533 thousand and NTD 10,678 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 nine months ended September 30, 2025 and 2024 would have increased/decreased by NTD 0 thousand and NTD 42 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 nine months ended September 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 September 30, 2025, December 31, 2024 and September 30, 2024, the percentage of the total accounts receivable from the aforementioned customers was 45%, 45% and 46%.

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 September 30, 2025, December 31, 2024 and September 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.

September 30, 2025

	Payment on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
No interest-bearing liabilities	\$ 1,528,415	\$ 3,356,809	\$ 2,727,551	\$ 20,902	\$ -
Lease liabilities	157	313	1,411	3,584	-
Instruments with floating interest rates	7,400	14,778	66,149	83,283	-
Instruments with fixed interest rates	<u>857,747</u>	<u>2,964,898</u>	<u>969,819</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,393,719</u>	<u>\$ 6,336,798</u>	<u>\$ 3,764,930</u>	<u>\$ 107,769</u>	<u>\$ -</u>

December 31, 2024

	Payment on demand or less than 1 month	1 to 3 months	3 months to 1 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>

September 30, 2024

	Payment on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
No interest-bearing liabilities	\$ 1,965,885	\$ 3,997,713	\$ 3,473,901	\$ 21,701	\$ -
Lease liabilities	147	295	898	815	136
Instruments with floating interest rates	8,263	16,574	424,447	688,907	1,438
Instruments with fixed interest rates	<u>2,333,130</u>	<u>300,000</u>	<u>502,563</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,307,425</u>	<u>\$ 4,314,582</u>	<u>\$ 4,401,809</u>	<u>\$ 711,423</u>	<u>\$ 1,574</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

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank loan			
– The loan quota used	\$ 1,808,455	\$ 943,395	\$ 947,709
– The loan quota not yet used	<u>304,215</u>	<u>1,145,930</u>	<u>1,139,120</u>
	<u>2,112,670</u>	<u>2,089,325</u>	<u>2,086,829</u>
Unsecured bank loan amount			
– The loan quota used	3,129,371	3,019,802	3,286,134
– The loan quota not yet used	<u>4,226,399</u>	<u>6,078,644</u>	<u>6,280,800</u>
	<u>7,355,770</u>	<u>9,098,446</u>	<u>9,566,934</u>
	<u>\$ 9,468,440</u>	<u>\$ 11,187,771</u>	<u>\$ 11,653,763</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:

September 30, 2025

Counterparties	Amount factored	Reclassified to other receivables	Amount available	Amount drawn down	The annual interest rate of prepaid amount (%)
DBS Bank Limited	<u>\$ 204,000</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 204,000</u>	3.01%~4.14%

December 31, 2024

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

September 30, 2024

Counterparties	Amount factored	Reclassified to other receivables	Amount available	Amount drawn down	The annual interest rate of prepaid amount (%)
DBS Bank Limited	<u>\$ 252,916</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 252,916</u>	4.51%~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 nine months ended September 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 1,259,369 thousand and NTD 887,082 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 nine months ended September 30, 2025 and 2024, the Group recognized finance costs of NTD 854 thousand and NTD 54 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)
Richtek Technology Corporation	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 in book	Type and Name of related party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Sales revenue	Investor with significant influence	\$ 2,396	\$ 498	\$ 3,590	\$ 3,010

### (3) Purchase

Type and Name of related party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Affiliated enterprises	\$ 3,996	\$ 2,189	\$ 20,332	\$ 24,993

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 book	Type and Name of related party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable – related parties	Investor with significant influence	\$ 2,495	\$ 1,697	\$ 1,620
Other receivables	Affiliated enterprises	\$ 693	\$ 779	\$ 658

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 nine months ended September 30, 2025 and 2024.

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

Account titles in book	Type and Name of related party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable – related parties	Affiliated enterprises	\$ 3,929	\$ 516	\$ 5,482
Other payables	Investor with significant influence	\$ -	\$ 830	\$ 831

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

(6) Other related party transactions

Account titles in book	Type and Name of related party	September 30, 2025	December 31, 2024	September 30, 2024
Other current liabilities	Qingdao China Steel Precision Metal Co., Ltd.	\$ 443	\$ 36,668	\$ 37,268

(7) Lease agreement

Type and Name of related party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<u>Rent expense</u>				
Investor with significant influence	\$ 2,468	\$ 2,593	\$ 7,416	\$ 7,742

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:

	September 30, 2025	December 31, 2024	September 30, 2024
The total amount of lease payments to be paid in the future	\$ 2,403	\$ 9,816	\$ 2,526

(8) Remuneration to the management

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term employee benefits	\$ 20,895	\$ 19,298	\$ 64,681	\$ 56,074
Retirement benefits	183	242	545	560
	<u>\$ 21,078</u>	<u>\$ 19,540</u>	<u>\$ 65,226</u>	<u>\$ 56,634</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:

	September 30, 2025	December 31, 2024	September 30, 2024
Proprietary land	\$ 207,567	\$ 207,567	\$ 207,567
Building	172,664	179,766	182,200
Machinery and equipment	106,515	115,625	118,896
Other equipment	2,048	2,538	2,718
Financial assets at amortized cost	<u>3,145,891</u>	<u>3,359,365</u>	<u>3,599,133</u>
	<u>\$ 3,634,685</u>	<u>\$ 3,864,861</u>	<u>\$ 4,110,514</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:

	September 30, 2025	December 31, 2024	September 30, 2024
JPY	\$ -	\$ 138,000	\$ -

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

	September 30, 2025	December 31, 2024	September 30, 2024
Purchase of property, plant, and equipment			
RMB	\$ 93,774	\$ 65,415	\$ 87,771
JPY	62,000	70,020	65,900
NTD	-	647	7,224
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 September 30, 2025, December 31, 2024 and September 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 September 30, 2025, December 31, 2024 and September 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:

September 30, 2025

Foreign currency assets	Foreign currency	Exchange rate	Book value
<u>Monetary items</u>			
USD	\$ 71,782	30.445 (USD : NTD)	\$ 2,185,398
USD	5,703	7.1055 (USD : RMB)	173,620
RMB	74,370	4.2847 (RMB : NTD)	318,654
RMB	16,995	0.1407 (RMB : USD)	72,820
EUR	2,393	35.77 (EUR : NTD)	85,602
<u>Non-Currency</u>			
Affiliated company under the equity method			
RMB	35,704	0.1407 (RMB : USD)	152,979
EGP	73,054	0.0209 (EGP : USD)	46,448
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	29,016	30.445 (USD : NTD)	883,393
USD	23,816	7.1055 (USD : RMB)	725,092
RMB	335,477	4.2847 (RMB : NTD)	1,437,422
JPY	509	0.048 (JPY : RMB)	105
EUR	273	35.77 (EUR : NTD)	9,778

December 31, 2024

Foreign currency assets	Foreign currency	Exchange rate	Book value
<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 under the equity method			
RMB	37,213	0.1391 (RMB : USD)	169,724
<u>Foreign currency 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

September 30, 2024

Foreign currency assets	Foreign currency	Exchange rate	Book value
<u>Monetary items</u>			
USD	\$ 79,100	31.65 (USD : NTD)	\$ 2,503,503
USD	14,725	7.0074 (USD : RMB)	466,047
RMB	173,728	4.5166 (RMB : NTD)	784,667
RMB	1,423	0.1427 (RMB : USD)	6,427
JPY	23,455	0.223 (JPY : NTD)	5,230
EUR	2,570	35.38 (EUR : NTD)	90,936
<u>Non-Currency</u>			
Affiliated company under the equity method			
RMB	37,412	0.1427 (RMB : USD)	168,978

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Foreign currency liabilities	Foreign currency	Exchange rate	Book value
<u>Monetary items</u>			
USD	\$ 10,972	31.65 (USD : NTD)	\$ 347,250
USD	23,945	7.0074 (USD : RMB)	757,866
RMB	558,759	4.5166 (RMB : NTD)	2,523,718
JPY	509	0.0494 (JPY : RMB)	114
EUR	295	35.38 (EUR : NTD)	10,450

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:

Functional currency	July 1 to September 30, 2025		July 1 to September 30, 2024	
	Functional currency exchanges for presentation currency	Net exchange losses (gains)	Functional currency exchanges for presentation currency	Net exchange losses (gains)
USD	29.948 (USD : NTD)	\$ 43	32.300 (USD : NTD)	\$ 112
NTD	1 (NTD : NTD)	20,311	1 (NTD : NTD)	( 36,229 )
RMB	4.202 (RMB : NTD)	4,393	4.540 (RMB : NTD)	8,461
		\$ 24,747		( \$ 27,656 )

Functional currency	January 1 to September 30, 2025		January 1 to September 30, 2024	
	Functional currency exchanges for presentation currency	Net exchange losses (gains)	Functional currency exchanges for presentation currency	Net exchange losses (gains)
USD	31.222 (USD : NTD)	\$ 73	32.034 (USD : NTD)	\$ 1,058
NTD	1 (NTD : NTD)	( 62,891 )	1 (NTD : NTD)	38,015
RMB	4.357 (RMB : NTD)	8,725	4.506 (RMB : NTD)	5,233
		( \$ 54,093 )		\$ 44,306

### 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 business unit	Others	Total
<b>January 1 to September 30, 2025</b>			
Revenues from external			
customers	\$ 15,044,583	\$ 879,449	\$ 15,924,032
Inter-segment income	<u>15,159,246</u>	<u>642,762</u>	<u>15,802,008</u>
Department income	<u>\$ 30,203,829</u>	<u>\$ 1,522,211</u>	<u>31,726,040</u>
Elimination of intersegment			( <u>15,802,008</u> )
Consolidated revenue			<u>15,924,032</u>
Segment profit/loss	<u>\$ 1,258,857</u>	<u>\$ 16,939</u>	1,275,796
Headquarters' administration			
costs & directors'			
remuneration			( 203,783)
Interest income			93,604
Other income			107,835
Other gains and losses			( 5,971)
Finance costs			( 98,454)
Share of profit of associates			
accounted for using equity			
method			( 5,926)
Income before tax from			
continuing operations			<u>\$ 1,163,101</u>
<b>January 1 to September 30, 2024</b>			
Revenues from external			
customers	\$ 15,241,273	\$ 831,536	\$ 16,072,809
Inter-segment income	<u>17,960,069</u>	<u>750,703</u>	<u>18,710,772</u>
Department income	<u>\$ 33,201,342</u>	<u>\$ 1,582,239</u>	<u>34,783,581</u>
Elimination of intersegment			( <u>18,710,772</u> )
Consolidated revenue			<u>16,072,809</u>
Segment profit/loss	<u>\$ 1,146,653</u>	<u>(\$ 28,618)</u>	1,118,035
Headquarters' administration			
costs & directors'			
remuneration			( 177,392)
Interest income			94,191
Other income			62,685
Other gains and losses			70,016
Finance costs			( 65,995)
Share of profit of associates			
accounted for using equity			
method			( 4,569)
Income before tax from			
continuing operations			<u>\$ 1,096,971</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 finance 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 Nine Months Ended September 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 214,235 (RMB 50,000)	NTD - (RMB -)	NTD - (RMB -)	-	2	\$ -	Working capital	\$ -	-	-	NTD 984,060	NTD 1,968,120	
0	RECHI PRECISION CO., LTD.	Dyna Rechi Jiujiang Co., Ltd.	Other receivables	Yes	NTD 214,235 (RMB 50,000)	NTD 214,235 (RMB 50,000)	NTD 214,235 (RMB 50,000)	2.12%	2	-	Working capital	-	-	-	NTD 984,060	NTD 1,968,120	
1	Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Other receivables	Yes	NTD 715,458 (USD 23,500)	NTD 715,458 (USD 23,500)	NTD 715,458 (USD 23,500)	-	2	-	Working capital	-	-	-	NTD 12,963,353	NTD 12,963,353	
2	Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Other receivables	Yes	NTD 171,388 (RMB 40,000)	NTD 171,388 (RMB 40,000)	NTD 171,388 (RMB 40,000)	2.80%	2	-	Working capital	-	-	-	NTD 1,291,510	NTD 1,291,510	

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 Nine Months Ended September 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 9,840,602	NTD 91,335 (USD 3,000)	NTD 91,335 (USD 3,000)	NTD -	\$ -	1%	NTD 14,760,903	Y	N	N	
1	Dyna Rechi Co., Ltd.	Ablek Technology Co., Ltd.	Note 1	NTD 559,104	NTD 15,000	NTD -	NTD -	-	-	NTD 559,104	N	N	N	
2	Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Note 3	NTD 3,228,776 (RMB 753,558)	NTD 197,097 (RMB 46,000)	NTD -	NTD -	-	-	NTD 4,843,163 (RMB 1,130,337)	N	N	Y	
2	Rechi Precision (Jiujiang) Electric Machinery Limited	Rechi Refrigeration Dongguan Co., Ltd.	Note 2	NTD 3,228,776 (RMB 753,558)	NTD 214,235 (RMB 50,000)	NTD 214,235 (RMB 50,000)	NTD 56,961 (RMB 13,294)	-	7%	NTD 4,843,163 (RMB 1,130,337)	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 9,840,602 (net worth)  $\times$  100% = NTD 9,840,602.(2) The upper limit of the Company's endorsements/guarantees provided is NTD 9,840,602 (net worth)  $\times$  150% = NTD 14,760,903.(3) The upper limit of the Dyna Rechi Co., Ltd.'s endorsement/guarantee provided to each entity is NTD 1,118,208 (net worth)  $\times$  50% = NTD 559,104.(4) The upper limit of the Dyna Rechi Co., Ltd.'s endorsements/guarantees provided is NTD 1,118,208 (net worth)  $\times$  50% = NTD 559,104.(5) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited's endorsement/guarantee provided to each entity is RMB 753,558 (net worth)  $\times$  100% = RMB 753,558.(6) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited's endorsements/guarantees provided is RMB 753,558 (net worth)  $\times$  150% = RMB 1,130,337.

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

September 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	\$ 15,337	-	\$ 15,337	Note 2
Rechi Refrigeration Co., Ltd.	BOC Wealth Management – Enjoy Everyday	None	Financial asset at fair value through profit or loss- current	-	34,711	-	34,711	Note 1
	BOC Wealth Management – Enjoy Everyday No. 10	None	Financial asset at fair value through profit or loss- current	-	25,964	-	25,964	Note 1
	BOC Wealth Management – Enjoy Everyday No. 4	None	Financial asset at fair value through profit or loss- current	-	21,639	-	21,639	Note 1
Dongguan Rechi Compressor Co., Ltd.	BOC Wealth Management – Enjoy Everyday	None	Financial asset at fair value through profit or loss- current	-	11,467	-	11,467	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	-	53,086	-	53,086	Note 1
Qingdao Rechi Electric Machinery Sales Company	The National Trust Ltd.'s Jia Long No. 106 - Term Chun Wei	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Chou	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Yin	None	Financial asset at fair value through profit or loss- current	-	85,695	-	85,695	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Mao	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Chen	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Si	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Wu	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Wei	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	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 Ltd.'s Jia Long No. 106 - Term Xia Shen	None	Financial asset at fair value through profit or loss- current	-	\$ 42,847	-	\$ 42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Yu	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Hsu	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Xia Hai	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Zi	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Chou	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Yin	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Mao	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Chen	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Si	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Wu	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Wei	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Shen	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	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	-	42,847	-	42,847	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	-	42,847	-	42,847	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	-	85,695	-	85,695	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	-	42,847	-	42,847	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	-	42,847	-	42,847	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 (Jiujiang) Electric Machinery Limited	The National Trust Financial Management Jia Long No. 107 - Term Xia Chou	None	Financial asset at fair value through profit or loss- current	-	\$ 42,847	-	\$ 42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Yin	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Mao	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Chen	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Si	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Wu	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Wei	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Shen	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	The National Trust Financial Management Jia Long No. 107 - Term Xia Yu	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	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	-	42,847	-	42,847	Note 1
Ablek Technology Ltd.	Bank of Jiujiang Jiu Ying Wealth Management Xinxiang Growth Pure Bond Quarterly Regular Open-end No. 8	None	Financial asset at fair value through profit or loss- current	-	42,847	-	42,847	Note 1
	Guanlibao Day-to-Day Wealth Management Product	None	Financial asset at fair value through profit or loss- current	-	43,406	-	43,406	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 Nine Months Ended September 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	\$ 834,104	17%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	\$ 177,920	13%	Note
	Rechi Precision (Qingdao) Electric Machinery Limited	Subsidiary of Rechi Investments Holdings Co., Ltd.	Purchase	2,076,946	43%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	698,207	50%	Note
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Purchase	906,572	19%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	292,946	21%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	418,546	9%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	160,493	12%	Note
	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Subsidiary of Rechi Holdings Co., Ltd.	Sale	714,893	55%	O/A with net 60 days via T/T	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable Notes receivable	179,768 24,477	45% 22%	Note Note
	Rechi Precision (Qingdao) Electric Machinery Limited	Subsidiary of Rechi Investments Holdings Co., Ltd.	Sale	106,376	8%	O/A with net 60 days via T/T	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	35,195	9%	Note
Rechi Refrigeration Dongguan Co., Ltd.	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	418,546	32%	60–90 days from reimbursement	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	160,493	41%	Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	834,104	20%	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	177,920	16%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	714,893	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 Notes payable	179,768 24,477	27% 1%	Note Note
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Sale	3,358,444	79%	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 Notes receivable	879,733 574,843	80% 35%	Note Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	2,076,946	44%	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	698,207	45%	Note
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Sale	2,573,743	55%	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 Notes receivable	836,817 617,574	54% 47%	Note Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	106,376	3%	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 payable	35,195	5%	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) (%)	
Qingdao Rechi Electric Machinery Sales Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Purchase	\$ 3,358,444	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 Notes payable	\$ 879,733 574,843	38% 22%	Note
	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	Purchase	2,573,743	30%	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 Notes payable	836,817 617,574	37% 23%	Note
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Purchase	2,518,888	30%	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 Notes payable	572,468 691,350	25% 26%	Note
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	2,518,888	62%	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 Notes receivable	572,468 691,350	62% 30%	Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	906,572	22%	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	292,946	32%	Note
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Purchase	1,363,240	38%	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 Notes payable	570,773 10,139	67% 1%	Note
Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Sale	1,363,240	65%	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 Notes receivable	570,773 10,139	73% 31%	Note
	Dyna Rechi Co., Ltd.	The parent company	Sale	342,351	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	101,417	13%	Note
	Ablek Technology Co., Ltd.	Subsidiaries of Dyna Rechi Co., Ltd.	Sale	300,377	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	85,538	11%	Note
Dyna Rechi Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Sub-subsidiary	Purchase	342,351	98%	60-90 days from reimbursement	No significant difference	O/A with net 30-120 days	Accounts payable	101,417	99%	Note
Ablek Technology Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Purchase	300,377	100%	O/A with net 60 days via T/T	No significant difference	O/A with net 30-120 days	Accounts payable	85,538	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  
 September 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) \$ 218,386	-	\$ -	-	-	\$ -
Rechi Holdings Co., Ltd	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary	Other receivables (Note 3) 715,458	-	-	-	-	-
Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Subsidiary of Rechi Holdings Co., Ltd.	Accounts receivable 179,768	4.59	-	-	\$ 43,105	-
	RECHI PRECISION CO., LTD.	Ultimate parent company	Notes receivable 24,477	4.59	-	-	24,477	-
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 160,493	3.42	-	-	37,044	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 177,920	6.15	-	-	86,273	-
	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Accounts receivable 34,836	0.08	-	-	8,367	-
	RECHI PRECISION CO., LTD.	Ultimate parent company	Notes receivable 1,411,426	0.08	-	-	-	-
Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 698,207	3.90	-	-	198,421	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 836,817	2.32	-	-	307,721	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Rechi Precision (Qingdao) Electric Machinery Limited	Notes receivable 617,574	2.32	-	-	177,359	-
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 \$572,468	2.61	-	-	220,730	-
			Notes receivable 691,350	2.61	-	-	281,638	-

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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		
Dyna Rechi Jiujiang Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Other receivables (Note 2) 173,157	-	\$ -	-	\$ 186	\$ -
	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 292,946	4.06	-	-	113,638	-
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Accounts receivable 570,773	3.08	-	-	71,340	-
	Dyna Rechi Co., Ltd.	The parent company	Notes receivable 10,139 Accounts receivable 101,417	3.08 4.43	- -	- -	- 43,471	- -

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.

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

Table 6

Unit: NTD thousand

No. (Note 1)	Trader's name	Counterparty	Affiliation to trader (Note 2)	Transactions			Percentage in consolidated total revenue or total assets (Note 3)
				Title	Amount	Terms and conditions	
1	Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Other receivables	\$ 715,458	No significant difference	3%
2	Rechi Refrigeration Dongguan Co., Ltd.	The parent company	2	Sale	418,546	No significant difference	3%
2	Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Sale	714,893	No significant difference	4%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	2	Sale	834,104	No significant difference	5%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	3,358,444	No significant difference	21%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	879,733	No significant difference	3%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	574,843	No significant difference	2%
4	Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Notes receivable	1,411,426	No significant difference	5%
5	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	2	Sale	2,076,946	No significant difference	13%
5	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	2	Accounts receivable	698,207	No significant difference	3%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	2,573,743	No significant difference	16%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	836,817	No significant difference	3%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	617,574	No significant difference	2%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	The parent company	2	Sale	906,572	No significant difference	6%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	The parent company	2	Accounts receivable	292,946	No significant difference	1%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	2,518,888	No significant difference	16%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	572,468	No significant difference	2%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	691,350	No significant difference	3%
7	Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Sale	1,363,240	No significant difference	9%
7	Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Accounts receivable	570,773	No significant difference	2%
7	Dyna Rechi Jiujiang Co., Ltd.	Ablek Technology Co., Ltd.	3	Sale	300,377	No significant difference	2%
7	Dyna Rechi Jiujiang Co., Ltd.	Dyna Rechi Co., Ltd.	3	Sale	342,351	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 Nine Months Ended September 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	End of last year	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	\$ 12,857,970	\$ 987,305	\$ 1,065,692	Subsidiary
	Rechi Investments Co., Ltd.	Taiwan	Investment business	150,000	150,000	15,000	100	108,393	( 297 )	( 297 )	Subsidiary
Rechi Holdings Co., Ltd.	Dyna Rechi Co., Ltd.	Taiwan	BLDC Motor	1,003,691	1,003,691	99,205	94.42	1,055,772	45,414	42,878	Subsidiary
	Rechi International Holdings Co., Ltd.	British Virgin Islands	Investment business	USD 27,226	USD 26,548	-	100	US\$ 37,563	US\$ 2,195	Not applicable.	Sub-subsidiary
Rechi International Holdings Co., Ltd.	Rechi Investments Holdings Co., Ltd.	British Virgin Islands	Investment business	USD 90,000	USD 90,000	-	100	US\$ 148,750	US\$ 11,168	Not applicable.	Sub-subsidiary
	GR Holdings (Hong Kong) Limited	Hong Kong	Investment business	USD 25,701	USD 25,701	-	100	US\$ 35,918	US\$ 2,192	Not applicable.	Third-tier subsidiaries.
Dyna Rechi Co., Ltd.	COMPRA FOR TRADE AND MANUFACTURING S.A.E	Egypt	Rotary refrigerant compressors	USD 1,458	USD 780	-	30	US\$ 1,526	US\$ 70	Not applicable.	Affiliated enterprises
	Dyna Rechi Holdings Co., Ltd.	Samoa	Investment business	784,303	784,303	-	100	872,620	45,533	Not applicable.	Sub-subsidiary
Ablek Technology Co., Ltd.	Ablek Technology Co., Ltd.	Taiwan	Sales business	90,746	90,746	7,004	100	93,225	10,359	Not applicable.	Sub-subsidiary
	Ablek Technology Ltd.	Samoa	Investment business	90,919	90,919	-	100	77,490	( 2,657 )	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 Nine Months Ended September 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 229,921 (USD 7,552)	Note 2	NTD 769,984 (USD 25,291)	\$ -	\$ -	NTD 769,984 (USD 25,291)	\$ 67,503	100.00	\$ 67,503	NTD 1,057,394 USD 34,731	NTD 543,748 (USD 17,860)	
Dongguan Rechi Compressor Co., Ltd.	Rotary refrigerant compressors	NTD 15,953 (USD 524)	Note 1	NTD 318,120 (USD 10,449) (Note 12)	-	-	NTD 318,120 (USD 10,449) (Note 12)	( 404 )	100.00	( 404 )	NTD 96,020 USD 3,154	NTD 46,581 (USD 1,530)	
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Rotary refrigerant compressors	NTD 2,184,185 (USD 71,742)	Note 1	NTD 1,009,678 (USD 33,164)	-	-	NTD 1,009,678 (USD 33,164)	293,087	77.78	227,957	NTD 2,698,944 USD 88,650	NTD 2,199,195 (USD 72,235)	
Rechi Precision (Huizhou) Mechanism Company	Rotary refrigerant compressor components	NTD 1,441,540 (USD 47,349)	Note 1	NTD 91,335 (USD 3,000)	-	-	NTD 91,335 (USD 3,000)	420	77.78	326	NTD 1,159,494 USD 38,085	NTD 177,373 (USD 5,826)	
Rechi Precision (Qingdao) Electric Machinery Limited	Rotary refrigerant compressor components	NTD 2,740,050 (USD 90,000)	Note 2	NTD 852,460 (USD 28,000) (Note 7)	-	-	NTD 852,460 (USD 28,000) (Note 7)	348,710	100.00	348,710	NTD 4,533,089 USD 148,894	NTD 4,013,138 (USD 131,816)	
Qingdao Rechi Electric Machinery Sales Company	Sales business	NTD 29,993 (RMB 7,000)	Note 9	NTD - (RMB -)	-	-	NTD - (RMB -)	76,084	88.89	67,631	NTD 527,134 RMB 123,027		
Qingdao China Steel Precision Metal Co., Ltd.	Processing production	NTD 608,900 (USD 20,000)	Note 1	NTD - (RMB -)	-	-	NTD - (RMB -)	( 21,931 )	30.00	( 6,579 )	NTD 152,979 USD 5,025	NTD 35,438 (USD 1,164)	
Dyna Rechi Jiujiang Co., Ltd.	Refrigerant compressor motors and BLDC motors	NTD 1,106,376 (RMB 258,215)	Note 3	NTD 695,734 (RMB 162,376) (Note 10)	-	-	NTD 695,734 (RMB 162,376) (Note 10)	70,594	96.40	68,052	NTD 1,303,368 RMB 304,191		
Rechi Precision (Jiujiang) Electric Machinery Limited	Rotary refrigerant compressors	NTD 2,313,820 (USD 76,000)	Note 1	NTD 2,313,820 (USD 76,000)	-	-	NTD 2,313,820 (USD 76,000)	348,501	100.00	348,501	NTD 3,228,774 USD 106,053		
Jiangxi Baida Precision Manufacturing Corp.	Processing production	NTD - USD -	Note 1	NTD 349,996 (USD 11,496) (Note 13)	-	-	NTD 349,996 (USD 11,496) (Note 13)	-	-	-	NTD - USD -		
Ablek Technology Ltd.	Home appliance motors	NTD 21,312 (USD 700)	Note 11	NTD - (RMB -)	-	-	NTD - (RMB -)	( 2,651 )	94.42	( 2,503 )	NTD 14,913 RMB 3,481		

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 6,401,127	NTD 3,745,313 (USD 123,019)	(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.	\$ 8,574
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>\$ 123,019</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 Nine Months Ended September 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	\$ 834,104	17%	Normal	60–90 days from reimbursement	Normal	(\$ 177,920)	13%	\$ 824	
Rechi Precision (Qingdao) Electric Machinery Limited	Purchase	2,076,946	43%	Normal	60–90 days from reimbursement	Normal	( 698,207)	50%	214	
Rechi Precision (Jiujiang) Electric Machinery Limited	Purchase	906,572	19%	Normal	60–90 days from reimbursement	Normal	( 292,946)	21%	877	
Rechi Refrigeration Dongguan Co., Ltd.	Purchase	418,546	9%	Normal	60–90 days from reimbursement	Normal	( 160,493)	12%	657	