Stock No: 4532

RECHI PRECISION CO., LTD.
and its subsidiaries

Consolidated financial statements
and Auditor's Report
2024 and 2023

Address: No. 943, Sec. 2, Chenggong Rd., Guanyin Dist.,
Taoyuan City, Taiwan (R.O.C.)

TEL: (03)483-7201

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Statement of Affiliate’s Consolidated Financial Report

The companies to be included by the Bank in the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of affiliates in accordance with the “Rules Governing the Preparation of Affiliated Company’s Consolidated Business Report, Affiliated Company’s Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Relationship Report” in 2024 (from January 1 to December 31, 2024) are identical to those to be included in the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the Parent Company and subsidiaries in accordance with the International Financial Reporting Standards No. 10. Also, the information to be disclosed in the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the affiliated companies has been disclosed in said Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the Parent Company and subsidiaries. Therefore, the Bank will not separately prepare the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the affiliated companies.

Hereby declare

Company name: RECHI PRECISION CO., LTD.

Chairman: CHEN, SHENG TIEN

March 14, 2025

Auditor’s Report

To RECHI PRECISION CO., LTD.:

Audit opinions

We have audited the accompanying individual balance sheet of RECHI PRECISION CO., LTD. and subsidiary as of December 31, 2024 and 2023, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Note of the consolidated financial statements (including major accounting policy) for the years then ended.

In my opinion, the financial statements as referred to present fairly, in all material aspects the financial position of RECHI PRECISION CO., LTD. as of December 31, 2024 and 2023, and the results of its operations and cash flows for the years then ended in conformity with the Regulation Governing the Preparation of Financial Reports by Securities Issuers, and applicable IFRS, IAS, SIC, and IFRIC as recognized by the Financial Supervisory Commission.

The basis for opinions

We are engaged to conduct our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of RECHI Group in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of RECHI Group, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

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

The key audit matters of the 2024 consolidated financial statements of RECHI PRECISION CO., LTD (RECHI Group) and its subsidiaries are described as follows:

The basis for recognition of the revenue on export sales

RECHI Group is mainly engaged in the business focused on the manufacturing and selling of refrigerant compressors, by exporting and importing the product, our market covers a wide range of areas globally, therefore, the terms and conditions apply to different clients might also vary.

The sales revenue from exported goods sold was recognized by the Group when transaction conditions were fulfilled in accordance with that applied to different clients as predetermined and the control over the goods sold was transferred to the buyers. The relatively longer transportation period needed for part of export transactions and the terms and conditions apply to specific clients required human judgment in the process of revenue recognition, which might result in an incorrect time record of sales revenue, thus we have made the timing of recognizing sales revenue from exported goods with specific transaction conditions as one of the most important audit matters of the year.

The main audit procedures that we have implemented for the above timing of sales revenue recognition are as follows:

1. Understand and evaluate the procedures for the timing of sales revenue recognition plus the policy for internal control, and test the effectiveness of such controls.
2. Terminate the above test on the sales transactions with specific clients within a certain period before and after the balance sheet date, which includes verification of transaction conditions of the specific transaction, papers like import/export declarations, and inquiry of shipping schedule, in order to be sure if revenue recognition was recorded with a proper period.
3. Obtain the shipment details of the manual operation summary for a specific period for inspection, and check the relevant vouchers randomly to confirm whether the adjustment of the time point of revenue recognition is correct.

Other information

The Company has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, for which we have issued an unqualified opinion.

Responsibilities of Management and Those in Charge with Governance of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The responsibility of management is to prepare fairly presented consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reports Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain necessary internal control related to the preparation of consolidation of financial statements in order to ensure the material misstatement caused by fraud or error does not exist in the consolidated financial statements.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The governing body of the Group (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that and audit conducted in accordance with the accounting principles of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the accounting principles of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design, and perform audit procedures responsive risks, and obtain evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on RECHI Group and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause RECHI Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

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

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

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA CHANG, CHING Hsia	CPA CHENG, CHIN TSUNG
Financial Supervisory Commission Approval Document No. Chin-Kuan-Cheng-Shen-Zi No. 1090347472	Financial Supervisory Commission Approval Document No. Chin-Kuan-Cheng-Shen-Zi No. 1010028123

March 14, 2025

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 & 6)	$ 5,839,139	20	$ 3,732,749	15
1110	Financial assets through profit and/or loss with measuring for the faire values – current (Note 4 & 7)	1,826,786	6	1,343,653	6
1136	Financial assets at amortized cost – current (Notes 4, 9, and 30)	3,815,447	13	2,762,869	11
1150	Notes receivable – non-related parties (Note 4, 10 & 30)	3,104,750	10	4,460,920	18
1170	Notes receivable – non-related parties (Note 4 & 10)	4,293,538	14	3,405,755	14
1180	Accounts receivable – related parties (Notes 4 & 29)	1,697	-	1,192	-
1200	Other receivables (Note 29)	195,491	1	128,433	1
130X	Inventory (Note 4 & 11)	3,292,966	11	1,580,295	6
1410	Prepayments (Note 16)	795,224	3	704,464	3
1470	Other current assets (Note 16)	25,223	-	26,990	-
11XX	Total current assets	23,190,261	78	18,147,320	74
	Non-Current assets				
1517	The financial assets measured for the fair values through other comprehensive income – non-current (Note 4 & 8)	-	-	8,190	-
1550	Investment under Equity method (Note 4 & 13)	195,296	1	166,586	1
1600	Real property, plant and equipment (Note 4, 14 & 30)	5,305,175	18	5,367,798	22
1755	Right-of-use assets (Note 4 & 15)	136,412	-	146,925	-
1821	Other intangible assets (Note 4)	66,748	-	52,183	-
1840	Deferred income tax assets (Note 4 & 23)	554,329	2	545,352	2
1990	Other non-current assets (Note 16)	445,634	1	149,042	1
15XX	Total non-current assets	6,703,594	22	6,436,076	26
1XXX	Total assets	$ 29,893,855	100	$ 24,583,396	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 17 & 30)	$ 2,750,000	9	$ 570,000	2
2110	Short-term notes payable (Note 17)	479,056	2	399,204	2
2150	Notes payable – non-related party	6,632,535	22	4,953,478	20
2160	Payable notes – related parties (Note 29)	-	-	1,724	-
2170	Accounts payable – non-related parties	3,383,344	11	2,277,645	9
2180	Accounts payable – related parties (Note 29)	516	-	3,730	-
2200	Other payables (Notes 18 & 29)	978,251	3	717,336	3
2230	Income tax liability (Note 4 & 23)	743,608	3	450,276	2
2250	Liability reserve – Current	187,158	1	126,854	1
2280	Lease liabilities – current (Note 4 & 15)	837	-	10,255	-
2320	Long-term borrowings and notes payable due within one year (Note 17)	86,829	-	2,421,588	10
2365	Refund liabilities – current (Note 21)	1,257,502	4	715,327	3
2399	Other current liabilities (Note 29)	143,394	1	49,657	-
21XX	Total of current liabilities	16,643,030	56	12,697,074	52
	Non-current liabilities				
2541	Long-term borrowings (Note 17 & 30)	647,312	2	228,344	1
2570	Deferred tax liabilities (Note 4 & 23)	917,923	3	779,912	3
2580	Lease liabilities – non-current (Note 4 & 15)	871	-	5,813	-
2640	Net defined benefit liabilities – non-current (Note 4 &19)	35,991	-	39,995	-
2670	Other non-current liabilities	27,330	-	31,167	-
25XX	Total non-current liability	1,629,427	5	1,085,231	4
2XXX	Total liabilities	18,272,457	61	13,782,305	56
	Equity of the company (Note 12 & 20)				
3110	Common shares	5,049,151	17	5,049,151	21
3200	Capital reserves	1,367,729	5	1,355,324	5
	Retained earnings				
3310	Statutory surplus reserves	1,231,756	4	1,156,333	5
3320	Special surplus reserves	1,097,408	4	928,988	4
3350	Undistributed earnings	2,576,593	8	2,340,079	9
3300	Total retained earnings	4,905,757	16	4,425,400	18
3400	Other equity	(556,385)	(2)	(1,097,408)	(5)
3500	Treasury shares	(93,573)	-	(93,573)	-
31XX	Total equity of the company	10,672,679	36	9,638,894	39
36XX	Non-controlling interests	948,719	3	1,162,197	5
3XXX	Total equity	11,621,398	39	10,801,091	44
	Total Liabilities and Equity	$ 29,893,855	100	$ 24,583,396	100

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

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 Years Ended December 31, 2024 and 2023

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

		2024		2023	
Code		Amount	%	Amount	%
4100	Sales revenue (Note 4, 21 & 29)	$ 21,517,109	100	$ 16,859,695	100
5000	Operating cost (Note 11, 22 & 29)	(18,131,326)	(84)	(14,353,857)	(85)
5900	Operating gross margins	3,385,783	16	2,505,838	15
	Operating expenses (Note 22 & 29)				
6100	Marketing expenses	(592,892)	(3)	(363,114)	(2)
6200	Administrative expenses	(782,580)	(4)	(659,053)	(4)
6300	Research and development expenses	(717,465)	(3)	(549,969)	(3)
6450	Expected credit impairment loss (Note 10)	(14,489)	-	(2,500)	-
6000	Total operating expenses	(2,107,426)	(10)	(1,574,636)	(9)
6900	Net operating income	1,278,357	6	931,202	6
	Non-operating income and expense (Note 22)				
7100	Interest revenue	130,407	1	105,791	1
7010	Other income	98,189	-	68,997	-
7020	Other profits and losses	144,662	1	81,804	-
7050	Financial costs	(100,573)	(1)	(75,576)	-
7060	The share of profit/loss on associates accounted for using the equity method (Note 13)	(5,470)	-	5,819	-
7000	Total non-operating revenues and expenses	267,215	1	186,835	1

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7900	Net profit before taxation	$ 1,545,572	7	$ 1,118,037	7
7950	Income tax expenses (Note 4 and 23)	(472,045)	(2)	(317,019)	(2)
8200	Net profits of the current year	1,073,527	5	801,018	5
	Other comprehensive income				
8310	Titles not reclassified as profit and loss accounts:				
8311	Determined Benefit Plan Reevaluation (Note 4 & 19)	3,474	-	4,075	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 20)	(8,156)	-	(2,490)	-
8349	Income tax related to titles not subject to reclassification (Note 23)	(695)	-	(815)	-
		(5,377)	-	770	-
8360	Accounts to be reclassified to profit or loss subsequently:				
8361	Exchange differences from the translation of financial statements of foreign operations (Note 4 & 20)	713,477	3	(213,738)	(1)
8399	Income tax related to titles that could be reclassified (Note 20 & 23)	(134,324)	-	39,980	-
		579,153	3	(173,758)	(1)
8300	Other comprehensive income of the current year (net amount after taxation)	573,776	3	(172,988)	(1)
8500	Total amount of comprehensive income of the current year	$ 1,647,303	8	$ 628,030	4

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Profit attributable to:				
8610	The company's shareholders	$ 1,007,539	5	$ 750,972	5
8620	Non-controlling interests	65,988	-	50,046	-
8600		$ 1,073,527	5	$ 801,018	5
	Total comprehensive income attributable to:				
8710	The company's shareholders	$ 1,521,375	7	$ 585,812	4
8720	Non-controlling interests	125,928	1	42,218	-
8700		$ 1,647,303	8	$ 628,030	4
	Earnings per share (Note 24)				
	Business units in continuing operation				
9710	Basic	$ 2.02		$ 1.50	
9810	Diluted	$ 2.00		$ 1.49	

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

Chairman: CHEN, SHENG TIEN Manager: FENG, MING FA Accounting Manager: WU, CHIN MEI

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

Unit: NTD thousand

Code		Equity of the company											
		Share capital			Retained earnings			Other equity					
		Shares (in thousand shares)	Amount	Capital reserves	Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
A1	Balance as of January 1, 2023	504,915	$ 5,049,151	$ 1,343,879	$ 1,087,308	$ 1,075,955	$ 1,957,901	($ 859,668)	($ 69,320)	($ 93,573)	$ 9,491,633	$ 1,379,424	$ 10,871,057
	Dividend allocation and distribution for 2022												
B1	Statutory surplus reserves	-	-	-	69,025	-	(69,025)	-	-	-	-	-	-
B3	Special surplus reserves	-	-	-	-	(146,967)	146,967	-	-	-	-	-	-
B5	Cash dividend to the Company's shareholders	-	-	-	-	-	(449,996)	-	-	-	(449,996)	-	(449,996)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	11,445	-	-	-	-	-	-	11,445	(259,445)	(248,000)
D1	Net profits of the 2023	-	-	-	-	-	750,972	-	-	-	750,972	50,046	801,018
D3	Other comprehensive net income in 2023	-	-	-	-	-	3,260	(165,930)	(2,490)	-	(165,160)	(7,828)	(172,988)
D5	Total profit and loss in 2023	-	-	-	-	-	754,232	(165,930)	(2,490)	-	585,812	42,218	628,030
Z1	Balance as of December 31, 2023	504,915	5,049,151	1,355,324	1,156,333	928,988	2,340,079	(1,025,598)	(71,810)	(93,573)	9,638,894	1,162,197	10,801,091
	Dividend allocation and distribution for 2023												
B1	Statutory surplus reserves	-	-	-	75,423	-	(75,423)	-	-	-	-	-	-
B3	Special surplus reserves	-	-	-	-	168,420	(168,420)	-	-	-	-	-	-
B5	Cash dividend to the Company's shareholders	-	-	-	-	-	(499,995)	-	-	-	(499,995)	-	(499,995)
O1	Cash dividend to the subsidiary	-	-	-	-	-	-	-	-	-	-	(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 profits of the 2024	-	-	-	-	-	1,007,539	-	-	-	1,007,539	65,988	1,073,527
D3	Other comprehensive net income in 2024	-	-	-	-	-	2,779	519,213	(8,156)	-	513,836	59,940	573,776
D5	Total profit and loss in 2024	-	-	-	-	-	1,010,318	519,213	(8,156)	-	1,521,375	125,928	1,647,303
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	-	(29,966)	-	29,966	-	-	-	-
Z1	Balance as of December 31, 2024	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

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

Chairman: CHEN, SHENG TIEN　　Manager: FENG, MING FA　　Accounting Manager: WU, CHIN MEI

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Current year net profit before taxation	$ 1,545,572	$ 1,118,037
A20010	Profits and loss		
A20100	Depreciation expenses	793,052	812,982
A20200	Amortization expenses	14,674	13,015
A20300	Expected credit impairment loss	14,489	2,500
A20400	Net gains on financial assets at fair value through profit or loss	(70,726)	(53,129)
A20900	Interest expenses	94,852	71,577
A21200	Interest revenue	(130,407)	(105,791)
A22300	The shares of profit and/or loss at equity method over the associates	5,470	(5,819)
A22500	Net loss from the disposal and obsolescence of property, plant, equipment and right-of-use assets	35,134	24,056
A23200	Gains on disposal of investment under the equity method	-	(22,420)
A23700	Inventory valuation and obsolescence losses	-	13,332
A23700	Impairment loss of property, plant and equipment	-	796
A24100	Unrealized foreign currency exchange loss (gain)	(80,283)	49,516
A29900	Gains on lease modification	(905)	(1)
A30000	Net change in operating assets and liabilities		
A31115	Increase in financial assets mandatorily measured at fair value through profit or loss	(339,087)	(215,321)
A31130	Decrease (increase) in notes receivable	1,569,753	(1,838,183)
A31150	Increase in accounts receivable	(729,030)	(510,702)
A31160	Increase in accounts receivable – related parties	(505)	(1,093)
A31180	Decrease (increase) in other accounts receivable	(17,886)	8,753
A31200	Decrease (increase) in inventories	(1,629,916)	464,181
A31230	Increased in Advance	(87,433)	(55,376)
A31240	Decrease (increase) in other current assets	1,767	(9,136)
A32125	Increase in refund liability – current	531,287	228,625
A32130	Increase in notes payable	1,405,413	661,499
A32140	Decrease in notes payable -related party	(1,724)	(88,587)
A32150	Increase in accounts payable	978,708	597,094
A32160	Decrease in accounts payable – related parties	(3,214)	(50,805)

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Code		2024	2023
A32180	Increase (decrease) in other accounts payable	$ 223,358	($ 47,187)
A32200	Increase in provisions	60,304	20,682
A32230	Increase (decrease) in other current liabilities	93,737	(23,512)
A32240	Decrease in net defined benefit liability	(530)	(3,819)
A33000	Cash inflow from operating activities	4,275,924	1,055,764
A33100	Interest received	118,661	105,176
A33300	Interest payment	(93,372)	(74,780)
A33500	Income tax payment	(231,322)	(293,747)
AAAA	Net cash inflow from operating activities	4,069,891	792,413
	Cash flow from investing activities		
B00020	Disposal of financial assets at fair value through other comprehensive income	34	-
B00040	Financial assets acquired on the basis of cost after amortization	(1,034,268)	(894,483)
B00050	Financial assets on the basis of cost after amortization	135,613	57,065
B01800	Acquisition of investment in associates.	(25,047)	-
B01900	Net cash inflow from disposal of affiliated companies	-	362,198
B02700	Purchase of property, plant, and equipment	(410,629)	(343,207)
B02800	Proceeds from disposal of property, plant and equipment	29,219	653,610
B04500	Purchase of intangible assets	(27,341)	(15,002)
B06700	Increase of other non-current assets	(384,737)	(101,553)
B09900	Acquisition of government subsidies	-	10,038
BBBB	Net cash outflow from investing activities	(1,717,156)	(271,334)
	Cash flow from financing activities		
C00100	Increase of short-term loans	2,180,000	-
C00200	Decrease in short-term loans	-	(523,555)
C00500	Increase in short-term notes payable	79,852	79,557
C01600	Proceeds from long-term loan	500,000	280,000
C01700	Repayments of long-term borrowings	(2,066,830)	(275,233)
C01900	Decrease in long-term notes payable	(350,000)	-
C03100	Decrease in guarantee deposits received	(4,028)	(6,235)
C04020	Repayments of principal portion of the lease	(7,676)	(12,142)
C04500	Pay owners' dividends	(499,995)	(449,996)
C05400	Acquisition of equity of subsidiaries	(312,249)	(248,000)
C05800	Cash dividends paid to non-controlling interests	(14,752)	(48,989)
CCCC	Net cash outflow from financing activities	(495,678)	(1,204,593)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	249,333	(66,395)

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Code		2024	2023
EEEE	Net increase (decrease) in cash and cash equivalents	$ 2,106,390	($ 749,909)
E00100	Cash and cash equivalents balance – beginning of year	3,732,749	4,482,658
E00200	Cash and cash equivalents balance – end of year	$ 5,839,139	$ 3,732,749

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

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 Years Ended December 31, 2024 and 2023

(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 March 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)

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the Group's accounting policies:

(2) The IFRSs endorsed by the FSC for application starting from 2025

The new/amended/revised standards or interpretation	Effective Date per IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 - "Amendments to the Classification and Measurement of Financial Instruments" regarding the application of the classification of financial assets	January 1, 2026 (Note 2)

Note 1: The amendments apply to the annual reporting periods beginning on or after January 1, 2025. Upon the initial application of the amendments, the financial statements for comparative period shall not be restated. Instead, the effect shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operation under equity (if appropriate), along with affected assets and liabilities.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026. Enterprises may also choose to apply the same earlier on January 1, 2025. When the amendments are first applied, the effects of the amendments shall be recognized on the date of initial application, but without restatement of the comparative period. However, if an entity opts to restate without the use of hindsight, it may choose the comparative periods for restatement.

Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a timeframe that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The Group shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose any information that enables users of its financial statements to evaluate how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

The new/amended/revised standards or interpretation	IASB publication effective date (Note)
"IFRS Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application of derecognitions of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
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 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

4. Summary of significant accounting policies

(1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and published by the FSC.

(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) Standards in differentiating current and non-current assets and liabilities.

Current assets including:

1. Assets held mainly for trading purpose:
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (not including those that are limited to exchange or repay liabilities exceeding 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held for trading purposes;
2. Liabilities to be repaid within 12 months after the balance sheet date, and
3. The entity on the balance sheet date does not have in substance the right to defer settlement of the liability for at least 12 months after the balance sheet date.

For those that are not current assets or liabilities above are classified as non-current assets or liabilities.

(4) Basis of consolidation

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

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

For details of subsidiaries, shareholding ratios, and business items, please refer to Note 12 and Table 8.

(5) Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing the individual financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as current profit or loss. However, for the changes in fair value recognized in the other comprehensive income, the exchange difference is recognized in the other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

When preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries and associates that operate in countries or adopt the functional currencies different from the Group) are translated into New Taiwan dollars. The profits and losses are translated in accordance with the current average exchange rates, and the exchange differences resulted is booked in other comprehensive income (and attributable to the Company's shareholders and non-controlling equity respectively).

If the Group disposes of the ownership interest of a foreign operation, or disposes of part of the equity of a foreign operation's subsidiary and loses control, or disposes of a foreign operation's associate, and the retained equity is a financial asset and is treated based on the accounting policies adopted for financial instruments, then all accumulated exchange differences attributable to the owners of the Company and related to the foreign operation will be reclassified to profit or loss.

If the partial disposal of the subsidiaries of the foreign operation institution did not result in a loss of control, the cumulative exchange differences are reattributed proportionally as non-controlling equity of the subsidiaries without any profit and loss recognized. In any other event of partial disposal of an overseas operating institution, the accumulated difference in foreign exchange was reclassified to profit and/or loss pro rata to the percentage of disposal.

(6) Inventories

Inventories are raw materials, materials, finished goods, and work-in-process. Inventory is valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. The cost of inventory is calculated using the weighted average method.

(7) Investments in the affiliated company

The term “associate” as set forth herein denotes an enterprise, which has significant effect upon the Group, but is not a subsidiary or a joint venture.

The Group adopts equity method for investment in associates.

Under the equity method, investments in the affiliated companies were originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the affiliated company and other comprehensive income by the Group. In addition, the changes in the equity of affiliates shall be recognized in proportion to the proportion of shareholding.

When assessing impairment, the Group regards the overall book value of the investment as a single asset to compare the recoverable amount with the book value, and conducts an impairment test. The impairment loss recognized is also part of the book value of the investment. Any reversal of the impairment loss can be recognized within the range of the recoverable amount of the subsequently increased investment.

The profit or loss resulting from the countercurrent, downstream and side-stream transactions between the Group and the affiliated company is recognized in the consolidated financial statement within the range that is irrelevant to the Group’s interest in the affiliated company.

(8) Property, plant, and equipment

Real property, plant and equipment are recognized as costs, and they will be measured by the amount after the costs less the amount of accumulated depreciation and accumulated impairment losses afterwards.

Those real estate, plant buildings, equipment & facilities under construction were recognized at the amount of the costs after deducting the loss in the accumulated impairment. Costs include professional service expanses and loan costs that meet the capitalization conditions. When such assets are completed and reach expected use status, such assets will be classified to proper items under real property, plant and equipment and the provision of depreciation shall begin.

Each material part of property, plants, and equipment shall be depreciated separately in accordance with the useful year and a straight-line method. The Group shall at least inspect the estimated service life, residual value and depreciation method by the day of the end of each fiscal year and postpone the effect of applying estimated accounting changes.

In the case of delisting real estate, plants, and equipment, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(9) Intangible assets

The intangible asset with limited useful life acquired separately was originally measured at cost and subsequently measured at cost, net of accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight-line method over the useful lives. The Group conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods. And the impact of changes in accounting estimates should be delayed.

In removing intangible assets, the difference between the net proceeds of disposition and the book value shall be recognized as income.

(10) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Group assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use and intangible assets at each balance sheet date. If there is any indication of impairment occurring, the recoverable amount of the asset should be estimated. If the recoverable amount of an individual asset cannot be estimated, the Group is to estimate the recoverable amount of the respective cash-generating unit. The common asset is amortized to each cash-generating unit in accordance with a consistent and reasonable sharing basis.

The recoverable amount is the fair value net of cost or the value in use whichever is higher. When the recoverable amount of an individual asset or cash-generating unit is less than its book amount, the book amount of the asset or cash-generating unit should be reduced to its recoverable amount. The impairment loss is recognized in the profit or loss.

When the impairment loss was reversed subsequently, the book amount of the asset or cash-generating unit is increased to the adjusted recoverable amount, but the increased book amount may not exceed the book amount of the asset or cash-generating unit without recognizing the impairment loss in prior periods (net of amortization or depreciation). The reversed impairment loss is recognized in the profit or loss.

(11) Financial instruments

When the Group has become a party to the instrument contract, the financial assets and financial liabilities are to be recognized in the consolidated balance sheet.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in the profit or loss.

1. Financial assets

The regular way of purchase or sale of financial assets are recognized and derecognized based on the accounting on the transaction date.

(1) Classification of measurement

Financial assets held by the Group are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

A. Financial assets at FVTPL

Financial assets measured at FVTPL are those mandatorily measured at FVTPL Financial instruments designated at fair value through income statements included the investment of equity instruments not designated at fair value through other comprehensive income and those not conforming to the standard of debt instruments on the basis of cost after amortization or at fair value through other comprehensive income.

Financial assets measured at FVTPL are measured at fair value, and the dividends and interest generated are recognized in other income and interest revenue, respectively, and gains or losses generated from remeasurement are recognized in other profits and losses. Please refer to Note 28 for the determination of fair value.

B. Financial assets based on cost after amortization

If the financial assets of the Group met both of the following conditions, classify as financial assets on the basis of cost after amortization:

a. Financial assets held under particular mode of operation and the purpose of holding is for the collection of cash flow from contracts
b. Cash flow generated on particular dates deriving from the contacts and the cash flow is wholly for the payment of principal and interest accrued from the outstanding amount of the principal.

Financial assets on the basis of cost after amortization (including cash and cash equivalents and accounts receivable on the basis of cost after amortization) shall be determined for the total book value under the effective interest rate method after the initial recognition net of the cost of any impairment after amortization for measurement. Any exchange gains or loss will be recognized as income.

Interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets.

Cash equivalents are time deposits within 3 months from the date of acquisition, with high liquidity, can be converted into cash with marginal risk on the change in value, and are used for the fulfillment of short-term commitment in cash settlement.

C. Investment of equity instruments at fair value through other comprehensive income

The Group may make an irrevocable choice at the time of initial recognition for designating the investment of equity instruments not available-for-sale and not recognized by the acquirer under corporate merger and acquisition or with consideration at fair value through other comprehensive income for measurement.

The investment of equity instruments at fair value through other comprehensive income is measured at fair value. Subsequent changes in fair value will be recognized as other comprehensive income and accumulated into other equity. In the disposition of assets, accumulated gains or loss shall be directly transferred to retained earnings without classification as income.

The dividend of the investment of equity instruments at fair value through other comprehensive income shall be recognized as income when the right of the Group in the collection of dividends is ascertained, unless the dividend is obviously representing the recovery of the cost of investment in part.

(2) Impairment of financial assets

The Group at each balance sheet date assesses the impairment loss of financial assets (including accounts receivable) at amortized cost according to the expected credit loss.

Accounts receivable are recognized in allowance for loss based on the lifetime expected credit losses (ECLs). Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the perpetuity of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the perpetuity of the financial instruments means the expected loss of credit from the financial instruments within the perpetuity of these financial instruments.

For internal credit risk management purpose, the Group, without considering the collateral, determines the following circumstances indicating that a default has occurred on the financial instrument:

A. There is internal or external information indicating that the debtor is no longer able to pay off a debt.

B. Payments are overdue for more than 180 days, unless there are reasonable and supporting information showing that the delayed default benchmark is more appropriate.

All impairment of financial assets is recognized through the reduction of the book value of the provisioned account.

(3) The derecognition of financial assets

The Group has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

If the Group neither transfers nor retains almost all the risks and rewards of the ownership of a financial asset, and retains control of the asset, it will continue to recognize the asset within the scope of continuous participation in the asset and recognize relevant liabilities for the amount that may have to be paid. If the Group retains almost all the risks and rewards of the ownership of a financial asset, it will continue to recognize the asset and recognize the payments received as secured borrowings.

When a financial asset measured at amortized cost is derecognized as a whole, the difference between its book value and the consideration received is recognized in profit or loss. When equity instrument investments measured at FVTOCI are derecognized as a whole, accumulated gains and losses are directly transferred to retained earnings and are not reclassified to profit or loss.

2. Equity instruments

The debt and equity instruments issued by the Group are classified as financial liabilities or equity pursuant to the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments issued by the Group are recognized for an amount after deducting the direct issuing cost from the proceeds collected.

The Company’s equity instruments redeemed are recognized and deducted under equity, and the carrying amounts are calculated using the weighted average method based on the stock types and reasons for redemption. The Company’s equity purchased, sold, issued, or cancelled is not recognized in the profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are evaluated at the amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the book amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

(12) Liability reserve

The recognized liability reserve amount is with the risk and uncertainty of the obligation considered, and it is the optimum estimate of the expenditure required to settle the obligations on the balance sheet date. Provision for liabilities shall be measured based on the discount value of the estimated cash flow for the settlement of obligation.

Warranty

The warranty obligation under a sales contract is the best estimated expense by management in clearing the Group's obligations and it is recognized when the related instrument income is recognized.

(13) Recognition of revenue

The Group, after identifying the performance obligations, had the transaction price amortized to each performance obligation and recognized as income when the performance obligations were fulfilled.

Commodity sales revenue

When the sales arrive at a customer's designated location or when the goods are shipped, and the customer has the right to set the price and use of the goods and bears the main responsibility for resale and the risk of obsolescence, the Group recognizes the sales in revenue and accounts receivable.

When the material is supplied for processing, the ownership of the processed product is not transferred; therefore, the income is not recognized when the material is supplied.

(14) Leasing

The Group assesses whether the contract is (or includes) a lease arrangement on the agreement date.

For contracts that include lease and non-lease components, the Group allocates the consideration in the contracts based on the relative stand-alone prices and treats them separately.

1. The Group is the lessor

When the lease term is to have all risks and returns attached to the ownership of assets transferred to the lessee, it is classified as a financing lease. All other leases are classified as operating leases.

Lease payments for operating leases upon deduction of lease incentives are recognized as income on a straight-line basis in relevant lease periods. Initial direct costs generated in the acquisition of operating leases are added to the underlying asset carrying amount and recognized as expenses on a straight-line basis in lease periods.

2. The consolidated company is the lessee

Except for recognizing low-value asset leases applying to exemption and lease payments for short-term leases being recognized as an expense on a straight-line basis over the lease term, other leases will be recognized as right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use asset is measured at cost (including the amount equal to the lease liability at its initial recognition, lease payments made before the commencement of the lease less any received, any incurred by the lessee, and an estimate of costs to be incurred by restoring the underlying asset to the condition required) less any depreciation and any accumulated impairment losses. Additionally, the cost is subsequently adjusted for any. Right-of-use assets are separately presented on the Consolidated Balance Sheet.

Right-of-use assets are depreciated on a straight-line basis over the period from the commencement date of the lease to expiration of its useful life or expiration of the lease term, whichever date is earlier. If the ownership of the underlying asset will be acquired at the end of the lease period, or if the cost of the right-of-use asset reflects exercising an option, the asset will be depreciated over the period from the commencement date of the lease to expiration of the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, less lease incentives received). If the implied interest rate of the lease is easily determined, the lease payments will be discounted to their present value using that interest rate. If such interest rate is not easily determined, the incremental borrowing rate will be used.

Subsequently, the lease liabilities are measured at amortized cost using the effective interest method, and the interest expenses are amortized over the lease term. If changes in the lease term lead to changes in future lease payments, the Group will remeasure the lease liabilities and adjust the right-of-use asset accordingly. However, if the book value of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss of partial or full termination of the lease. Remeasurement of lease liabilities due to other modifications is an adjustment to the right-of-use asset. Lease liabilities are separately presented on the Consolidated Balance Sheet.

Changes in rent as stipulated in lease agreements not determined by indices or rates are recognized as expenses in the current period.

(15) Loan costs

Borrowing costs directly belonging to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities that the assets reaching the status of expected use or sale.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the transaction stated in the preceding paragraph, all other loan costs are recognized as profit and loss upon occurring.

(16) Government grant

A government subsidy can only be recognized when it is firmly believed that the Group will comply with the terms added to the government subsidy and will receive such subsidy.

Government grants related to income are recognized in other income on a systematic basis over the periods, in which the Group recognizes as expenses the relevant costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are debited to the carrying amount of said assets and recognized in profit or loss over the useful lives of said assets by reducing the depreciation or amortization expenses of said assets.

If the government subsidy is used for compensating expenses or losses that have already occurred or for the purpose of immediate financial support to the Group without any related cost in the future, it will be recognized as income during the receivable period.

(17) Employee benefits

1. Short-term employee benefits

Liabilities relating to short-term employee benefits are measured by the non-discounted amount of the expected payment in exchange for employee services.

2. Retirement benefits

Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

The determined cost of benefit for determined benefit retirement plan (including the cost of service, net interest, and reevaluation) is based on the actuary of projected unit method. The net interests of the service cost (including the service cost for the current period) and net defined benefit liability (asset) are recognized as employee benefit expenses when they occur. The value of second measurement (including the profits and loss under actuary and the return on assets of the plan net or interest) shall be recognized as other comprehensive incomes and as retained earnings, if realized. No reclassification as profits and loss in subsequent periods.

Net defined benefit liability (asset) is the appropriation deficit (surplus) of the defined benefit pension plan. Net defined benefit asset shall not exceed the refund of the appropriated fund or decrease the present value of appropriation of fund in the future.

(18) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income tax expenses in the current period

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each jurisdiction area for income tax filings, and calculates the income tax payable (recoverable) accordingly.

Additional income tax on unappropriated earnings is calculated in accordance with the provisions of the Income Tax Act of the Republic of China, to be recognized in the year of the shareholder resolution meeting.

The adjustment to prior period income tax payable is booked as current income tax.

2. Deferred tax

Deferred tax is computed in accordance with the temporary differences between the book value of assets and liabilities and the tax bases of taxable income.

Deferred income tax liabilities are generally recognized in accordance with all taxable temporary differences. Deferred income tax assets are recognized when there is the likelihood of having taxable income to be used for the income tax credit resulting from the temporary difference, accumulated deficit or machinery equipment purchase, R&D, and personnel training expense.

All taxable provisional differences relevant to the investment in subsidiaries and associates were recognized as deferred income tax liabilities, except an event while the Group could control the time point of recovery of the control over the provisional difference or while the said provisional difference would be very likely not recoverable in the foreseeable future. The deductible temporary differences related to such investments are recognized as deferred income tax assets when there is likely a sufficient taxable income available for realizing a temporary difference and within the expected reverse in the foreseeable future.

The book amount of deferred income tax asset must be reviewed at each balance sheet date. The book amount of those that no longer have any sufficient taxable income to recover all or part of the asset should be adjusted down. Those that are not originally recognized as deferred income tax assets should also be reexamined at each balance sheet date. The book amount of those that are likely to generate taxable income in the future for the recovery of all or part of its assets should be adjusted up.

Deferred income tax assets and liabilities are measured in accordance with the expected liability liquidation or the tax rate in the period when the asset is realized. The tax rate is based on the tax rate and tax laws that are legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulted from the book value of the assets or liabilities expected to be recovered or liquidated on the balance sheet date.

3. Current and deferred income tax for the year

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity are recognized in the other comprehensive income or directly included in the equity.

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

The Group at the time of adopting accounting policies, for the information hard to obtain from other sources, should have the relevant judgments, estimates, and assumptions made by the management in accordance with the historical experience and other essential factors. Actual results may differ from the estimates.

The Group's management has evaluated its accounting policies, estimates, and basic assumptions, determining that they are not subject to significant uncertainties of significant accounting judgments, estimates, and assumptions.

6. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 1,542	$ 1,483
Bank checks and demand deposits	3,801,498	1,937,871
Cash equivalents (Investment with the original maturity date within three months)		
Bank time deposit	2,036,099	1,793,395
	$ 5,839,139	$ 3,732,749

The deposits in banks showed the following interest rate ranges as of the balance sheet date:

	December 31, 2024	December 31, 2023
Bank deposits	0.00%～3.45%	0.01%～4.90%

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

	December 31, 2024	December 31, 2023
Financial assets - current		
Measured at fair value through income under compulsion		
Wealth management products	$ 1,805,772	$ 1,319,291
Non-derivative financial assets		
– Listed stocks – overseas	4,135	4,368
– Beneficial certificates	16,879	19,994
	$ 1,826,786	$ 1,343,653

8. Financial assets at fair value through other comprehensive income

Equity investment

	December 31, 2024	December 31, 2023
Non-current		
Domestic investment		
Unlisted/OTC		
Common stock of Magnpower Corporation	$ -	$ 8,190
Common stock of Bigbest Solutions, Inc.	-	-
	$ -	$ 8,190

The Group has invested in the common stocks of the above-mentioned companies in accordance with medium and long-term strategic purposes, and expects to make profits through long-term investments. The management of the Group holds that the short-term fluctuation in the fair value of these investments shall be recognized as income or loss and is not congruent with the aforementioned long-term investment plan; therefore, they chose to designate these investments as financial assets at fair value through other comprehensive income.

In June 2024, the Group sold common stock of Magnpower Corporation for NTD 34 thousand. The other equity - unrealized gain on financial assets at fair value through other comprehensive profit or loss, amounting to NTD (29,966) thousand, was then transferred to retained earnings.

9. Financial assets based on cost after amortization

	December 31, 2024	December 31, 2023
Current		
Restricted cash in banks	$ 3,450,581	$ 2,502,757
Time deposits with original maturity date of more than 3 months (2)	364,866	260,112
	$ 3,815,447	$ 2,762,869

(1) For details of financial assets at amortized cost, refer to Note 30.

(2) As of December 31, 2024 and 2023, the interest rate ranges of the time deposits with an original maturity date of more than 3 months were 1.85%–2.85% and 2.65%–2.85%, respectively.

10. Note receivable and account receivable

	December 31, 2024	December 31, 2023
Notes receivable		
Measured on the basis of cost after amortization		
Total book value	$ 3,107,510	$ 4,464,359
Less: Allowance for losses	(2,760)	(3,439)
	$ 3,104,750	$ 4,460,920
Accounts receivable		
Measured on the basis of cost after amortization		
Total book value	$ 4,297,506	$ 3,424,333
Less: Allowance for losses	(40,963)	(25,294)
	4,256,543	3,399,039
Measured at fair values through other comprehensive income	36,995	6,716
	$ 4,293,538	$ 3,405,755

(1) Accounts receivable based on cost after amortization

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

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

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

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

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

December 31, 2024

	Not overdue	Overdue 1 to 30 days	Overdue 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

December 31, 2023

	Not overdue	Overdue 1 to 30 days	Overdue 31 to 60 days	Overdue 61 to 90 days	Overdue 91 to 120 days	Overdue over 121 days	Total
Expected credit loss rate	0%～0.24%	0.48%～17.71%	9.22%～43.49%	31.83%～62.19%	40.09%～84.30%	50.71%～100%	
Total book value	$ 3,300,107	$ 55,607	$ 17,829	$ 44,037	$ 2,426	$ 4,327	$ 3,424,333
Allowance for loss (expected credit loss of the given duration)	(4,108)	(687)	(1,619)	(14,014)	(972)	(3,894)	(25,294)
Cost after amortization	$ 3,295,999	$ 54,920	$ 16,210	$ 30,023	$ 1,454	$ 433	$ 3,399,039

(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.

December 31, 2024

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

December 31, 2023

	Not overdue	Overdue 1 to 30 days	Overdue 31 to 60 days	Overdue 61 to 90 days	Overdue 91 to 120 days	Overdue over 121 days	Total
Expected credit loss rate	0.02%	0.48%	9.22%	31.83%	40.09%	50.71%～100%	
Total book value	$ 6,717	$ -	$ -	$ -	$ -	$ -	$ 6,717
Allowance for loss (expected credit loss of the given duration)	(1)	-	-	-	-	-	(1)
Cost after amortization	$ 6,716	$ -	$ -	$ -	$ -	$ -	$ 6,716

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

	2024		
	Notes receivable	Accounts receivable	Total
Balance, beginning of year	$ 3,439	$ 25,295	$ 28,734
Add (less): Impairment loss (reversal) for the current year	(848)	15,337	14,489
Less: Actual write-off amount in the current year	-	(131)	(131)
Foreign currency translation differences	169	483	652
Balance, end of year	$ 2,760	$ 40,984	$ 43,744

	2023		
	Notes receivable	Accounts receivable	Total
Balance, beginning of year	$ 3,193	$ 23,255	$ 26,448
Add: Impairment loss provided for this year	306	2,194	2,500
Foreign currency translation differences	(60)	(154)	(214)
Balance, end of year	$ 3,439	$ 25,295	$ 28,734

As of December 31, 2024 and 2023, the amounts of notes receivable that have expired and have not been cashed were NTD 0 thousand and NTD 0 thousand, respectively.

11. Inventories

	December 31, 2024	December 31, 2023
Finished products	$ 2,393,263	$ 1,024,342
Work-in-process	306,259	176,852
Raw materials	367,469	222,308
Inventory in-transit	225,975	156,793
	$ 3,292,966	$ 1,580,295

In 2024 and 2023, the cost of goods sold related to inventory was NTD 18,131,326 thousand and NTD 14,353,857 thousand, respectively. Cost of goods sold includes inventory valuation losses of NTD 0 thousand and NTD 13,332 thousand, respectively.

12. Subsidiary

(1) 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 December 31, 2024	Percentage of shareholdings December 31, 2023	Remark
The parent company	Rechi Holdings Co., Ltd.	Investment business	100.00%	100.00%	
The parent company	Rechi Investments Co., Ltd.	Investment business	100.00%	100.00%	
The parent company	Dyna Rechi Co., Ltd.	BLDC Motor	94.42%	65.65%	(2), (3)
Rechi Holdings Co., Ltd.	Rechi International Holdings Co., Ltd.	Investment business	100.00%	100.00%	
Rechi Holdings Co., Ltd.	Rechi Investments Holdings Co., Ltd.	Investment business	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%	
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%	(1)
Rechi Holdings Co., Ltd.	Rechi Precision (Huizhou) Mechanism Company	Production and sales of refrigerant compressors and refrigerant compressor accessories	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%	
Rechi International Holdings Co., Ltd.	GR Holdings (Hong Kong) Limited	Investment business	100.00%	100.00%	
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%	
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%	
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%	
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	Sales business	50.00%	50.00%	
Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	Sales business	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%	
Dyna Rechi Co., Ltd.	Dyna Rechi Holdings Co., Ltd.	Investment business	100.00%	100.00%	
Dyna Rechi Holdings Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Production and sales of refrigerant compressor motors and BLDC motors	64.50%	64.50%	
Dyna Rechi Co., Ltd.	Ablek Technology Co., Ltd.	Sales business	100.00%	100.00%	
Ablek Technology Co., Ltd.	Ablek Technology Ltd.	Investment business	100.00%	100.00%	
Ablek Technology Ltd.	Ablek Technology Ltd.	Manufacturing and sales of motors for household appliances	100.00%	100.00%	

(1) Information on the significant subsidiaries with non-controlling interests.

(2) Though the Company has obtained more than half of the board seats of Dyna Rechi Co., Ltd., which provide the Company the ability to direct the relevant activities of Dyna Rechi Co., Ltd., therefore, has listed it as the subsidiary of the Company. Furthermore, to consolidate the operation of the BLCD motor business, the Company repurchased a 23.45% stake in Dyna Rechi Co., Ltd., from China Steel Corporation on December 14, 2023. This transaction resulted in the Company's shareholding ratio increasing from 42.20% to 65.65%. 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 26 for equity transactions associated with non-controlling interests.

(3) The aforementioned company is a subsidiary with material non-controlling interests as of December 31, 2023. On April 17, 2024, the Company purchased a 28.77% equity stake in it, making the non-controlling equity immaterial.

(2) Information of the significant but non-controlling equity in subsidiaries

Subsidiary name	Principal places of business	Non-controlling equity shareholding and voting right ratio December 31, 2024	December 31, 2023
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	China	22.22%	22.22%
Dyna Rechi Co., Ltd.	Taiwan	5.58%	34.35%

Subsidiary name	Profit and loss distributed to the non-controlling equity 2024	2023	Non-controlling interests December 31, 2024	December 31, 2023
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited (excluding non-controlling interests of its subsidiaries)	$ 58,747	$ 40,564	$ 772,912	$ 692,657
Dyna Rechi Co., Ltd. (excluding non-controlling interests of its subsidiaries)	7,129	9,126	62,545	361,987
Others	112	356	113,262	107,553
Total	$ 65,988	$ 50,046	$ 948,719	$ 1,162,197

The summarized financial information of subsidiaries is based on the amount before writing off the intercompany transactions:

TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Its Subsidiaries

	December 31, 2024	December 31, 2023
Current assets	$ 5,323,531	$ 4,830,275
Non-Current assets	1,319,261	1,121,177
Current liabilities	(2,651,329)	(2,339,832)
Non-current liabilities	(3,476)	(10,486)
Equity	$ 3,987,987	$ 3,601,134
Equity attributable to:		
The company's shareholders	$ 3,101,000	$ 2,800,907
Non-controlling interests of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	772,912	692,657
Non-controlling interests of the subsidiaries of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	114,075	107,570
	$ 3,987,987	$ 3,601,134

	2024	2023
Operating revenue	$ 6,350,091	$ 4,363,138
Net profits of the current year	$ 264,867	$ 184,138
Other comprehensive income	-	-
Total comprehensive income	$ 264,867	$ 184,138
Total comprehensive income attributable to:		
The company's shareholders	$ 206,008	$ 143,218
Non-controlling interests of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	58,747	40,564
Non-controlling interests of the subsidiaries of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	112	356
	$ 264,867	$ 184,138
Cash flow		
Operating activities	$ 12,222	$ 296,547
Investing activities	(45,412)	(185,846)
Financing activities	(74,414)	(227,762)
Effect of foreign exchange rates changes on cash	62,282	(20,505)
Net cash inflow (outflow)	($ 45,322)	($ 137,566)
Dividends paid to non-controlling interests		
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	$ 14,752	$ -
Subsidiaries of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	$ -	$ -

Dyna Rechi Co., Ltd. and Its Subsidiaries

	December 31, 2024	December 31, 2023
Current assets	$ 1,939,892	$ 1,767,223
Non-Current assets	1,167,166	1,132,146
Current liabilities	(1,488,094)	(1,403,542)
Non-current liabilities	(14,109)	(9,507)
Equity	$ 1,604,855	$ 1,486,320
Equity attributable to:		
The company's shareholders	$ 1,542,310	$ 1,124,333
Non-controlling interests of Dyna Rechi Co., Ltd.	62,545	361,987
	$ 1,604,855	$ 1,486,320

	2024	2023
Operating revenue	$ 3,090,200	$ 2,248,856
Net profits of the current year	$ 58,609	$ 22,081
Other comprehensive income	59,926	(19,608)
Total comprehensive income	$ 118,535	$ 2,473
Profit attributable to:		
The company's shareholders	$ 51,480	$ 12,955
Non-controlling interests of Dyna Rechi Co., Ltd.	7,129	9,126
	$ 58,609	$ 22,081
Total comprehensive income attributable to:		
The company's shareholders	$ 108,061	($ 12,662)
Non-controlling interests of Dyna Rechi Co., Ltd.	10,474	15,135
	$ 118,535	$ 2,473
Cash flow		
Operating activities	($ 200,472)	$ 217,387
Investing activities	38,261	270,794
Financing activities	(51,123)	(298,392)
Effect of foreign exchange rates changes on cash	59,127	(25,931)
Net cash inflow (outflow)	($ 154,207)	$ 163,858
Dividends paid to non-controlling interests		
Dyna Rechi Co., Ltd.	$ -	$ -
Subsidiaries of Dyna Rechi Co., Ltd.	$ -	$ -

13. Investment under the equity method

Investments in the affiliated company

	December 31, 2024	December 31, 2023
Individual non-dominant associates		
Qingdao China Steel Precision Metal Co., Ltd.	$ 169,724	$ 166,586
COMPRA FOR TRADE AND MANUFACTURING S.A.E	25,572	-
	$ 195,296	$ 166,586

Summarized information of individually immaterial associates.

	2024	2023
Share of the Group		
Net income (loss)	($ 5,470)	$ 5,819
Other comprehensive income of the current year	$ -	$ -

The share of profits and losses and other comprehensive income on affiliated companies under the equity method is recognized based on the affiliated companies' financial statements that have been audited by auditors during the same period.

In May 2023, the Group disposed of its 30% equity investment in Jiangxi Baida Precision Manufacturing Co., Ltd. for a consideration of RMB 82,727 thousand.

The merged company, in order to be closer to the market and customers, and to diversify the risk of concentrated production bases, has established COMPRA FOR TRADE AND MANUFACTURING S.A.E, a rotary compressor manufacturing and sales company in Egypt through its subsidiary Rechi International Holdings Co., Ltd. The planned capital is USD 10,000 thousand, with the merged company holding a 30% stake. To meet the company's capital requirements, investments will be made in installments, with the first installment of USD 780 thousand invested in October 2024.

14. Property, plant, and equipment

	Proprietary land	Building	Machinery and equipment	Other equipment	Construction in progress	Total
Costs						
Balance as of January 1, 2023	$ 207,567	$ 3,774,614	$ 9,061,991	$ 1,541,057	$ 549	$ 14,585,778
Additions	-	3,503	275,886	54,830	-	334,219
Disposal	-	(8,974)	(585,908)	(52,268)	-	(647,150)
Net exchange differences	-	(54,634)	(143,188)	(16,745)	1	(214,566)
Other reclassification	-	-	63,227	15,506	(550)	78,183
Balance as of December 31, 2023	$ 207,567	$ 3,714,509	$ 8,672,008	$ 1,542,380	$ -	$ 14,136,464
Accumulated depreciation and impairment						
Balance as of January 1, 2023	$ -	$ 1,515,869	$ 5,893,493	$ 1,191,341	$ -	$ 8,600,703
Depreciation expenses	-	124,112	566,243	106,365	-	796,720
Disposal	-	(8,752)	(425,569)	(51,480)	-	(485,801)
Net exchange differences	-	(22,230)	(100,027)	(13,320)	-	(135,577)
Impairment losses (reversed)	-	-	796	-	-	796
Other reclassification	-	-	(5,255)	(2,920)	-	(8,175)
Balance as of December 31, 2023	$ -	$ 1,608,999	$ 5,929,681	$ 1,229,986	$ -	$ 8,768,666
Net amount as of December 31, 2023	$ 207,567	$ 2,105,510	$ 2,742,327	$ 312,394	$ -	$ 5,367,798
Costs						
Balance as of January 1, 2024	$ 207,567	$ 3,714,509	$ 8,672,008	$ 1,542,380	$ -	$ 14,136,464
Additions	-	63,059	279,835	92,501	12,018	447,413
Disposal	-	(18,808)	(286,808)	(86,841)	-	(392,457)
Net exchange differences	-	169,761	436,698	50,903	136	657,498
Other reclassification	-	695	30,525	25,962	-	57,182
Balance as of December 31, 2024	$ 207,567	$ 3,929,216	$ 9,132,258	$ 1,624,905	$ 12,154	$ 14,906,100

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	Proprietary land	Building	Machinery and equipment	Other equipment	Construction in progress	Total
Accumulated depreciation and impairment						
Balance as of January 1, 2024	$ -	$ 1,608,999	$ 5,929,681	$ 1,229,986	$ -	$ 8,768,666
Depreciation expenses	-	123,264	561,955	96,329	-	781,548
Disposal	-	(14,493)	(241,250)	(72,208)	-	(327,951)
Net exchange differences	-	70,686	304,853	40,045	-	415,584
Other reclassification	-	-	(36,773)	(149)	-	(36,922)
Balance as of December 31, 2024	$ -	$ 1,788,456	$ 6,518,466	$ 1,294,003	$ -	$ 9,600,925
Net amount as of December 31, 2024	$ 207,567	$ 2,140,760	$ 2,613,792	$ 330,902	$ 12,154	$ 5,305,175

Due to changes in product sales in the motor division of the household appliances business, some production lines have become idle. The merged company expects reduced future cash inflows from the related machinery and equipment, resulting in a recoverable amount that is less than the carrying amount. Therefore, an impairment loss of NTD 796 thousand was recognized in 2023. The Group adopted value in use as the recoverable amount of the machinery equipment.

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 30 for the amount of property, plant and equipment pledged as guarantees for borrowings.

15. Lease arrangements

(1) Right-of-use assets.

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Land	$ 134,593	$ 132,098
Building	-	12,475
Transportation equipment	1,819	2,352
	$ 136,412	$ 146,925

	2024	2023
Addition of right-of-use assets	$ 1,152	$ -
Depreciation expense of right-of-use assets		
Land	$ 4,331	$ 4,249
Building	5,474	8,986
Transportation equipment	1,699	3,027
	$ 11,504	$ 16,262

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 837	$ 10,255
Non-current	$ 871	$ 5,813

The range of lease liability discount is as follows:

	December 31, 2024	December 31, 2023
Land	-	-
Building	-	1.35%～2.20%
Transportation equipment	1.35%～2.00%	1.35%～2.70%

(3) Important rental activities and terms

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

(4) Other lease information

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

	2024	2023
Short-term lease expense	$ 14,025	$ 13,281
Variable lease payments not included in lease liability measurement	$ 11,217	$ 7,575
Total cash (outflow) of leases	($ 33,111)	($ 33,473)

The Group has elected to apply the recognition exemption for leases of dormitories and other equipment that meet short-term leases, and, thus, did not recognize said leases in right-of-use assets and lease liabilities.

16. Other assets

	December 31, 2024	December 31, 2023
Current		
Prepayment for purchase	$ 318,545	$ 397,880
Other prepayments (Note)	476,679	306,584
Others	25,223	26,990
	$ 820,447	$ 731,454
Non-current		
Prepayments for equipment	$ 414,677	$ 117,854
Refundable deposits	30,957	31,188
	$ 445,634	$ 149,042

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

17. Borrowings

(1) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured loans (Note 30)		
– Bank borrowings	$ 1,600,000	$ -
Unsecured loans		
– Credit borrowings	1,150,000	570,000
	$ 2,750,000	$ 570,000
Interest rate collars		
– Secured borrowings	1.86%～1.87%	-
– Unsecured borrowings	2.03%～2.10%	1.87%～1.92%

(2) Short-term notes payable

	December 31, 2024	December 31, 2023
Commercial papers payable	$ 480,000	$ 400,000
Less: Discount of short-term notes and bills payable	(944)	(796)
	$ 479,056	$ 399,204

The short-term bills payable but not yet due were enumerated below:

December 31, 2024

Guarantee/underwriting institutions	Face amount	Discounted amount	Book value	Interest rate collars	Collateral	Collateral Book amount
Commercial papers payable						
Dah Chung Bills Finance Corp.	$ 180,000	$ 462	$ 179,538	Note	—	$ -
International Bills Finance Corporation	150,000	73	149,927	Note	—	-
Mega Bills Finance Co., Ltd.	150,000	409	149,591	Note	—	-
	$ 480,000	$ 944	$ 479,056			$ -

Note: Interest rate range is 2.04%–2.11%.

December 31, 2023

Guarantee/underwriting institutions	Face amount	Discounted amount	Book value	Interest rate collars	Collateral	Collateral Book amount
Commercial papers payable						
Dah Chung Bills Finance Corp.	$ 100,000	$ 86	$ 99,914	Note	—	$ -
International Bills Finance Corporation	150,000	544	149,456	Note	—	-
Ta Ching Bills Finance Corporation	150,000	166	149,834	Note	—	-
	$ 400,000	$ 796	$ 399,204			$ -

Note: Interest rate range is 1.89%–2.21%.

(3) Long-term borrowings

	Date of maturity	Material terms	December 31, 2024	December 31, 2023
Secured loans (Note 30)				
Mega International Commercial Bank	2024.07.26	From July 26, 2019 to July 26, 2024, NTD 1,600,000 thousand was drawn down, and will be repaid in a lump sum upon maturity.	$ -	$ 1,600,000
Chang Hwa Commercial Bank, Ltd.	2029.10.15	The amounts of NTD 86,000 thousand, NTD 10,000 thousand, and NTD 24,780 thousand were drawn down on October 15, 2019, February 5, 2020, and April 6, 2020, respectively, and the principal and interest will be amortized and repaid monthly from November 15, 2022.	83,395	100,650
Unsecured loans				
Far Eastern International Bank Co., Ltd.	2024.10.25	From May 2, 2023 to October 25, 2024, NTD 280,000 thousand was drawn down, and will be repaid in a lump sum upon maturity.	-	280,000
Far Eastern International Bank Co., Ltd.	2027.01.19	From January 19, 2024 to April 17, 2024, NTD 380,000 thousand and NTD 120,000 thousand were drawn down, and will be repaid in a lump sum upon maturity.	500,000	-
Bank of Taiwan	2024.05.05	From November 26, 2021 to May 5, 2024, NTD 200,000 thousand was drawn down, and NTD 100,000 thousand was repaid early in January 2022, and the remaining amount will be repaid upon maturity.	-	100,000
Chang Hwa Commercial Bank, Ltd.	2027.02.15	The amounts of NTD 64,300 thousand, NTD 69,000 thousand, NTD 74,000 thousand, and NTD 71,000 thousand were drawn down on February 26, 2020, April 13, 2020, June 22, 2020, and August 24, 2020, respectively, and the principal and interest will be amortized and repaid monthly from March 15, 2023.	150,746	220,321
			734,141	2,300,971
Less: Portion due within one year			(86,829)	(2,072,627)
Long-term borrowings			$ 647,312	$ 228,344

The effective interest rate as of December 31, 2024 and 2023 was 1.48%–2.08% and 1.35%– 1.93%, respectively.

The Company has taken out loans from Mega International Commercial Bank and Chang Hwa Commercial Bank, Ltd.. The contracts also stated four commitments based on the Company's consolidated financial statements: 1. The current ratio shall be maintained at 100% or more. 2. The debt ratio shall be maintained below 225%—250% (inclusive) or lower. 3. The interest coverage ratio shall be maintained above 2–2.5 times (inclusive). 4. The net value of tangible assets shall be maintained at NTD 5,000,000 thousand or more. The company's consolidated financial statements have satisfied said commitments.

(4) Long-term notes payable

	December 31, 2024	December 31, 2023
Commercial papers payable	$ -	$ 350,000
Less: Discount of long-term notes payable	-	(1,039)
	-	348,961
Less: Portion due within one year	-	(348,961)
	$ -	$ -

1. The Company and the International Bills Finance Corporation signed a bank-guaranteed commercial paper revolving credit line and underwriting contract, allowing the Company to issue a 90-day bank-guaranteed commercial paper with a revolving credit line within a 5-year period. The Company drew down the underwriting facility of NTD 700,000 thousand as of November 18, 2019, with contract expiration dated November 11, 2024, of which NTD 350,000 thousand was repaid early by December 24, 2021 and the remaining amount will be repaid upon maturity.
2. The effective interest rate for long-term notes payable as of December 31, 2023 was 1.66%.

18. Other payables

	December 31, 2024	December 31, 2023
Salary and bonus payables	$ 356,563	$ 268,264
Remuneration to employees and directors payable	130,342	118,847
Payable tax	30,305	31,790
Vacation benefit payable	19,931	18,060
Equipment payables	70,381	33,597
Freight payables	99,525	35,007
Others (Note)	271,204	211,771
	$ 978,251	$ 717,336

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

19. Retirement benefits plan

(1) Defined contribution pension plan

The Company and Dyna Rechi Co., Ltd. in the Group have adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in Mainland China are members of the retirement benefit plan managed by the Mainland China government. The subsidiaries must contribute a specific proportion of the salary cost to the retirement benefit plan to provide funding for the plan. The Group's obligation for this government-managed retirement benefit plan is only to contribute a specific amount.

(2) Defined benefit plan

The company within the Group has a pension plan arranged in accordance with the "Labor Standard Law" of the Republic of China that was a defined benefit pension plan. Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. The company has a pension appropriated for an amount equivalent to 4% of the monthly salary and the proceeds are deposited in the designated account with Taiwan Bank in the name of the Labor Pension Reserve Commission. If the account balance before yearend is expected to be insufficient for paying the retiring employees of the year, the amount of difference should be appropriated in a lump sum before the end of March in the following year. The special account has been commissioned to the Bureau of Labor Fund of the Ministry of Labor Affairs for management. The Company contained in the financial statements exercises no influence on the right of the bureau in its investment management strategy.

The amount of determined benefit plan recognized in the consolidated balance sheet is shown below:

	December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$ 131,405	$ 125,388
The fair value of plan assets	(95,414)	(85,393)
Net defined benefit liability	$ 35,991	$ 39,995

Change in net defined benefit liability is shown below

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2023	$ 130,842	($ 82,953)	$ 47,889
Service costs			
Current service cost	782	-	782
Interest expenses (revenues)	1,963	(1,253)	710
Recognized in the profit or loss	2,745	(1,253)	1,492
Reevaluation			
Planned ROE (except the amount of net interest)	-	(598)	(598)
Actuarial losses (gains)			
– Changes in financial assumptions	2,872	-	2,872
– Experience adjustments	(6,349)	-	(6,349)
Recognized in the other comprehensive profit of loss	(3,477)	(598)	(4,075)
Employer appropriation	-	(5,311)	(5,311)
Benefits paid	(4,722)	4,722	-
Balance as of December 31, 2023	$ 125,388	($ 85,393)	$ 39,995
Balance as of January 1, 2024	$ 125,388	($ 85,393)	$ 39,995
Service costs			
Current service cost	573	-	573
Interest expenses (revenues)	1,568	(1,101)	467
Recognized in the profit or loss	2,141	(1,101)	1,040
Reevaluation			
Planned ROE (except the amount of net interest)	-	(7,702)	(7,702)
Actuarial losses (gains)			
– Changes in financial assumptions	(2,855)	-	(2,855)
– Experience adjustments	7,083	-	7,083
Recognized in the other comprehensive profit of loss	4,228	(7,702)	(3,474)
Employer appropriation	-	(1,570)	(1,570)
Benefits paid	(352)	352	-
Balance as of December 31, 2024	$ 131,405	($ 95,414)	$ 35,991

The recognized loss of determined benefit plans by function is summarized below:

	2024	2023
Operating costs	$ 158	$ 153
Marketing expenses	-	-
Administrative expenses	864	1,324
Research and development expenses	18	15
	$ 1,040	$ 1,492

The pension fund system of the company contained in the financial statements is exposed to the following risks due to the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor Affairs uses the labor pension fund for investment in domestic and foreign equity securities and debt securities, and as bank deposits through proprietary trade or commissioned third parties. However, the amount attributable to the planned asset of the Company contained in the financial statements shall not fall below the interest rate offered by the banks in the regions or countries of investment for 2-year time deposit as return.
2. Interest rate risk: The decline in interest rates of government bonds will cause the present value of the defined benefit obligations to go up; however, the return on debt investment of the plan assets will go up too; therefore, they both have a partial write-off effect on the net defined benefit liability.
3. Salary risk: the calculation of the present value of determined benefit obligation is based on the salaries of the members in the plan of the future. As such, an increase of the salaries of the members of the plan is bound to increase the present value of determined benefit obligation.

The determined benefit obligation of the company contained in the financial statements is based on the actuarial calculation of the actuary and the major assumption as of the evaluation day is shown below:

	December 31, 2024	December 31, 2023
Discount rate	1.500%	1.250%
The expected rate of increase in salaries	3.000%	3.000%

In case of reasonable and possible change in the major actuarial assumptions, and other assumptions remained unchanged, the amount of increase (decrease) in the present value of determined benefit obligation will be:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	($ 2,764)	($ 2,872)
Decrease by 0.25%	$ 2,855	$ 2,971
The expected rate of increase in salaries		
Increase by 0.25%	$ 2,764	$ 2,871
Decrease by 0.25%	($ 2,691)	($ 2,791)

Actuarial assumptions may be inter-related. The possibility of change in specific assumption is not high. The aforementioned sensitivity analysis may not be able to reflect the actual change in the present value of determined benefit obligation.

	December 31, 2024	December 31, 2023
Amount projected for appropriation in 1 year	$ 1,500	$ 5,360
Average maturity of determined benefit obligation	8.6 years	9.3 years

20. Equity

(1) Share capital

Common shares

	December 31, 2024	December 31, 2023
Authorized number of shares (thousand shares)	600,000	600,000
Authorized capital	$ 6,000,000	$ 6,000,000
Number of shares issued with fully paid-in capital (thousand shares)	504,915	504,915
Outstanding capital	$ 5,049,151	$ 5,049,151

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

(2) Capital reserves

	December 31, 2024	December 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Other capital surplus of shares	$ 279,956	$ 279,956
Corporate bond conversion premium	1,050,383	1,050,383
Endowments	1,651	1,651
Treasury stock trade	11	11
Difference between consideration and carrying amount of subsidiaries acquired or disposed	23,850	11,445
For covering loss carried forward only.		
Gains on disposal of assets	21	21
Recognition of changes in ownership interests of subsidiaries (2)	11,693	11,693
Others	164	164
	$ 1,367,729	$ 1,355,324

(1) Such additional paid-in capital can be used to make up for losses; also, when the company is without any loss, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(2) Such capital reserves are the effects of equity transactions recognized due to the changes in a subsidiary's equity when the Company has not actually acquired or disposed of the equity of the subsidiary.

(3) Retained earnings and Dividend Policy

According to the earnings distribution policy of the Company's Articles of Association, if there are earnings in the Company's annual final accounts, the Company shall pay taxes, compensate the accumulated losses over the years, set aside 10% as a statutory surplus reserve, and then appropriate or reverse a special surplus reserve according to the laws or regulations of the competent authority. Regarding the special surplus reserve, if there are still earnings available, shareholder dividends shall be provided therefrom. For stock dividends, the Board of Directors draws up an earnings distribution proposal and submits it to the shareholders' meeting for resolution for distribution of shareholder dividends. If cash dividends are distributed, it shall be approved by a resolution by more than half of all directors present at a board meeting attended by two-thirds or more of all directors and reported to the shareholders' meeting. Please refer to Note 22 (7) regarding the policy for remuneration to the employees and the directors as stipulated in the Company's Articles of Association.

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

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

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

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

Proposal for the Company's 2023 and 2022 earnings distribution are as follows:

	Distribution of retained earnings		Dividend Per Share (NTD)	
	2023	2022	2023	2022
Legal reserve appropriated	$ 75,423	$ 69,025		
Special reserve appropriated (reversed)	168,420	(146,967)		
Cash dividend	499,995	449,996	$ 1.0	$ 0.9

The aforementioned cash dividend distributions were resolved by the board of directors on March 12, 2024 and March 7, 2023, respectively. The rest earnings appropriation items were resolved by the general shareholders meetings on June 13, 2024 and June 15, 2023, respectively.

On March 11, 2025, the board of directors proposed the 2024 earnings distribution proposal as follows:

	Distribution of retained earnings	Dividend Per Share (NTD)
Legal reserve appropriated	$ 101,032	
Reversal of special reserve	(541,024)	
Cash dividend	742,725	$ 1.5

The Board of Directors has decided to distribute the above cash dividends by resolution and is pending resolution by the annual shareholders' meeting scheduled to be held on June 11, 2025.

(4) Special surplus reserves

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

As of December 31, 2024 and 2023, the special surplus reserve provided by the Company in accordance with Letter Jin Guan-Zheng-Fa No. 1010012865 was NTD 1,097,408 thousand and NTD 928,988 thousand, respectively.

(5) Other equity

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

	2024	2023
Balance, beginning of year	($ 1,025,598)	($ 859,668)
Generated in current year		
Exchange differences on translation of foreign operations	649,016	(207,412)
Relating income tax	(129,803)	41,482
Balance, end of year	($ 506,385)	($ 1,025,598)

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

	2024	2023
Balance, beginning of year	($ 71,810)	($ 69,320)
Generated in current year		
Unrealized gains or losses – equity instruments	(8,156)	(2,490)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	29,966	-
Balance, end of year	($ 50,000)	($ 71,810)

(6) Non-controlling interests

	2024	2023
Balance, beginning of year	$ 1,162,197	$ 1,379,424
Net profits of the current year	65,988	50,046
Other comprehensive income of the current year		
Exchange differences from the translation of financial statements of foreign operations	64,461	(6,326)
Relating income tax	(4,521)	(1,502)
Cash dividend to the subsidiary's shareholders	(14,752)	-
Acquisition of non-controlling interests in subsidiaries (Note 26)	(324,654)	(259,445)
Balance, end of year	$ 948,719	$ 1,162,197

(7) Treasury shares

Duration	Transfer of shares to employees (thousand shares)
Number of shares on January 1 and December 31, 2023	4,920
Number of shares on January 1 and December 31, 2024	4,920

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.

21. Revenue

(1) Revenue from contracts with customer

Product type	2024	2023
Commodity sales revenue		
Compressor	$ 20,545,380	$ 16,053,060
BLDC motors	436,787	320,215
Others	534,942	486,420
	$ 21,517,109	$ 16,859,695

(2) Refund liability

Based on historical experience and contract conditions, the Group's estimated refund liability for sales returns and discounts in 2024 and 2023 was NTD 1,035,978 thousand and NTD 704,407 thousand, respectively. As of December 31, 2023 and 2022, the balance of the refund liability was NTD 1,257,502 thousand and NTD 715,327 thousand, respectively.

22. Business units in continuing operation income

(1) Interest revenue

	2024	2023
Bank deposits	$ 130,407	$ 105,791

(2) Other income

	2024	2023
Rent revenue		
Other operating leases (Note 15)	$ 22,269	$ 15,843
Others (Note 25)	75,920	53,154
	$ 98,189	$ 68,997

(3) Other profits and losses

	2024	2023
Profit or loss on financial assets mandatorily measured at fair value through profit or loss	$ 70,726	$ 53,129
Gains (losses) on disposal of affiliated companies	-	22,420
Net foreign exchange gain (loss)	115,226	39,929
Gains (losses) on disposal of property, plant and equipment and right-of-use assets	(35,134)	(24,056)
Gains on lease modification	905	1
Impairment loss of property, plant and equipment	-	(796)
Others	(7,061)	(8,823)
	$ 144,662	$ 81,804

The components of financial assets at FVTPL are as follows:

	2024	2023
Interest income from wealth management products	$ 74,075	$ 53,159
Net gains and losses on changes in the fair value of stocks and fund beneficiary certificates	(3,349)	(30)
	$ 70,726	$ 53,129

(4) Financial costs

	2024	2023
Interest from bank borrowings	$ 94,659	$ 71,102
Interest on lease liabilities	193	475
Other financial costs	5,721	3,999
	$ 100,573	$ 75,576

(5) Depreciation and amortization

	2024	2023
Consolidation of depreciation expenses based on functions		
Operating costs	$ 641,299	$ 666,864
Operating expenses	151,753	146,118
	$ 793,052	$ 812,982
Consolidation of amortization expenses based on functions		
Operating costs	$ 135	$ 326
Operating expenses	14,539	12,689
	$ 14,674	$ 13,015

(6) Employee benefits expenses

	2024	2023
Retirement benefits		
Defined contribution pension plan	$ 11,368	$ 11,445
Defined benefit plan (Note 19)	1,040	1,492
	12,408	12,937
Other employee benefits	2,413,377	1,786,680
Total employee benefits expenses	$ 2,425,785	$ 1,799,617
Consolidation based on functions		
Operating costs	$ 1,539,208	$ 1,103,469
Operating expenses	886,577	696,148
	$ 2,425,785	$ 1,799,617

(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 2024 and 2023, 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.

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:

Amount

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

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.

There is no difference between the remuneration to employees and directors actually distributed for 2023 and 2022 and the amount recognized in the consolidated financial statements for 2023 and 2022.

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)

	2024	2023
Total foreign exchange gains	$ 260,275	$ 300,132
Total foreign exchange gain (loss)	(145,049)	(260,203)
Net profit (loss)	$ 115,226	$ 39,929

23. Continuing department income tax

(1) Income tax recognized in profit or loss

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

	2024	2023
Income tax expenses in the current period		
Accrued in current year	$ 713,236	$ 499,695
Additional levy on undistributed earnings	520	15,910
Prior year adjustment	(250,258)	(196,938)
	463,498	318,667
Deferred tax		
Accrued in current year	(97,228)	(52,417)
Prior year adjustment	105,775	50,769
	8,547	(1,648)
Income tax expense recognized in the profit or loss	$ 472,045	$ 317,019

Adjustment of accounting income and income tax expense are as follows:

	2024	2023
Income before tax from continuing operations	$ 1,545,572	$ 1,118,037
Income tax expense of net income before tax at the statutory tax rate	$ 613,575	$ 473,296
Non-deductible expenses and losses for tax purposes	15,555	2,369
Non-taxable income	(12,220)	(25,174)
Additional levy on undistributed earnings	520	15,910
Unrecognized deductible temporary differences	104,873	47,556
Income tax expense of prior years adjusted in the current year	(250,258)	(196,938)
Income tax expense recognized in the profit or loss	$ 472,045	$ 317,019

Except for TCL Rechi (Huizhou) Refrigeration Equipment Company Limited, Rechi Precision (Qingdao) Electric Machinery Limited, Rechi Refrigeration Dongguan Co., Ltd., Rechi Precision (Jiujiang) Electric Machinery Limited, and Dyna Rechi (Jiujiang) Co., Ltd., which enjoy a preferential tax rate of 15% as in high-tech industries, the tax rate applicable to the subsidiaries in China is 25%.

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

	2024	2023
Deferred tax		
Accrued in current year		
– Translation of foreign operations	$ 134,324	($ 39,980)
– Remeasurement of defined benefit plan	695	815
	$ 135,019	($ 39,165)

(3) Current Tax Liability

	December 31, 2024	December 31, 2023
Current Tax Liability		
Payable income tax	$ 743,608	$ 450,276

(4) Deferred income tax assets and liabilities

Changes in the deferred income tax assets and liabilities are as follows:

2024

Deferred income tax assets	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Exchange difference	Balance, end of year
Temporary difference					
Investment losses of foreign investment companies	$ -	$ 1,388	$ -	$ -	$ 1,388
Allowance to reduce inventory to market	21,938	5,048	-	703	27,689
Unrealized exchange loss	5,448	(4,352)	-	-	1,096
Liability reserve	28,022	6,587	-	1,409	36,018
Refund liability	163,251	127,543	-	8,131	298,925
Defined benefit pension plans	8,151	(106)	(695)	-	7,350
Allowance for losses	3,227	636	-	161	4,024
Vacation benefit payable	3,978	295	-	95	4,368
Other payables	2,519	(1,508)	-	114	1,125
Deferred government grants	94,561	(7,557)	-	4,815	91,819
Exchange differences of foreign operations	140,915	-	(134,032)	-	6,883
Loss deduction	62,480	(1,085)	-	72	61,467
Others	10,862	745	-	570	12,177
	$ 545,352	$ 127,634	($ 134,727)	$ 16,070	$ 554,329

Deferred tax liabilities	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Exchange difference	Balance, end of year
Temporary difference					
Investment gains of foreign investment companies	$ 737,896	$ 135,348	$ -	$ -	$ 873,244
Property, plant, and equipment	17,565	6,661	-	940	25,166
Reserve for land revaluation increment tax (“LRIT”)	10,104	-	-	-	10,104
Unrealized exchange gain	657	4,317	-	-	4,974
Exchange differences of foreign operations	-	-	292	-	292
Others	13,690	(10,145)	-	598	4,143
	$ 779,912	$136,181	$ 292	$ 1,538	$ 917,923

2023

Deferred income tax assets	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Exchange difference	Balance, end of year
Temporary difference					
Investment losses of foreign investment companies	$ 3,798	($ 3,798)	$ -	$ -	$ -
Allowance to reduce inventory to market	19,720	2,401	-	(183)	21,938
Unrealized exchange loss	1,265	4,183	-	-	5,448
Liability reserve	20,792	7,735	-	(505)	28,022
Refund liability	106,849	58,890	-	(2,488)	163,251
Defined benefit pension plans	9,730	(764)	(815)	-	8,151
Allowance for losses	4,842	(1,563)	-	(52)	3,227
Vacation benefit payable	4,447	(439)	-	(30)	3,978
Other payables	2,120	444	-	(45)	2,519
Deferred government grants	101,537	(5,381)	-	(1,595)	94,561
Exchange differences of foreign operations	100,935	-	39,980	-	140,915
Loss deduction	60,861	1,655	-	(36)	62,480
Others	19,315	(8,295)	-	(158)	10,862
	$ 456,211	$ 55,068	$ 39,165	($ 5,092)	$ 545,352

Deferred tax liabilities	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Exchange difference	Balance, end of year
Temporary difference					
Investment gains of foreign investment companies	$ 703,722	$ 34,174	$ -	$ -	$ 737,896
Property, plant, and equipment	8,885	8,994	-	(314)	17,565
Reserve for land revaluation increment tax (“LRIT”)	10,104	-	-	-	10,104
Unrealized exchange gain	4,375	(3,718)	-	-	657
Others	-	13,970	-	(280)	13,690
	$ 727,086	$ 53,420	$ -	($ 594)	$ 779,912

(5) 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, 2022, 2022, and 2022, respectively have been approved by the tax collection authority, and the remaining subsidiaries file local income tax returns in accordance with local regulations.

24. Earnings per share (EPS)

Unit: NTD per share

	2024	2023
Basic earnings per share	$ 2.02	$ 1.50
Diluted earnings per share	$ 2.00	$ 1.49

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

Net profits of the current year

	2024	2023
The net income applied to calculate basic earnings per share	$ 1,007,539	$ 750,972

Number of shares

Unit: shares in thousands

	2024	2023
Weighted average common stock shares used to calculate basic earnings per share	499,995	499,995
Effect of dilutive potential common stock:		
Remuneration to employees	3,100	2,679
Weighted average common stock shares used to calculate diluted earnings per share	503,095	502,674

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.

25. Government grant

The merged company received government subsidies of NTD 52,925 thousand and NTD 31,198 thousand in fiscal years 2024 and 2023 respectively, which were recognized as current profit or loss or deferred as a reduction in assets according to the nature of the subsidies.

The amounts recognized in other income are as follows:

	2024	2023
Other income	$ 52,925	$ 21,160

In addition, for the subsidized items that are transferred to profit or loss within the useful lives of the assets, as of December 31, 2024 and 2023, the amount of NTD 545,114 thousand and NTD 552,085 thousand had been obtained, respectively. The amount of reduction of depreciation expenses is as follows:

	2024	2023
Reduction of depreciation expenses	$ 35,304	$ 36,019

26. Equity transactions with the non-controlling equity

On December 14, 2023, the Group repurchased a 23.45% stake, totaling 24,636 thousand shares, in Dyna Rechi Co., Ltd. from China Steel Corporation, a juridical person director of its subsidiary. This transaction resulted in the Company's shareholding ratio increasing from 42.20% to 65.65% for a consideration of NTD 248,000 thousand. The transaction price was determined with reference to the CPA's fairness opinion on price and was resolved by the board of directors.

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.

	2024	2023
Consideration of cash paid	($ 312,249)	($ 248,000)
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.	324,654	259,445
Equity transaction balance	$ 12,405	$ 11,445
Adjustment of equity transaction balance		
Capital reserves - difference between consideration and carrying amount of subsidiaries acquired or disposed	$ 12,405	$ 11,445

27. Capital risk management

The Group manages capital to ensure the Group's enterprises to maximize shareholder's returns by optimizing the balance of debt and equity under the precondition of continuing operation. There is no major change in the Group's overall strategy.

The capital structure of the Group is composed of the Group's net debt (i.e. borrowings less cash and cash equivalents) and equity (i.e. share capital, capital reserves, retained earnings, other equity items, and non-controlling interests).

The Group is not required to comply with other external capital requirements, except for the various commitments on long-term borrowings in Note 17.

The Group's management reviews the capital structure yearly, and the reviews include taking into consideration the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares, borrowing new debts, or repaying old debts based on the suggestions of the key management.

28. 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

December 31, 2024

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

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Listed stocks – overseas	$ 4,368	$ -	$ -	$ 4,368
Beneficiary certificates of fund	-	-	19,994	19,994
Wealth management products	-	-	1,319,291	1,319,291
	$ 4,368	$ -	$ 1,339,285	$ 1,343,653
Financial assets at fair value through other comprehensive income				
Equity investment				
- Domestic non-listed (OTC) stocks	$ -	$ -	$ 8,190	$ 8,190

There were no transfers between Level 1 and Level 2 fair value in 2024 and 2023.

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

	Financial instruments measured at fair value through profit or loss		Financial instruments at fair value through other comprehensive income	
Financial assets	2024	2023	2024	2023
Balance, beginning of year	$ 1,339,285	$ 1,094,216	$ 8,190	$ 10,680
Recognized in profit and loss (Other profit or loss)				
- Realized	70,959	53,153	-	-
Recognized in the other comprehensive profit of loss	-	-	(8,156)	(2,490)
Disposal/Purchase	412,407	191,916	(34)	-
Balance, end of year	$ 1,822,651	$ 1,339,285	$ -	$ 8,190

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

	December 31, 2024	December 31, 2023
Financial assets		
Measured at fair values through profit and loss		
Measured at fair value through income under compulsion	$ 1,826,786	$ 1,343,653
Financial assets based on cost after amortization (Note 1)	17,281,019	14,523,106
Financial assets at fair value through other comprehensive income		
Equity investment	-	8,190
Financial liabilities		
Based on cost after amortization (Note 2)	14,472,928	11,193,827

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 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 43.31% 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 1.87% 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 33.

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 foreign currency monetary items; also, the translation at yearend is adjusted with the change in exchange rate 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)	
	2024	2023	2024	2023
Profit or loss	$ 26,206	$ 17,366	($ 31,765)	($ 14,272)

(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:

	December 31, 2024	December 31, 2023
With fair value interest rate risk		
– Financial assets	$ 5,851,546	$ 4,556,264
– Financial liabilities	3,230,764	985,272
Contain cash flow interest rate risk		
– Financial assets	3,801,468	1,937,841
– Financial liabilities	734,141	2,649,932

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 2024 and 2023 net profit before tax would have increased/ decreased by NTD 30,673 thousand and NTD (7,121) 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 2024 and 2023 would have increased/decreased by NTD 41 thousand and NTD 44 thousand respectively due to the increase/decrease in the fair value of the financial assets at fair value through profit or loss. Other comprehensive income before tax for 2024 and 2023 would have increased/decreased by NTD 0 thousand and NTD 82 thousand, respectively due to the increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

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 six 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. In 2024 and 2023, the Group's concentration of credit risk on the top seven customers did not exceed 11% of the total monetary assets, and the concentration of credit risk on other counterparties did not exceed 1% of the total monetary assets.

The Group's credit risk is mainly concentrated on the top six customers. As of December 31, 2024 and 2023, the percentage of the total accounts receivable from the aforementioned customers was 50% and 48%.

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 December 31, 2024 and 2023, 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.

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
Non-derivative financial liabilities					
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	2,404,465	331,708	501,708	-	-
	$ 4,689,740	$ 4,497,504	$ 4,630,856	$ 676,750	$ 86

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	$ 952	$ 823	$ 86	$ -	$ -	$ -

December 31, 2023

	Payment on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities					
No interest-bearing liabilities	$ 1,276,413	$ 3,047,632	$ 3,224,697	$ 25,949	$ -
Lease liabilities	899	1,798	7,901	5,936	-
Instruments with floating interest rates	10,057	20,098	2,071,286	568,597	14,379
Instruments with fixed interest rates	250,905	721,651	-	-	-
	$ 1,538,274	$ 3,791,179	$ 5,303,884	$ 600,482	$ 14,379

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Over 20 years
Lease liabilities	$ 10,598	$ 5,936	$ -	$ -	$ -	$ -

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

	December 31, 2024	December 31, 2023
Secured bank loan		
– The loan quota used	$ 1,683,395	$ 1,700,650
– The loan quota not yet used	405,930	393,450
	2,089,325	2,094,100
Unsecured bank loan amount		
– The loan quota used	2,279,802	1,918,486
– The loan quota not yet used	6,818,644	9,666,086
	9,098,446	11,584,572
	$ 11,187,771	$ 13,678,672

(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 year is as follows:

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	$ 152,256	$ -	$ -	$ 152,256	3.94%~5.17%

December 31, 2023

Counterparties	Amount factored	Reclassified to other receivables	Amount available	Amount drawn down	The annual interest rate of prepaid amount (%)
DBS Bank Limited	$ 195,330	$ -	$ -	$ 195,330	2.89%~5.20%

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.

In 2024 and 2023, 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 2,297,875 thousand and NTD 1,317,360 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.

In 2024 and 2023, the Group recognized financial costs of NTD 2,269 thousand and NTD 961 thousand upon factoring of the banker's acceptance receivable.

29. 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
Jiangxi Baida Precision Manufacturing Corp.	Affiliated enterprise (non-related party since May 2023)
China Steel Corporation	Substantive related party (a juristic person director of a subsidiary, relieved from office in December 2023)
Taiwan Sanyo Electric Co., Ltd.	Substantive related party (a juridical person supervisor of a subsidiary, relieved from office in April 2024)
Rich Technology Electronics Co., Ltd.	Substantive related party (a juridical person director of a subsidiary, relieved from office in April 2024)
AccessTop Ltd.	Substantive related party (a juridical person director of a subsidiary, relieved from office in April 2024)
HSU, YUNG FU and his first-degree relatives	Substantive related party (a juridical person director representative of a subsidiary, relieved from office in April 2024)

(2) Operating revenue

Account titles in book	Type and Name of related party	2024	2023
Sales revenue	Investor with significant influence	$ 4,626	$ 5,534

(3) Purchase

Type and Name of related party	2024	2023
Affiliated enterprises	$ 28,096	$ 212,051

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	December 31, 2024	December 31, 2023
Accounts receivable – related parties	Investor with significant influence	$ 1,697	$ 1,192
Other receivables	Affiliated enterprises	$ 779	$ 652

The outstanding receivables from the related party are without any guarantees collected. No allowance for losses was provided for accounts receivable from related parties in 2024 and 2023.

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

Account titles in book	Type and Name of related party	December 31, 2024	December 31, 2023
Notes payable -related party	Affiliated enterprises	$ -	$ 1,724
Accounts payable – related parties	Affiliated enterprises	$ 516	$ 3,730
Other payables	Investor with significant influence	$ 830	$ 830

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	December 31, 2024	December 31, 2023
Other current liabilities	Qingdao China Steel Precision Metal Co., Ltd.	$ 36,668	$ 12,475

(7) Lease agreement

Type and Name of related party	2024	2023
Rent expense		
Investor with significant influence	$ 10,336	$ 9,178

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:

	December 31, 2024	December 31, 2023
The total amount of lease payments to be paid in the future	$ 9,816	$ 10,308

(8) Others

On December 14, 2023, the Group repurchased a 23.45% stake, totaling 24,636 thousand shares, in Dyna Rechi Co., Ltd. from China Steel Corporation, a juridical person director of its subsidiary. This transaction resulted for a consideration of NTD 248,000 thousand. The transaction price was determined with reference to the CPA's fairness opinion on price and was resolved by the board of directors.

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, 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.

(9) Remuneration to the management

	2024	2023
Short-term employee benefits	$ 73,262	$ 70,901
Retirement benefits	722	664
	$ 73,984	$ 71,565

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.

30. Pledged assets

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

	December 31, 2024	December 31, 2023
Proprietary land	$ 207,567	$ 207,567
Building	179,766	190,199
Machinery and equipment	115,625	128,708
Other equipment	2,538	3,940
Financial assets based on cost after amortization	3,359,365	2,502,757
	$ 3,864,861	$ 3,033,171

31. 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:

	December 31, 2024	December 31, 2023
JPY	$ 138,000	$ -
RMB	-	10,000

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

	December 31, 2024	December 31, 2023
Purchase of property, plant, and equipment		
RMB	$ 65,415	$ 24,531
NTD	647	2,506
JPY	70,020	-
USD	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 December 31, 2024 and 2023, 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 December 31, 2024 and 2023, the amount of the letters of guarantee issued by the bank was NTD 500 thousand.

32. Significant subsequent events

In January 2025, the Company's Board of Directors resolved that, for the purpose of transferring shares to employees, the Company is authorized to repurchase 5,000 thousand shares of its common stock from the centralized securities market from January 17, 2025 to March 16, 2025, at a price range between NTD 17.15 and NTD 37.85 per share, with a maximum total repurchase amount of NTD 4,853,805 thousand.

33. 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:

December 31, 2024

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Monetary items			
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
Non-Currency			
Affiliated company under the equity method			
RMB	37,213	0.1391 (RMB : USD)	169,724
Foreign currency liabilities			
Monetary items			
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

December 31, 2023

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Monetary items			
USD	$ 60,256	30.705 (USD : NTD)	$ 1,850,151
USD	3,580	7.0827 (USD : RMB)	109,930
RMB	157,012	4.3352 (RMB : NTD)	680,679
RMB	24,893	0.1412 (RMB : USD)	107,917
JPY	23,455	0.2172 (JPY : NTD)	5,094
EUR	2,903	33.98 (EUR : NTD)	98,646
Non-Currency			
Affiliated company under the equity method			
RMB	38,426	0.1412 (RMB : USD)	166,586

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Foreign currency liabilities	Foreign currency	Exchange rate	Book value
Monetary items			
USD	$ 6,720	30.705 (USD : NTD)	$ 206,348
USD	23,846	7.0827 (USD : RMB)	732,198
RMB	375,552	4.3352 (RMB : NTD)	1,628,097
JPY	759	0.0501 (JPY : RMB)	165
EUR	177	33.98 (EUR : NTD)	6,013

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:

	2024		2023	
Functional currency	Functional currency exchanges for presentation currency	Net exchange losses (gains)	Functional currency exchanges for presentation currency	Net exchange losses (gains)
USD	32.112 (USD : NTD)	$ 896	31.155 (USD : NTD)	$ 7,599
NTD	1 (NTD : NTD)	119,242	1 (NTD : NTD)	44,721
RMB	4.510 (RMB : NTD)	(4,912)	4.424 (RMB : NTD)	(12,391)
		$ 115,226		$ 39,929

34. Notes of disclosure

(1) Information about important transactions:

1. The Loaning of funds: Table 1.
2. Endorsement and Guarantee: Table 2.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures): Table 3.
4. The cumulative purchase or sale of the same security for an amount exceeding NTD 300 million or 20% of paid-in capital: Table 4.
5. The acquisition of real estate for an amount exceeding NTD 300 million or 20% of paid-in capital: None.
6. The disposal of real estate for an amount exceeding NTD 300 million or 20% of paid-in capital: None.
7. The purchase or sale with the related party for an amount exceeding NTD 100 million or 20% of paid-in capital: Table 5.
8. Accounts receivable-related party reaching NTD 100 million or more than 20% of the Paid-in shares capital: Table 6.

9. Trading in derivative instruments: N/A.

10. Other: business relationships and significant intercompany transactions between parent and subsidiary units: Table 7.

(2) Information on investees: Table 8.

(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 9 attached.

2. Significant direct or indirect transactions with the investee in Mainland China through third regions, its prices, terms of payment, and unrealized gain or loss: Please see Table 10 attached.

(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.

(4) Information on major shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage: Table 11.

35. 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.

(1) 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
2024			
Revenues from external customers	$ 20,545,380	$ 971,729	$ 21,517,109
Inter-segment income	24,463,021	905,127	25,368,148
Department income	$ 45,008,401	$ 1,876,856	46,885,257
Elimination of intersegment			(25,368,148)
Consolidated revenue			21,517,109
Segment profit/loss	$ 1,570,907	($ 52,704)	1,518,203
Interest revenue			130,407
Other income			98,189
Headquarters' administration costs & directors' remuneration			(239,846)
Other profits and losses			144,662
Financial costs			(100,573)
The shares of loss at equity method over the associates			(5,470)
Income before tax from continuing operations			$ 1,545,572
2023			
Revenues from external customers	$ 16,053,060	$ 806,635	$ 16,859,695
Inter-segment income	18,156,404	594,983	18,751,387
Department income	$ 34,209,464	$ 1,401,618	35,611,082
Elimination of intersegment			(18,751,387)
Consolidated revenue			16,859,695
Segment profit/loss	$ 1,194,879	($ 55,062)	1,139,817
Interest revenue			105,791
Other income			68,997
Headquarters' administration costs & directors' remuneration			(208,615)
Other profits and losses			81,804
Financial costs			(75,576)
The shares of profit at equity method over the associates			5,819
Income before tax from continuing operations			$ 1,118,037

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 profits and losses on associates under the equity method, rental income, interest income, gains or losses on disposal of property, plant and equipment, gains on disposal of investment, net foreign currency exchange gains or losses, financial instrument valuation gains or losses, interest expenses, other financial costs, and income tax expenses. The measured figures are provided for main decision makers to allocate resources to segments and evaluate the performance of each segment.

(2) Information by areas

Key two operations areas for the Group – Taiwan and China.

The Group's continuing operating revenues from external customers are divided into the following operating geographical locations, and its non-current assets are divided based on the physical locations of the assets shown as follows:

	Income from external customers	
	2024	2023
China	$ 13,909,671	$ 10,428,433
U.S.	1,662,953	1,438,127
Poland	1,284,124	1,220,196
Thailand	858,017	987,524
Others	3,802,344	2,785,415
	$ 21,517,109	$ 16,859,695

	Non-Current assets	
	December 31, 2024	December 31, 2023
China	$ 5,279,261	$ 5,039,347
Taiwan	674,708	676,601
	$ 5,953,969	$ 5,715,948

Non-current assets do not include assets classified as financial instruments, deferred income tax assets, and net defined benefit assets.

(3) Information on key customers

Income generated from a single customer for more than 10% of the Group's total income is as follows:

	2024	2023
Customer A	NA (Note)	$ 2,503,539

Note: The revenue amount does not reach 10% of the total revenue of the merger company.

RECHI PRECISION CO., LTD. and its subsidiaries

The Loaning of Funds

For the Year Ended December 31, 2024

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 228,041 (RMB 50,000)	NTD 228,041 (RMB 50,000)	NTD 228,041 (RMB 50,000)	1.98%	2	$ -	Working capital	$ -	—	—	NTD 1,067,268	NTD 2,134,536	
0	RECHI PRECISION CO., LTD.	Dyna Rechi Jiujiang Co., Ltd.	Other receivables	Yes	NTD 273,649 (RMB 60,000)	NTD 228,041 (RMB 50,000)	NTD 228,041 (RMB 50,000)	2.12%	2	-	Working capital	-	—	—	NTD 1,067,268	NTD 2,134,536	
1	Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Other receivables	Yes	NTD 770,448 (USD 23,500)	NTD 770,448 (USD 23,500)	NTD 770,448 (USD 23,500)	-	2	-	Working capital	-	—	—	NTD 13,324,417	NTD 13,324,417	
2	Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Other receivables	Yes	NTD 182,433 (RMB 40,000)	NTD 182,433 (RMB 40,000)	NTD 182,433 (RMB 40,000)	2.80%	2	-	Working capital	-	—	—	NTD 1,228,826	NTD 1,228,826	

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 Year Ended December 31, 2024

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 (Notes 4 and 6)	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 6)	The actual amounts disbursed (Note 6)	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 (Notes 4 and 6)	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 10,672,679	NTD 1,409,755 (USD 43,000)	NTD 98,355 (USD 3,000)	NTD - (USD -)	$ -	1%	NTD 16,009,019	Y	N	N	
0	RECHI PRECISION CO., LTD.	Rechi Precision (Jiujiang) Electric Machinery Limited	Note 2	NTD 10,672,679	NTD 778,247 (USD 14,000) (RMB 70,000)	NTD - (USD -) (RMB -)	NTD - (USD -) (RMB -)	-	-	NTD 16,009,019	Y	N	Y	
1	Rechi Precision (Qingdao) Electric Machinery Limited (Note 5)	Rechi Refrigeration Dongguan Co., Ltd.	Note 3	NTD 4,916,295 (RMB 1,077,941)	NTD 136,825 (RMB 30,000)	NTD - (RMB -)	NTD - (RMB -)	-	-	NTD 7,374,445 (RMB 1,616,912)	N	N	Y	
2	Dyna Rechi Co., Ltd.	Ablek Technology Co., Ltd.	Note 1	NTD 560,087	NTD 15,000	NTD 15,000	NTD -	-	1%	NTD 560,087	N	N	N	
3	Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Note 4	NTD 3,072,063 (RMB 673,577)	NTD 209,798 (RMB 46,000)	NTD 209,798 (RMB 46,000)	NTD 202,551 (RMB 44,411)	-	7%	NTD 4,608,097 (RMB 1,010,366)	N	N	Y	
3	Rechi Precision (Jiujiang) Electric Machinery Limited	Rechi Refrigeration Dongguan Co., Ltd.	Note 3	NTD 3,072,063 (RMB 673,577)	NTD 228,041 (RMB 50,000)	NTD 228,041 (RMB 50,000)	NTD 120,734 (RMB 26,472)	-	7%	NTD 4,608,097 (RMB 1,010,366)	N	N	Y	

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

Note 2: Investees in which at least 50% of the ordinary shares are held by the Company and its subsidiaries in total.

Note 3: For companies that the Company directly and indirectly holds 90% of the voting shares.

Note 4: Companies that have a business relationship with the Company.

Note 5: (1) The upper limit of the Company's endorsement/guarantee provided to each entity is NTD 10,672,679 (net worth) × 100% = NTD 10,672,679.

(2) The upper limit of the Company's endorsements/guarantees provided is NTD 10,672,679 (net worth) × 150% = NTD 16,009,019.

(3) The upper limit of the Rechi Precision (Qingdao) Electric Machinery Limited's endorsement/guarantee provided to each entity is RMB 1,077,941 (net worth) × 100% = RMB 1,077,941.

(4) The upper limit of the Rechi Precision (Qingdao) Electric Machinery Limited's endorsements/guarantees provided is RMB 1,077,941 (net worth) × 150% = RMB 1,616,912

(5) The upper limit of the Dyna Rechi Co., Ltd.'s endorsement/guarantee provided to each entity is NTD 1,120,174 (net worth) × 50% = NTD 560,087.

(6) The upper limit of the Dyna Rechi Co., Ltd.'s endorsements/guarantees provided is NTD 1,120,174 (net worth) × 50% = NTD 560,087.

(7) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited's endorsement/guarantee provided to each entity is RMB 673,577 (net worth) × 100% = RMB 673,577.

(8) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited's endorsements/guarantees provided is RMB 673,577 (net worth) × 150% = RMB 1,010,366.

Note 6: Measured based on the exchange rate at the end of the period.

RECHI PRECISION CO., LTD. and its subsidiaries

Marketable securities held – end of year

December 31, 2024

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.	Sharp Corporation	None	Financial assets at fair value through profit or loss – current	20	$ 4,135	-	$ 4,135	Note 1
	Taichung Commercial Bank Taiwan Quantitative Fund	None	Financial assets at fair value through profit or loss – current	1,049	16,879	-	16,879	Note 3
	Bigbest Solutions, Inc.	None	The financial assets measured for the fair values through other comprehensive income – non-current	600	-	0.90%	-	
Rechi Refrigeration Dongguan Co., Ltd.	BOC Wealth Management – Enjoy Everyday	None	Financial assets at fair value through profit or loss – current	-	36,548	-	36,548	Note 2
Dongguan Rechi Compressor Co., Ltd.	BOC Wealth Management – Enjoy Everyday	None	Financial assets at fair value through profit or loss – current	-	23,458	-	23,458	Note 2
	Zhao-Jin 7007 wealth management product of China Merchants Bank Co., Ltd.	None	Financial assets at fair value through profit or loss – current	-	55,895	-	55,895	Note 2
Qingdao Rechi Electric Machinery Sales Company	The National Trust Financial Management Jia Long No. 106 - Term Dong Wu	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Dong Geng	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Dong Ji	None	Financial assets at fair value through profit or loss – current	-	91,216	-	91,216	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Dong Xin	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Dong Gui	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Dong Ren	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Zi	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2

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Holding company	Types and names of securities	Relationship with the securities issuer	Account titles in book	At ending				Remark
				Number of shares	Book value	Shareholding percentage	Fair value	
Rechi Precision (Qingdao) Electric Machinery Limited	The National Trust Financial Management Jia Long No. 106 - Term Chun Chou	None	Financial assets at fair value through profit or loss – current	-	$ 45,609	-	$ 45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Yin	None	Financial assets at fair value through profit or loss – current	-	45,609	-	45,609	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Chen	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Mao	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Si	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Wu	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Wei	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 106 - Term Chun Shen	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Bing	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Ding	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Wu	None	Financial assets at fair value through profit or loss – current	-	91,216	-	91,216	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Ji	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Ren	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Xin	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Geng	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Gui	None	Financial assets at fair value through profit or loss – current	-	68,412	-	68,412	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Chun Zi	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Chun Chou	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2

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Holding company	Types and names of securities	Relationship with the securities issuer	Account titles in book	At ending				Remark
				Number of shares	Book value	Shareholding percentage	Fair value	
	The National Trust Financial Management Jia Long No. 107 - Term Chun Yin	None	Financial assets at fair value through profit or loss – current	-	$ 45,608	-	$ 45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Chun Mao	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Chun Chen	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Chun Si	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
Rechi Precision (Jiujiang) Electric Machinery Limited	Bank of Jiujiang Jiu Ying Wealth Management Xinxiang Growth Pure Bond Monthly Regular Open-end No. 3	None	Financial assets at fair value through profit or loss – current	-	45,608	-	45,608	Note 2
	Bank of Jiujiang Jiu Ying Wealth Management Xinxiang Growth Pure Bond Monthly Regular Open-end No. 8	None	Financial assets at fair value through profit or loss – current	-	91,216	-	91,216	Note 2
	Bank of Jiujiang Jiu Ying Zeng Li No. 1	None	Financial assets at fair value through profit or loss – current	-	91,215	-	91,215	Note 2
Ablek Technology Ltd.	Guanlibao Day-to-Day Wealth Management Product	None	Financial assets at fair value through profit or loss – current	-	25,172	-	25,172	Note 2

Note 1: The fair values were calculated based on the closing prices of the stocks at the end of December 2024.

Note 2: 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 3: The fair value is calculated using the asset approach.

RECHI PRECISION CO., LTD. and its subsidiaries

The cumulative purchase or sale of the same security for an amount exceeding NTD 300 million or 20% of paid-in capital

For the Year Ended December 31, 2024

Table 4

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

Company Buy & Sell	Types and names of securities	Account titles in book	Counterparties	Relation	Beginning		Buy		Sell				At ending	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Sale price	Book cost	Loss (gain) on disposal	Number of shares	Amount (Cost)
	Stock													
RECHI PRECISION CO., LTD.	Common stock of Dyna Rechi Co., Ltd.	Investment under the equity method	Taiwan Sanyo Electric Co., Ltd., Richtek Technology Co., Ltd., AccessTop Ltd., Director Xu Yongfu, and his first-degree relatives	Substantive related party	68,980	$ 691,442	30,225	$ 312,249	-	$ -	$ -	$ -	99,205	$ 1,003,691
RECHI PRECISION CO., LTD.	Rechi Holdings Co., Ltd.	Investment under the equity method	None	Parent and subsidiary	-	8,194,085	-	346,476	-	-	-	-	-	8,540,561
Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Investment under the equity method	None	Parent and subsidiary	-	USD 66,000	-	USD 10,000	-	-	-	-	-	USD 76,000

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 Year Ended December 31, 2024

Table 5

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	$ 1,513,694	19%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	$ 385,861	15%	Note
	Rechi Precision (Qingdao) Electric Machinery Limited	Subsidiary of Rechi Investments Holdings Co., Ltd.	Purchase	4,188,474	54%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	1,369,719	55%	Note
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Purchase	1,235,069	16%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	373,073	15%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	625,000	8%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	266,503	11%	Note
Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Subsidiary of Rechi Holdings Co., Ltd.	Sale	1,581,051	62%	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	502,495 304	55% -	Note Note
	Rechi Precision (Qingdao) Electric Machinery Limited	Subsidiary of Rechi Investments Holdings Co., Ltd.	Sale	223,284	9%	O/A with net 60 days via T/T	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	99,743	11%	Note Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	625,000	25%	60–90 days from reimbursement	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	266,503	29%	Note
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Rechi Precision (Huizhou) Mechanism Company	Subsidiary	Purchase	457,014	8%	O/A with net 90 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 Payable notes	55,246 1,493,258	4% 57%	Note Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	1,513,694	24%	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	385,861	20%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	1,581,051	28%	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 Payable notes	502,495 304	39% -	Note Note
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Sale	4,751,214	75%	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	1,485,120 172,546	78% 17%	Note Note
Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Sale	457,014	100%	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	55,246 1,493,258	100% 100%	Note Note

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Purchase (sale) company	Counterparties	Relation	Transactions				Trading terms different from general trade and reasons		Notes and accounts receivable (payable)			Remark
			Purchase (sale)	Amount	Proportion to total purchase (sale) (%)	The credit period	Unit price	The credit period	Title	Balance	Proportion to notes and accounts receivable (payable) (%)	
Rechi Precision (Qingdao) Electric Machinery Limited	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	$ 4,188,474	54%	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	$ 1,369,719	51%	Note
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Sale	3,495,425	45%	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	1,221,485 541,798	45% 56%	Note Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	223,284	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	99,743	8%	Note
Qingdao Rechi Electric Machinery Sales Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Purchase	4,751,214	39%	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 Payable notes	1,485,120 172,546	38% 7%	Note Note
	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	Purchase	3,495,425	29%	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 Payable notes	1,221,485 541,798	32% 23%	Note Note
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Purchase	3,976,160	32%	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 Payable notes	1,155,529 719,625	30% 30%	Note 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	3,976,160	72%	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	1,155,529 719,625	73% 69%	Note Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	1,235,069	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	373,073	24%	Note
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Purchase	2,090,297	43%	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 Payable notes	922,579 4,376	61% -	Note Note
Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Sale	2,090,297	76%	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	922,579 4,376	82% 38%	Note Note
	Dyna Rechi Co., Ltd.	The parent company	Sale	445,655	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	89,310	8%	Note
Dyna Rechi Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Sub-subsidiary	Purchase	445,655	100%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	89,310	100%	Note
Ablek Technology Co., Ltd.	Ablek Technology Ltd.	Sub-subsidiary	Purchase	337,110	84%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	58,011	45%	Note
Ablek Technology Ltd.	Ablek Technology Co., Ltd.	The parent company	Sale	337,110	96%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts receivable	58,011	96%	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

December 31, 2024

Table 6

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.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Other receivables (Note 2) $ 229,722	-	$ -	—	$ 22	$ -
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Other receivables (Note 2) 228,793	-	-	—	-	-
Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary	Other receivables (Note 3) 770,448	-	-	—	-	-
Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Subsidiary of Rechi Holdings Co., Ltd.	Accounts receivable 502,495	3.18	-	—	260,357	-
			Notes receivable 304	3.18	-	—	-	-
	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 266,503	2.37	-	—	170,451	-
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 385,861	3.97	-	—	187,691	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 1,485,120	2.90	-	—	882,559	-
			Notes receivable 172,546	2.90	-	—	107,887	-
Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Accounts receivable 55,246	0.30	-	—	24,204	-
			Notes receivable 1,493,258	0.30	-	—	-	-
Rechi Precision (Qingdao) Electric Machinery Limited	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 1,369,719	3.09	-	—	867,210	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 1,221,485	2.00	-	—	584,874	-
			Notes receivable 541,798	2.00	-	—	-	-

(Continued on next page)

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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		
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 $ 1,155,529	2.14	$ -	—	$ 320,285	$ -
			Notes receivable 719,625	2.14	-	—	361,632	-
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Other receivables (Note 2) 185,958	-	-	—	725	-
	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 373,073	3.35	-	—	132,025	-
Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Accounts receivable 922,579	2.28	-	—	422,731	-
			Notes receivable 4,376	2.28	-	—	-	-

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 Year Ended December 31, 2024

Table 7

Unit: NTD thousand

No. (Note 1)	Trader's name	Counterparty	Affiliation to trader (Note 2)	Transactions			
				Title	Amount	Terms and conditions	Percentage in consolidated total revenue or total assets (Note 3)
1	Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Other receivables	$ 770,448	No significant difference	3%
2	Rechi Refrigeration Dongguan Co., Ltd.	The parent company	2	Sale	625,000	No significant difference	3%
2	Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Sale	1,581,051	No significant difference	7%
2	Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Accounts receivable	502,495	No significant difference	2%
2	Rechi Refrigeration Dongguan Co., Ltd.	Rechi Precision (Qingdao) Electric Machinery Limited	3	Sale	223,284	No significant difference	1%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	2	Sale	1,513,694	No significant difference	7%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	2	Accounts receivable	385,861	No significant difference	1%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	4,751,214	No significant difference	22%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	1,485,120	No significant difference	5%
4	Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Sale	457,014	No significant difference	2%
4	Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Notes receivable	1,493,258	No significant difference	5%
5	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	2	Sale	4,188,474	No significant difference	19%
5	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	2	Accounts receivable	1,369,719	No significant difference	5%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	3,495,425	No significant difference	16%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	1,221,485	No significant difference	4%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	541,798	No significant difference	2%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	The parent company	2	Sale	1,235,069	No significant difference	6%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	The parent company	2	Accounts receivable	373,073	No significant difference	1%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	1,155,529	No significant difference	4%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	719,625	No significant difference	2%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	3,976,160	No significant difference	18%
7	Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Sale	2,090,297	No significant difference	10%
7	Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Accounts receivable	922,579	No significant difference	3%
7	Dyna Rechi Jiujiang Co., Ltd.	Dyna Rechi Co., Ltd.	3	Sale	445,655	No significant difference	2%
8	Ablek Technology Ltd.	Ablek Technology Co., Ltd.	3	Sale	337,110	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 Year Ended December 31, 2024

Table 8

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

Investor	Name of investee	Location	Principal business	Sum of initial investment		Ending shareholding			Current period profit/loss of the investee	Recognized investment Income	Remark
				Current period-end	Previous period-end	Number of shares	Percentage (%)	Book value			
RECHI PRECISION CO., LTD.	Rechi Holdings Co., Ltd.	British Virgin Islands	Investment business	$ 8,540,561	$ 8,194,085	-	100.00	$ 13,136,939	$ 1,077,641	$ 980,011	Subsidiary
	Rechi Investments Co., Ltd.	Taiwan	Investment business	150,000	150,000	15,000	100.00	108,690	(2,691)	(2,691)	Subsidiary
	Dyna Rechi Co., Ltd.	Taiwan	BLDC Motor	1,003,691	691,442	99,205	94.42	1,057,628	29,245	22,117	Subsidiary
Rechi Holdings Co., Ltd.	Rechi International Holdings Co., Ltd.	British Virgin Islands	Investment business	USD 25,768	USD 25,768	-	100.00	USD 35,641	USD 2,347	Not applicable.	Sub-subsidiary
	Rechi Investments Holdings Co., Ltd.	British Virgin Islands	Investment business	USD 90,000	USD 90,000	-	100.00	USD 149,808	USD 14,345	Not applicable.	Sub-subsidiary
Rechi International Holdings Co., Ltd.	GR Holdings (Hong Kong) Limited	Hong Kong	Investment business	USD 25,701	USD 25,701	-	100.00	USD 34,724	USD 2,370	Not applicable.	Third-tier subsidiaries.
	COMPRA FOR TRADE AND MANUFACTURING S.A.E	Egypt	Rotary refrigerant compressors	USD 780	-	-	30.00	USD 780	USD -	Not applicable.	Affiliated enterprises
Dyna Rechi Co., Ltd.	Dyna Rechi Holdings Co., Ltd	Samoa	Investment business	784,303	784,303	-	100.00	881,193	53,351	Not applicable.	Sub-subsidiary
	Ablek Technology Co., Ltd.	Taiwan	Sales business	90,746	90,746	7,004	100.00	86,960	4,916	Not applicable.	Sub-subsidiary
Ablek Technology Co., Ltd.	Ablek Technology Ltd.	Samoa	Investment business	90,919	90,919	-	100.00	85,266	(15,989)	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 9.

RECHI PRECISION CO., LTD. and its subsidiaries

Information regarding investment in the territory of Mainland China

For the Year Ended December 31, 2024

Table 9

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 247,592 (USD 7,552)	Note 2	NTD 829,165 (USD 25,291)	$ -	$ -	NTD 829,165 (USD 25,291)	$ 75,065	100.00	$ 75,065	NTD 1,100,487 (USD 33,567)	NTD 539,903 (USD 16,468)	
Dongguan Rechi Compressor Co., Ltd.	Rotary refrigerant compressors	NTD 17,179 (USD 524)	Note 1	NTD 342,570 (USD 10,449) (Note 12)	-	-	NTD 342,570 (USD 10,449) (Note 12)	(4,045)	100.00	(4,045)	NTD 102,631 (USD 3,130)	NTD 50,161 (USD 1,530)	
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Rotary refrigerant compressors	NTD 2,352,061 (USD 71,742)	Note 1	NTD 1,087,282 (USD 33,164)	-	-	NTD 1,087,282 (USD 33,164)	264,363	77.78	205,616	NTD 2,705,212 (USD 82,514)	NTD 2,368,224 (USD 72,235)	
Rechi Precision (Huizhou) Mechanism Company	Rotary refrigerant compressor components	NTD 1,552,337 (USD 47,349)	Note 1	NTD 98,355 (USD 3,000)	-	-	NTD 98,355 (USD 3,000)	1,568	77.78	1,220	NTD 1,233,872 (USD 37,635)	NTD 191,005 (USD 5,826)	
Rechi Precision (Qingdao) Electric Machinery Limited	Rotary refrigerant compressor components	NTD 2,950,650 (USD 90,000)	Note 2	NTD 917,980 (USD 28,000) (Note 7)	-	-	NTD 917,980 (USD 28,000) (Note 7)	460,651	100.00	460,651	NTD 4,916,296 (USD 149,956)	NTD 3,865,483 (USD 117,904)	
Qingdao Rechi Electric Machinery Sales Company	Sales business	NTD 31,926 (RMB 7,000)	Note 9	NTD - (RMB -)	-	-	NTD - (RMB -)	(12,827)	88.89	(11,402)	NTD 490,314 (RMB 107,506)	-	
Qingdao China Steel Precision Metal Co., Ltd.	Processing production	NTD 655,700 (USD 20,000)	Note 1	NTD - (USD -)	-	-	NTD - (USD -)	(18,234)	30.00	(5,470)	NTD 169,724 (USD 5,177)	NTD 38,162 (USD 1,164)	
Dyna Rechi Jiujiang Co., Ltd.	Refrigerant compressor motors and BLDC motors	NTD 1,177,672 (RMB 258,215)	Note 3	NTD 740,568 (RMB 162,376) (Note 10)	-	-	NTD 740,568 (RMB 162,376) (Note 10)	82,714	96.40	73,743	NTD 1,316,129 (RMB 288,573)	-	
Rechi Precision (Jiujiang) Electric Machinery Limited	Rotary refrigerant compressors	NTD 2,491,660 (USD 76,000)	Note 1	NTD 2,163,810 (USD 66,000)	NTD 327,850 (USD 10,000)	-	NTD 2,491,660 (USD 76,000)	343,023	100.00	343,023	NTD 3,072,065 (USD 93,703)	-	
Jiangxi Baida Precision Manufacturing Corp.	Processing production	NTD - (USD -)	Note 1	NTD 376,896 (USD 11,496) (Note 13)	-	-	NTD 376,896 (USD 11,496) (Note 13)	-	-	-	NTD - (USD -)	-	
Ablek Technology Ltd.	Home appliance motors	NTD 22,950 (USD 700)	Note 11	NTD - (USD -)	-	-	NTD - (USD -)	(15,998)	94.42	(15,426)	NTD 18,494) (RMB 4,055)	-	

Accumulated investment from Taiwan to Mainland China at ending	Amount of investment approved by Investment Commission of MOEA (Note 5)	Investment amount approved by the Investment Commission MOEAIC
NTD 6,884,476	NTD 4,074,258 (USD 124,272) (Note 5)	(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: Recognized based on the financial statements audited by independent accountants.

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

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

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 Year Ended December 31, 2024

Table 10

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	$ 1,513,694	19%	Normal	60–90 days from reimbursement	Normal	($ 385,861)	15%	$ 266	
Rechi Precision (Qingdao) Electric Machinery Limited	Purchase	4,188,474	54%	Normal	60–90 days from reimbursement	Normal	(1,369,719)	55%	3,024	
Rechi Precision (Jiujiang) Electric Machinery Limited	Purchase	1,235,069	16%	Normal	60–90 days from reimbursement	Normal	(373,073)	15%	2,585	
Rechi Refrigeration Dongguan Co., Ltd.	Purchase	625,000	8%	Normal	60–90 days from reimbursement	Normal	(266,503)	11%	4,559	

Note: Already eliminated in the consolidated statements

RECHI PRECISION CO., LTD.

Information on Major Shareholders

December 31, 2024

Table 11

Names of Dominant Shareholders	Share	
	No. of Shares held	Shareholding ratio
Sampo Corporation	139,160,160	27.56%

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares with dematerialized registration and delivery completed (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.