Stock No: 4532

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Financial Statements for the Nine Months Ended

September 30, 2024 and 2023 and Independent Auditors’ Review Report

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

TEL: (03)483-7201

§Table of Contents§

Auditor's Report

To RECHI PRECISION CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheet of RECHI PRECISION CO., LTD. (the "Company") and subsidiary (collectively, the "Group") as of September 30, 2024 and 2023, and the related consolidated statement of income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, consolidated statement of changes in equity, consolidated statement of cash flows for the nine months then ended, and notes to the consolidated financial statements (including major accounting policy) for the three months then ended. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except for those described in the paragraph of basis of a qualified conclusion, we conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. A review of consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters), and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

As stated in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the accompanying consolidated financial statements were not reviewed by independent auditors. The total assets of these non-significant subsidiaries amounted to NTD 3,297,167 thousand and NTD 3,451,760 thousand, constituting 11.74% and 13.92% of the consolidated total assets, and the total liabilities of these non-significant subsidiaries amounted to NTD 1,628,827 thousand and NTD 1,559,307 thousand, constituting 9.63% and 11.53% of the consolidated total liabilities, as of September 30, 2024 and 2023, respectively. The total comprehensive income of these non-significant subsidiaries and joint operations amounted to NTD 7,877 thousand, NTD 20,039 thousand, NTD 91,653 thousand and NTD 53,270 thousand, constituting 18.41%, 3.02%, 7.63% and 6.31% of the consolidated total comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023. In addition, as stated in Note 13 to the Consolidated Financial Statements, the investments accounted for using the equity method amounted to NTD 168,978 thousand and NTD 172,421 thousand as of September 30, 2024 and 2023, respectively; and the shares of profit/loss on associates accounted for using the equity method amounted to NTD (3,176) thousand, NTD 1,727 thousand, NTD (4,569) thousand and NTD 5,518 thousand for the three months ended September 30, 2024 and2023, and for the nine months ended September 30, 2024 and 2023, respectively. These amounts and relevant information disclosed in Note 32 to the Consolidated Financial Statements were based on the financial statements of these investees for the same period that were not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and its consolidated financial performance for the three months September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

Deloitte & Touche

CPACHANG, CHING Hsia

CPACHENG, 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

November 5, 2024

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Balance Sheet

As of September 30, 2024, December 31, 2023, and September 30, 2023

Unit: NTD thousand

Code	Assets	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 3,872,541	14	$ 3,732,749	15	$ 3,882,022	16
1110	Financial assets through profit and/or loss with measuring for the faire values – current (Note 7)	1,932,595	7	1,343,653	6	1,308,201	5
1136	Financial assets at amortized cost – current (Notes 9 and 28)	3,734,632	13	2,762,869	11	2,832,227	11
1150	Notes receivable – non-related parties (Notes 10 and 28)	5,349,036	19	4,460,920	18	4,864,351	20
1170	Accounts receivables – non-related parties (Note 10)	3,398,976	12	3,405,755	14	2,827,890	11
1180	Accounts receivables – related parties (Note 27)	1,620	-	1,192	-	35	-
1200	Other receivables (Note 27)	177,413	1	128,433	1	150,707	1
130X	Inventories (Note 11)	2,283,599	8	1,580,295	6	1,612,467	6
1410	Prepayments (Note 16)	795,651	3	704,464	3	676,147	3
1470	Other current assets (Note 16)	22,633	-	26,990	-	21,221	-
11XX	Total current assets	21,568,696	77	18,147,320	74	18,175,268	73
	Non-Current assets						
1517	The financial assets measured for the fair values through other comprehensive income – non-current (Note 8)	-	-	8,190	-	10,680	-
1550	Investment accounted for using equity method (Note 13)	168,978	1	166,586	1	172,421	1
1600	Property, plant and equipment (Notes 14 and 28)	5,210,396	19	5,367,798	22	5,588,615	22
1755	Right-of-use assets (Note 15)	136,615	-	146,925	-	156,155	1
1821	Other intangible assets	61,582	-	52,183	-	55,293	-
1840	Deferred income tax assets	532,705	2	545,352	2	454,721	2
1990	Other non-current assets (Note 16)	407,231	1	149,042	1	177,961	1
15XX	Total non-current assets	6,517,507	23	6,436,076	26	6,615,846	27
1XXX	Total assets	$28,086,203	100	$24,583,396	100	$24,791,114	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 17 and 28)	$ 2,500,000	9	$ 570,000	2	$ 370,000	2
2110	Short-term notes payable (Notes 17 and 28)	628,705	2	399,204	2	299,285	1
2150	Notes payable – non-related party	6,342,118	23	4,953,478	20	5,196,396	21
2160	Payable notes – related parties (Note 27)	-	-	1,724	-	36,946	-
2170	Accounts payable – non-related parties	2,624,286	9	2,277,645	9	2,014,734	8
2180	Accounts payable – related parties (Note 27)	5,482	-	3,730	-	5,845	-
2200	Other payables (Notes 18 and 27)	827,996	3	717,336	3	670,204	3
2230	Income tax liability (Note 4)	607,160	2	450,276	2	422,690	2
2250	Liability reserve – Current	168,546	1	126,854	1	121,982	-
2280	Lease liabilities – current (Note 15)	1,238	-	10,255	-	10,973	-
2320	Long-term borrowings and notes payable due within one year (Note 17 and 28)	436,118	1	2,421,588	10	1,992,627	8
2365	Refund liability – current	1,032,566	4	715,327	3	647,102	3
2399	Other current liabilities (Note 27)	146,456	-	49,657	-	47,942	-
21XX	Total of current liabilities	15,320,671	54	12,697,074	52	11,836,726	48
	Non-current liabilities						
2541	Long-term borrowings (Notes 17 and 28)	669,020	3	228,344	1	530,051	2
2542	Long-term notes payable (Note 17)	-	-	-	-	348,858	2
2570	Deferred tax liabilities	853,925	3	779,912	3	723,205	3
2580	Lease liabilities – non-current (Note 15)	894	-	5,813	-	8,664	-
2640	Net defined benefit liabilities – non-current (Notes 4 and 19)	39,295	-	39,995	-	43,791	-
2670	Other non-current liabilities	27,516	-	31,167	-	35,051	-
25XX	Total non-current liability	1,590,650	6	1,085,231	4	1,689,620	7
2XXX	Total liabilities	16,911,321	60	13,782,305	56	13,526,346	55
	Equity of the company (Note 20)						
3110	Common shares	5,049,151	18	5,049,151	21	5,049,151	20
3200	Capital reserves	1,367,729	5	1,355,324	5	1,343,879	5
	Retained earnings						
3310	Statutory surplus reserves	1,231,756	4	1,156,333	5	1,156,333	4
3320	Special surplus reserves	1,097,408	4	928,988	4	928,988	4
3350	Undistributed earnings	2,290,027	8	2,340,079	9	2,170,177	9
3300	Total retained earnings	4,619,191	16	4,425,400	18	4,255,498	17
3400	Other equity	(683,025)	(2)	(1,097,408)	(5)	(722,880)	(3)
3500	Treasury shares	(93,573)	-	(93,573)	-	(93,573)	-
31XX	Total equity of the company	10,259,473	37	9,638,894	39	9,832,075	39
36XX	Non-controlling interests	915,409	3	1,162,197	5	1,432,693	6
3XXX	Total equity	11,174,882	40	10,801,091	44	11,264,768	45
	Total Liabilities and Equity	$28,086,203	100	$24,583,396	100	$24,791,114	100

The notes attached shall constitute an integral part of this Consolidated financial statement.
(Please refer to the review report by Deloitte & Touche dated November 5, 2024)

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

RECHI PRECISION CO., LTD. and its subsidiaries

Consolidated Statements of Comprehensive Income

For the Three months Ended September 30, 2024 and 2023 and For the Nine Months Ended September 30, 2024 and 2023

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

Code		July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Sales revenue (Note 27)	$ 4,982,945	100	$ 4,067,174	100	$ 16,072,809	100	$ 12,460,446	100
5000	Operating cost (Notes 11, 21 and 27)	(4,250,606)	(85)	(3,479,154)	(86)	(13,575,005)	(84)	(10,629,005)	(85)
5900	Gross profit	732,339	15	588,020	14	2,497,804	16	1,831,441	15
	Operating expenses (Notes 21 and 27)								
6100	Marketing expenses	(200,656)	(4)	(94,014)	(2)	(498,636)	(3)	(277,293)	(3)
6200	Administrative expenses	(172,166)	(4)	(172,280)	(4)	(567,708)	(4)	(490,792)	(4)
6300	Research and development expenses	(169,373)	(3)	(140,933)	(4)	(499,056)	(3)	(401,725)	(3)
6450	Expected credit impairment loss (reversal gain) (Note 10)	(6,593)	-	4,239	-	8,239	-	(8,296)	-
6000	Total operating expenses	(548,788)	(11)	(402,988)	(10)	(1,557,161)	(10)	(1,178,106)	(10)
6900	Net Operating Income	183,551	4	185,032	4	940,643	6	653,335	5
	Non-operating income and expense (Note 21)								
7100	Interest revenue	33,617	1	26,957	1	94,191	1	76,336	1
7010	Other income	16,307	-	14,364	-	62,685	-	36,364	-
7020	Other profits and losses	(18,463)	-	84,014	2	70,016	-	127,676	1
7050	Financial costs	(24,220)	(1)	(19,084)	-	(65,995)	-	(58,894)	-
7060	The shares of profit and/or loss at equity method over the associates	(3,176)	-	1,727	-	(4,569)	-	5,518	-
7000	Total non-operating revenues and expenses	4,065	-	107,978	3	156,328	1	187,000	2
7900	Net profit before tax	187,616	4	293,010	7	1,096,971	7	840,335	7
7950	Income tax expenses (Note 22)	(36,029)	(1)	(71,339)	(2)	(331,533)	(2)	(225,944)	(2)
8200	Net income for the period	151,587	3	221,671	5	765,438	5	614,391	5
	Other comprehensive income								
	Titles not reclassified as profit and loss accounts:								
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 20)	-	-	-	-	(8,156)	-	-	-
8310		-	-	-	-	(8,156)	-	-	-
8360	Accounts to be reclassified to profit or loss subsequently:								
8361	Exchange differences from the translation of financial statements of foreign operations (Note 20)	(134,265)	(3)	544,448	13	546,065	3	282,811	2
8399	Income tax related to titles that could be reclassified (Notes 20 and 22)	25,453	1	(102,237)	(2)	(102,560)	(1)	(53,495)	-
		(108,812)	(2)	442,211	11	443,505	2	229,316	2
8300	Other comprehensive income for the current period (net, after-tax)	(108,812)	(2)	442,211	11	435,349	2	229,316	2
8500	Total comprehensive income in current period	$ 42,775	1	$ 663,882	16	$ 1,200,787	7	$ 843,707	7
	Profit attributable to:								
8610	The company's shareholders	$ 148,330	3	$ 213,982	5	$ 723,752	5	$ 584,330	5
8620	Non-controlling interests	3,257	-	7,689	-	41,686	-	30,061	-
8600		$ 151,587	3	$ 221,671	5	$ 765,438	5	$ 614,391	5
	Total comprehensive income attributable to:								
8710	The company's shareholders	$ 46,862	1	$ 605,947	15	$ 1,108,169	7	$ 790,438	6
8720	Non-controlling interests	(4,087)	-	57,935	1	92,618	-	53,269	1
8700		$ 42,775	1	$ 663,882	16	$ 1,200,787	7	$ 843,707	7
	Earnings per share (Note 23)								
	Business units in continuing operation								
9710	Basic	$ 0.30		$ 0.43		$ 1.45		$ 1.17	
9810	Diluted	$ 0.30		$ 0.43		$ 1.44		$ 1.16	

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

(Please refer to the review report by Deloitte & Touche dated November 5, 2024)

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 Nine Months Ended September 30, 2024 and 2023

Unit: NTD thousand

		Equity of the company										Non-controlling interests	Total equity
		Capital stock			Retained earnings			Other equity					
Code		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 on financial assets at fair value through other comprehensive profit or loss	Treasury shares	Total		
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)
D1	Net income for the nine months ended September 30, 2023	-	-	-	-	-	584,330	-	-	-	584,330	30,061	614,391
D3	Other comprehensive income after tax for the nine months ended September 30, 2023	-	-	-	-	-	-	206,108	-	-	206,108	23,208	229,316
D5	Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	584,330	206,108	-	-	790,438	53,269	843,707
Z1	Balance as of September 30, 2023	504,915	$ 5,049,151	$ 1,343,879	$ 1,156,333	$ 928,988	$ 2,170,177	($ 653,560)	($ 69,320)	($ 93,573)	$ 9,832,075	$ 1,432,693	$ 11,264,768
A1	Balance as of January 1, 2024	504,915	$ 5,049,151	$ 1,355,324	$ 1,156,333	$ 928,988	$ 2,340,079	($ 1,025,598)	($ 71,810)	($ 93,573)	$ 9,638,894	$ 1,162,197	$ 10,801,091
	Dividend allocation and distribution for 2023												
B1	Statutory surplus reserves	-	-	-	75,423	-	(75,423)	-	-	-	-	-	-
B3	Special surplus reserves	-	-	-	-	168,420	(168,420)	-	-	-	-	-	-
B5	Cash dividend to the Company's shareholders	-	-	-	-	-	(499,995)	-	-	-	(499,995)	-	(499,995)
O1	Cash dividend to the subsidiary's shareholders	-	-	-	-	-	-	-	-	-	-	(14,752)	(14,752)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	12,405	-	-	-	-	-	-	12,405	(324,654)	(312,249)
D1	Net income for the nine months ended September 30, 2024	-	-	-	-	-	723,752	-	-	-	723,752	41,686	765,438
D3	Other comprehensive income after tax for the nine months ended September 30, 2024	-	-	-	-	-	-	392,573	(8,156)	-	384,417	50,932	435,349
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	723,752	392,573	(8,156)	-	1,108,169	92,618	1,200,787
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	-	(29,966)	-	29,966	-	-	-	-
Z1	Balance as of September 30, 2024	504,915	$ 5,049,151	$ 1,367,729	$ 1,231,756	$ 1,097,408	$ 2,290,027	($ 633,025)	($ 50,000)	($ 93,573)	$ 10,259,473	$ 915,409	$ 11,174,882

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

(Please refer to the review report by Deloitte & Touche dated November 5, 2024)

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 Nine Months Ended September 30, 2024 and 2023

Unit: NTD thousand

Code		January 1 to September 30, 2024	January 1 to September 30, 2023
	Cash flow from operating activities		
A10000	Net profit before tax for the period	$ 1,096,971	$ 840,335
A20010	Profits and loss		
A20100	Depreciation expenses	594,418	614,284
A20200	Amortization expenses	10,563	9,709
A20300	Expected credit impairment loss (reversal gain)	(8,239)	8,296
A20400	Net gains on financial assets at fair value through profit or loss	(53,362)	(36,914)
A20900	Interest expenses	61,334	55,653
A21200	Interest revenue	(94,191)	(76,336)
A22300	The share of profit/loss on associates accounted for using the equity method	4,569	(5,518)
A22500	Net loss from the disposal and obsolescence of property, plant, equipment and right-of-use assets	22,700	19,156
A23200	Gains on disposal of investment under the equity method	-	(24,682)
A23700	Inventory valuation and obsolescence losses	-	41,376
A24100	Unrealized foreign currency exchange gain	(5,662)	(47,649)
A29900	Gains on lease modification	(904)	-
A30000	Net change in operating assets and liabilities		
A31115	Increase in financial assets mandatorily measured at fair value through profit or loss	(424,654)	(148,142)
A31130	Increase in notes receivable	(705,305)	(2,067,870)
A31150	Decrease in accounts receivable	93,194	215,728
A31160	Decrease (increase) in accounts receivable-related parties	(428)	64
A31180	Increase in other receivable	(13,636)	(29,540)
A31200	Decrease (increase) in inventories	(648,967)	450,429
A31230	Increased in Advance	(91,187)	(27,059)
A31240	Decrease (increase) in other current assets	4,357	(3,367)
A32125	Increase in refund liability – current	313,207	152,121
A32130	Increase in notes payable	1,178,660	719,646
A32140	Decrease in notes payable -related party	(1,724)	(53,365)

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Code		January 1 to September 30, 2024	January 1 to September 30, 2023
A32150	Increase in accounts payable	$ 252,305	$ 256,921
A32160	Increase (decrease) in accounts payable – related parties	1,752	(48,690)
A32180	Increase (decrease) in other accounts payable	88,406	(91,999)
A32200	Increase in provisions	41,692	15,810
A32240	Decrease in net defined benefit liability	(700)	(4,098)
A32230	Increase (decrease) in other current liabilities	96,799	(25,227)
A33000	Cash inflow from operating activities	1,811,968	709,072
A33100	Interest received	81,844	86,045
A33300	Interest payment	(61,304)	(58,955)
A33500	Income tax payment	(220,168)	(288,032)
AAAA	Net cash inflow from operating activities	1,612,340	448,130
	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	(1,008,078)	(860,717)
B00050	Financial assets on the basis of cost after amortization	135,516	57,021
B01900	Net cash inflow from disposal of affiliated companies	-	364,504
B02700	Purchase of property, plant, and equipment	(169,589)	(217,808)
B02800	Proceeds from disposal of property, plant and equipment	24,082	646,674
B04500	Purchase of intangible assets	(18,539)	(13,535)
B06700	Increase of other non-current assets	(338,568)	(95,423)
B09900	Acquisition of government subsidies	-	10,107
BBBB	Net cash outflow from investing activities	(1,375,142)	(109,177)
	Cash flow from financing activities		
C00100	Increase of short-term loans	1,930,000	-
C00200	Decrease in short-term loans	-	(723,555)
C00500	Increase in short-term notes payable	229,501	-
C00600	Decrease in short-term notes payable	-	(20,362)
C01600	Proceeds from long-term loan	500,000	280,000
C01700	Repayments of long-term borrowings	(2,045,121)	(53,526)
C03100	Decrease in guarantee deposits received	(4,248)	(3,189)
C04020	Repayments of principal portion of the lease	(7,237)	(9,109)
C04500	Pay owners' dividends	(499,995)	(449,996)
C05400	Acquisition of equity of subsidiaries	(312,249)	-
C05800	Cash dividends paid to non-controlling interests	(14,752)	(48,989)
CCCC	Net cash outflow from financing activities	(224,101)	(1,028,726)

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Code		January 1 to September 30, 2024	January 1 to September 30, 2023
DDDD	Impact of changes in exchange rate on cash and cash equivalents	$ 126,695	$ 89,137
EEEE	Net increase (decrease) in cash and cash equivalents for this period	139,792	(600,636)
E00100	Cash and cash equivalents balance – beginning of period	3,732,749	4,482,658
E00200	Cash and cash equivalents balance – end of period	$ 3,872,541	$ 3,882,022

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

(Please refer to the review report by Deloitte & Touche dated November 5, 2024)

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

RECHI PRECISION CO., LTD. and its subsidiaries

Notes to Consolidated Financial Statements

For the Nine Months Ended September 30, 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 October 29, 2024.

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)

Note: 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.

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"	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 subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or 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 dissimilar characteristics shall be disaggregated in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Adds disclosures on management-defined performance measures: When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its management-defined performance measures in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards, and the income tax and non-controlling interests effects of related reconciliation items.

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

4. Summary of significant accounting policies

(1) Compliance Statement

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

(2) Basis of preparation

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

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

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

(3) Basis of consolidation

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

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

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

(4) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1. 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 (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue), 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.

2. Defined benefits and retirement benefits

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

3. Income tax expenses

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

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

Please refer to the 2023 consolidated financial statements for descriptions of the main source of significant accounting judgment, estimates, and assumptions uncertainty.

6. Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and working capital	$ 1,569	$ 1,483	$ 1,132
Bank checks and demand deposits	2,528,965	1,937,871	2,200,370
Cash equivalents (Investment with the original maturity date within three months)			
Bank time deposit	1,342,007	1,793,395	1,680,520
	$ 3,872,541	$ 3,732,749	$ 3,882,022

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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets – current			
Measured at fair value through income under compulsion			
Wealth management products	$ 1,909,374	$ 1,319,291	$ 1,304,171
Non-derivative financial assets			
– Listed stocks – overseas	4,223	4,368	4,030
– Beneficial certificates	18,998	19,994	-
	$ 1,932,595	$ 1,343,653	$ 1,308,201

8. Financial assets at fair value through other comprehensive income

Equity investment

	September 30, 2024	December 31, 2023	September 30, 2023
Non-current			
Domestic investment			
Unlisted/OTC			
Common stock of Magnpower Corporation	$ -	$ 8,190	$ 10,680
Common stock of Bigbest Solutions, Inc.	-	-	-
	$ -	$ 8,190	$ 10,680

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current			
Restricted cash in banks	$ 3,599,133	$ 2,502,757	$ 2,832,227
Time deposits with original maturity date of more than 3 months	135,499	260,112	-
	$ 3,734,632	$ 2,762,869	$ 2,832,227

For details of financial assets at amortized cost, refer to Note 28.

10. Note receivable and account receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable			
Measured on the basis of cost after amortization			
Total book value	$ 5,354,200	$ 4,464,359	$ 4,868,769
Less: Allowance for losses	(5,164)	(3,439)	(4,418)
	$ 5,349,036	$ 4,460,920	$ 4,846,351

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	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable			
Measured on the basis of cost after amortization			
Total book value	$ 3,396,715	$ 3,424,333	$ 2,837,276
Less: Allowance for losses	(15,744)	(25,294)	(30,770)
	3,380,971	3,399,039	2,806,506
Measured at fair values through other comprehensive income	18,005	6,716	21,384
	$ 3,398,976	$ 3,405,755	$ 2,827,890

(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:

September 30, 2024

	Not overdue	Overdue for 1 to 30 days	Overdue for 31 to 60 days	Overdue for 61 to 90 days	Overdue for 91 to 120 days	Overdue for over 121 days	Total
Expected credit loss rate	0%～0.16%	0.52%～13.74%	5.84%～45.96%	17.76%～59.91%	22.63%～84.41%	33.08%～100%	
Total book value	$ 3,237,090	$ 120,831	$ 27,092	$ 150	$ 2,434	$ 9,118	$ 3,396,715
Allowance for loss (expected credit loss of the given duration)	(3,221)	(6,307)	(1,472)	(27)	(488)	(4,229)	(15,744)
Cost after amortization	$ 3,233,869	$ 114,524	$ 25,620	$ 123	$ 1,946	$ 4,889	$ 3,380,971

December 31, 2023

	Not overdue	Overdue for 1 to 30 days	Overdue for 31 to 60 days	Overdue for 61 to 90 days	Overdue for 91 to 120 days	Overdue for 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

September 30, 2023

	Not overdue	Overdue for 1 to 30 days	Overdue for 31 to 60 days	Overdue for 61 to 90 days	Overdue for 91 to 120 days	Overdue for 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	$ 2,705,340	$ 78,471	$ 41,350	$ 8,564	$ 2,446	$ 1,105	$ 2,837,276
Allowance for loss (expected credit loss of the given duration)	(3,518)	(9,961)	(12,655)	(2,691)	(1,058)	(887)	(30,770)
Cost after amortization	$ 2,701,822	$ 68,510	$ 28,695	$ 5,873	$ 1,388	$ 218	$ 2,806,506

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

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

September 30, 2024

	Not overdue	Overdue for 1 to 30 days	Overdue for 31 to 60 days	Overdue for 61 to 90 days	Overdue for 91 to 120 days	Overdue for over 121 days	Total
Expected credit loss rate	0.06%	0.52%	5.84%	17.76%	22.63%	33.08%～100%	
Total book value	$ 18,015	$ -	$ -	$ -	$ -	$ -	$ 18,015
Allowance for loss (expected credit loss of the given duration)	(10)	-	-	-	-	-	(10)
Cost after amortization	$ 18,005	$ -	$ -	$ -	$ -	$ -	$ 18,005

December 31, 2023

	Not overdue	Overdue for 1 to 30 days	Overdue for 31 to 60 days	Overdue for 61 to 90 days	Overdue for 91 to 120 days	Overdue for 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

September 30, 2023

	Not overdue	Overdue for 1 to 30 days	Overdue for 31 to 60 days	Overdue for 61 to 90 days	Overdue for 91 to 120 days	Overdue for over 121 days	Total
Expected credit loss rate	0.02%	0.48%	9.22%	31.83%	40.09%	50.71%～100%	
Total book value	$ 21,387	$ -	$ -	$ -	$ -	$ -	$ 21,387
Allowance for loss (expected credit loss of the given duration)	(3)	-	-	-	-	-	(3)
Cost after amortization	$ 21,384	$ -	$ -	$ -	$ -	$ -	$ 21,384

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

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

	January 1 to September 30, 2023		
	Notes receivable	Accounts receivable	Total
Balance, beginning	$ 3,193	$ 23,255	$ 26,448
Add: Impairment loss provided for the period	1,142	7,154	8,296
Foreign currency translation differences	83	364	447
Balance, ending	$ 4,418	$ 30,773	$ 35,191

As of September 30, 2024, December 31, 2023 and September 30, 2023, the amounts of notes receivable that have expired and have not been cashed were NTD 0 thousand, NTD 0 thousand and NTD 0 thousand, respectively.

Please refer to Note 28 for the amounts of notes receivable pledged by the Group as collateral for notes issued.

11. Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Finished products	$ 1,460,376	$ 1,024,342	$ 1,134,460
Work-in-process	243,768	176,852	139,666
Raw materials	274,548	222,308	259,275
Inventory in-transit	304,907	156,793	79,066
	$ 2,283,599	$ 1,580,295	$ 1,612,467

For the nine months ended September 30, 2024 and 2023, cost of goods sold includes inventory valuation losses were NTD 0 thousand and NTD 41,376 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 September 30, 2024	December 31, 2023	September 30, 2023	Remark
The parent company	Rechi Holdings Co., Ltd.	Investment business	100.00%	100.00%	100.00%	
The parent company	Rechi Investments Co., Ltd.	Investment business	100.00%	100.00%	100.00%	
The parent company	Dyna Rechi Co., Ltd.	BLDC Motor	94.42%	65.65%	42.20%	(1), (2), (4)
Rechi Holdings Co., Ltd.	Rechi International Holdings Co., Ltd.	Investment business	100.00%	100.00%	100.00%	(1)
Rechi Holdings Co., Ltd.	Rechi Investments Holdings Co., Ltd.	Investment business	100.00%	100.00%	100.00%	
Rechi Holdings Co., Ltd.	Dongguan Rechi Compressor Co., Ltd.	Production and sales of refrigerant compressors and refrigerant compressor accessories	100.00%	100.00%	100.00%	(1)
Rechi Holdings Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Manufacturing and sales of air-conditioning compressors and electric motors, and providing after-sales service and technical consulting service	77.78%	77.78%	77.78%	(3)
Rechi Holdings Co., Ltd.	Rechi Precision (Huizhou) Mechanism Company	Production and sales of refrigerant compressors and refrigerant compressor accessories	25.00%	25.00%	25.00%	(1)
Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Production and sales of refrigerant compressors and refrigerant compressor accessories	100.00%	100.00%	100.00%	
Rechi International Holdings Co., Ltd.	GR Holdings (Hong Kong) Limited	Investment business	100.00%	100.00%	100.00%	(1)
GR Holdings (Hong Kong) Limited	Rechi Refrigeration Dongguan Co., Ltd.	Production and sales of refrigerant compressor motors and air conditioner accessories	100.00%	100.00%	100.00%	(1)
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Rechi Precision (Huizhou) Mechanism Company	Production and sales of refrigerant compressors and refrigerant compressor accessories	67.86%	67.86%	67.86%	(1)
Rechi Investments Holdings Co., Ltd.	Rechi Precision (Qingdao) Electric Machinery Limited	Production and sales of new electromechanical components, fine blanking dies, precision bearings, and relevant accessories	100.00%	100.00%	100.00%	
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	Sales business	50.00%	50.00%	50.00%	
Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	Sales business	50.00%	50.00%	50.00%	
Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Production and sales of refrigerant compressor motors and BLDC motors	35.50%	35.50%	35.50%	(1)
Dyna Rechi Co., Ltd.	Dyna Rechi Holdings Co., Ltd.	Investment business	100.00%	100.00%	100.00%	(1)
Dyna Rechi Holdings Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Production and sales of refrigerant compressor motors and BLDC motors	64.50%	64.50%	64.50%	(1)
Dyna Rechi Co., Ltd.	Ablek Technology Co., Ltd.	Sales business	100.00%	100.00%	100.00%	(1)
Ablek Technology Co., Ltd.	Ablek Technology Ltd.	Investment business	100.00%	100.00%	100.00%	(1)
Ablek Technology Ltd.	Ablek Technology Ltd.	Manufacturing and sales of motors for household appliances	100.00%	100.00%	100.00%	(1)

(1) The aforementioned companies are non-significant subsidiaries, whose financial statements have not been reviewed by independent auditors.

(2) 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 25 for equity transactions associated with non-controlling interests.

(3) The aforementioned companies are subsidiaries with material non-controlling interests; the material non-controlling interests of the Group did not change significantly for the nine months ended September 30, 2024 and 2023.

(4) The aforementioned company is a subsidiary with material non-controlling interests as of December 31 and September 30, 2023. The material non-controlling interests of these companies did not change significantly during the nine months ended September 30, 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

		Non-controlling equity shareholding and voting right ratio		
Subsidiary name	Principal places of business	September 30, 2024	December 31, 2023	September 30, 2023
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	China	22.22%	22.22%	22.22%
Dyna Rechi Co., Ltd.	Taiwan	5.58%	34.35%	57.80%

	Profit and loss distributed to the non-controlling equity		Non-controlling interests		
Subsidiary name	January 1 to September 30, 2024	January 1 to September 30, 2023	September 30, 2024	December 31, 2023	September 30, 2023
Dyna Rechi Co., Ltd. (excluding non-controlling interests of its subsidiaries)	$ 6,452	$ 7,892	$ 61,450	$ 361,987	$ 622,064
Others (no significant change during the nine months ended September 30, 2024 and 2023)	35,234	22,169	853,959	800,210	810,629
Total	$ 41,686	$ 30,061	$ 915,409	$ 1,162,197	$ 1,432,693

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

Dyna Rechi Co., Ltd. and Its Subsidiaries

	September 30, 2024	September 30, 2023
Current assets	$ 1,850,420	$ 1,563,072
Non-Current assets	1,159,261	1,179,046
Current liabilities	(1,438,684)	(1,207,333)
Non-current liabilities	(1,884)	(11,440)
Equity	$ 1,569,113	$ 1,523,345

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	September 30, 2024	September 30, 2023
Equity attributable to:		
The company's shareholders	$ 1,507,663	$ 901,281
Non-controlling interests of Dyna Rechi Co., Ltd.	61,450	622,064
	$ 1,569,113	$ 1,523,345

	January 1 to September 30, 2024	January 1 to September 30, 2023
Operating income	$ 2,317,298	$ 1,610,933
Net income for the period	$ 35,061	$ 17,412
Other comprehensive income	47,733	22,086
Total comprehensive income	$ 82,794	$ 39,498
Profit attributable to:		
The company's shareholders	$ 28,609	$ 9,520
Non-controlling interests of Dyna Rechi Co., Ltd.	6,452	7,892
	$ 35,061	$ 17,412
Total comprehensive income attributable to:		
The company's shareholders	$ 73,677	$ 18,841
Non-controlling interests of Dyna Rechi Co., Ltd.	9,117	20,657
	$ 82,794	$ 39,498
Cash flow		
Operating activities	($ 245,556)	($ 39,767)
Investing activities	44,652	459,626
Financing activities	(6,021)	(340,397)
Effect of foreign exchange rates changes on cash	59,211	23,515
Net cash inflow (outflow)	($ 147,714)	$ 102,977
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

	September 30, 2024	December 31, 2023	September 30, 2023
Individual non-dominant associates			
Qingdao China Steel Precision Metal Co., Ltd.	$ 168,978	$ 166,586	$ 172,421

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.

14. Real 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	-	210	156,461	48,584	-	205,255
Disposal	-	(8,952)	(524,682)	(40,931)	-	(574,565)
Net exchange differences	-	64,972	163,819	19,327	-	248,118
Other reclassification	-	-	38,573	17,900	(549)	55,924
Balance as of September 30, 2023	$ 207,567	$ 3,830,844	$ 8,896,162	$ 1,585,937	$ -	$ 14,520,510
Accumulated depreciation and impairment						
Balance as of January 1, 2023	$ -	$ 1,515,869	$ 5,893,493	$ 1,191,341	$ -	$ 8,600,703
Depreciation expenses	-	92,902	429,334	79,670	-	601,906
Disposal	-	(8,731)	(375,890)	(40,469)	-	(425,090)
Net exchange differences	-	26,763	112,725	14,888	-	154,376
Other reclassification	-	-	571	(571)	-	-
Balance as of September 30, 2023	$ -	$ 1,626,803	$ 6,060,233	$ 1,244,859	$ -	$ 8,931,895
Net amount as of September 30, 2023	$ 207,567	$ 2,204,041	$ 2,835,929	$ 341,078	$ -	$ 5,588,615
Costs						
Balance as of January 1, 2024	$ 207,567	$ 3,714,509	$ 8,672,008	$ 1,542,380	$ -	$ 14,136,464
Additions	-	14,311	109,736	57,661	9,877	191,585
Disposal	-	(10,062)	(101,455)	(74,028)	-	(185,545)
Net exchange differences	-	135,003	351,888	40,943	22	527,856
Other reclassification	-	-	30,641	24,141	-	54,782
Balance as of September 30, 2024	$ 207,567	$ 3,853,761	$ 9,062,818	$ 1,591,097	$ 9,899	$ 14,725,142
Accumulated depreciation and impairment						
Balance as of January 1, 2024	$ -	$ 1,608,999	$ 5,929,681	$ 1,229,986	$ -	$ 8,768,666
Depreciation expenses	-	91,550	420,288	72,599	-	584,437
Disposal	-	(5,783)	(73,047)	(59,819)	-	(138,649)
Net exchange differences	-	55,009	244,056	32,184	-	331,249
Other reclassification	-	-	(30,958)	1	-	(30,957)
Balance as of September 30, 2024	$ -	$ 1,749,775	$ 6,490,020	$ 1,274,951	$ -	$ 9,514,746
Net amount as of December 31, 2023 and January 1, 2024	$ 207,567	$ 2,105,510	$ 2,742,327	$ 312,394	$ -	$ 5,367,798
Net amount as of September 30, 2024	$ 207,567	$ 2,103,986	$ 2,572,798	$ 316,146	$ 9,899	$ 5,210,396

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

15. Lease arrangements

(1) Right-of-use assets.

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of right-of-use assets			
Land	$ 134,373	$ 132,098	$ 138,033
Building	-	12,475	15,054
Transportation equipment	2,242	2,352	3,068
	$ 136,615	$ 146,925	$ 156,155

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Addition of right-of-use assets	$ 4	$ -	$ 1,151	$ -
Depreciation expense of right-of-use assets				
Land	$ 1,090	$ 1,061	$ 3,246	$ 3,179
Building	1,382	2,197	5,469	6,882
Transportation equipment	432	773	1,266	2,317
	$ 2,904	$ 4,031	$ 9,981	$ 12,378

Except for the additions and depreciation expenses recognized as listed above, the Group did not have any material subleases or impairments of the right-of-use assets during the nine months ended September 30, 2024 and 2023.

(2) Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of lease liabilities			
Current	$ 1,238	$ 10,255	$ 10,973
Non-current	$ 894	$ 5,813	$ 8,664

The range of lease liability discount is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	-	-	-
Building	-	1.35%~2.20%	1.35%~2.20%
Transportation equipment	1.35%~2.00%	1.35%~2.70%	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.

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term lease expense	$ 3,718	$ 3,553	$ 10,789	$ 9,825
Variable lease payments not included in lease liability measurement	$ 2,362	$ 1,204	$ 7,848	$ 5,663
Total cash (outflow) of leases	($ 8,043)	($ 7,923)	($ 26,059)	($ 24,981)

16. Other assets

	September 30, 2024	December 31, 2023	September 30, 2023
Current			
Prepayment for purchase	$ 403,747	$ 397,880	$ 356,163
Other prepayments (Note)	391,904	306,584	319,984
Others	22,633	26,990	21,221
	$ 818,284	$ 731,454	$ 697,368
Non-current			
Prepayments for equipment	$ 376,947	$ 117,854	$ 144,154
Refundable deposits	30,284	31,188	33,807
	$ 407,231	$ 149,042	$ 177,961

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

17. Borrowings

(1) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured loans (Note 28)			
Bank borrowings	$ 860,000	$ -	$ -
Unsecured loans			
Credit borrowings	1,640,000	570,000	370,000
	$ 2,500,000	$ 570,000	$ 370,000
Interest rate collars	1.83%~2.13%	1.87%~1.92%	1.80%~1.92%

(2) Short-term notes payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial papers payable	$ 630,000	$ 400,000	$ 300,000
Less: Discount of short-term notes and bills payable	(1,295)	(796)	(715)
	$ 628,705	$ 399,204	$ 299,285

(3) Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured loans (Note 28)			
Bank borrowings	$ 87,709	$ 1,700,650	$ 1,600,000
Unsecured loans			
Bank borrowings	668,140	600,321	922,678
	755,849	2,300,971	2,522,678
Less: Portion due within one year	(86,829)	(2,072,627)	(1,992,627)
Long-term borrowings	$ 669,020	$ 228,344	$ 530,051
Interest rate collars	1.48%～2.04%	1.35%～1.93%	1.35%～1.93%

(4) Long-term notes payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial papers payable	$ 350,000	$ 350,000	$ 350,000
Less: Discount of long-term notes payable	(711)	(1,039)	(1,142)
	349,289	348,961	348,858
Less: Portion due within one year	(349,289)	(348,961)	-
	$ -	$ -	$ 348,858

18. Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Salary and bonus payables	$ 237,028	$ 268,264	$ 227,904
Remuneration to employees and directors payable	106,006	118,847	105,277
Payable tax	27,978	31,790	26,072
Vacation benefit payable	19,349	18,060	19,828
Equipment payables	55,593	33,597	30,032
Freight payables	114,828	35,007	41,024
Others (Note)	267,214	211,771	220,067
	$ 827,996	$ 717,336	$ 670,204

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

19. Retirement benefits plan

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, pension expenses in respect of the Group's defined benefit retirement plans were NTD 259 thousand, NTD 373 thousand, NTD 779 thousand and NTD 1,125 thousand, respectively, calculated using the actuarially determined pension cost rate as of December 31, 2023 and 2022.

20. Equity

(1) Capital stock

Common shares

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized number of shares (thousand shares)	600,000	600,000	600,000
Authorized capital	$ 6,000,000	$ 6,000,000	$ 6,000,000
Number of shares issued with fully paid-in capital (thousand shares)	504,915	504,915	504,915
Outstanding capital	$ 5,049,151	$ 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

	September 30, 2024	December 31, 2023	September 30, 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	$ 279,956
Corporate bond conversion premium	1,050,383	1,050,383	1,050,383
Endowments	1,651	1,651	1,651
Treasury stock trade	11	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	21
Recognition of changes in ownership interests of subsidiaries (2)	11,693	11,693	11,693
Others	164	164	164
	$ 1,367,729	$ 1,355,324	$ 1,343,879

(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 21 (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.

(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 September 30, 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

	January 1 to September 30, 2024	January 1 to September 30, 2023
Balance, beginning	($ 1,025,598)	($ 859,668)
Incurred during the current period		
Exchange differences on translation of foreign operations	490,717	257,635
Relating income tax	(98,144)	(51,527)
Balance, ending	($ 633,025)	($ 653,560)

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

	January 1 to September 30, 2024	January 1 to September 30, 2023
Balance, beginning	($ 71,810)	($ 69,320)
Incurred during the current period		
Unrealized gains or losses on equity instruments	(8,156)	-
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	29,966	-
Balance, ending	($ 50,000)	($ 69,320)

(6) Non-controlling interests

	January 1 to September 30, 2024	January 1 to September 30, 2023
Balance, beginning	$ 1,162,197	$ 1,379,424
Net income for the period	41,686	30,061
Other comprehensive income of the period		
Exchange differences on translation of foreign operations	55,348	25,176
Relating income tax	(4,416)	(1,968)
Cash dividend to the subsidiary's shareholders	(14,752)	-
Acquisition of non-controlling interests in subsidiaries (Note 25)	(324,654)	-
Balance, ending	$ 915,409	$ 1,432,693

(7) Treasury shares

Cause	Transfer of shares to employees (Thousand shares)
Number of shares on January 1 and September 30, 2023	4,920
Number of shares on January 1 and September 30, 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. Business units in continuing operation income

(1) Interest revenue

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Bank deposits	$ 33,617	$ 26,957	$ 94,191	$ 76,336

(2) Other income

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Rent revenue				
Other operating leases	$ 5,945	$ 3,664	$ 17,437	$ 12,784
Others (Note 24)	10,362	10,700	45,248	23,580
	$ 16,307	$ 14,364	$ 62,685	$ 36,364

(3) Other profits and losses

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Profit or loss on financial assets mandatorily measured at fair value through profit or loss	$ 18,146	$ 14,402	$ 53,362	$ 36,914
Gains (losses) on disposal of affiliated companies	-	-	-	24,682
Net foreign exchange gain (loss)	(27,656)	67,296	44,306	88,213
Gains (losses) on disposal of property, plant and equipment and right-of-use assets	(6,425)	2,371	(22,700)	(19,156)
Gains on lease modification	904	-	904	-
Others	(3,432)	(55)	(5,856)	(2,977)
	($ 18,463)	$ 84,014	$ 70,016	$ 127,676

The components of financial assets at FVTPL are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Interest income from wealth management products	$ 18,965	$ 13,829	$ 54,503	$ 37,277
Net gains and losses on changes in the fair value of stocks and fund beneficiary certificates	(819)	573	(1,141)	(363)
	$ 18,146	$ 14,402	$ 53,362	$ 36,914

(4) Financial costs

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Interest from bank borrowings	$ 22,938	$ 17,987	$ 61,149	$ 55,269
Interest on lease liabilities	42	108	185	384
Other financial costs	1,240	989	4,661	3,241
	$ 24,220	$ 19,084	$ 65,995	$ 58,894

(5) Depreciation and amortization

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Consolidation of depreciation expenses based on functions				
Operating cost	$ 160,776	$ 161,029	$ 481,726	$ 505,747
Operating expenses	37,714	35,436	112,692	108,537
	$ 198,490	$ 196,465	$ 594,418	$ 614,284
Consolidation of amortization expenses based on functions				
Operating cost	$ 24	$ 101	$ 86	$ 302
Operating expenses	3,771	3,324	10,477	9,407
	$ 3,795	$ 3,425	$ 10,563	$ 9,709

(6) Employee benefits expenses

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Retirement benefits				
Defined contribution pension plan	$ 2,847	$ 2,879	$ 8,466	$ 8,606
Defined benefit plan (Note 19)	259	373	779	1,125
	3,106	3,252	9,245	9,731
Other employee benefits	536,676	475,374	1,746,888	1,320,982
Total employee benefits expenses	$ 539,782	$ 478,626	$ 1,756,133	$ 1,330,713
Consolidation based on functions				
Operating cost	$ 352,160	$ 279,222	$ 1,116,941	$ 810,973
Operating expenses	187,622	199,404	639,192	519,740
	$ 539,782	$ 478,626	$ 1,756,133	$ 1,330,713

(7) Remuneration to the employees and the directors

According to the Company's Articles of Association, based on the current year's pre-tax income before deduction of the remuneration to employees and directors, no less than 1% and no greater than 8% of the balance is allocated as remuneration to employees, and no more than 3% for remuneration to directors. For the nine months ended September 30, 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 estimated remuneration to employees and directors for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 is recognized as follows:

Amount

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Remuneration to employees	$ 9,966	$ 13,446	$ 48,777	$ 36,807
Remuneration to directors	$ 2,874	$ 4,291	$ 14,070	$ 11,747

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

The remuneration to employees and directors for 2023 and 2022 was resolved by the board of directors on March 12, 2024 and March 7, 2023, respectively, as follows:

	2023		2022	
	Cash	Stock	Cash	Stock
Remuneration to employees	$ 47,332	$ -	$ 43,754	$ -
Remuneration to directors	14,791	-	13,964	-

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)

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Total foreign exchange gains	$ 39,594	$ 117,379	$ 167,201	$ 277,091
Total foreign exchange loss	(67,250)	(50,083)	(122,895)	(188,878)
Net gains	($ 27,656)	$ 67,296	$ 44,306	$ 88,213

22. Continuing department income tax

(1) Income tax recognized in profit or loss

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

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Income tax expenses in the current period				
Incurred in the current period	$ 88,225	$ 103,422	$ 545,780	$ 408,875
Additional levy on undistributed earnings	-	-	520	15,910
Prior year adjustment	(37,816)	(23,559)	(209,776)	(148,039)
	50,409	79,863	336,524	276,746
Deferred tax				
Incurred in the current period	(13,698)	(8,686)	(105,166)	(101,622)
Prior year adjustment	(682)	162	100,175	50,820
	(14,380)	(8,524)	(4,991)	(50,802)
Income tax expense recognized in the profit or loss	$ 36,029	$ 71,339	$ 331,533	$ 225,944

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

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Deferred tax				
Incurred during the current period				
- Translation of foreign operations	($ 25,453)	$ 102,237	$ 102,560	$ 53,495

(3) Income tax audit

The profit-seeking enterprise income tax returns filed by the Company and its domestic subsidiaries, Rechi Investments Co., Ltd., Dyna Rechi Co., Ltd., and Ablek Technology Co., Ltd., up to 2021, 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.

23. Earnings per share

Unit: NTD per share

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Basic earnings per share	$ 0.30	$ 0.43	$ 1.45	$ 1.17
Diluted earnings per share	$ 0.30	$ 0.43	$ 1.44	$ 1.16

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

Net income for the period

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
The net income applied to calculate basic earnings per share	$ 148,330	$ 213,982	$ 723,752	$ 584,330

Number of shares

Unit: shares in thousands

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Weighted average common stock shares used to calculate basic earnings per share	499,995	499,995	499,995	499,995
Effect of dilutive potential common stock:				
Remuneration to employees	1,891	1,892	2,424	2,511
Weighted average common stock shares used to calculate diluted earnings per share	501,886	501,887	502,419	502,506

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.

24. Government grant

The amount of government grants received by the Group during the nine months ended September 30, 2024 and 2023 was NTD 27,674 thousand and NTD 17,829 thousand, respectively, which were recognized as current profit or loss or debited to assets for deferred recognition based on the nature of the subsidies.

The amounts recognized in other income are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Other income	$ 3,163	$ 3,654	$ 27,674	$ 7,722

In addition, for the subsidized items that are transferred to profit or loss within the useful lives of the assets, as of September 30, 2024 and 2023, the amount of NTD 548,660 thousand and NTD 581,637 thousand had been obtained, respectively. The amount of reduction of depreciation expenses is as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Reduction of depreciation expenses	$ 8,886	$ 10,585	$ 26,471	$ 26,935

25. Equity transactions with the non-controlling equity

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

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

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

26. Financial instruments

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

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

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

1. Fair value hierarchy

September 30, 2024

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

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Listed stocks – overseas	$ 4,030	$ -	$ -	$ 4,030
Wealth management products	-	-	1,304,171	1,304,171
	$ 4,030	$ -	$ 1,304,171	$ 1,308,201
Financial assets at fair value through other comprehensive income				
Equity investment				
- Domestic non-listed (OTC) stocks	$ -	$ -	$ 10,680	$ 10,680

There were no transfers between Level 1 and Level 2 fair values during the nine months ended September 30, 2024 and 2023.

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

Financial assets	Financial instruments measured at fair value through profit or loss		Financial instruments at fair value through other comprehensive income	
	January 1 to September 30, 2024	January 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Balance, beginning	$ 1,339,285	$ 1,094,216	$ 8,190	$ 10,680
Recognized in profit and loss (Other profit or loss)				
- Realized	53,507	37,277	-	-
Recognized in the other comprehensive profit of loss	-	-	(8,156)	-
Disposal/Purchase	535,580	172,678	(34)	-
Balance, ending	$ 1,928,372	$ 1,304,171	$ -	$ 10,680

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

The domestic unlisted equity investment is based on the market approach, which is according to the transaction price of a comparable target. The difference between the target evaluated and the comparable target is considered, and the value of the target evaluated is estimated with an appropriate multiple. In the market approach, evaluation is conducted by referring to the prices of stocks traded in the active market from companies engaged in the same or similar operations so as to determines the value multiple as the basis for evaluation.

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

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

(3) Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
Measured at fair values through profit and loss			
Measured at fair value through income under compulsion	$ 1,932,595	$ 1,343,653	$ 1,308,201
Financial assets based on cost after amortization (Note 1)	16,564,502	14,523,106	14,591,039
Financial assets at fair value through other comprehensive income			
Equity investment	-	8,190	10,680

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	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities			
Based on cost after amortization (Note 2)	$ 13,693,043	$ 11,193,827	$ 11,140,932

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, long-term borrowings (including long-term borrowings due within one year), long-term notes payable, and 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 38.36% 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 1.67% 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 31.

Sensitivity analysis

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

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

	Effect on USD (i)		Effect on RMB (ii)	
	January 1 to September 30, 2024	January 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Profit or loss	$ 31,695	$ 15,802	($ 29,455)	($ 7,881)

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

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

(2) Interest rate risk

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
With fair value interest rate risk			
- Financial assets	$ 5,076,639	$ 4,556,264	$ 4,512,747
- Financial liabilities	3,130,837	985,272	688,922
Contain cash flow interest rate risk			
- Financial assets	2,528,935	1,937,841	2,200,340
- Financial liabilities	1,105,138	2,649,932	2,871,536

Sensitivity analysis

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

If the interest rate increased by 100 base points, with all other variables remaining unchanged, the Group's net profit before tax for the nine months ended September 30, 2024 and 2023 would have increased by NTD 10,678 thousand and decreased by NTD (5,034) thousand, respectively, mainly due to the Group's exposure to the risk of changes in the interest rate.

(3) Other price risks.

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

Sensitivity analysis

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

If the equity price increased/decreased by 1%, the pre-tax profit or loss for the nine months ended September 30, 2024 and 2023 would have increased/decreased by NTD 42 thousand and NTD 40 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 the nine months ended September 30, 2024 and 2023 would have increased/decreased by NTD 0 thousand and NTD 107 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 five customers, the Group does not have any major exposure to the credit risk of any single counterparty or any group of counterparties with similar characteristics. When the counterparty is an affiliated company, the Group has it defined as a counterparty with similar characteristics. For the nine months ended September 30, 2024 and 2023, the Group's concentration of credit risk on the top five customers did not exceed 9% of the total monetary assets, and the concentration of credit risk on any other counterparty did not exceed 2% of the total monetary assets.

The Group's credit risk is mainly concentrated on the top five customers. As of September 30, 2024, December 31, 2023 and September 30, 2023, the percentage of the total accounts receivable from the aforementioned customers was 46%, 43% and 50%.

3. Liquidity Risk

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

Bank borrowing is a main source of liquidity to the Group. For the Group's bank financing amount not drawn down as of September 30, 2024, December 31, 2023 and September 30, 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.

September 30, 2024

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

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	$ 1,340	$ 815	$ 136	$ -	$ -	$ -

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	$ -	$ -	$ -	$ -

September 30, 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	$ 1,454,990	$ 2,851,239	$ 3,264,887	$ 28,995	$ -
Lease liabilities	1,067	2,037	8,062	8,824	-
Instruments with floating interest rates	10,367	220,423	1,791,361	866,515	18,692
Instruments with fixed interest rates	200,587	471,024	-	-	-
	$ 1,667,011	$ 3,544,723	$ 5,064,310	$ 904,334	$ 18,692

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	$ 11,166	$ 8,824	$ -	$ -	$ -	$ -

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

(2) Financing amount

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loan			
- The loan quota used	$ 947,709	$ 1,700,650	$ 1,600,000
- The loan quota not yet used	1,139,120	393,450	193,620
	2,086,829	2,094,100	1,793,620
Unsecured bank loan amount			
- The loan quota used	3,286,134	1,918,486	1,940,821
- The loan quota not yet used	6,280,800	9,666,086	11,663,520
	9,566,934	11,584,572	13,604,341
	$ 11,653,763	$ 13,678,672	$ 15,397,961

(5) Information on transfer of financial assets

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

September 30, 2024

Counterparties	Amount factored	Reclassified to other receivables	Amount available	Amount drawn down	The annual interest rate of prepaid amount (%)
DBS Bank Limited	$ 252,916	$ -	$ -	$ 252,916	4.51%~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%

September 30, 2023

Counterparties	Amount factored	Reclassified to other receivables	Amount available	Amount drawn down	The annual interest rate of prepaid amount (%)
DBS Bank Limited	$ 270,866	$ -	$ -	$ 270,866	2.89%~5.14%

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

For the nine months ended September 30, 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 887,082 thousand and NTD 1,067,219 thousand, respectively. For the banker's acceptance receivable factored, the losses arising from business disputes (such as sales returns or discounts) shall be borne by the Group, and the losses arising from the credit risk shall be borne by said bank.

For both the nine months ended September 30, 2024 and 2023, the Group recognized financial costs of NTD 54 thousand and NTD 3,695 thousand, respectively, upon factoring of the banker's acceptance receivable.

27. 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 income

Account titles in book	Type and Name of related party	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Sales revenue	Investor with significant influence	$ 498	$ 33	$ 3,010	$ 1,578

(3) Purchase

Type and Name of related party	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Affiliated enterprises	$ 2,189	$ 27,042	$ 24,993	$ 174,788

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

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

Account titles in book	Type and Name of related party	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable – related parties	Investor with significant influence	$ 1,620	$ 1,192	$ 35
Other receivables	Affiliated enterprises	$ 658	$ 652	$ 700

The outstanding receivables from the related party are without any guarantees collected. No allowance for losses was provided for accounts receivable from related parties during the nine months ended September 30, 2024 and 2023.

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

Account titles in book	Type and Name of related party	September 30, 2024	December 31, 2023	September 30, 2023
Notes payable -related party	Affiliated enterprises	$ -	$ 1,724	$ 36,946
Accounts payable – related parties	Affiliated enterprises	$ 5,482	$ 3,730	$ 5,845
Other payables	Investor with significant influence	$ 831	$ 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	September 30, 2024	December 31, 2023	September 30, 2023
Other current liabilities	Qingdao China Steel Precision Metal Co., Ltd.	$ 37,268	$ 12,475	$ -

(7) Lease agreement

Type and Name of related party	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Rent expense				
Investor with significant influence	$ 2,593	$ 2,595	$ 7,742	$ 6,550

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
The total amount of lease payments to be paid in the future	$ 2,526	$ 10,308	$ 2,525

(8) Remuneration to the management

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term employee benefits	$ 19,298	$ 16,146	$ 56,074	$ 51,936
Retirement benefits	242	154	560	505
	$ 19,540	$ 16,300	$ 56,634	$ 52,441

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.

28. Pledged assets

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

	September 30, 2024	December 31, 2023	September 30, 2023
Proprietary land	$ 207,567	$ 207,567	$ 207,567
Building	182,200	190,199	192,598
Machinery and equipment	118,896	128,708	-
Other equipment	2,718	3,940	-
Notes receivable	-	-	247,339
Financial assets based on cost after amortization	3,599,133	2,502,757	2,832,227
	$ 4,110,514	$ 3,033,171	$ 3,479,731

29. Significant contingent liabilities and unrecognized contractual commitments

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
RMB	$ -	$ 10,000	$ 15,000

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

	September 30, 2024	December 31, 2023	September 30, 2023
Purchase of property, plant, and equipment			
JPY	$ 65,900	$ -	$ -
RMB	87,771	24,531	22,825
USD	2	2	2
NTD	7,224	2,506	-

(3) The Company has commissioned the bank to issue letters of guarantee to the Customs Administration for the post-release duty payments for imported goods. As of September 30, 2024, December 31, 2023 and September 30, 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 September 30, 2024, December 31, 2023 and September 30, 2023, the amount of the letters of guarantee issued by the bank was NTD 500 thousand.

30. Significant subsequent events

On October 29, 2024, the Board of Directors approved a loan of RMB 50,000 thousand to be lent by the Company to its subsidiary, Dyna Rechi Jiujiang Co., Ltd.. The loan has a term of one year and is intended to supplement the subsidiary's operating capital.

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

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

September 30, 2024

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Monetary items			
USD	$ 79,100	31.65 (USD : NTD)	$ 2,503,503
USD	14,725	7.0074 (USD : RMB)	466,047
RMB	173,728	4.5166 (RMB : NTD)	784,667
RMB	1,423	0.1427 (RMB : USD)	6,427
JPY	23,455	0.223 (JPY : NTD)	5,230
EUR	2,570	35.38 (EUR : NTD)	90,936
Non-monetary items			
Affiliated company under the equity method			
RMB	37,412	0.1427 (RMB : USD)	168,978
Foreign currency liabilities			
Monetary items			
USD	10,972	31.65 (USD : NTD)	347,250
USD	23,945	7.0074 (USD : RMB)	757,866
RMB	558,759	4.5166 (RMB : NTD)	2,523,718
JPY	509	0.0494 (JPY : RMB)	114
EUR	295	35.38 (EUR : NTD)	10,450

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-monetary items			
Affiliated company under the equity method			
RMB	38,426	0.1412 (RMB : USD)	166,586
Foreign currency liabilities			
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

September 30, 2023

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
Monetary items			
USD	$ 55,770	32.27 (USD : NTD)	$ 1,799,700
USD	4,031	7.1798 (USD : RMB)	130,071
RMB	144,279	4.4946 (RMB : NTD)	648,469
RMB	24,976	0.1393 (RMB : USD)	112,256
JPY	23,455	0.2162 (JPY : NTD)	5,071
EUR	3,250	33.91 (EUR : NTD)	110,214
Non-monetary items			
Affiliated company under the equity method			
RMB	38,362	0.1393 (RMB : USD)	172,421

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Foreign currency liabilities	Foreign currency	Exchange rate	Book value
Monetary items			
USD	$ 7,004	32.27 (USD : NTD)	$ 226,014
USD	23,992	7.1798 (USD : RMB)	774,228
RMB	272,400	4.4946 (RMB : NTD)	1,224,320
JPY	1,751	0.0481 (JPY : RMB)	378
EUR	173	33.91 (EUR : NTD)	5,860

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:

	July 1 to September 30, 2024		July 1 to September 30, 2023	
Functional currency	Functional currency exchanges for presentation currency	Net exchange losses (gains)	Functional currency exchanges for presentation currency	Net exchange losses (gains)
USD	32.300 (USD : NTD)	$ 112	31.684 (USD : NTD)	$ 430
NTD	1 (NTD: NTD)	(36,229)	1 (NTD: NTD)	55,225
RMB	4.540 (RMB : NTD)	8,461	4.417 (RMB : NTD)	11,641
		($ 27,656)		$ 67,296

	January 1 to September 30, 2024		January 1 to September 30, 2023	
Functional currency	Functional currency exchanges for presentation currency	Net exchange losses (gains)	Functional currency exchanges for presentation currency	Net exchange losses (gains)
USD	32.034 (USD : NTD)	$ 1,058	30.928 (USD : NTD)	$ 7,105
NTD	1 (NTD: NTD)	38,015	1 (NTD: NTD)	94,666
RMB	4.506 (RMB : NTD)	5,233	4.413 (RMB : NTD)	(13,558)
		$ 44,306		$ 88,213

32. 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: None
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.

32. Segment information

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

1. Compressor business unit

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

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

Revenues and operating results of segments

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

	Compressor business unit	Others	Total
January 1 to September 30, 2024			
Revenues from external customers	$ 15,652,625	$ 420,184	$ 16,072,809
Inter-segment income	17,960,069	750,703	18,710,772
Department income	$ 33,612,694	$ 1,170,887	34,783,581
Elimination of intersegment			(18,710,772)
Consolidated revenue			16,072,809
Segment profit/loss	$ 1,146,653	($ 28,618)	1,118,035
Interest revenue			94,191
Other income			62,685
Headquarters' administration costs & directors' remuneration			(177,392)
Other profits and losses			70,016
Financial costs			(65,995)
The shares of loss at equity method over the associates			(4,569)
Income before tax from continuing operations			$ 1,096,971

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	Compressor business unit	Others	Total
January 1 to September 30, 2023			
Revenues from external customers	$ 11,893,440	$ 567,006	$ 12,460,446
Inter-segment income	13,195,092	387,157	13,582,249
Department income	$ 25,088,532	$ 954,163	26,042,695
Elimination of intersegment			(13,582,249)
Consolidated revenue			12,460,446
Segment profit/loss	$ 852,141	($ 43,080)	809,061
Interest revenue			76,336
Other income			36,364
Headquarters' administration costs & directors' remuneration			(155,726)
Other profits and losses			127,676
Financial costs			(58,894)
The shares of loss at equity method over the associates			5,518
Income before tax from continuing operations			$ 840,335

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.

RECHI PRECISION CO., LTD. and its subsidiaries

The Loaning of Funds

For the Nine Months Ended September 30, 2024

Table 1

Unit: NTD thousand or in thousands 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)	Note
													Name	Value			
0	RECHI PRECISION CO., LTD.	Rechi Precision (Jiujiang) Electric Machinery Limited	Other receivables	Yes	NTD 225,832 (RMB 50,000)	NTD 225,832 (RMB 50,000)	NTD 225,832 (RMB 50,000)	1.98%	2	$ -	Working capital	$ -	—	$ -	NTD 1,025,947	NTD 2,051,895	
0	RECHI PRECISION CO., LTD.	Dyna Rechi Jiujiang Co., Ltd.	Other receivables	Yes	NTD 270,999 (RMB 60,000)	NTD 270,999 (RMB 60,000)	NTD 270,999 (RMB 60,000)	1.74%	2	-	Working capital	-	—	-	NTD 1,025,947	NTD 2,051,895	
1	Rechi Holdings Co., Ltd	Rechi Precision (Jiujiang) Electric Machinery Limited	Other receivables	Yes	NTD 743,775 (USD 23,500)	NTD 743,775 (USD 23,500)	NTD 743,775 (USD 23,500)	-	2	-	Working capital	-	—	-	NTD 12,868,285	NTD 12,868,285	
2	Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Other receivables	Yes	NTD 180,666 (RMB 40,000)	NTD 180,666 (RMB 40,000)	NTD 180,666 (RMB 40,000)	2.80%	2	-	Working capital	-	—	-	NTD 1,182,840	NTD 1,182,840	

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

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

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

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

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

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

Note 4: Already eliminated in the consolidated statements

RECHI PRECISION CO., LTD. and its subsidiaries

Endorsements and guarantees made for others

For the Nine Months Ended September 30, 2024

Table 2

Unit: NTD thousand or in thousands 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 5 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 5 and 6)	Guarantee and endorsement of parent company to subsidiary	Guarantee and endorsement by subsidiary to parent company	Guarantee and endorsement in Mainland China	Note
		Company name	Relation											
0	RECHI PRECISION CO., LTD.	Rechi Holdings Co., Ltd.	Note 1	NTD 10,259,473	NTD 1,360,950 (USD 43,000)	NTD 379,800 (USD 12,000)	NTD - (USD -)	$ -	4%	NTD 15,389,210	Y	N	N	
0	RECHI PRECISION CO., LTD.	Rechi Precision (Jiujiang) Electric Machinery Limited	Note 2	NTD 10,259,473	NTD 759,265 (USD 14,000) (RMB 70,000)	NTD 316,165 (USD -) (RMB 70,000)	NTD - (USD -) (RMB -)	-	3%	NTD 15,389,210	Y	N	Y	
1	Rechi Precision (Qingdao) Electric Machinery Limited	Rechi Refrigeration Dongguan Co., Ltd.	Note 3	NTD 4,765,512 (RMB 1,055,100)	NTD 135,499 (RMB 30,000)	NTD - (RMB -)	NTD - (RMB -)	-	-	NTD 7,148,268 (RMB 1,582,650)	N	N	Y	
2	Dyna Rechi Co., Ltd.	Ablek Technology Co., Ltd.	Note 1	NTD 550,276	NTD 15,000	NTD 15,000	NTD -	-	1%	NTD 550,276	N	N	N	
3	Rechi Precision (Jiujiang) Electric Machinery Limited	Dyna Rechi Jiujiang Co., Ltd.	Note 4	NTD 2,957,102 (RMB 654,712)	NTD 207,766 (RMB 46,000)	NTD 207,766 (RMB 46,000)	NTD 127,451 (RMB 28,218)	-	7%	NTD 4,435,653 (RMB 982,068)	N	N	Y	
3	Rechi Precision (Jiujiang) Electric Machinery Limited	Rechi Refrigeration Dongguan Co., Ltd.	Note 3	NTD 2,957,102 (RMB 654,712)	NTD 225,832 (RMB 50,000)	NTD 225,832 (RMB 50,000)	NTD 162,179 (RMB 35,907)	-	8%	NTD 4,435,653 (RMB 982,068)	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 10,259,473 (net worth) × 100% = NTD 10,259,473.

(2) The upper limit of the Company's endorsements/guarantees provided is NTD 10,259,473 (net worth) × 150% = NTD 15,389,210.

(3) The upper limit of the Rechi Precision (Qingdao) Electric Machinery Limited's endorsement/guarantee provided to each entity is RMB 1,055,100 (net worth) × 100% = RMB 1,055,100.

(4) The upper limit of the Rechi Precision (Qingdao) Electric Machinery Limited's endorsements/guarantees provided is RMB 1,055,100 (net worth) × 150% = RMB 1,582,650

(5) The upper limit of the Dyna Rechi Co., Ltd.'s endorsement/guarantee provided to each entity is NTD 1,100,552 (net worth) × 50% = NTD 550,276.

(6) The upper limit of the Dyna Rechi Co., Ltd.'s endorsements/guarantees provided is NTD 1,100,552 (net worth) × 50% = NTD 550,276.

(7) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited's endorsement/guarantee provided to each entity is RMB 654,712 (net worth) × 100% = RMB 654,712.

(8) The upper limit of the Rechi Precision (Jiujiang) Electric Machinery Limited's endorsements/guarantees provided is RMB 654,712 (net worth) × 150% = RMB 982,068.

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

September 30, 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				Note
				Number of shares	Book value	Shareholding ratio	Fair value	
Rechi Investments Co., Ltd.	Sharp Corporation	None	Financial assets at fair value through profit or loss – current	20	$ 4,223	-	$ 4,223	Note 1
	Taichung Commercial Bank Taiwan Quantitative Fund	None	Financial assets at fair value through profit or loss – current	1,049	18,998	-	18,998	Note 3
	Bigbest Solutions, Inc.	None	The financial assets measured for the fair values through other comprehensive income – non-current	600	-	0.9%	-	-
Rechi Refrigeration Dongguan Co., Ltd.	BOC Wealth Management – Enjoy Everyday	None	Financial assets at fair value through profit or loss – current	-	13,550	-	13,550	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	-	23,203	-	23,203	Note 2
	Jih-Jih-Hsin 8008 wealth management product of China Merchants Bank Co., Ltd.	None	Financial assets at fair value through profit or loss – current	-	45,531	-	45,531	Note 2
Dongguan Rechi Compressor Co., Ltd.	BOC Wealth Management – Enjoy Everyday	None	Financial assets at fair value through profit or loss – current	-	23,129	-	23,129	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	-	55,117	-	55,117	Note 2
Qingdao Rechi Electric Machinery Sales Company	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Wu	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Geng	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Xin	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Ren	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Qiu Gui	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Jia	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Yi	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Bing	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2

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Holding company	Types and names of securities	Relationship with the securities issuer	Account titles in book	At ending				Note
				Number of shares	Book value	Shareholding ratio	Fair value	
Rechi Precision (Qingdao) Electric Machinery Limited	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Ding	None	Financial assets at fair value through profit or loss – current	-	$ 45,167	-	$ 45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Wu	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Ji	None	Financial assets at fair value through profit or loss – current	-	90,333	-	90,333	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Geng	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Xin	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Ren	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Ltd.'s Jia Long No. 106 - Term Dong Gui	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Qiu Jia	None	Financial assets at fair value through profit or loss – current	-	45,167	-	45,167	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Qiu Bing	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Qiu Xin	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Qiu Ji	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Qiu Ren	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Qiu Gui	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Jia	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	Note 2
	The National Trust Financial Management Jia Long No. 107 - Term Dong Yi	None	Financial assets at fair value through profit or loss – current	-	45,166	-	45,166	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	-	45,166	-	45,166	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	-	45,166	-	45,166	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	-	90,333	-	90,333	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	-	45,166	-	45,166	Note 2

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Holding company	Types and names of securities	Relationship with the securities issuer	Account titles in book	At ending				Note
				Number of shares	Book value	Shareholding ratio	Fair value	
	The National Trust Financial Management Jia Long No. 107 - Term Dong Geng	None	Financial assets at fair value through profit or loss – current	-	$ 45,166	-	$ 45,166	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	-	45,166	-	45,166	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	-	45,166	-	45,166	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	-	67,750	-	67,750	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	-	45,166	-	45,166	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	-	90,333	-	90,333	Note 2
	Bank of Jiujiang Jiu Ying Zeng Li No. 1	None	Financial assets at fair value through profit or loss – current	-	90,332	-	90,332	Note 2
Ablek Technology Ltd.	Guanlibao Day-to-Day Wealth Management Product	None	Financial assets at fair value through profit or loss – current	-	9,937	-	9,937	Note 2

Note 1: The fair values were calculated based on the closing prices of the stocks at the end of September 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 Nine Months Ended September 30, 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	-	321,500	-	-	-	-	-	8,515,585
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 Nine Months Ended September 30, 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)			Note
			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	$ 1,224,676	21%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	$ 567,344	24%	Note
	Rechi Precision (Qingdao) Electric Machinery Limited	Subsidiary of Rechi Investments Holdings Co., Ltd.	Purchase	3,152,446	55%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	1,004,270	43%	Note
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Purchase	882,377	15%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	462,695	20%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	413,149	7%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	250,179	11%	Note
Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Subsidiary of Rechi Holdings Co., Ltd.	Sale	1,174,897	64%	O/A with net 60 days via T/T	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	502,120	58%	Note
									Notes receivable	5,212	9%	Note
	Rechi Precision (Qingdao) Electric Machinery Limited	Subsidiary of Rechi Investments Holdings Co., Ltd.	Sale	148,882	8%	O/A with net 60 days via T/T	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	65,019	8%	Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	413,149	23%	60–90 days from reimbursement	No significant difference	O/A with net 60–90 days via T/T	Accounts receivable	250,179	29%	Note
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Rechi Precision (Huizhou) Mechanism Company	Subsidiary	Purchase	421,099	10%	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	87,296	8%	Note
									Payable notes	1,448,985	47%	Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	1,224,676	26%	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	567,344	39%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	1,174,897	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	502,120	44%	Note
									Payable notes	5,212	-	Note
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Sale	3,457,160	73%	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	865,438	59%	Note
									Notes receivable	462,676	23%	Note
Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Sale	421,099	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	87,296	100%	Note
									Notes receivable	1,448,985	100%	Note

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Purchase (sale) company	Counterparties	Relation	Transactions				Trading terms different from general trade and reasons		Notes and accounts receivable (payable)			Note
			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	$ 3,152,446	56%	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	$ 1,004,270	59%	Note
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Sale	2,425,752	43%	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	663,122	39%	Note
									Notes receivable	601,895	38%	Note
	Rechi Refrigeration Dongguan Co., Ltd.	Subsidiary of GR Holdings (Hong Kong) Limited	Purchase	148,882	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	65,019	6%	Note
Qingdao Rechi Electric Machinery Sales Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Purchase	3,457,160	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	865,438	40%	Note
									Payable notes	462,676	16%	Note
	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	Purchase	2,425,752	27%	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	663,122	30%	Note
									Payable notes	601,895	21%	Note
	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Purchase	2,967,677	34%	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	661,050	30%	Note
									Payable notes	1,576,668	56%	Note
Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	Subsidiary of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Rechi Precision (Qingdao) Electric Machinery Limited	Sale	2,967,677	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	661,050	57%	Note
									Notes receivable	1,576,668	76%	Note
	RECHI PRECISION CO., LTD.	Ultimate parent company	Sale	882,377	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	462,695	40%	Note
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Purchase	1,499,147	41%	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	761,715	70%	Note
									Payable notes	116,358	9%	Note
Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Sale	1,499,147	75%	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	761,715	79%	Note
									Notes receivable	116,358	94%	Note
	Dyna Rechi Co., Ltd.	The parent company	Sale	370,053	19%	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	134,893	14%	Note
Dyna Rechi Co., Ltd.	Dyna Rechi Jiujiang Co., Ltd.	Sub-subsidiary	Purchase	370,053	100%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	134,893	100%	Note
Ablek Technology Co., Ltd.	Ablek Technology Ltd.	Sub-subsidiary	Purchase	332,125	100%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts payable	137,460	100%	Note
Ablek Technology Ltd.	Ablek Technology Co., Ltd.	The parent company	Sale	332,125	96%	60–90 days from reimbursement	No significant difference	O/A with net 30–120 days	Accounts receivable	137,460	97%	Note

Note: Already eliminated in the consolidated statements

RECHI PRECISION CO., LTD. and its subsidiaries

Accounts receivable from related parties for an amount exceeding NTD 100 million or 20% of paid-in capital

September 30, 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) $ 226,354	-	$ -	-	$ -	$ -
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Other receivables (Note 2) 275,295	-	-	-	-	-
Rechi Holdings Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary	Other receivables (Note 3) 743,775	-	-	-	-	-
Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Subsidiary of Rechi Holdings Co., Ltd.	Accounts receivable 502,120	3.09	-	-	153,912	-
			Notes receivable 5,212	3.09	-		5,212	-
	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 250,179	2.21	-	-	50,577	-
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 567,344	2.88	-	-	132,124	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 865,438	3.48	-	-	310,438	-
			Notes receivable 462,676	3.48	-	-	229,778	-
Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	Accounts receivable 87,296	0.37	-	-	19,504	-
			Notes receivable 1,448,985	0.37	-	-	-	-
Rechi Precision (Qingdao) Electric Machinery Limited	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 1,004,270	4.19	-	-	99,755	-
	Qingdao Rechi Electric Machinery Sales Company	Subsidiary	Accounts receivable 663,122	2.56	-	-	264,895	-
			Notes receivable 601,895	2.56	-	-	2,357	-

(Continued on next page)

(Continued from previous page)

The company booked in the receivables	Name of counterparty	Relation	Balance of accounts receivable from related parties (Note 1)	Turnover rate	Overdue Receivables from related parties		Receivables amount collected from related parties subsequently	Amount of provision for bad debts
					Amount	Process		
Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	Subsidiary of TCL Rechi (Huizhou) Refrigeration Equipment Company Limited and Rechi Precision (Qingdao) Electric Machinery Limited	Accounts receivable $ 661,050	1.77	$ -	-	$ -	$ -
			Notes receivable 1,576,668	1.77	-	-	361,413	-
	Dyna Rechi Jiujiang Co., Ltd.	Subsidiary of Dyna Rechi Holdings Co., Ltd.	Other receivables (Note 2) 182,823	-	-	-	297	-
	RECHI PRECISION CO., LTD.	Ultimate parent company	Accounts receivable 462,695	2.55	-	-	166,223	-
Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	Subsidiary of Rechi Holdings Co., Ltd.	Accounts receivable 761,715	2.28	-	-	119,808	-
			Notes receivable 116,358	2.28	-	-	90,333	-
	Dyna Rechi Co., Ltd.	The parent company	Accounts receivable 134,893	3.67	-	-	76,814	-
Ablek Technology Ltd.	Ablek Technology Co., Ltd.	Subsidiaries of Dyna Rechi Co., Ltd.	Accounts receivable 137,460	3.23	-	-	29,624	-

Note 1: Already eliminated in the consolidated statements

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

Note 3: It refers to loans provided to others.

RECHI PRECISION CO., LTD. and its subsidiaries

Business relationship and significant transactions between Parent Company and Subsidiaries

For the Nine Months Ended September 30, 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	$ 743,775	No significant difference	3%
2	Rechi Refrigeration Dongguan Co., Ltd.	The parent company	2	Sale	413,149	No significant difference	3%
2	Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Sale	1,174,897	No significant difference	7%
2	Rechi Refrigeration Dongguan Co., Ltd.	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Accounts receivable	502,120	No significant difference	2%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	2	Sale	1,224,676	No significant difference	8%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The parent company	2	Accounts receivable	567,344	No significant difference	2%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	3,457,160	No significant difference	22%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	865,438	No significant difference	3%
3	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	462,676	No significant difference	2%
4	Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Sale	421,099	No significant difference	3%
4	Rechi Precision (Huizhou) Mechanism Company	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	3	Notes receivable	1,448,985	No significant difference	5%
5	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	2	Sale	3,152,446	No significant difference	20%
5	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company	2	Accounts receivable	1,004,270	No significant difference	4%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	2,425,752	No significant difference	15%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	663,122	No significant difference	2%
5	Rechi Precision (Qingdao) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	601,895	No significant difference	2%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	The parent company	2	Sale	882,377	No significant difference	5%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Accounts receivable	661,050	No significant difference	2%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Notes receivable	1,576,668	No significant difference	6%
6	Rechi Precision (Jiujiang) Electric Machinery Limited	Qingdao Rechi Electric Machinery Sales Company	3	Sale	2,967,677	No significant difference	18%
7	Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Sale	1,499,147	No significant difference	9%
7	Dyna Rechi Jiujiang Co., Ltd.	Rechi Precision (Jiujiang) Electric Machinery Limited	3	Accounts receivable	761,715	No significant difference	3%
7	Dyna Rechi Jiujiang Co., Ltd.	Dyna Rechi Co., Ltd.	3	Sale	370,053	No significant difference	2%
8	Ablek Technology Ltd.	Ablek Technology Co., Ltd.	3	Sale	332,125	No significant difference	2%

Note 1: The information of business operation between the parent company and its subsidiaries should be documented in the respectively numbered column as follows:
- (1) Fill in “0” for parent company.
- (2) The subsidiaries are sequentially numbered from 1 and so forth.

Note 2: The relationship with the traders is classified into three categories as follows:
- (1) The parent company to subsidiary.
- (2) The subsidiary to parent company.
- (3) Between subsidiaries.

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

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

RECHI PRECISION CO., LTD. and its subsidiaries

Information on Investees, location, etc.

For the Nine Months Ended September 30, 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	Note
				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	$ 8,515,585	$ 8,194,085	-	100.00	$ 12,736,357	$ 796,529	$ 753,856	Subsidiary
	Rechi Investments Co., Ltd.	Taiwan	Investment business	150,000	150,000	15,000	100.00	110,981	(400)	(400)	Subsidiary
	Dyna Rechi Co., Ltd.	Taiwan	BLDC Motor	1,003,691	691,442	99,205	94.42	1,039,103	17,120	10,669	Subsidiary
Rechi Holdings Co., Ltd.	Rechi International Holdings Co., Ltd.	British Virgin Islands	Investment business	USD 25,768	USD 25,768	-	100.00	USD 35,410	USD 2,038	N/A	Sub-subsidiary
	Rechi Investments Holdings Co., Ltd.	British Virgin Islands	Investment business	USD 90,000	USD 90,000	-	100.00	USD 150,420	USD 11,156	N/A	Sub-subsidiary
Rechi International Holdings Co., Ltd.	GR Holdings (Hong Kong) Limited	Hong Kong	Investment business	USD 25,701	USD 25,701	-	100.00	USD 35,260	USD 2,048	N/A	Third-tier subsidiaries.
Dyna Rechi Co., Ltd.	Dyna Rechi Holdings Co., Ltd.	Samoa	Investment business	784,303	784,303	-	100.00	851,897	32,596	N/A	Sub-subsidiary
	Ablek Technology Co., Ltd.	Taiwan	Sales business	90,746	90,746	7,004	100.00	83,641	2,261	N/A	Sub-subsidiary
Ablek Technology Co., Ltd.	Ablek Technology Ltd.	Samoa	Investment business	90,919	90,919	-	100.00	87,992	(12,432)	N/A	Third-tier subsidiaries.

Note 1: Already eliminated in the consolidated statements

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 Nine Months Ended September 30, 2024

Table 9

Unit: NTD thousand or in thousands 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	Note
					Outward remittance	Recover							
Rechi Refrigeration Dongguan Co., Ltd.	Refrigerant compressor motors and air conditioner accessories	NTD 239,021 (USD 7,552)	Note 2	NTD 800,460 (USD 25,291)	$ -	$ -	NTD 800,460 (USD 25,291)	$ 64,597	100.00	$ 64,597	NTD 1,079,395 (USD 34,104)	NTD 521,212 (USD 16,468)	
Dongguan Rechi Compressor Co., Ltd.	Rotary refrigerant compressors	NTD 16,585 (USD 524)	Note 1	NTD 330,711 (USD 10,449) (Note 12)	-	-	NTD 330,711 (USD 10,449) (Note 12)	(4,486)	100.00	(4,486)	NTD 101,192 (USD 3,197)	NTD 48,425 (USD 1,530)	
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Rotary refrigerant compressors	NTD 2,270,634 (USD 71,742)	Note 1	NTD 1,049,641 (USD 33,164)	-	-	NTD 1,049,641 (USD 33,164)	158,438	77.78	123,229	NTD 2,596,596 (USD 82,041)	NTD 2,286,238 (USD 72,235)	
Rechi Precision (Huizhou) Mechanism Company	Rotary refrigerant compressor components	NTD 1,498,596 (USD 47,349)	Note 1	NTD 94,950 (USD 3,000)	-	-	NTD 94,950 (USD 3,000)	367	77.78	286	NTD 1,220,986 (USD 38,578)	NTD 184,393 (USD 5,826)	
Rechi Precision (Qingdao) Electric Machinery Limited	Rotary refrigerant compressor components	NTD 2,848,500 (USD 90,000)	Note 2	NTD 886,200 (USD 28,000) (Note 7)	-	-	NTD 886,200 (USD 28,000) (Note 7)	357,361	100.00	357,361	NTD 4,765,512 (USD 150,569)	NTD 3,731,662 (USD 117,904)	
Qingdao Rechi Electric Machinery Sales Company	Sales business	NTD 31,617 (RMB 7,000)	Note 9	NTD - (RMB -)	-	-	NTD - (RMB -)	(13,661)	88.89	(12,143)	NTD 484,813 (RMB 107,339)	-	
Qingdao China Steel Precision Metal Co., Ltd.	Processing production	NTD 633,000 (USD 20,000)	Note 1	NTD - (USD -)	-	-	NTD - (USD -)	(15,232)	30.00	(4,569)	NTD 168,978 (USD 5,339)	NTD 36,841 (USD 1,164)	
Dyna Rechi Jiujiang Co., Ltd.	Refrigerant compressor motors and BLDC motors	NTD 1,166,265 (RMB 258,215)	Note 3	NTD 733,395 (RMB 162,376) (Note 10)	-	-	NTD 733,395 (RMB 162,376) (Note 10)	50,536	96.40	42,729	NTD 1,272,354 (RMB 281,703)	-	
Rechi Precision (Jiujiang) Electric Machinery Limited	Rotary refrigerant compressors	NTD 2,405,400 (USD 76,000)	Note 1	NTD 2,088,900 (USD 66,000)	NTD 316,500 (USD 10,000)	-	NTD 2,405,400 (USD 76,000)	257,740	100.00	257,740	NTD 2,957,101 (USD 93,431)	-	
Jiangxi Baida Precision Manufacturing Corp.	Processing production	NTD - (USD -)	Note 1	NTD 363,848 (USD 11,496) (Note 13)	-	-	NTD 363,848 (USD 11,496) (Note 13)	-	-	-	NTD - (USD -)	-	
Ablek Technology Ltd.	Home appliance motors	NTD 22,155 (USD 700)	Note 11	NTD - (USD -)	-	-	NTD - (USD -)	(12,416)	94.42	(12,044)	NTD 21,693 (RMB 4,803)	-	

Accumulated investment from Taiwan to Mainland China at ending	Amount of investment approved by Investment Commission of MOEA	Investment amount approved by the Investment Commission MOEAIC
NTD 6,664,605	NTD 3,973,278 (USD 125,538) (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: Except for TCL Rechi (Huizhou) Refrigeration Equipment Company Limited, Rechi Precision (Qingdao) Electric Machinery Limited, Qingdao Rechi Electric Machinery Sales Company, and Rechi Precision (Jiujiang) Electric Machinery Limited, which were recognized based on the financial statements reviewed by independent auditors, the rest were recognized based on financial statements not reviewed by independent auditors for the same period.

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

Name of investee in China	Amount
Rechi Refrigeration Dongguan Co., Ltd.	$ 11,093
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
	$ 125,538

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

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

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

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

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

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

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

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

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

RECHI PRECISION CO., LTD. and its subsidiaries

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

For the Nine Months Ended September 30, 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	Note
		Amount	Percentage		Payment terms	Comparison with general transactions	Amount	Percentage		
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	Purchase	$ 1,224,676	21%	Normal	60–90 days from reimbursement	Normal	(567,344)	24%	$ 2,838	
Rechi Precision (Qingdao) Electric Machinery Limited	Purchase	3,152,446	55%	Normal	60–90 days from reimbursement	Normal	(1,004,270)	43%	1,816	
Rechi Precision (Jiujiang) Electric Machinery Limited	Purchase	882,377	15%	Normal	60–90 days from reimbursement	Normal	(462,695)	20%	528	
Rechi Refrigeration Dongguan Co., Ltd.	Purchase	413,149	7%	Normal	60–90 days from reimbursement	Normal	(250,179)	11%	3,349	

Note 1: Already eliminated in the consolidated statements

RECHI PRECISION CO., LTD.

Information on Major Shareholders

September 30, 2024

Table 11

Names of Dominant Shareholders	Shares	
	Shares	Shareholding ratio
SAMPO CORPORATION	138,160,160	27.36%

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.