LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS MARCH 31, 2026 AND 2025
(STOCK CODE: 4552)

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LIDA HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Financial Statements
for the Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report
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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Lida Holdings Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Lida Holdings Limited and its subsidiaries (hereinafter the "Group") as of March 31, 2026 and 2025, and the related consolidated statement of comprehensive income for the three months ended March 31, 2026 and 2025, and changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews..

Scope of Review

We conducted our reviews in accordance with the International Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance as of and for the three months period ended March 31, 2026 and 2025, and its consolidated financial performance and cash flows for the nine months periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan

CPA

Reference Number of the FSC Approval letter: No. Taiwan-Finance-Securities- Auditing -1060042577
Reference Number of the FSC Approval letter: No. Financial-Supervisory-Securities-Auditing -1100333824
May 15, 2026

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025, AND MARCH 31, 2025

Expressed in thousands of New Taiwan dollars

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 4, 6(1) (19) & (20))	$ 2,793,805	35	2,545,766	32	2,684,835	34
1110	Financial assets at fair value through profit or loss - current (Note 4, 6(2) & (19))	-	-	2,209	-	-	-
1136	Financial assets at amortized cost - current (Note 4, 5, 6(3) (19) & 8)	-	-	-	-	6,796	-
1170	Accounts receivable, net (Note 4, 5, 6(4) (19) & 7)	925,247	11	959,849	12	908,817	11
1180	Accounts receivable – related parties, net (Note 4, 5, 6(4) (19) & 7)	1,063	-	443	-	-	-
1220	Current tax assets (Note 4 & 6(19))	-	-	-	-	2,575	-
130X	Inventories (Note 4, 5 & 6(5))	240,967	3	280,378	4	266,314	3
1470	Other current assets	1,496	-	17,346	-	825	-
		3,962,578	49	3,805,991	48	3,870,162	48
	Non-current assets:						
1600	Property, plant and equipment (Note 4, 5, 6(6) & 8)	3,519,026	43	3,445,229	44	3,371,169	43
1755	Right-of-use assets (Note 4, 5 & 6(7))	123,575	2	120,024	2	125,332	2
1760	Investment properties, net (Note 4, 5, 6(8) & 8)	470,525	6	460,458	6	486,186	6
1840	Deferred income tax assets (Note 4 & (12))	17,980	-	17,763	-	21,905	-
1915	Prepayments for equipment	-	-	-	-	55,283	1
1990	Other non-current assets - others	75	-	74	-	128	-
		4,131,181	51	4,043,548	52	4,060,003	52
	Total assets	$ 8,093,759	100	7,849,539	100	7,930,165	100

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities						
2100	Short-term borrowings (Note 6(10) (19), 7 & 8)	$ 550,866	7	399,297	5	441,209	6
2170	Accounts payables (Note 6(19))	328,240	4	467,052	6	414,751	5
2219	Other payables (Note 6(19))	89,324	1	119,682	2	93,287	1
2230	Current tax liabilities (Note 4)	5,493	-	10,198	-	-	-
2250	Provisions – current (Note 4)	3,590	-	3,785	-	3,636	-
		977,513	12	1,000,014	13	952,883	12
	Non-current liabilities						
2570	Deferred income tax liabilities (Note 4 & 6(12))	665,009	8	640,389	8	653,029	8
		665,009	8	640,389	8	653,029	8
	Total liabilities	1,642,522	20	1,640,403	21	1,605,912	20
	Equity attributable to owners of the parent company: (Note 6(13))						
3110	Common stock	1,160,000	14	1,160,000	15	1,160,000	15
3200	Capital surplus	1,548,200	19	1,548,200	19	1,548,200	20
	Retained earnings:						
3320	Special reserve	605,682	8	605,682	8	605,682	8
3350	Unappropriated earnings	3,377,234	42	3,363,851	43	3,314,492	41
		3,982,916	50	3,969,533	51	3,920,174	49
	Other equity:						
3400	Other equity	(239,879)	(3)	(468,597)	(6)	(304,121)	(4)
	Total equity attributable to owners of the parent company	6,451,237	80	6,209,136	79	6,324,253	80
	Total equity	6,451,237	80	6,209,136	79	6,324,253	80
	Total liabilities and equity	$ 8,093,759	100	7,849,539	100	7,930,165	100

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chien-Leng Wu **Manager: Yi-Ping Cheng** **Accounting Supervisor: Yun-Xiang Huang**

LIDA HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025

Expressed in thousands of New Taiwan Dollars

		For the three months ended March 31, 2026			For the three months ended March 31, 2025	
			Amount	%	Amount	%
4000	**Operating revenue (Note 4, 6(15) & 7)**	$	739,573	100	783,490	100
5000	**Operating costs (Note 6(5) & (18))**		608,516	82	629,674	80
	Gross profit		131,057	18	153,816	20
	Operating expenses: (Note 6(18))					
6100	Sales and marketing expenses		12,242	2	12,862	2
6200	General and administrative expenses		45,259	6	39,992	5
6300	Research and development expenses		46,098	6	47,536	6
6450	Expected credit impairment losses		(2,617)	-	(42,148)	(5)
			100,982	14	58,242	8
	Operating profit		30,075	4	95,574	12
	Non-operating income and expenses: (Note 6(17))					
7100	Interest income		342	-	571	-
7010	Rent income		9,048	1	7,816	1
7020	Other gains and losses		(12,688)	(2)	734	-
7050	Finance costs		(3,205)	-	(3,553)	-
	Total non-operating income and expenses		(6,503)	(1)	5,568	1
	Profit before income tax from continuing operations		23,572	3	101,142	13
7950	**Less: Income tax expense (Note 4 & 6(12))**		10,189	1	25,899	3
	Profit for the current period		13,383	2	75,243	10
8300	**Other comprehensive income:**					
8360	**Items that will not be reclassified to profit or loss**					
8361	Exchange difference from translation of financial statements of foreign operations (Note 6(13))		228,726	31	72,494	9
8300	**Other comprehensive income for the period (net of income tax)**		228,726	31	72,494	9
	Total comprehensive income for the period	**$**	**242,109**	**33**	**147,737**	**19**
	Profit attributable to:					
	Owners of the parent company	$	13,383	2	75,243	10
		$	**13,383**	**2**	**75,243**	**10**
	Total comprehensive income attributable to:					
	Owners of the parent company	$	242,109	33	147,737	19
		$	**242,109**	**33**	**147,737**	**19**
	Earnings per share (NTD) (Note 6(14))					
	Basic earnings per share (NTD)	**$**		**0.12**		**0.65**
	Diluted earnings per share (NTD)	**$**		**0.12**		**0.65**

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chien-Leng Wu **Manager: Yi-Ping Cheng** **Accounting Supervisor: Yun-Xiang Huang**

LIDA HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025

Expressed in thousands of New Taiwan Dollars

	Equity attributable to owners of the parent company					
			Retained earnings		Other equity	
	Share capital	Capital surplus	Special reserve	Unappropriated earnings	Exchange difference from translation of financial statements of foreign operations	Total equity
Balance as of January 1, 2025	$ 1,160,000	1,548,200	605,682	3,239,249	(376,615)	6,176,516
Net income for the period	-	-	-	75,243	-	75,243
Other comprehensive income for the period	-	-	-	-	72,494	72,494
Total comprehensive income for the period	-	-	-	75,243	72,494	147,737
Balance as of March 31, 2025	**$ 1,160,000**	**1,548,200**	**605,682**	**3,314,492**	**(304,121)**	**6,324,253**
Balance as of January 1, 2026	$ 1,160,000	1,548,200	605,682	3,363,851	(468,597)	6,209,136
Net income for the period	-	-	-	13,383	-	13,383
Other comprehensive income for the period	-	-	-	-	228,718	228,718
Total comprehensive income for the period	-	-	-	13,383	228,718	242,101
Balance as of March 31, 2026	**$ 1,160,000**	**1,548,200**	**605,682**	**3,377,234**	**(239,879)**	**6,451,237**

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chien-Leng Wu **Manager: Yi-Ping Cheng** **Accounting Supervisor: Yun-Xiang Huang**

LIDA HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025

Expressed in thousands of New Taiwan Dollars

		For the three months ended March 31, 2026	For the three months ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax for the period	$	23,572	101,142
Adjustments:			
Items of income and expenses			
Depreciation expenses		56,770	39,216
Reversal gains on expected credit impairment		(2,617)	(42,148)
Interest expenses		3,205	3,553
Interest income		(342)	(571)
Inventory valuation losses (reversal gains)		(104)	663
Total items of income and expenses		56,912	713
Changes in operating assets / liabilities:			
Net changes in operating assets:			
Accounts receivables		70,906	100,038
Other receivables		(962)	74
Inventories		49,485	62,438
Prepayments		21	464
Other current assets		16,791	13,190
Total net changes in operating assets		136,241	176,204
Net changes in operating liabilities:			
Accounts payables		(138,812)	(45,198)
Other payables		(30,358)	(31,316)
Provisions		(195)	(195)
Total net changes in operating liabilities		(169,365)	(76,709)
Total net changes in operating assets and liabilities		(33,124)	99,495
Total adjustments		23,788	100,208
Cash generated from operation		47,360	201,350
Interest received		342	571
Interest paid		(3,205)	(3,553)
Income tax paid		(13,165)	(12,749)
Net cash generated from operating activities		31,332	185,619
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of property, plant and equipment		-	(3,014)
Disposal of financial assets at fair value through profit or loss		2,209	-
Increase in guaranteed deposits paid		(1)	(23)
Decrease in other non-current assets		-	72
Net cash generated from (used in) investing activities		2,208	(2,965)
CASH FLOW FORM FINANCING ACTIVITIES:			
Increase in short-term borrowings		187,288	90,235
Decrease in short-term borrowings		(50,248)	-
Net cash generated from investing activities		137,040	90,235
Effect of changes in exchange rate on cash and cash equivalents		77,459	22,802
Increase in cash and cash equivalents of the period		248,039	295,691
Beginning balance of cash and cash equivalents		2,545,766	2,389,144
Ending balance of cash and cash equivalents	$	2,793,805	2,684,835

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chien-Leng Wu **Manager: Yi-Ping Cheng** **Accounting Supervisor: Yun-Xiang Huang**

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Lida Holdings Limited (the "Company") was incorporated in the British Cayman Islands on May 11, 2012, for the purpose of the restructuring undertaken prior to listing on the Taiwan Stock Exchange. On August 12, 2013, the Company provided its own shares to exchange 100% equity of Wellsoon International Limited (Wellsoon International) at the share exchange ratio of 1,551:1. The Company's stock has been listed on the Taiwan Stock Exchange since July 20, 2016. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the design, manufacture and sales of mechanical and electrical products such as air compressors, electric welding machines and electrical tools.

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

These consolidated financial statements were issued after approved by the Board of Directors on May 15, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

The Group started adopting new standards, interpretations and amendments endorsed by the FSC effective from January 1, 2026 as follows, and there is no significant impact on the consolidated financial statements.

- IFRS 17 "Insurance Contract" and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(2) New issuances of or amendments to IFRSs not yet endorsed by the FSC

Standards and interpretations and amendments issued by IASB but not yet endorsed by the FSC, which may be relevant to the Group, are as follows:

New or amended standards	Major amendments	Effective date by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 Note: The FSC issued a press release on September 25, 2025 to declare that Taiwan will align with IFRS 18 since the fiscal year of 2028. Entities that require to apply in advance may elect to apply in advance after FSC's endorsement.

The Group continues to evaluate the impact of the aforementioned standards and interpretations on the financial position and financial performance; the relevant impact will be disclosed upon completion of the assessment.

The Group expects the other new and amended standards as follows will not significantly impact the consolidated financial statements.

·Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

·IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19

·Amendments to IAS21 "The Effects of Changes in Foreign Exchange Rates"

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Compliance statement

The consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “ Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. Measurement basis

The consolidated financial statements have been prepared under the historical cost convention.

B. Functional currency and expression currency

Each entity of the Group uses the currency of the main economic environment in which they operate as their functional currency. The functional currency of the Company is “CNY.” However, due to the local regulations of country that the financial statements are submitted to, the consolidated financial statements are expressed in NTD. All financial information expressed in NTD with the unit of NT$ thousand.

(3) Basis of consolidation

Basis for preparation of the consolidated financial statements and the subsidiaries included in the consolidated financial statements are consistent with Note 4(3) to the consolidated financial statements for the year ended December 31, 2025.

Subsidiaries included in the consolidated financial statements:

			Percentage of ownership			
Investor company	Nam of subsidiary	Main business activities	March 31, 2026	December 31, 2025	March 31, 2025	Note
The Company	Wellsoon International Limited (Wellsoon International)	Investment holding	100	100	100	
Wellsoon International Limited	Lida (HK) Holdings Co., Ltd. (Lida (HK)	Investment holding	100	100	100	
Lida (HK) Holdings Co., Ltd.	Lida (China) Machine Equipment Co. Limited (Lida (China)	Design, manufacture and sales of air compressors	100	100	100	
Lida (China) Machine Equipment Co. Limited	Lida (Jiangxi) Machine Equipment Co Limited (Lida (Jiangxi)	Design, manufacture and sales of air compressors	100	100	100	

(4) Income tax

The Group measures and discloses the income tax expenses for the interim period in accordance with the regulations in paragraph B12 of International Accounting Standard 34, “Interim Financial Reporting.”

The interim period income tax expense is assessed based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and recognized as current income tax expenses in full, and allocated to current income tax expenses and deferred income tax expenses in proportion to the expected current income tax expenses and deferred income tax expenses of the whole year.

Income tax expenses directly recognized in items of equity or other comprehensive income shall be measured by the temporary differences between the carrying amount of related assets and liabilities for the financial reporting purpose and tax base at the tax rates that are expected to apply to the period when they are realized or settled.

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

When preparing the Group's consolidated financial statements in accordance with Regulations Governing the Preparation and IAS 34 "Interim Financial Reporting" endorsed by the FSC, the management has made judgments, accounting estimates and assumptions to future (including climate-related risks and opportunities), which affect the disclosure of reporting amount of revenue, expenses, assets, and liabilities and contingent liabilities. However, the actual results may be difference from the estimates.

The significant accounting judgements, estimates and key sources of assumption uncertainty by the management in preparing the consolidated financial statements are consistent with the disclosures in Note 5 of the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash	$ 253	461	182
Bank deposits			
Demand deposits	2,793,552	2,545,305	2,684,653
Cash and cash equivalents presented in the consolidated statements of cash flows	**$ 2,793,805**	**2,545,766**	**2,684,835**

(2) Financial assets at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit or loss – beneficiary certificates	**$ -**	**2,209**	**-**

A. Please refer to Note 6(19) for information on credit risk.
B. The aforementioned financial assets were not pledged as collateral for short-term borrowings and credit lines.

(3) Financial assets at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits	**$ -**	**-**	**6,796**

The Group assesses to hold the assets to the maturity to collect the contractual cash flows, and the cash flows are solely payments of principal and interest on the principal amount outstanding. Therefore, the assets are presented as financial assets at amortized cost.

A. Please refer to Note 6(19) for information on credit risk.
B. Please refer to Note 8 for the details of the aforementioned assets pledged as collaterals for short-term borrowings and credit lines.

(4) Accounts receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivables – measured at amortized cost	$ 1,041,459	1,074,571	1,050,804

Accounts receivables – related parties	1,063	443	-
Less: loss allowances	(116,212)	(114,722)	(141,987)
Accounts receivables, net	$ **926,310**	**960,292**	**908,817**

The Group recognizes the loss allowance for accounts receivables at an amount equal to the lifetime expected credit loss by the simplified approach. For the purpose of measurement, the accounts receivables have been grouped based on shared credit risk characteristics of the ability to pay off the due amount in accordance with the contract terms, with foreseeing information, including macro-economic and relevant industry information. The analysis of expected credit risk of accounts receivables are as follows:

	March 31, 2026		
	Carrying amount of accounts receivables	**Weighted-average expected credit loss rate**	**Lifetime expected credit loss**
Undue	$ 516,199	6.12%	31,583
Overdue within 30 days	270,567	12.57%	34,008
Overdue for 31~60 days	199,903	17.21%	34,400
Overdue for 61~90 days	55,853	29.04%	16,221
	$ **1,042,522**		**116,212**

	December 31, 2025		
	Carrying amount of accounts receivables	**Weighted-average expected credit loss rate**	**Lifetime expected credit loss**
Undue	$ 600,384	6.12%	36,728
Overdue within 30 days	260,479	12.56%	32,724
Overdue for 31~60 days	142,587	17.19%	24,511
Overdue for 61~90 days	71,564	29.01%	20,759
	$ **1,075,014**		**114,722**

	March 31, 2025		
	Carrying amount of accounts receivables	**Weighted-average expected credit loss rate**	**Lifetime expected credit loss**
Undue	$ 555,717	7.12%	39,562
Overdue within 30 days	196,537	14.86%	29,206
Overdue for 31~60 days	220,408	20.92%	46,106
Overdue for 61~90 days	78,142	34.7%	27,113
	$ **1,050,804**		**141,987**

The credit periods of sales of goods are 60 days to 90 days after monthly settlement.
As of March 31, 2026, December 31, 2025, and March 31, 2025, the accounts receivables were not pledged as collaterals.
Please refer to Note 6(19) for information on other credit risks.

The changes in loss allowances of accounts receivables are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Beginning balance	$ 114,722	182,179
Impairment losses reversed	(2,617)	(42,148)
Exchange rate effects	4,107	1,956
Ending balance	$ 116,212	141,987

(5) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 116,248	91,768	134,831
Work in progress	12,978	102,166	24,617
Finished goods	112,512	87,290	108,383
Less: allowances for valuation losses	(771)	(846)	(1,517)
Merchandise inventory	$ 240,967	280,378	266,314

As of March 31, 2026, December 31, 2025, and March 31, 2025, the inventories were not pledged as collaterals.

The details of costs of goods sold are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Transferred from inventories sold	$ 603,827	626,740
Inventory valuation losses (reversal gains)	(104)	663
Unallocated manufacturing expenses for idle equipment	5,148	2,632
Revenue from scraps	(355)	(361)
	$ 608,516	629,674

(6) Property, plant and equipment

Details of changes in costs, depreciation, and impairment losses are as follows:

		Land improvements	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
Costs or deemed costs:									
Balance as of January 1, 2026	$	208,952	2,982,109	924,939	21,827	6,179	112,112	-	4,256,118
Exchange rate change effects		7,489	106,875	33,149	782	221	4,018	-	152,534
Balance as of March 31, 2026	$	216,441	3,088,984	958,088	22,609	6,400	116,130	-	4,408,652
Balance as of January 1, 2025	$	211,838	2,847,470	824,045	21,309	6,277	18,772	-	3,929,711
Additions		-	27,847	799	-	-	-	-	28,646
Transfer in		-	-	79,784	-	-	-	-	79,784
Exchange rate change effects		2,476	33,393	9,963	249	74	219	-	46,374
Balance as of March 31, 2025	$	214,314	2,908,710	914,591	21,558	6,351	18,991	-	4,084,515
Depreciation and impairment losses									
Balance as of January 1, 2026	$	(15,183)	(253,289)	(508,992)	(18,823)	(5,510)	(9,092)	-	(810,889)
Depreciation expenses		(1,389)	(22,280)	(17,416)	(61)	(6)	(8,444)	-	(49,596)
Exchange rate change effects		(546)	(9,113)	(18,270)	(675)	(197)	(340)	-	(29,141)
Balance as of March 31, 2026	$	(17,118)	(284,682)	(544,678)	(19,559)	(5,713)	(17,876)	-	(889,626)
Balance as of January 1, 2025	$	(9,946)	(176,383)	(452,495)	(18,953)	(5,569)	(7,338)	-	(670,684)
Depreciation expenses		(1,372)	(18,159)	(14,680)	(23)	(8)	(438)	-	(34,680)
Exchange rate change effects		(122)	(2,136)	(5,349)	(222)	(65)	(88)	-	(7,982)
Balance as of March 31, 2025	$	(11,440)	(196,678)	(472,524)	(19,198)	(5,642)	(7,864)	-	(713,346)
Carrying amount:									
March 31, 2026	$	199,323	2,804,302	413,410	3,050	687	98,254	-	3,519,026
January 1, 2026	$	193,769	2,728,820	415,947	3,004	669	103,020	-	3,445,229
March 31, 2025	$	202,874	2,712,032	442,067	2,360	709	11,127	-	3,371,169
January 1, 2025	$	201,892	2,671,087	371,550	2,356	708	11,434	-	3,259,027

A. Impairment losses

Due to the impact of overall business recession in China, the demand from sales to end customers has decreased. In addition, as energy-efficient and environmentally friendly products are mainstream in the market in recent years, the subsidiary, Lida (Jiangxi), which produces low-end products incurred loss. The Group reevaluated the relevant property, plant and equipment, right-of-use assets and investment properties on December 31, 2025, and recognized impairment losses of $8,984 thousand for the portion of carrying amount higher than recoverable amount. As of March 31, 2026, the accumulated impairment losses amounted to $85,264 thousand.

Recoverable amount is the higher of value in use and net fair value calculated by fair value net of costs of disposal. The inputs used in fair value estimates belong to level 3, and are evaluated by cost method.

B. Guarantees

Please refer to Note 8 for the partial assets pledged as collaterals for borrowings and credit lines as of March 31, 2026, December 31, 2025 and March 31, 2025.

C. The amounts of capitalized interests for the three months ended March 31, 2026 and 2025 are both $0 thousand.

(7) Right-of-use assets

The details of changes in costs and depreciation of land leased by the Group are as follows:

		Land
Costs of right-of-use assets:		
Balance as of January 1, 2026	$	144,631
Exchange rate change effects		5,183
Balance as of March 31, 2026	**$**	**149,814**
Balance as of January 1, 2025	$	146,628
Exchange rate change effects		1,714
Balance as of March 31, 2025	**$**	**148,342**
Accumulated depreciation of right-of-use assets:		
Balance as of January 1, 2026	$	(24,607)
Depreciation expenses		(749)
Exchange rate change effects		(883)
Balance as of March 31, 2026	**$**	**(26,239)**
Balance as of January 1, 2025	$	(22,010)
Depreciation expenses		(740)
Exchange rate change effects		(260)
Balance as of March 31, 2025	**$**	**(23,010)**
Carrying amount:		
March 31, 2026	**$**	**123,575**
January 1, 2026	**$**	**120,024**
March 31, 2025	**$**	**125,332**
January 1, 2025	**$**	**124,618**

A. The underlying assets leased by the Group is land. The lease term of land is between 44 and 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants but those of land, which was pledged as collaterals for borrowings Please refer to Note 8 for land pledged as collaterals.

(8) Investment properties

Details of changes in investment properties are as follows:

	Right-of-use assets	Owner-occupied assets		
	Land	Buildings and structures	Land improvements	Total
Costs or deemed costs:				
Balance as of January 1, 2026	$ 35,885	517,338	34,144	587,367
Exchange rate change effects	1,286	18,540	1,223	21,049
Balance as of March 31, 2026	**$ 37,171**	**535,878**	**35,367**	**608,416**
Balance as of January 1, 2025	$ 36,380	524,482	34,615	595,477
Exchange rate change effects	426	6,130	404	6,960
Balance as of March 31, 2025	**$ 36,806**	**530,612**	**35,019**	**602,437**
Accumulated depreciation and impairment:				
Balance as of January 1, 2026	$ (10,506)	(113,696)	(2,707)	(126,909)
Depreciation expenses	(190)	(6,008)	(227)	(6,425)
Exchange rate change effects	(376)	(4,084)	(97)	(4,557)
Balance as of March 31, 2026	**$ (11,072)**	**(123,788)**	**(3,031)**	**(137,891)**
Balance as of January 1, 2025	$ (9,907)	(99,376)	(1,854)	(111,137)
Depreciation expenses	(187)	(3,385)	(224)	(3,796)
Exchange rate change effects	(118)	(1,177)	(23)	(1,318)
Balance as of March 31, 2025	**$ (10,212)**	**(103,938)**	**(2,101)**	**(116,251)**
Carrying amount:				
March 31, 2026	**$ 26,099**	**412,090**	**32,336**	**470,525**
January 1, 2026	**$ 25,379**	**403,642**	**31,437**	**460,458**
March 31, 2025	**$ 26,594**	**426,674**	**32,918**	**486,186**
January 1, 2025	**$ 26,473**	**425,106**	**32,761**	**484,340**

A. Investment properties held by the Group are recognized by acquisition costs. Fair value valuation of market prices of the old plants of subsidiary, Lida (China), is based on similar properties in the neighborhood. The new plants of subsidiary, Lida (China)subsidiary, and Lida (Jiangxi), evaluated based on the valuation by independent appraisers (with relevant recognized professional qualification and relevant experiences on the zones and types of the investment properties appraised recently). The inputs used in the aforementioned fair value valuation techniques belong to level 3.

Relevant information on fair value I as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Investment properties	$ 504,152	519,545	514,080

B. Please refer to Note 8 for investment properties pledged as collaterals for borrowings and credit lines as of March 31, 2026, December 31, 2025, and March 31, 2025.

(9) Operating leases

The underlying assets of the leases are part of the plants. As substantially all the risks and rewards incidental to ownership of the underlying asset are not transferred, and there is no right to renew the contract, those lease contracts are classified as operating leases. Please refer to Note 6(8) investment properties for details.

Maturity analysis of lease payments by total undiscounted lease payments that will be collected after the reporting date is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than 1 year	$ 20,632	20,182	23,299
1-2 years	7,854	11,936	22,590
2-3 years	-	392	8,664
Total undiscounted lease payments	$ 28,486	32,510	54,553

Rent income arising from investment properties is as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Rent income	$ 9,048	7,816
Direct operating expenses	$ 6,425	3,796

(10) Short-term borrowings

Details of short-term borrowings are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Credit borrowings	$ 91,506	-	
Secured bank borrowings	459,360	399,297	441,209
Total	$ 550,866	399,297	441,209
Unused credit lines	$ -	278,271	459,421
Interest rate intervals	2.8%~3.8%	2.1%~3.71%	3.2%~4.35%

The Group signed a one-year credit facility agreement with China Construction Bank. During the lifetime of the contract, the limitations on financial ratios shall reach the agreed amounts. If the aforementioned commitment is breached, the bank is eligible to cease loan disbursement and request immediate repayment of all the principal and interests.

Please refer to Note 8 for assets pledged as collaterals for bank borrowings. Please refer to Note 7 for the relevant explanations on the key management as the joint guarantors. Please refer to Note 6(17) for interest expenses.

(11) Employee benefits

Defined contribution plans

Subsidiaries in Mainland China contribute pensions by a certain ration of total salaries and wages of local employees in accordance with the pension system of the People's Republic of China. For the three months ended March 31, 2026 and 2025, the contribution ratios are both 16%. Pensions of employees are managed and arranged by the government. The Group has no further obligations, except for monthly contributions.

The Company and the subsidiary, Wellsoon International, and sub-subsidiary, Lida (HK) have no relevant pension plans.

Pension expenses recognized in accordance with aforementioned pension plans are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Operating costs	$ 10,183	9,826
Sales and marketing expenses	275	257
General and administrative expenses	818	820
Research and development expenses	296	302
	$ 11,572	11,205

(12) Income tax

Details of income tax expenses are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Current income tax expenses		
Origination in the current period	$ 5,484	10,667
Adjustments to current income tax in prior periods	2,618	-
	8,102	10,667
Deferred income tax		
Origination and reversal of temporary differences	2,087	15,232
	2,087	15,232
Income tax expenses	$ 10,189	25,899

The Company and Wellsoon International are domiciled in the British Cayman Islands and British Virgin Islands, and are exempt from tax of profit-seeking income pursuant to local laws. Lida (HK) is domiciled in the Hong Kong Special Administrative Region of the People's Republic of China. In accordance with the Hong Kon g's Tax Act, only the income sourced in Hong Kong is taxable. Lida (HK) did not generate taxable income for the three months ended March 31, 2026 and 2025. Lida (China) and Lida (Jiangxi) are domiciled in the People's Republic of China. According to Regulation on the Implementation of the Enterprise Income Tax Act of People's Republic of China, the applicable income tax rate of Lida (China) and Lida (Jiangxi) is 25%. However, the applicable preferential tax rates for high-tech enterprises of Lida (China) became 15% since 2024, and the effective period is 3 years.

(13) Capital and other equity

A. Issuance of common stocks

As of March 31, 2026 and 2025, Company's authorized capital was $1,500,000 thousand, consisting of 150,000 thousand shares and the total authorized capital is in ordinary shares. 116,000 thousand shares have been issued. All proceeds from shares issued have been collected.

B. Capital surplus

Under the Company's Articles of Incorporation:

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

(b) Except as required by law, the Board of Directors shall capitalize all or partial share premium account, the balance of other reserves account, earnings account or other distributable earnings and issue new stocks or cash to shareholders in proportion to their share ownership out of the listing period.

C. Retained earnings

Under the Company's Articles of Incorporation, the current years' earnings (including prior years' unappropriated retained earnings), if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as special reserve (if needed, retained earnings to support). The remainder ("distributable earnings"), if any, to be appropriated shall be resolved by the stockholders at the stockholders' meeting. Except as required by law or regulations, the Group's dividend policy is summarized below:

(a) Before distributing dividends and bonuses, the Board of Directors shall at its discretion retain a certain amount of reserve fund for business operation, investment or others out of the listing period. When distributing dividends and bonuses, the Board of Directors shall issue new stocks and/or cash dividends or others in proportion to their share ownership and authorize the Company to pay out of available fund in accordance with the regulations.

(b) At least 10% of the distributable earnings, if any, (including reversal of special reserve) plus previous years undistributed earnings in full or in part shall be appropriated as dividends or bonus to the shareholders in proportion to its ownership during the listing period. Cash dividends shall account for at least 10% of the total dividends distributed. Dividends, bonus or other interest to shareholders are calculated in NTD unless otherwise resolved at the shareholders' meeting.

In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

The dividend payout ratios to owners of appropriations of earnings for 2025 proposed by the board of directors on March 13, 2026, and for 2024 resolved by the shareholders' meeting on June 18, 2025, respectively, are as follows:

	2025		2024	
	Payout ratio (NT$)	**Amount**	**Payout ratio (NT$)**	**Amount**
Dividend distributed to owners of the common shareholders:				
Cash	0.60	$ 69,600	1.00	116,000

A. Other equity

	Exchange difference from translation of financial statements of foreign operations
January 1, 2026	$ (468,597)
Exchange difference from translation of financial statements of foreign operations	228,718
March 31, 2026	$ (239,879)
January 1, 2025	$ (376,615)
Exchange difference from translation of financial statements of foreign operations	72,494
March 31, 2025	$ (304,121)

(14) Earnings per share

The calculations of basic earnings per share and diluted earnings per share are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Basic earnings per share		
Net income attributable to ordinary shareholders of the Company	$ 13,383	75,243
Weighted-average number of outstanding ordinary shares	116,000	116,000
	$ 0.12	0.65
Diluted earnings per share		
Net income attributable to ordinary shareholders of the Company	$ 13,383	75,243
Weighted-average number of outstanding ordinary shares	116,000	116,000
Effect of dilutive potential ordinary shares		
Effect of employee stock bonus	1	10
Weighted-average number of outstanding ordinary shares (after adjusting effect of dilutive potential ordinary shares)	116,001	116,010
	$ 0.12	0.65

(15) Revenue from contracts with customers

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Major regional markets:		
Mainland China	$ 531,991	568,324
Other countries (not reaching the standard of 10%)	207,582	215,166
	$ 739,573	783,490
Major product lines:		
Air compressors	$ 683,403	732,812
Others	56,170	50,678
	$ 739,573	783,490

(16) Employees' compensation and directors' remuneration

In accordance with the Articles of Incorporation of the Company, during the listing period, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 0.5% ~3% for employees' compensation and shall not be higher than 2% for directors' remuneration. The employees' compensation will be distributed in the form of cash and/or shares and the directors' remuneration shall not be distributed in the form of shares. The employees' compensation and directors' remuneration are calculated based on NTD unless otherwise resolved by the shareholders at their meeting. The above "profit" refers to pre-tax profit before deduction of employees' compensation and directors' remuneration.

For the three months ended March 31, 2026 and 2025, employees' compensations were accrued at $27 thousand and $216 thousand, respectively; while directors' remuneration were both accrued at $0. The aforementioned amounts were recognized in operating expenses. If there is any change in the amount after the date of authorizing financial statements of the year for issue, it will be treated as a change in accounting estimates, and adjusted in the profit or loss of the next year. If the board of directors resolved to pay employees' compensation by stock, the calculation for the number of shares of stock compensation is based on the closing price of ordinary shares on the day prior to the date when the board of directors makes the resolution.

The employees' remunerations for the years ended December 31, 2025 and 2024 resolved by the board of directors are the same as the amounts recognized in the financial statements for the years ended December 31, 2025 and 2024. Relevant information is available in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(17) Non-operating income and expenses

A. Other gains and losses

Details of other gains and losses are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Gains (losses) on foreign exchange	$ (4,079)	3,261
Donation expenditures	(1,827)	-
Depreciation expenses of investment properties	(6,425)	(3,796)
Others	(357)	1,269
	$ (12,688)	**734**

B. Finance costs

Details of finance costs are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Interests of bank borrowings	$ 3,205	3,553

(18) Additional information on expenses by nature

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Change in inventory of finished foods and work in progress	$ 70,642	19,217
Raw materials and supplied used	429,149	505,849
Employee benefit expense	90,277	92,087
Raw materials for research and development	43,042	44,430
Depreciation expense (excluding investment properties)	50,345	35,420
Expected credit impairment losses	(2,617)	(42,148)
Other costs and expenses	28,660	33,061
Operating costs and operating expenses	$ 709,498	687,916

(19) Financial instrument

A. Credit risk

(a) Concentration of credit risk

As the Group has a wide variety of customers, transactions are not significant concentrated in a single customer and sales regions are diversified, credit risk of accounts receivables is not concentrated. In order to mitigate credit risk, the Group also continuously evaluates customers' financial condition on a regular basis. However, the Group usually does not request customers to provide guarantees.

(b) Credit risk of receivables

Please refer to Note 6(4) for the information on exposure to credit risk of accounts receivables. Other financial assets at amortized cost include certificates of time deposits.

B. Liquidity risk

The chart below is the contract maturity of financial liabilities, including the effect of estimated interests, but excluding the effect of netting agreement.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
March 31, 2026							
Non-derivative financial liabilities							
Secured bank borrowings	$ 550,866	561,267	219,674	341,593	-	-	-
Accounts payables	328,240	328,240	328,240	-	-	-	-
Other payables	89,297	89,297	89,297	-	-	-	-
	$ 968,403	978,804	637,211	341,593	-	-	-
December 31, 2025							
Non-derivative financial liabilities							
Secured bank borrowings	$ 399,297	406,531	273,259	133,272	-	-	-
Accounts payables	467,052	467,052	467,052	-	-	-	-
Other payables	119,682	119,682	119,682	-	-	-	-
	$ 986,031	993,265	859,993	133,272	-	-	-
March 31, 2025							
Non-derivative financial liabilities							
Secured bank borrowings	$ 441,209	451,281	314,935	136,346	-	-	-
Accounts payables	414,751	414,751	414,751	-	-	-	-
Other payables	93,287	93,287	67,393	25,894	-	-	-
	$ 949,247	959,319	797,079	162,240	-	-	-

The Group does not expect the cash flows of the maturity analysis will incur significantly earlier or the actual amount will be significantly different.

C. Foreign exchange risk

Financial assets and liabilities exposed to significant foreign exchange risk are as follows:

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD：CNY	$ 6,800	6.8983	214,620	8,536	7.0614	266,241	3,965	7.2629	130,462

Foreign exchange risk of the group primarily arises from cash and cash equivalents, and accounts receivables denominated in foreign currencies, which result in gains and losses on foreign exchange in translation. As of March 31, 2026 and 2025, a weakening or strengthening of 1% of the NTD against the USD would have increased or decreased the net profit after tax for the three months ended March 31, 2026 and 2025 by $2,146 thousand and $1,305 thousand, respectively, with all other factors remaining unchanged. The analysis for the two periods was on the same basis.

Since the Group transacts in different functional currencies, the information on gains and losses on foreign exchange on monetary items is disclosed by total amount. For the three months ended March 31, 2026 and 2025, the gains and losses on foreign exchange (including realized and unrealized) amounted to losses of $4,079 thousand and gains of $3,261 thousand, respectively.

D. Interest rate analysis

The exposure to interest rate risk of financial assets and financial liabilities is explained in the liquidity risk management section of the note.

E. Fair value information

(a) Definitions of each level of fair value hierarchy used in the valuation techniques for measuring fair value of financial and non-financial instruments are as follows:

- Level 1: The inputs of the level are quoted prices (unadjusted) for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

(b) Management of the Group considers the carrying amounts of financial assets and financial liabilities in the consolidated financial statements approximate to the fair value.

(c) Please refer to Note 6(8) for the explanation on fair value information of investment properties measured at cost.

(20) Financial risk management

There is no significant change in the objectives and policies of financial risk management of the Group compared with those disclosed in Note 6(21) to the consolidated financial statements for the year ended December 31, 2025.

(21) Capital management

There is no significant change in the objectives, policies, and procedures of capital management of the Group compared with those disclosed in the consolidated financial statements for the year ended December 31, 2025. There is also no significant change in the summarized quantitative information on capital management compared with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note 6(21) to the consolidated financial statements for the year ended December 31, 2025 for relevant information.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Related parties that have transactions with the Group during the periods of the consolidated financial statements are as follows:

Name of related parties	Relationship with the Group
Lida Machinery Industry Co., Ltd. (Lida Machinery)	The Group's vice chairman is the company's chairman.
Wida (Jiangxi) Electrical Appliances Co., Ltd. (Wida)	The General Manager of the Group is the legal representative of the company
Quanzhou Enlicheng Auto Parts Co., Ltd. (Enlicheng)	The Group's vice chairman is relative within second degrees of the company's supervisor.
Quanzhou Lida Commercial Operation Management Co., Ltd. (Lida Commercial Operation)	The Group's vice chairman is relative within second degrees of the company's chairperson.
Quanzhou Lida Shipping Co., Ltd. (Lida Shipping)	The Group's vice chairman is the company's director.
Quanzhou Yida House Appliance Industry Co., Ltd (Yida House Appliance)	The Group's chairman is the company's shareholder.
Huang, Da-Ping	The Group's vice chairman
Luo, Ni-Na	Relative within second degrees of the Group's vice chairman
Director, general manager and deputy general manager, etc.	Key management of the Group

(2) Significant transactions with related parties

A. Operating revenue

Amounts of significant sales to related parties are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Midakang	$ 1,528	-

There is no significant difference between the sales conditions of sales to related parties and the general sales prices. The payment term is 2 months.

B. Receivables from related parties

Details of receivables from related parties are as follows:

Account	Related party name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivables	Midakang	$ 1,063	443	-

C. Rent income

Amounts of rent income from related parties are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Wida	$ 573	565
Enlicheng	1,226	807
Lida Commercial Operation	726	-
Total	$ 2,525	1,372

The Group rent part of the plants to related parties. The Group signed lease contracts with related parties based on general market prices, and collected rent monthly in accordance with the contracts.

D. Endorsements and guarantees

Quanzhou Lida Shipping Co., Ltd. guaranteed the Group’s short-term borrowings through pledging its own vessels. Besides, Yida House Appliance served as the guarantor for the short-term borrowings of the Group. As of March 31, 2026, December 31, 2025, and March 31, 2025, the guaranteed borrowing facilities amounted to CNY $20,000 thousand, CNY $20,000 thousand, and CNY $60,000 thousand, respectively.

Lida Machinery guaranteed the Group’s short-term borrowings through acting as a guarantor and pledging its land and building in Jinfen Village, Dongyuan Town, Quanzhou and Taiwanese Investment Zone. As of March 31, 2026, December 31, 2025, and March 31, 2025, the guaranteed borrowing facilities amounted to CNY $37,300 thousand, CNY $37,300 thousand, and CNY $32,300 thousand, respectively.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's short-term borrowings were guaranteed jointly and severally by vice chairman, Huang, Da-Ping, and his spouse.

(3) Transactions with key management executives

Details of compensations to key management executives are as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Short-term employee benefits	$ 984	824
Post-employment benefits	121	113
	$ 1,105	937

8. PLEDGED ASSETS

Details of carrying amounts of assets pledged as collaterals are as follows:

Name of asset	Underlying target of the guarantee	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at amortized cost	Short-term borrowings	$ -	-	6,796
Investment properties (part of the land and structures)	Short-term borrowings	62,382	61,473	66,894
		$ 62,382	61,473	66,894

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Capital expenditures that the Group has signed the contract but not yet incurred:

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ -	-	63,369

10. SIGNICANT DISASTER LOSS: NONE

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE

12. OTHERS

(1) Employee benefits, depreciation, depletion, and amortization expenses summarized by function are as follows:

By function / By nature	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Payroll expenses	59,855	10,261	70,116	58,922	13,403	72,325
Labor and health insurance expenses	3,711	722	4,433	4,021	720	4,741
Pension expenses	10,183	1,389	11,572	9,826	1,379	11,205
Directors' remuneration	-	447	447	-	478	478
Other employee benefits expenses	3,287	422	3,709	2,904	435	3,339
Depreciation expenses	27,511	22,834	50,345	21,802	13,618	35,420
Amortization expenses	-	-	-	-	-	-

Note: The aforementioned depreciation expenses do not include the depreciation expenses provided for investment properties. Please refer to Note 6(17) for the depreciation expenses of investment properties.

(2) Operations of the Group are not affected by seasonal or cyclical factors.

13. SUPPLIMENTARY DISCLOSURES

(1) Significant transactions information

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2026:

A. Loans to others: None.

B. Provision of endorsement and guarantees to others: None

C. Holding of significant marketable securities at the end of period (not including subsidiaries, associates and joint ventures): None

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

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

The following is the information on investees for the three months ended March 31, 2026:

Expressed in thousands of NTD/shares

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
The Company	Wellsoon International	British Virgin Islands	Investments	1,038,589	1,038,589	10,000	100.00%	6,455,439	14,515	14,515	Subsidiary
Wellsoon International	Lida (HK)	Hong Kong	Investments	42	42	201,669,137	100.00%	6,448,782	14,709	14,709	Sub-subsidiary

(3) Information on investments in Mainland China

A. Information on names and main business of investments in Mainland China:

Name of investee	Main business	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment form Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment form Taiwan as of March 31, 2026	Net income (losses) of the investee	Percentage of ownership	Gains and losses on investments recognized in the period (Note 3)	Book value (Note 3)	Accumulated remittance of earnings in current period
					Remitted to China	Remitted back to Taiwan						
Lida (China)	Design, manufacture and sales of air compressors	304,928	(Note 1)	-	-	-	-	16,671	100.00%	16,671	7,097,805	-
Lida (Jiangxi)	Design, manufacture and sales of air compressors	535,924	(Note 2)	-	-	-	-	(12,733)	100.00%	(12,733)	184,877	-

Note 1: The Company invested through Lida (HK).

Note 2: The Company invested through Lida (China).

Note 3: Gains and losses on investments recognized in the period were evaluated and disclosed based on the financial statements audited by the parent company's CPA.

Note 4: The transactions have been eliminated in the consolidated financial statements.

B. Limitation on investment in Mainland China

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
-	-	-

There was no significant transaction between the Company and investees in Mainland China directly or indirectly through the third region.

C. Significant transactions with investee companies in Mainland China: None.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group is a single reportable operating segment

(2) Segment information and information on reconciliation of segment profit or loss

Information on segment profit or loss, segment assets and segment liabilities are consistent with the information in the financial statements. Please refer to the balance sheets and statements of comprehensive income.