

**LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS JUNE 30, 2026 AND 2025
(STOCK CODE: 4552)**

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LIDA HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Financial Statements
for the Three Months Ended June 30, 2026 and 2025 and
Independent Auditors' Review Report
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AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Lida Holdings Limited

Opinion

We have audited the accompanying consolidated balance sheets of Lida Holdings Limited and its subsidiaries (the “Group”) as of June 30, 2026, December 31, 2025, and June 30, 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, of changes in equity and of cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, and its consolidated cash flows for the six months ended June 30, 2026 and 2025, 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.

Basis of opinion

We conducted our audit of the consolidated financial statements in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (ROC GAAS). We are independent of the Group in accordance with the Codes of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's consolidated financial statements for the six months ended June 30, 2026 and 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion; thereon, we do not provide a separate opinion on these matters. The key audit matters we judge that shall be communicated in the audit report are as follows:

1. Cash and cash equivalents

Descriptions of the key audit matter

Please refer to Note 4(6) to the consolidated financial statements for the accounting policies on cash and cash equivalents. Please refer to Note 6(1) to the consolidated financial statements for the explanations on the accounting item. As of June 30, 2026 and 2025, the balances of cash and cash equivalents amounted to NT\$2,515,143 thousand and NT\$2,241,841 thousand, respectively.

The Group designs, manufactures, and sells mechanical and electrical products such as air compressors, and cash and cash equivalents accounted for 30% and 30% of the total consolidated assets, respectively. Because of cash and cash equivalents' inherent risk, we consider cash and cash equivalents as a key audit matter.

Audit procedures in response:

Primary audit procedures are as follows:

- Evaluated and tested the design and effectiveness of the internal control over cash management, including segregation of duties for cash receipts and recording, authorization of receipts and payments in cash and book general entry.
- Sending written confirmation requests regarding all bank accounts, to acquire external information.
- Performed a test audit for large inflows and outflows of cash and verified whether the nature of the transactions complied with the business operating needs.
- Tested the bank reconciliation report by verifying the balance of all accounts against that of the general ledger, checking the balance of the bank account against the bank statements and bank confirmations, and inspecting the reconciling items against the bank statements after the balance sheet date or other supporting documents to ensure the completeness, accuracy as well as the rights and obligations of bank deposit.
- Perform an inventory audit to confirm the existence of cash on hand and revolving funds.

2. Sale revenue from distribution selling

Description of the key audit matter

Please refer to Note 4 (14) to the consolidated financial statements for the accounting policies on revenue recognition. Please refer to Note 6 (15) to the consolidated financial statements for the explanations on the accounting item. For the six months ended June 30, 2026 and 2025, the Group's consolidated revenue amounted to NT\$1,637,797 thousand and NT\$1,691,828 thousand, respectively.

The Group primarily adopts a sales distribution model and signs, with distributors each year, agreements that state the rights and obligations of distributors, such as the terms and conditions, sales quotas, delivery method, maintenance and warranty, and refund policy.

Given that the income generated under the above sale distribution model made up 93% and 92% of the total Group sales revenue, respectively, the sales distribution model and terms of transactions would have a significant impact on the recognition of the sales revenue. Thus, we consider sales revenue from distribution selling as the key audit matter for the six months ended June 30, 2026 and 2025.

Audit procedures in response:

Primary audit procedures are as follows:

- Assessed the new top 10 distributors by checking the owner, major shareholders, business address, capital, main business items and other relevant information of the distribution companies.
- Selected samples from the distributor list, and conducted interviews with them to observe the veracity of sales pertaining to distributors, and inquired whether the financial information of transactions between the distributors and the Group was consistent with the information in the financial statements.
- Verified the balance of accounts receivable at the end of the period by sending confirmation request letters to Group's major distributors, to acquire external information..
- Assessed and tested the implementation effectiveness of internal controls over sales.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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, and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the six months ended June 30, 2026, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

August 28, 2026

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025, AND JUNE 30, 2025

Expressed in thousands of New Taiwan dollars

Assets		June 30, 2026		December 31, 2025		June 30, 2025		Liabilities and equity		June 30, 2026		December 31, 2025		June 30, 2025				
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%			
Current assets:								Current liabilities										
1100	Cash and cash equivalents (Note 4, 6(1) (19) & (20))	\$	2,515,143	30	2,545,766	32	2,241,841	30	2100	Short-term borrowings (Note 6(10) (19), 7 & 8)	\$	559,940	7	399,297	5	472,060	6	
1110	Financial assets at fair value through profit or loss - current (Note 4, 6(2) & (19))		-	-	2,209	-	-	-	2170	Accounts payables (Note 6(19))		518,581	6	467,052	6	521,498	7	
1136	Financial assets at amortized cost - current (Note 4, 5, 6(3) (19) & 8)		-	-	-	-	6,137	-	2216	Dividends payables (Note 6(13) & (19))		69,600	1	-	-	116,000	2	
1170	Accounts receivable, net (Note 4, 5, 6(4) (19) & 7)		1,172,721	14	959,849	12	1,126,750	16	2219	Other payables (Note 6(19))		72,740	1	119,682	2	101,748	1	
1180	Accounts receivable– related parties, net (Note 4, 5, 6(4) (19) & 7)		463	-	443	-	165	-	2230	Current tax liabilities (Note 4)		6,203	-	10,198	-	13,586	-	
130X	Inventories (Note 4, 5 & 6(5))		294,111	4	280,378	4	284,515	4	2250	Provisions – current (Note 4)		3,690	-	3,785	-	3,833	-	
1470	Other current assets		28,161	-	17,346	-	33,515	-				1,230,754	15	1,000,014	13	1,228,725	16	
			4,010,599	48	3,805,991	48	3,692,923	50	Non-current liabilities									
Non-current assets:								2570		Deferred income tax liabilities (Note 4 & 6(12))		674,048	8	640,389	8	592,854	8	
1600	Property, plant and equipment (Note 4, 5, 6(6) & 8)		3,655,509	44	3,445,229	44	3,152,620	42				674,048	8	640,389	8	592,854	8	
1755	Right-of-use assets (Note 4, 5 & 6(7))		124,848	1	120,024	2	112,507	2	Total liabilities			1,904,802	23	1,640,403	21	1,821,579	24	
1760	Investment properties, net (Note 4, 5, 6(8) & 8)		554,395	7	460,458	6	435,591	6	Equity attributable to owners of the parent company:									
1840	Deferred income tax assets (Note 4 & (12))		22,478	-	17,763	-	26,364	-	(Note 6(13))									
1915	Prepayments for equipment		-	-	-	-	24,544	-	3110		Common stock		1,160,000	14	1,160,000	15	1,160,000	16
1990	Other non-current assets - others		75	-	74	-	69	-	3200		Capital surplus		1,548,200	19	1,548,200	19	1,548,200	21
			4,357,305	52	4,043,548	52	3,751,695	50			Retained earnings:							
									3320		Special reserve		605,682	7	605,682	8	605,682	8
									3350		Unappropriated earnings		3,285,586	39	3,363,851	43	3,223,066	43
												3,891,268	46	3,969,533	51	3,828,748	51	
											Other equity:							
									3400		Other equity		(136,366)	(2)	(468,597)	(6)	(913,909)	(12)
											Total equity attributable to owners of the parent company		6,463,102	77	6,209,136	79	5,623,039	76
											Total equity		6,463,102	77	6,209,136	79	5,623,039	76
Total assets		\$	8,367,904	100	7,849,539	100	7,444,618	100	Total liabilities and equity		\$	8,367,904	100	7,849,539	100	7,444,618	100	

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 and 2025

Expressed in thousands of New Taiwan Dollars

		For the three months ended June 30, 2026		For the three months ended June 30, 2025		For the six months ended June 30, 2026		For the six months ended June 30, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 4, 6(15) & 7)	\$ 898,224	100	908,338	100	1,637,797	100	1,691,828	100
5000	Operating costs (Note 6(5) & (18))	744,512	83	723,701	80	1,353,028	83	1,353,375	80
	Gross profit	153,712	17	184,637	20	284,769	17	338,453	20
	Operating expenses: (Note 6(18))								
6100	Sales and marketing expenses	15,646	2	13,817	2	27,889	2	26,679	2
6200	General and administrative expenses	82,161	9	35,176	4	127,420	8	75,168	4
6300	Research and development expenses	46,790	5	49,962	5	92,887	6	97,498	6
6450	Expected credit impairment losses	27,942	3	48,045	5	25,324	2	5,897	-
		172,539	19	147,000	16	273,520	18	205,242	12
	Operating profit	(18,827)	(2)	37,637	4	11,249	(1)	133,211	8
	Non-operating income and expenses: (Note 6(17))								
7100	Interest income	408	-	551	-	750	-	1,122	-
7010	Rent income	2,047	-	1,305	-	11,095	1	9,121	-
7020	Other gains and losses	(8,588)	(1)	(1,872)	-	(21,277)	(1)	(1,138)	-
7050	Finance costs	(4,503)	(1)	(3,602)	-	(7,708)	-	(7,155)	-
	Total non-operating income and expenses	(10,636)	(2)	(3,618)	-	(17,140)	-	1,950	-
	Profit before income tax from continuing operations	(29,463)	(4)	34,019	4	(5,891)	(1)	135,161	8
7950	Less: Income tax expense (Note 4 & 6(12))	(7,415)	(1)	9,445	1	2,774	-	35,344	2
	Profit for the current period	(22,048)	(3)	24,574	3	(8,665)	(1)	99,817	6
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))	103,505	12	(609,788)	(67)	332,231	20	(537,294)	(32)
8300	Other comprehensive income for the period (net of income tax)	103,505	12	(609,788)	(67)	332,231	20	(537,294)	(32)
	Total comprehensive income for the period	<u>\$ 81,457</u>	<u>9</u>	<u>(585,214)</u>	<u>(64)</u>	<u>323,566</u>	<u>19</u>	<u>(437,477)</u>	<u>(26)</u>
	Profit attributable to:								
	Owners of the parent company	\$ (22,048)	(3)	24,574	3	(8,665)	(1)	99,817	6
		<u>\$ (22,048)</u>	<u>(3)</u>	<u>24,574</u>	<u>3</u>	<u>(8,665)</u>	<u>(1)</u>	<u>99,817</u>	<u>6</u>
	Total comprehensive income attributable to:								
	Owners of the parent company	\$ 81,457	9	(585,214)	(64)	323,566	19	(437,477)	(26)
		<u>\$ 81,457</u>	<u>9</u>	<u>(585,214)</u>	<u>(64)</u>	<u>323,566</u>	<u>19</u>	<u>(437,477)</u>	<u>(26)</u>
	Earnings per share (NTD) (Note 6(14))								
	Basic earnings per share (NTD)	<u>\$ (0.19)</u>		<u>0.21</u>		<u>(0.07)</u>		<u>0.86</u>	
	Diluted earnings per share (NTD)	<u>\$ (0.19)</u>		<u>0.21</u>		<u>(0.07)</u>		<u>0.86</u>	

(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 SIX MONTHS ENDED JUNE 30, 2026 and 2025

Expressed in thousands of New Taiwan Dollars

	Equity attributable to owners of the parent company					Total equity
	Share capital	Capital surplus	Special reserve	Unappropriated earnings	Other equity Exchange difference from translation of financial statements of foreign operations	
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	-	-	-	99,817	-	99,817
Other comprehensive income for the period	-	-	-	-	(537,294)	(537,294)
Total comprehensive income for the period	-	-	-	99,817	(537,294)	(437,477)
Appropriation and distribution of earnings:						
Cash dividends of ordinary shares	-	-	-	(116,000)	-	(116,000)
Balance as of June 30, 2025	\$ 1,160,000	1,548,200	605,682	3,223,066	(913,909)	5,623,039
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	-	-	-	(8,665)	-	(8,665)
Other comprehensive income for the period	-	-	-	-	332,231	332,231
Total comprehensive income for the period	-	-	-	(8,665)	332,231	323,566
Appropriation and distribution of earnings:						
Cash dividends of ordinary shares	-	-	-	(69,600)	-	(69,600)
Balance as of June 30, 2026	\$ 1,160,000	1,548,200	605,682	3,285,586	(136,366)	6,463,102

(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 SIX MONTHS ENDED JUNE 30, 2026 and 2025

Expressed in thousands of New Taiwan Dollars

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss) before tax for the period	\$ (5,891)	135,161
Adjustments:		
Items of income and expenses		
Depreciation expenses	108,732	76,079
Expected credit reversal gains (impairment losses)	25,324	5,897
Interest expenses	7,708	7,155
Interest income	(750)	(1,122)
Losses on disposal and scrap of property, plant and equipment	7	174
Inventory valuation losses (reversal gains)	(540)	(442)
Total items of income and expenses	140,481	87,741
Changes in operating assets / liabilities:		
Net changes in operating assets:		
Accounts receivables	(289,250)	(269,943)
Accounts receivables– related parties	(20)	(165)
Other receivables	(473)	(414)
Inventories	1,638	14,176
Prepayments	11	481
Other current assets	(10,353)	(19,029)
Total net changes in operating assets	(298,447)	(274,894)
Net changes in operating liabilities:		
Accounts payables	51,529	61,549
Other payables	(46,942)	(19,587)
Provisions	(95)	2
Total net changes in operating liabilities	4,492	41,964
Total net changes in operating assets and liabilities	(293,955)	(232,930)
Total adjustments	(153,474)	(145,189)
Cash used in operation	(159,365)	(10,028)
Interest received	750	1,122
Interest paid	(7,708)	(7,155)
Income tax paid	(450)	(9,931)
Net cash used in operating activities	(166,773)	(25,992)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant and equipment	(124,824)	(130,690)
Disposals of property, plant and equipment	-	69
Disposals of financial assets at fair value through profit or loss	2,209	-
Increase in guaranteed deposits paid	(1)	(14)
Acquisition of investment properties	(79,839)	-
Decrease in other non-current assets	-	122
Net cash used in investing activities	(202,455)	(130,513)
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	273,963	161,874
Decrease in short-term borrowings	(134,660)	-
Net cash generated from investing activities	139,303	161,874
Effect of changes in exchange rate on cash and cash equivalents	199,302	(152,672)
Decrease in cash and cash equivalents of the period	(30,623)	(147,303)
Beginning balance of cash and cash equivalents	2,545,766	2,389,144
Ending balance of cash and cash equivalents	<u>\$ 2,515,143</u>	<u>2,241,841</u>

(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
JUNE 30, 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 August 24, 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 Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

The Group evaluated that adopting new standards, interpretations and amendments effective from January 1, 2027 as follows will not significantly impact the consolidated financial statements.

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and Amendments to IFRS 19
- Amendments to IAS21 “The Effects of Changes in Foreign Exchange Rates”

The Group expects to adopt the following newly issued and newly amended IFRS accounting standards from January 1, 2028:

A. 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. IAS 7 “Statement of Cash Flows” has been amended in accordance with the new standards, which requires the indirect method for operating cash flows to start with newly defined subtotal of “operating profit or loss.” Specific items included in the reconciliation change to align with the new starting point.. In addition, the amendments also provide specific guidance on the cash classification for interest and dividend receipts and payments..

The Group continues to evaluate the impact of first adoption of the standards on the consolidated financial statements.

B. Amendments to IAS 28 “Fair Value Option for Investments in Associates and Joint Ventures”

The Group assesses that the adoption of the newly amended standards would not have a significant impact on its consolidated financial statements.

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

The Group assesses that the adoption of the following new or amended standards, not yet endorsed by the FSC, would not have a significant impact on 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 20 “Regulatory Assets and Regulatory Liabilities”

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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(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

The principles of preparation of the consolidated financial statements and the subsidiaries included in the consolidated financial statements are the same as those in Note 4(3) of the consolidated financial statements for the year ended December 31, 2025.

Subsidiaries included in the consolidated financial statements:

<u>Investor company</u>	<u>Nam of subsidiary</u>	<u>Main business activities</u>	<u>Percentage of ownership</u>			<u>Note</u>
			<u>June 30,</u> <u>2026</u>	<u>December</u> <u>31, 2025</u>	<u>June 30,</u> <u>2025</u>	
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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

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 different from the estimates.

The significant accounting judgments, 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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Cash	\$ 247	461	153
Bank deposits			
Demand deposits	<u>2,514,896</u>	<u>2,545,305</u>	<u>2,241,688</u>
Cash and cash equivalents presented in the consolidated statements of cash flows	<u>\$ 2,515,143</u>	<u>2,545,766</u>	<u>2,241,841</u>

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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Financial assets at fair value through profit or loss – beneficiary certificates	<u>\$ -</u>	<u>2,209</u>	<u>-</u>

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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>
Pledged time deposits	<u>\$ -</u>	<u>-</u>

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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(4) Accounts receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivables – measured at amortized cost	\$ 1,318,876	1,074,571	1,298,848
Accounts receivables – related parties	463	443	165
Less: loss allowances	(146,155)	(114,722)	(172,098)
Accounts receivables, net	<u>\$ 1,173,184</u>	<u>960,292</u>	<u>1,126,915</u>

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:

	June 30, 2026	
	Carrying amount of accounts receivables	Weighted-average expected credit loss rate
		Lifetime expected credit loss
Undue	\$ 616,649	6.21%
Overdue within 30 days	344,508	12.74%
Overdue for 31~60 days	345,996	17.47%
Overdue for 61~90 days	12,186	28.82%
	<u>\$ 1,319,339</u>	<u>146,155</u>

	December 31, 2025	
	Carrying amount of accounts receivables	Weighted-average expected credit loss rate
		Lifetime expected credit loss
Undue	\$ 600,384	6.12%
Overdue within 30 days	260,479	12.56%
Overdue for 31~60 days	142,587	17.19%
Overdue for 61~90 days	71,564	29.01%
	<u>\$ 1,075,014</u>	<u>114,722</u>

	June 30, 2025	
	Carrying amount of accounts receivables	Weighted-average expected credit loss rate
		Lifetime expected credit loss
Undue	\$ 648,787	6.83%
Overdue within 30 days	316,579	14.17%
Overdue for 31~60 days	244,080	19.73%
Overdue for 61~90 days	83,690	34.5%
Overdue for over 91 days	5,877	100%
	<u>\$ 1,299,013</u>	<u>172,098</u>

The credit periods of sales of goods are 60 days to 90 days after monthly settlement. As of June 30, 2026, December 31, 2025, and June 30, 2025, the accounts receivables were not pledged as collaterals. Please refer to Note 6(19) for information on other credit risks.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Beginning balance	\$ 114,722	182,179
Recognition of Impairment losses	25,324	5,897
Exchange rate effects	6,109	(15,978)
Ending balance	<u>\$ 146,155</u>	<u>172,098</u>

(5) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$ 116,904	91,768	118,640
Work in progress	76,173	102,166	61,478
Finished goods	101,383	87,290	104,741
Less: allowances for valuation losses	<u>(349)</u>	<u>(846)</u>	<u>(344)</u>
Merchandise inventory	<u>\$ 294,111</u>	<u>280,378</u>	<u>284,515</u>

As of June 30, 2026, December 31, 2025, and June 30, 2025, the inventories were not pledged as collaterals.

The details of costs of goods sold are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Transferred from inventories sold	\$ 712,561	724,393	1,316,388	1,351,133
Inventory valuation losses (reversal gains)	(436)	(1,105)	(540)	(442)
Unallocated manufacturing expenses for idle equipment	32,819	799	37,967	3,431
Revenue from scraps	<u>(432)</u>	<u>(386)</u>	<u>(787)</u>	<u>(747)</u>
	<u>\$ 744,512</u>	<u>723,701</u>	<u>1,353,028</u>	<u>1,353,375</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(6) **Property, plant and equipment**

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

		Land improvements	Buildings and structures	Machinery equipment	Transporta tion equipment	Office equipment	Other equipment	Unfinished constructio n 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
Additions		-	124,754	70	-	-	-	-	124,824
Disposals		-	-	(89)	-	-	-	-	(89)
Exchange rate change effects		11,054	157,954	48,931	1,155	328	5,931	-	225,353
Balance as of June 30, 2026	\$	<u>220,006</u>	<u>3,264,817</u>	<u>973,851</u>	<u>22,982</u>	<u>6,507</u>	<u>118,043</u>	<u>-</u>	<u>4,606,206</u>
Balance as of January 1, 2025	\$	211,838	2,847,470	824,045	21,309	6,277	18,772	-	3,929,711
Additions		-	138,896	13,230	-	-	1,374	-	153,500
Transfer in for completion		-	-	96,730	-	-	-	-	96,730
Disposals		-	-	(2,053)	(11)	-	-	-	(2,064)
Exchange rate change effects		(18,307)	(251,590)	(75,494)	(1,842)	(542)	(1,677)	-	(349,452)
Balance as of June 30, 2025	\$	<u>193,531</u>	<u>2,734,776</u>	<u>856,458</u>	<u>19,456</u>	<u>5,735</u>	<u>18,469</u>	<u>-</u>	<u>3,828,425</u>
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		(2,824)	(41,305)	(35,407)	(125)	(12)	(17,167)	-	(96,840)
Disposals		-	-	82	-	-	-	-	82
Exchange rate change effects		(808)	(13,464)	(26,982)	(996)	(291)	(509)	-	(43,050)
Balance as of June 30, 2026	\$	<u>(18,815)</u>	<u>(308,058)</u>	<u>(571,299)</u>	<u>(19,944)</u>	<u>(5,813)</u>	<u>(26,768)</u>	<u>-</u>	<u>(950,697)</u>
Balance as of January 1, 2025	\$	(9,946)	(176,383)	(452,495)	(18,953)	(5,569)	(7,338)	-	(670,684)
Depreciation expenses		(2,591)	(34,274)	(29,739)	(44)	(13)	(847)	-	(67,508)
Disposals		-	-	1,811	10	-	-	-	1,821
Exchange rate change effects		962	16,603	40,213	1,639	482	667	-	60,566
Balance as of June 30, 2025	\$	<u>(11,575)</u>	<u>(194,054)</u>	<u>(440,210)</u>	<u>(17,348)</u>	<u>(5,100)</u>	<u>(7,518)</u>	<u>-</u>	<u>(675,805)</u>
Carrying amount:									
June 30, 2026	\$	<u>201,191</u>	<u>2,956,759</u>	<u>402,552</u>	<u>3,038</u>	<u>694</u>	<u>91,275</u>	<u>-</u>	<u>3,655,509</u>
January 1, 2026	\$	<u>193,769</u>	<u>2,728,820</u>	<u>415,947</u>	<u>3,004</u>	<u>669</u>	<u>103,020</u>	<u>-</u>	<u>3,445,229</u>
June 30, 2025	\$	<u>181,956</u>	<u>2,540,722</u>	<u>416,248</u>	<u>2,108</u>	<u>635</u>	<u>10,951</u>	<u>-</u>	<u>3,152,620</u>
January 1, 2025	\$	<u>201,892</u>	<u>2,671,087</u>	<u>371,550</u>	<u>2,356</u>	<u>708</u>	<u>11,434</u>	<u>-</u>	<u>3,259,027</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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 June 30, 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. The amounts of capitalized interests for the six months ended June 30, 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:

	<u>Land</u>
Costs of right-of-use assets:	
Balance as of January 1, 2026	\$ 144,630
Exchange rate change effects	7,652
Balance as of June 30, 2026	<u>\$ 152,282</u>
Balance as of January 1, 2025	\$ 146,628
Exchange rate change effects	(12,672)
Balance as of June 30, 2025	<u>\$ 133,956</u>
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2026	\$ (24,607)
Depreciation expenses	(1,523)
Exchange rate change effects	(1,304)
Balance as of June 30, 2026	<u>\$ (27,434)</u>
Balance as of January 1, 2025	\$ (22,010)
Depreciation expenses	(1,397)
Exchange rate change effects	1,958
Balance as of June 30, 2025	<u>\$ (21,449)</u>
Carrying amount:	
June 30, 2026	<u>\$ 124,848</u>
January 1, 2026	<u>\$ 120,023</u>
June 30, 2025	<u>\$ 112,507</u>
January 1, 2025	<u>\$ 124,618</u>

A. The underlying assets leased by the Group are 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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(8) Investment properties

Details of changes in investment properties are as follows:

	<u>Right-of-use assets</u>	<u>Owner-occupied assets</u>		
		<u>Buildings and structures</u>	<u>Land improvements</u>	
	<u>Land</u>			<u>Total</u>
Costs or deemed costs:				
Balance as of January 1, 2026	\$ 35,885	517,338	34,144	587,367
Additions	-	79,839	-	79,839
Exchange rate change effects	1,898	27,492	1,806	31,196
Balance as of June 30, 2026	<u>\$ 37,783</u>	<u>624,669</u>	<u>35,950</u>	<u>698,402</u>
Balance as of January 1, 2025	\$ 36,380	524,482	34,615	595,477
Exchange rate change effects	(3,144)	(45,327)	(2,991)	(51,462)
Balance as of June 30, 2025	<u>\$ 33,236</u>	<u>479,155</u>	<u>31,624</u>	<u>544,015</u>
Accumulated depreciation and impairment:				
Balance as of January 1, 2026	\$ (10,506)	(113,696)	(2,707)	(126,909)
Depreciation expenses	(385)	(9,522)	(462)	(10,369)
Exchange rate change effects	(555)	(6,030)	(144)	(6,729)
Balance as of June 30, 2026	<u>\$ (11,446)</u>	<u>(129,248)</u>	<u>(3,313)</u>	<u>(144,007)</u>
Balance as of January 1, 2025	\$ (9,907)	(99,376)	(1,854)	(111,137)
Depreciation expenses	(353)	(6,398)	(423)	(7,174)
Exchange rate change effects	869	8,842	176	9,887
Balance as of June 30, 2025	<u>\$ (9,391)</u>	<u>(96,932)</u>	<u>(2,101)</u>	<u>(108,424)</u>
Carrying amount:				
June 30, 2026	<u>\$ 26,337</u>	<u>495,421</u>	<u>32,637</u>	<u>554,395</u>
January 1, 2026	<u>\$ 25,379</u>	<u>403,642</u>	<u>31,437</u>	<u>460,458</u>
June 30, 2025	<u>\$ 23,845</u>	<u>382,223</u>	<u>29,523</u>	<u>435,591</u>
January 1, 2025	<u>\$ 26,473</u>	<u>425,106</u>	<u>32,761</u>	<u>484,340</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

A. Investment properties held by the Group are recognized by acquisition costs. Fair value valuation of the old plants of subsidiary, Lida (China), is based on the market transaction prices of 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:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Investment properties	<u>\$ 512,942</u>	<u>519,545</u>	<u>463,320</u>

B. Please refer to Note 8 for investment properties pledged as collaterals for borrowings and credit lines as of June 30, 2026, December 31, 2025, and June 30, 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:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Less than 1 year	\$ 21,079	20,182	21,912
1-2 years	3,898	11,936	20,613
2-3 years	<u>207</u>	<u>392</u>	<u>3,535</u>
Total undiscounted lease payments	<u>\$ 25,184</u>	<u>32,510</u>	<u>46,060</u>

Rent income arising from investment properties is as follows:

	<u>For the three months ended June 30, 2026</u>	<u>For the three months ended June 30, 2025</u>	<u>For the six months ended June 30, 2026</u>	<u>For the six months ended June 30, 2025</u>
Rent income	<u>\$ 2,047</u>	<u>1,305</u>	<u>11,095</u>	<u>9,121</u>

(10) Short-term borrowings

Details of short-term borrowings are as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Secured bank borrowings	\$ 559,940	399,297	472,060
Unused credit lines	<u>\$ -</u>	<u>278,271</u>	<u>271,683</u>
Interest rate intervals	<u>2.8%~3.8%</u>	<u>2.1%~3.71%</u>	<u>2.1%~4.35%</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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 six months ended June 30, 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-subsubsidiary, Lida (HK) have no relevant pension plans.

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

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Operating costs	\$ 10,331	8,847	20,514	18,673
Sales and marketing expenses	295	232	570	489
General and administrative expenses	852	742	1,670	1,562
Research and development expenses	307	278	603	580
	<u>\$ 11,785</u>	<u>10,099</u>	<u>23,357</u>	<u>21,304</u>

(12) Income tax

Details of income tax expenses are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Current income tax expenses				
Origination in the current period	\$ 1,159	12,913	6,643	23,580
Adjustments to current income tax in prior periods	(2,500)	953	118	953
	(1,341)	13,866	6,761	24,533
Deferred income tax				
Origination and reversal of temporary differences	(4,189)	(7,205)	(3,769)	(936)
Accrued withholding tax on repatriated earnings	(1,885)	2,784	(218)	11,747
	(6,074)	(4,421)	(3,987)	10,811
Income tax expenses	<u>\$ (7,415)</u>	<u>9,445</u>	<u>2,774</u>	<u>35,344</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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 Kong's Tax Act, only the income sourced in Hong Kong is taxable. Lida (HK) did not generate taxable income for the six months ended June 30, 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 June 30, 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) During the unlisted period, before distributing dividends and bonuses, the Board of Directors may at its discretion retain a certain amount of reserve fund for business operation, investment or others before distributing dividends or bonus. 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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

- (b) During the listed period, 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. 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 resolved by the shareholders' meeting on June 24, 2026, and for 2024 resolved by the shareholders' meeting on June 18, 2025, respectively, are as follows:

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

D. Other equity

	<u>Exchange difference from translation of financial statements of foreign operations</u>
January 1, 2026	\$ (468,597)
Exchange difference from translation of financial statements of foreign operations	<u>332,231</u>
June 30, 2026	<u>\$ (136,366)</u>
January 1, 2025	\$ (376,615)
Exchange difference from translation of financial statements of foreign operations	<u>(537,294)</u>
June 30, 2025	<u>\$ (913,909)</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(14) Earnings per share

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

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Basic earnings per share				
Net income attributable to ordinary shareholders of the Company	\$ (22,048)	24,574	(8,665)	99,817
Weighted-average number of outstanding ordinary shares	116,000	116,000	116,000	116,000
	\$ (0.19)	0.21	(0.07)	0.86
Diluted earnings per share				
Net income attributable to ordinary shareholders of the Company	\$ (22,048)	24,574	(8,665)	99,817
Weighted-average number of outstanding ordinary shares	116,000	116,000	116,000	116,000
Effect of dilutive potential ordinary shares				
Effect of employee stock bonus	-	12	1	22
Weighted-average number of outstanding ordinary shares (after adjusting effect of dilutive potential ordinary shares)	116,000	116,012	116,001	116,022
	\$ (0.19)	0.21	(0.07)	0.86

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(15) Revenue from contracts with customers

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Major regional markets:				
Mainland China	\$ 625,968	649,168	1,157,959	1,217,492
Other countries (not reaching the standard of 10%)	272,256	259,170	479,838	474,336
	<u>\$ 898,224</u>	<u>908,338</u>	<u>1,637,797</u>	<u>1,691,828</u>
Major product lines:				
Air compressors	\$ 788,458	792,552	1,471,861	1,525,364
Others	109,766	115,786	165,936	166,464
	<u>\$ 898,224</u>	<u>908,338</u>	<u>1,637,797</u>	<u>1,691,828</u>

(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 and six months ended June 30, 2026 and 2025, employees' compensations were accrued at \$(27) thousand, \$261 thousand, \$0 thousand, and \$477 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..

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(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 June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Gains (losses) on foreign exchange	\$ (4,558)	957	(8,637)	4,218
Donation expenditures	-	(427)	(1,827)	(427)
Losses on disposal of property, plant and equipment	(7)	(174)	(7)	(174)
Depreciation expenses of investment properties	(3,944)	(3,378)	(10,369)	(7,174)
Others	(79)	1,150	(437)	2,419
	<u>\$ (8,588)</u>	<u>(1,872)</u>	<u>(21,277)</u>	<u>(1,138)</u>

B. Finance costs

Details of finance costs are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Interests of bank borrowings	<u>\$ 4,503</u>	<u>3,602</u>	<u>7,708</u>	<u>7,155</u>

(18) Additional information on expenses by nature

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Change in inventory of finished foods and work in progress	\$ (48,754)	(51,150)	21,888	(31,933)
Raw materials and supplied used	649,194	637,507	1,078,343	1,143,356
Employee benefit expense	94,354	81,313	184,631	173,400
Raw materials for research and development	43,633	47,138	86,675	91,568
Depreciation expense (excluding investment properties)	48,018	33,485	98,363	68,905
Expected credit impairment losses	27,942	48,045	25,324	5,897
Other costs and expenses	102,664	74,363	131,324	107,424
Operating costs and operating expenses	<u>\$ 917,051</u>	<u>870,701</u>	<u>1,626,548</u>	<u>1,558,617</u>

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(19) **Financial instrument**

A. Credit risk

(a) Concentration of credit risk

As the Group has a wide variety of customers, transactions are not significantly 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
June 30, 2026							
Non-derivative financial liabilities							
Secured bank borrowings	\$ 559,940	566,113	374,280	191,833	-	-	-
Accounts payables	518,581	518,581	518,581	-	-	-	-
Dividends payables	69,600	69,600	69,600	-	-	-	-
Other payables	72,740	72,740	72,740	-	-	-	-
	<u>\$ 1,220,861</u>	<u>1,227,034</u>	<u>1,035,201</u>	<u>191,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	-	-	-	-
	<u>\$ 986,031</u>	<u>993,265</u>	<u>859,993</u>	<u>133,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2025							
Non-derivative financial liabilities							
Secured bank borrowings	\$ 472,060	478,824	201,581	277,243	-	-	-
Accounts payables	521,498	521,498	521,498	-	-	-	-
Dividends payables	116,000	116,000	116,000	-	-	-	-
Other payables	101,748	101,748	101,748	-	-	-	-
	<u>\$ 1,211,306</u>	<u>1,218,070</u>	<u>940,827</u>	<u>277,243</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

C. Foreign exchange risk

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

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign currency	Exchang e rate	NTD	Foreig n currenc y	Exchang e rate	NTD	Foreig n currenc y	Exchang e rate	NTD
<u>Financial assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD : CNY \$	9,626	6.7994	304,392	8,536	7.0614	266,241	8,901	7.1621	260,801

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 June 30, 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 June 30, 2026 and 2025 by \$3,044 thousand and \$2,608 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 and six months ended June 30, 2026 and 2025, the gains and losses on foreign exchange (including realized and unrealized) amounted to losses of \$4,558 thousand, gains of \$957 thousand, losses of \$11,589 thousand, and gains of \$8,637 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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(20) Financial risk management

There is no significant change in the financial risk management objectives and strategies compared with those disclosed in Note 6(20) to the consolidated financial statements for the year ended December 31, 2025.

(21) Capital management

The capital management objectives, strategies, and procedures are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Besides, there is no significant change in the summarized data for the items of 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:

<u>Name of related parties</u>	<u>Relationship with the Group</u>
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 June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Wida	\$ 938	314	2,466	314

The conditions of sales to related parties are not significantly different from general sales prices. The payment term is two months.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

B. Receivables from related parties

Details of receivables from related parties are as follows:

Account	Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivables	Wida	<u>\$ 463</u>	<u>443</u>	<u>165</u>

C. Rent income

Amounts of rent income from related parties are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Wida	\$ 591	503	1,164	1,068
Enlicheng	1,267	1,099	2,493	1,906
Lida Commercial Operation	12	-	738	-
Total	<u>\$ 1,870</u>	<u>1,602</u>	<u>4,395</u>	<u>2,974</u>

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 June 30, 2026, December 31, 2025, and June 30, 2025, the guaranteed borrowing facilities amounted to CNY \$20,000 thousand, CNY \$20,000 thousand, and CNY \$25,000 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 June 30, 2026, December 31, 2025, and June 30, 2025, the guaranteed borrowing facilities amounted to CNY \$37,300 thousand, CNY \$37,300 thousand, and CNY \$32,300 thousand, respectively.

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group's short-term borrowings were guaranteed jointly and severally by vice chairman, Huang, Da-Ping, and his spouse.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

(3) Transactions with key management executives

Details of compensations to key management executives are as follows:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Short-term employee benefits	\$ 984	726	1,968	1,550
Post-employment benefits	122	101	243	214
	\$ 1,106	827	2,211	1,764

8. PLEDGED ASSETS

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

Name of asset	Underlying target of the guarantee	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost	Short-term borrowings	\$ -	-	6,137
Investment properties (part of the land and structures)	Short-term borrowings	63,322	58,826	59,250
		\$ 63,322	58,826	59,250

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

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

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	\$ -	-	57,224

10. SIGNICANT DISASTER LOSS: NONE

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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 June 30, 2026			For the three months ended June 30, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Payroll expenses	63,441	10,540	73,981	54,354	9,183	63,537
Labor and health insurance expenses	3,811	757	4,568	3,563	653	4,216
Pension expenses	10,331	1,454	11,785	8,847	1,252	10,099
Directors' remuneration	-	446	446	-	384	384
Other employee benefits expenses	3,131	442	3,573	2,680	396	3,076
Depreciation expenses	25,419	22,599	48,018	21,385	12,100	33,485
Amortization expenses	-	-	-	-	-	-

By function By nature	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Payroll expenses	123,296	20,801	144,097	113,276	22,586	135,862
Labor and health insurance expenses	7,522	1,479	9,001	7,584	1,373	8,957
Pension expenses	20,514	2,843	23,357	18,673	2,631	21,304
Directors' remuneration	-	893	893	-	862	862
Other employee benefits expenses	6,418	864	7,282	5,584	831	6,415
Depreciation expenses	52,930	45,433	98,363	43,187	25,718	68,905
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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

13. SUPPLEMENTARY 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 six months ended June 30, 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 six months ended June 30, 2026:

Expressed in thousands of NTD/shares

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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%	6,543,921	(3,073)	(3,073)	Subsidiary
Wellsoon International	Lida (HK)	Hong Kong	Investments	42	42	201,669,137	100.00%	6,537,264	(2,765)	(2,765)	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 from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 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)	-	-	-	-	(2,182)	100.00%	(2,182)	7,195,565	-
Lida (Jiangxi)	Design, manufacture and sales of air compressors	535,924	(Note 2)	-	-	-	-	(16,535)	100.00%	(16,535)	184,325	-

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 aforementioned transactions have been eliminated in the consolidated financial statements.

B. Limitation on investment in Mainland China

Accumulated Investment in Mainland China as of June 30, 2026	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.

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

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.