

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS SEPTEMBER 30, 2025 AND
2024
(STOCK CODE: 4552)

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LIDA HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Financial Statements
for the Nine Months Ended September 30, 2025 and 2024 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

Introduction

We have reviewed the consolidated financial statements of Lida Holdings Limited and its subsidiaries (hereinafter referred to as “the Group”), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, and changes in equity and cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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

Except as explained in the following paragraph, we conducted our review 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 Company as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission 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.
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November 12, 2025

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024, AND SEPTEMBER 30, 2024

Expressed in thousands of New Taiwan dollars

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities							
1100	Cash and cash equivalents (Note 4, 6(1) (18) & (19))	\$ 2,508,887	33	2,389,144	31	2,649,802	33	2100	Short-term borrowings (Note 6(9) (18), 7 & 8)	\$ 407,411	5	346,552	5	395,310	5
1136	Financial assets at amortized cost - current (Note 4, 6(2) (18) & 8)	6,406	-	6,717	-	-	-	2170	Accounts payables (Note 6(1))	484,785	7	459,949	6	523,894	6
1170	Accounts receivable, net (Note 4, 5, 6(3) & (18))	1,035,587	13	955,776	13	980,118	12	2216	Dividends payables (Note 6(12) & (18))	116,000	2	-	-	127,600	2
1180	Accounts receivable– related parties, net (Note 4, 6(3) (18) & 7)	207	-	-	-	-	-	2219	Other payables (Note 6(18))	94,315	1	98,525	1	84,989	1
1200	Other receivables (Note 4 & 6(18))	26,477	-	798	-	1,235	-	2230	Current tax liabilities (Note 4)	18,384	-	-	-	-	-
1220	Current tax assets (Note 4 & 6(11))	-	-	479	-	10,201	-	2250	Provisions – current (Note 4)	4,186	-	3,831	-	4,033	-
130X	Inventories (Note 4, 5 & 6(4))	261,776	4	325,867	4	277,390	4	2300	Other current liabilities	-	-	-	-	6,770	-
1410	Prepayments	106	-	565	-	1,793	-			<u>1,125,081</u>	<u>15</u>	<u>908,857</u>	<u>12</u>	<u>1,142,596</u>	<u>14</u>
1470	Other current assets	<u>25,592</u>	<u>-</u>	<u>13,190</u>	<u>-</u>	<u>7,434</u>	<u>-</u>	Non-current liabilities							
		<u>3,865,038</u>	<u>50</u>	<u>3,692,536</u>	<u>48</u>	<u>3,927,973</u>	<u>49</u>	2570	Deferred income tax liabilities (Note 4 & 6(11))	<u>615,697</u>	<u>8</u>	<u>636,588</u>	<u>8</u>	<u>638,953</u>	<u>8</u>
Non-current assets:										<u>615,697</u>	<u>8</u>	<u>636,588</u>	<u>8</u>	<u>638,953</u>	<u>8</u>
1600	Property, plant and equipment (Note 4, 5, 6(5) & 8)	3,257,019	42	3,259,027	42	3,287,252	41		Total liabilities	<u>1,740,778</u>	<u>23</u>	<u>1,545,445</u>	<u>20</u>	<u>1,781,549</u>	<u>22</u>
1755	Right-of-use assets (Note 4, 5, & 6(6))	116,757	2	124,618	2	126,611	2	Equity attributable to owners of the parent company:							
1760	Investment properties, net (Note 4, 5, 6(7) & 8)	450,407	6	484,340	6	492,302	6	(Note 6(12))							
1840	Deferred income tax assets (Note 4 & (11))	19,247	-	27,874	-	22,100	-	3110	Common stock	<u>1,160,000</u>	<u>15</u>	<u>1,160,000</u>	<u>15</u>	<u>1,160,000</u>	<u>15</u>
1915	Prepayments for equipment	-	-	133,389	2	134,155	2	3200	Capital surplus	<u>1,548,200</u>	<u>20</u>	<u>1,548,200</u>	<u>20</u>	<u>1,548,200</u>	<u>19</u>
1990	Other non-current assets - others	<u>72</u>	<u>-</u>	<u>177</u>	<u>-</u>	<u>252</u>	<u>-</u>		Retained earnings:						
		<u>3,843,502</u>	<u>50</u>	<u>4,029,425</u>	<u>52</u>	<u>4,062,672</u>	<u>51</u>	3320	Special reserve	605,682	8	605,682	8	605,682	8
								3350	Unappropriated earnings	<u>3,323,292</u>	<u>43</u>	<u>3,239,249</u>	<u>42</u>	<u>3,209,618</u>	<u>40</u>
										<u>3,928,974</u>	<u>51</u>	<u>3,844,931</u>	<u>50</u>	<u>3,815,300</u>	<u>48</u>
									Other equity:						
								3400	Other equity	<u>(669,412)</u>	<u>(9)</u>	<u>(376,615)</u>	<u>(5)</u>	<u>(314,404)</u>	<u>(4)</u>
									Total equity attributable to owners of the parent company	<u>5,967,762</u>	<u>77</u>	<u>6,176,516</u>	<u>80</u>	<u>6,209,096</u>	<u>78</u>
									Total equity	<u>5,967,762</u>	<u>77</u>	<u>6,176,516</u>	<u>80</u>	<u>6,209,096</u>	<u>78</u>
Total assets		<u><u>\$ 7,708,540</u></u>	<u><u>100</u></u>	<u><u>7,721,961</u></u>	<u><u>100</u></u>	<u><u>7,990,645</u></u>	<u><u>100</u></u>	Total liabilities and equity		<u><u>\$ 7,708,540</u></u>	<u><u>100</u></u>	<u><u>7,721,961</u></u>	<u><u>100</u></u>	<u><u>7,990,645</u></u>	<u><u>100</u></u>

(Please refer to the notes to the consolidated financial statements.)
Manager: Yi-Ping Cheng

Accounting Supervisor: Yun-Xiang Huang

LIDA HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
Expressed in thousands of New Taiwan Dollars

		For the three months ended September 30, 2025		For the three months ended September 30, 2024		For the nine months ended September 30, 2025		For the nine months ended September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 4, 6(14) & 7)	\$ 922,041	100	977,433	100	2,613,869	100	2,679,398	100
5000	Operating costs (Note 6(4) & (17))	752,664	82	776,826	79	2,106,039	81	2,135,461	80
	Gross profit	169,377	18	200,607	21	507,830	19	543,937	20
	Operating expenses: (Note 6(17))								
6100	Sales and marketing expenses	15,842	2	17,538	2	42,521	2	50,611	2
6200	General and administrative expenses	38,506	4	49,946	5	113,674	4	115,702	4
6300	Research and development expenses	58,078	6	59,723	6	155,576	6	167,633	6
6450	Expected credit impairment losses	(56,925)	(6)	35,781	4	(51,028)	(2)	41,689	2
		55,501	6	162,988	17	260,743	10	375,635	14
	Operating profit	113,876	12	37,619	4	247,087	9	168,302	6
	Non-operating income and expenses: (Note 6(16))								
7100	Interest income	324	-	1,063	-	1,446	-	3,552	-
7010	Rent income	8,720	1	3,907	-	17,841	1	7,666	-
7020	Other gains and losses	(2,573)	-	4,159	-	(3,711)	-	(12,040)	-
7050	Finance costs	(3,568)	-	(4,141)	-	(10,723)	(1)	(12,377)	-
	Total non-operating income and expenses	2,903	1	4,988	-	4,853	-	(13,199)	-
	Profit before income tax from continuing operations	116,779	13	42,607	4	251,940	9	155,103	6
7950	Less: Income tax expense (Note 4 & 6(11))	16,553	2	11,051	1	51,897	2	46,955	2
	Profit for the current period	100,226	11	31,556	3	200,043	7	108,148	4
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(12))	244,497	26	98,984	10	(292,797)	(11)	273,853	10
8300	Other comprehensive income for the period (net of income tax)	244,497	26	98,984	10	(292,797)	(11)	273,853	10
	Total comprehensive income for the period	<u>\$ 344,723</u>	<u>37</u>	<u>130,540</u>	<u>13</u>	<u>(92,754)</u>	<u>(4)</u>	<u>382,001</u>	<u>14</u>
	Profit attributable to:								
	Owners of the parent company	\$ 100,226	11	31,556	3	200,043	7	108,148	4
		<u>\$ 100,226</u>	<u>11</u>	<u>31,556</u>	<u>3</u>	<u>200,043</u>	<u>7</u>	<u>108,148</u>	<u>4</u>
	Total comprehensive income attributable to:								
	Owners of the parent company	\$ 344,723	37	130,540	13	(92,754)	(4)	382,001	14
		<u>\$ 344,723</u>	<u>37</u>	<u>130,540</u>	<u>13</u>	<u>(92,754)</u>	<u>(4)</u>	<u>382,001</u>	<u>14</u>
	Earnings per share (NTD) (Note 6(13))								
	Basic earnings per share (NTD)	<u>\$ 0.86</u>		<u>0.27</u>		<u>1.72</u>		<u>0.93</u>	
	Diluted earnings per share (NTD)	<u>\$ 0.86</u>		<u>0.27</u>		<u>1.72</u>		<u>0.93</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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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, 2024	\$ 1,160,000	1,548,200	605,682	3,229,070	(588,257)	5,954,695
Net income for the period	-	-	-	108,148	-	108,148
Other comprehensive income for the period	-	-	-	-	273,853	273,853
Total comprehensive income for the period	-	-	-	108,148	273,853	382,001
Appropriation and distribution of earnings:						
Cash dividends of ordinary shares	-	-	-	(127,600)	-	(127,600)
Balance as of September 30, 2024	\$ 1,160,000	1,548,200	605,682	3,209,618	(314,404)	6,209,096
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	-	-	-	200,043	-	200,043
Other comprehensive income for the period	-	-	-	-	(292,797)	(292,797)
Total comprehensive income for the period	-	-	-	200,043	(292,797)	(92,754)
Appropriation and distribution of earnings:						
Cash dividends of ordinary shares	-	-	-	(116,000)	-	(116,000)
Balance as of September 30, 2025	\$ 1,160,000	1,548,200	605,682	3,323,292	(669,412)	5,967,762

(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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

Expressed in thousands of New Taiwan Dollars

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax for the period	\$ 251,940	155,103
Adjustments:		
Items of income and expenses		
Depreciation expenses	118,216	98,728
Expected credit impairment losses	(51,028)	41,689
Interest expenses	10,723	12,377
Interest income	(1,446)	(3,552)
Losses on disposal and scrap of property, plant and equipment	177	1,600
Inventory valuation losses	780	(676)
Losses on impairment of non-financial assets	-	15,007
Total items of income and expenses	77,422	165,173
Changes in operating assets / liabilities:		
Net changes in operating assets:		
Accounts receivables	(74,838)	305,799
Other receivables	289	1,936
Inventories	48,906	(7,267)
Prepayments	459	(924)
Other current assets	(12,402)	(946)
Total net changes in operating assets	(37,586)	298,598
Net changes in operating liabilities:		
Accounts payables	24,836	264,274
Other payables	(5,394)	(22,189)
Provisions	355	(1,857)
Other current liabilities	-	6,716
Total net changes in operating liabilities	19,797	246,944
Total net changes in operating assets and liabilities	(17,789)	545,542
Total adjustments	59,633	710,715
Cash generated from operation	311,573	865,818
Interest received	1,446	3,552
Interest paid	(10,723)	(12,377)
Income tax paid	(28,441)	(107,966)
Net cash generated from operating activities	273,855	749,027
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant and equipment	(155,806)	(337,153)
Disposals of property, plant and equipment	70	389
Increase in guaranteed deposits paid	(17)	(1)
Other receivables – loans and collections	-	1,133,885
Decrease in other non-current assets	122	206
Net cash generated from (used in) investing activities	(155,631)	797,326
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	77,910	(4,887)
Net cash generated from (used in) investing activities	77,910	(4,887)
Effect of changes in exchange rate on cash and cash equivalents	(76,391)	91,795
Increase in cash and cash equivalents of the period	119,743	1,633,261
Beginning balance of cash and cash equivalents	2,389,144	1,016,541
Ending balance of cash and cash equivalents	<u>\$ 2,508,887</u>	<u>2,649,802</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
SEPTEMBER 30, 2025 AND 2024
(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 November 12, 2025.

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, 2025 as follows, and there is no significant impact on the consolidated financial statements.

·Amendments to IAS 21 “Lack of Exchangeability”

(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, 2026 as follows will not significantly impact 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”

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

(3) **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:

<u>New or amended standards</u>	<u>Major amendments</u>	<u>Effective date by IASB</u>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>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.</p> <ul style="list-style-type: none"> • 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. 	<p>January 1, 2027</p> <p>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.</p>

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.

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

- 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” and Amendments to IFRS 19

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, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

(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 is 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, 2024.

Subsidiaries included in the consolidated financial statements:

			<u>Percentage of ownership</u>			
<u>Investor company</u>	<u>Nam of subsidiary</u>	<u>Main business activities</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	<u>Note</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	

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

(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 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 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, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash	\$ 265	333	155
Bank deposits			
Demand deposits	2,508,622	2,388,811	2,649,647
Cash and cash equivalents presented in the consolidated statements of cash flows	<u>\$ 2,508,887</u>	<u>2,389,144</u>	<u>2,649,802</u>

(2) Financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged time deposits	<u>\$ 6,406</u>	<u>6,717</u>	<u>-</u>

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

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(18) 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.

(3) **Accounts receivables**

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivables – measured at amortized cost	\$ 1,158,992	1,137,955	1,123,231
Accounts receivables – related parties	207	-	-
Less: loss allowances	(123,405)	(182,179)	(143,113)
Accounts receivables, net	<u><u>\$ 1,035,794</u></u>	<u><u>955,776</u></u>	<u><u>980,118</u></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 is as follows:

	September 30, 2025		
	Carrying amount of accounts receivables	Weighted- average expected credit loss rate	Lifetime expected credit loss
Undue	\$ 618,706	6.11%	37,777
Overdue within 30 days	280,822	12.51%	35,133
Overdue for 31~60 days	201,522	16.87%	33,986
Overdue for 61~90 days	58,149	28.39%	16,509
	<u><u>\$ 1,159,199</u></u>		<u><u>123,405</u></u>

	December 31, 2024		
	Carrying amount of accounts receivables	Weighted- average expected credit loss rate	Lifetime expected credit loss
Undue	\$ 589,475	8.27%	48,775
Overdue within 30 days	228,860	16.49%	37,734
Overdue for 31~60 days	178,495	24.51%	43,754
Overdue for 61~90 days	134,287	33.57%	45,078
Overdue for over 91 days	6,838	100%	6,838
	<u><u>\$ 1,137,955</u></u>		<u><u>182,179</u></u>

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

	September 30, 2024		
	Carrying amount of accounts receivables	Weighted- average expected credit loss rate	Lifetime expected credit loss
Undue	\$ 548,634	5%	27,432
Overdue within 30 days	204,799	10%	20,479
Overdue for 31~60 days	257,079	15%	38,562
Overdue for 61~90 days	112,719	50.25%	56,640
	<u>\$ 1,123,231</u>		<u>143,113</u>

The credit periods of sales of goods are 60 days to 90 days after monthly settlement.
As of September 30, 2025, December 31, 2024, and September 30, 2024, the accounts receivables were not pledged as collaterals.

Please refer to Note 6(18) for information on other credit risks.

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

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Beginning balance	\$ 182,179	96,309
Recognition of impairment losses	-	41,689
Reversal of impairment losses	(51,028)	-
Exchange rate effects	(7,746)	5,115
Ending balance	<u>\$ 123,405</u>	<u>143,113</u>

(4) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 125,519	178,333	138,595
Work in progress	29,135	62,803	33,224
Finished goods	108,694	85,572	106,944
Less: allowances for valuation losses	<u>(1,572)</u>	<u>(841)</u>	<u>(1,373)</u>
Merchandise inventory	<u>\$ 261,776</u>	<u>325,867</u>	<u>277,390</u>

As of September 30, 2025, December 31, 2024, and September 30, 2024, the inventories were not pledged as collaterals.

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

The details of costs of goods sold are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Transferred from inventories sold	\$ 751,654	780,654	2,102,787	2,133,668
Inventory valuation losses (reversal gains)	1,222	(2,867)	780	(676)
Unallocated manufacturing expenses for idle equipment	190	(546)	3,621	3,631
Revenue from scraps	(402)	(415)	(1,149)	(1,162)
	<u>\$ 752,664</u>	<u>776,826</u>	<u>2,106,039</u>	<u>2,135,461</u>

(5) **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, 2025	\$ 211,838	2,847,470	824,045	21,309	6,277	18,772	-	3,929,711
Additions	-	141,129	13,673	792	-	1,396	-	156,990
Transfer in for completion	-	-	98,286	-	-	-	-	98,286
Disposals	-	-	(2,086)	-	(11)	-	-	(2,097)
Exchange rate change effects	(9,792)	(133,497)	(39,548)	(996)	(290)	(886)	-	(185,009)
Balance as of September 30, 2025	<u>\$ 202,046</u>	<u>2,855,102</u>	<u>894,370</u>	<u>21,105</u>	<u>5,976</u>	<u>19,282</u>	<u>-</u>	<u>3,997,881</u>
Balance as of January 1, 2024	\$ -	2,570,307	771,550	21,743	5,987	13,844	436,286	3,819,717
Additions	-	-	126	-	120	-	331,095	331,341
Reclassifications	210,728	185,438	-	-	-	-	(779,053)	(382,887)
Disposals	-	-	(5,762)	-	-	-	-	(5,762)
Exchange rate change effects	3,804	119,775	34,847	985	273	627	11,672	171,983
Balance as of September 30, 2024	<u>\$214,532</u>	<u>2,875,520</u>	<u>800,761</u>	<u>22,728</u>	<u>6,380</u>	<u>14,471</u>	<u>-</u>	<u>3,934,392</u>

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

	Land improvements	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
Depreciation and impairment losses								
Balance as of January 1, 2025	\$ (9,946)	(176,383)	(452,495)	(18,953)	(5,569)	(7,338)	-	(670,684)
Depreciation expenses	(3,949)	(52,246)	(46,764)	(67)	(20)	(1,343)	-	(104,389)
Disposals	-	-	1,840	-	10	-	-	1,850
Exchange rate change effects	512	8,845	21,511	877	259	357	-	32,361
Balance as of September 30, 2025	<u>\$ (13,383)</u>	<u>(219,784)</u>	<u>(475,908)</u>	<u>(18,143)</u>	<u>(5,320)</u>	<u>(8,324)</u>	<u>-</u>	<u>(740,862)</u>
Balance as of January 1, 2024	\$ -	(163,176)	(390,031)	(19,262)	(5,372)	(6,177)	-	(584,018)
Depreciation expenses	-	(46,003)	(41,458)	(69)	(32)	(705)	-	(88,267)
Impairment losses	-	(10,738)	-	-	-	-	-	(10,738)
Reclassifications	(8,543)	68,820	-	-	-	-	-	60,277
Disposals	-	-	3,773	-	-	-	-	3,773
Exchange rate change effects	(154)	(8,254)	(18,347)	(874)	(244)	(294)	-	(28,167)
Balance as of September 30, 2024	<u>\$ (8,697)</u>	<u>(159,351)</u>	<u>(446,063)</u>	<u>(20,205)</u>	<u>(5,648)</u>	<u>(7,176)</u>	<u>-</u>	<u>(647,140)</u>
Carrying amount:								
September 30, 2025	<u>\$ 188,663</u>	<u>2,635,318</u>	<u>418,462</u>	<u>2,962</u>	<u>656</u>	<u>10,958</u>	<u>-</u>	<u>3,257,019</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>
September 30, 2024	<u>\$ 205,835</u>	<u>2,716,169</u>	<u>354,698</u>	<u>2,523</u>	<u>732</u>	<u>7,295</u>	<u>-</u>	<u>3,287,252</u>
January 1, 2024	<u>\$ -</u>	<u>2,407,131</u>	<u>381,519</u>	<u>2,481</u>	<u>615</u>	<u>7,667</u>	<u>436,286</u>	<u>3,235,699</u>

A. Properties and plants under construction

The Group started the construction of new plans since 2020. As of September 30, 2024, total expenditures incurred (including unfinished constructions) amounted to \$3,217,643 thousand, which were successively transferred to property, plant and equipment and buildings of investment properties after completion. They have been completed in full in September 2024.

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

B. 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 September 30, 2024, and recognized impairment losses of \$15,007 thousand for the portion of carrying amount higher than recoverable amount. As of September 30, 2025, the accumulated impairment losses amounted to \$76,280 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.

C. Guarantees

Please refer to Note 8 for the partial assets pledged as collaterals for borrowings and credit lines as of September 30, 2025, December 31, 2024 and September 30, 2024.

D. Reclassification to investment properties

The Group rent the owner-occupied plants to others, and reclassified the properties – buildings and structures and land improvements to investment properties.

The Group reclassified the relevant costs of land improvements from property, plant and equipment to investment properties.

E. The amounts of capitalized interests for the nine months ended September 30, 2025 and 2024 are both \$0 thousand.

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

(6) 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, 2025	\$ 146,628
Exchange rate change effects	<u>(6,778)</u>
Balance as of September 30, 2025	<u>\$ 139,850</u>
Balance as of January 1, 2024	\$ 176,837
Reclassifications	(36,094)
Exchange rate change effects	<u>7,359</u>
Balance as of September 30, 2024	<u>\$ 148,102</u>
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2025	\$ (22,010)
Depreciation expenses	(2,129)
Exchange rate change effects	<u>1,046</u>
Balance as of September 30, 2025	<u>\$ (23,093)</u>
Balance as of January 1, 2024	\$ (27,286)
Depreciation expenses	(2,484)
Reclassifications	9,135
Exchange rate change effects	<u>(856)</u>
Balance as of September 30, 2024	<u>\$ (21,491)</u>
Carrying amount:	
September 30, 2025	<u>\$ 116,757</u>
January 1, 2025	<u>\$ 124,618</u>
September 30, 2024	<u>\$ 126,611</u>
January 1, 2023	<u>\$ 149,551</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 but those of land, which was pledged as collaterals for borrowings Please refer to Note 8 for land pledged as collaterals.

B. Reclassification to investment properties

The Group rented the owner-occupied plants to others, and reclassified the right-of-use assets - land to investment properties.

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

(7) 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, 2025	\$ 36,380	524,482	34,615	595,477
Exchange rate change effects	(1,681)	(24,244)	(1,600)	(27,525)
Balance as of September 30, 2025	<u>\$ 34,699</u>	<u>500,238</u>	<u>33,015</u>	<u>567,952</u>
Balance as of January 1, 2024	\$ -	167,334	-	167,334
Reclassifications	36,094	349,101	33,786	418,981
Exchange rate change effects	652	13,883	613	15,148
Balance as of September 30, 2024	<u>\$ 36,746</u>	<u>530,318</u>	<u>34,399</u>	<u>601,463</u>
Accumulated depreciation and impairment:				
Balance as of January 1, 2025	\$ (9,907)	(99,376)	(1,854)	(111,137)
Depreciation expenses	(539)	(10,514)	(645)	(11,698)
Exchange rate change effects	465	4,731	94	5,290
Balance as of September 30, 2025	<u>\$ (9,981)</u>	<u>(105,159)</u>	<u>(2,405)</u>	<u>(117,545)</u>
Balance as of January 1, 2024	\$ -	(24,649)	-	(24,649)
Depreciation expenses	(254)	(7,723)	-	(7,977)
Impairment losses	-	(4,269)	-	(4,269)
Reclassifications	(9,390)	(58,683)	(1,592)	(69,665)
Exchange rate change effects	(176)	(2,395)	(30)	(2,601)
Balance as of September 30, 2024	<u>\$ (9,820)</u>	<u>(97,719)</u>	<u>(1,622)</u>	<u>(109,161)</u>
Carrying amount:				
September 30, 2025	<u>\$ 24,718</u>	<u>395,079</u>	<u>30,610</u>	<u>450,407</u>
January 1, 2025	<u>\$ 26,473</u>	<u>425,106</u>	<u>32,761</u>	<u>484,340</u>
September 30, 2024	<u>\$ 26,926</u>	<u>432,599</u>	<u>32,777</u>	<u>492,302</u>
January 1, 2024	<u>\$ -</u>	<u>142,685</u>	<u>-</u>	<u>142,685</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.

As of September 30, 2025, as there is no significant change in the prices of the new plan of Lida (China) and the land of Lida (Jiangxi), and no change in the current usage condition of the underlying targets of the evaluation, the fair value of the land remains the same as the price in the prior appraisal report.

Relevant information on fair value I as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Investment properties	<u>\$ 483,706</u>	<u>500,675</u>	<u>529,248</u>

- B. Please refer to Note 8 for investment properties pledged as collaterals for borrowings and credit lines as of September 30, 2025, December 31, 2024, and September 30, 2024.

- C. Reclassifications

The Group rent the owner-occupied plants to others in 2024, and reclassified the property – buildings and structures, land improvements and right-of-use assets - land to investment properties.

(8) Operating leases

The underlying assets of the leases are part of the plants. The term of the lease contract is from January 2018 to January 2028, without extension right. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease contract is classified as operating lease. Please refer to Note 6(7) 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Less than 1 year	\$ 22,178	23,083	16,321
1-2 years	17,340	22,413	22,970
2-3 years	1,689	13,445	17,807
Over 3 years	-	435	1,733
Total undiscounted lease payments	<u>\$ 41,207</u>	<u>59,376</u>	<u>58,831</u>

Rent income arising from investment properties is as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Rent income	<u>\$ 8,720</u>	<u>3,907</u>	<u>17,841</u>	<u>7,666</u>

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

(9) Short-term borrowings

Details of short-term borrowings are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank borrowings	\$ 407,411	346,552	395,310
Unused credit lines	\$ 269,116	172,000	-
Interest rate intervals	2.1%~3.71%	3.2%~5%	3.45%~5%

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(16) for interest expenses.

(10) 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 nine months ended September 30, 2025 and 2024, 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 September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Operating costs	\$ 10,275	12,126	28,948	32,104
Sales and marketing expenses	271	237	760	704
General and administrative expenses	826	865	2,388	2,594
Research and development expenses	296	301	876	895
	<u>\$ 11,668</u>	<u>13,529</u>	<u>32,972</u>	<u>36,297</u>

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

(11) Income tax

Details of income tax expenses are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Current income tax expenses				
Origination in the current period	\$ 11,262	12,443	34,842	36,006
Adjustments to current income tax in prior periods	15	(49)	968	(7,221)
	11,277	12,394	35,810	28,785
Deferred income tax				
Origination and reversal of temporary differences	5,276	(1,416)	16,087	7,653
Change income tax rate	-	73	-	10,517
	5,276	(1,343)	16,087	18,170
Income tax expenses	\$ 16,553	11,051	51,897	46,955

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 nine months ended September 30, 2025 and 2024. 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..

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

(12) Capital and other equity

Except for those explained as follows, there was no significant change in share capital, capital, and other equity for the nine months ended September 30, 2025 and 2024. Please refer to Note 6(10) of the consolidated financial statements for the year ended December 31, 2024 for relevant information.

A. Retained earnings

The dividend payout ratios to owners of appropriations of earnings for 2024 resolved by the shareholders' meeting on June 18, 2025, and for 2023 resolved by the shareholders' meeting on June 27, 2024, respectively, are as follows:

	2024		2023	
	Payout ratio (NT\$)	Amount	Payout ratio (NT\$)	Amount
Dividend distributed to owners of the common shareholders:				
Cash	1.00	<u>\$ 116,000</u>	1.10	<u>127,600</u>

A. Other equity

	Exchange difference from translation of financial statements of foreign operations
January 1, 2025	\$ (376,615)
Exchange difference from translation of financial statements of foreign operations	<u>(292,797)</u>
September 30, 2025	<u>\$ (669,412)</u>
January 1, 2024	\$ (588,257)
Exchange difference from translation of financial statements of foreign operations	<u>273,853</u>
September 30, 20254	<u>\$ (314,404)</u>

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

(13) Earnings per share

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

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Basic earnings per share				
Net income attributable				
to ordinary				
shareholders of the				
Company	\$ 100,226	31,556	200,043	108,148
Weighted-average				
number of outstanding				
ordinary shares	116,000	116,000	116,000	116,000
	\$ 0.86	0.27	1.72	0.93
Diluted earnings per				
share				
Net income attributable				
to ordinary				
shareholders of the				
Company	\$ 100,226	31,556	200,043	108,148
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	20	1	42	26
Weighted-average				
number of outstanding				
ordinary shares (after				
adjusting effect of				
dilutive potential				
ordinary shares)	116,020	116,001	116,042	116,026
	\$ 0.86	0.27	1.72	0.93

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

(14) Revenue from contracts with customers

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Major regional markets:				
Mainland China	\$ 614,943	599,462	1,832,435	1,763,546
Other countries (not reaching the standard of 10%)	307,098	377,971	781,434	915,852
	<u>\$ 922,041</u>	<u>977,433</u>	<u>2,613,869</u>	<u>2,679,398</u>
Major product lines:				
Air compressors	\$ 872,694	902,344	2,398,058	2,472,481
Others	49,347	75,089	215,811	206,917
	<u>\$ 922,041</u>	<u>977,433</u>	<u>2,613,869</u>	<u>2,679,398</u>

(15) 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 nine months ended September 30, 2025 and 2024, employees' compensations were accrued at \$437 thousand, \$5 thousand, \$914 thousand, and \$705 thousand, respectively; while directors' remuneration were all 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.

Information about employees' compensation and directors' remuneration for 2024 and 2023 as resolved by the board of directors 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.)

(16) Non-operating income and expenses

A. Other gains and losses

Details of other gains and losses are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Gains (losses) on foreign exchange	\$ (74)	5,905	4,144	15,443
Donation expenditures	-	-	(427)	(1,310)
Losses on disposal of property, plant and equipment	(3)	(11)	(177)	(1,600)
Depreciation expenses of investment properties	(4,524)	(295)	(11,698)	(7,977)
Impairment losses	-	-	-	(15,007)
Others	2,028	(1,440)	4,447	(1,589)
	<u>\$ (2,573)</u>	<u>4,159</u>	<u>(3,711)</u>	<u>(12,040)</u>

B. Finance costs

Details of finance costs are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Interests of bank borrowings	<u>\$ 3,568</u>	<u>4,141</u>	<u>10,723</u>	<u>12,377</u>

(17) Additional information on expenses by nature

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Change in inventory of finished foods and work in progress	\$ 35,670	3,995	3,737	(4,624)
Raw materials and supplied used	603,083	634,731	1,746,439	1,739,982
Employee benefit expense	93,630	131,962	267,030	311,384
Raw materials for research and development	55,040	56,655	146,608	158,500
Depreciation expense (excluding investment properties)	37,613	32,986	106,518	90,751
Expected credit impairment losses	(56,925)	35,781	(51,028)	41,689
Other costs and expenses	40,054	43,704	147,478	173,414
Operating costs and operating expenses	<u>\$ 808,165</u>	<u>939,814</u>	<u>2,366,782</u>	<u>2,511,096</u>

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

(18) **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(3) 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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
September 30, 2025							
Non-derivative financial liabilities							
Secured bank borrowings	\$ 407,411	413,400	200,076	213,324	-	-	-
Accounts payables	484,785	484,785	484,785	-	-	-	-
Dividends payables	116,000	116,000	116,000	-	-	-	-
Other payables	94,315	94,315	94,315	-	-	-	-
	<u>\$ 1,102,511</u>	<u>1,108,500</u>	<u>895,176</u>	<u>213,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2024							
Non-derivative financial liabilities							
Secured bank borrowings	\$ 346,522	354,880	300,256	54,624	-	-	-
Accounts payables	459,949	459,949	459,949	-	-	-	-
Other payables	98,525	98,525	98,525	-	-	-	-
	<u>\$ 904,996</u>	<u>913,354</u>	<u>858,730</u>	<u>54,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2024							
Non-derivative financial liabilities							
Secured bank borrowings	\$ 395,310	413,387	4,156	409,231	-	-	-
Accounts payables	523,894	523,894	523,894	-	-	-	-
Dividends payables	127,600	127,600	127,600	-	-	-	-
Other payables	84,989	84,989	84,989	-	-	-	-
	<u>\$ 1,131,793</u>	<u>1,149,870</u>	<u>740,639</u>	<u>409,231</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:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchang e rate	NTD	Foreign currenc y	Exchang e rate	NTD	Foreign currenc y	Exchang e rate	NTD
<u>Financial assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD : CNY \$	8,384	7.1283	255,251	3,569	7.3213	117,010	3,161	6.9976	100,046

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 September 30, 2025 and 2024, 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 September 30, 2025 and 2024 by \$2,553 thousand and \$1,000 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 nine months ended September 30, 2025 and 2024, the gains and losses on foreign exchange (including realized and unrealized) amounted to losses of \$73 thousand, gains of \$5,905 thousand, gains of \$4,145 thousand, and gains of \$15,443 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(7) 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.)

(19) Financial risk management

There is no significant change in the financial risk management objectives and strategies compared with those disclosed in Note 6(21) to the consolidated financial statements for the year ended December 31, 2024.

(20) 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, 2024. 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, 2024. Please refer to Note 6(22) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

7. RELATED PARTY TRANSACTIONS

(1) Parent company and ultimate controlling party

The Company was incorporated in the British Cayman Islands, and owns 100% of Wellsoon International (incorporated in the British Virgin Islands) in a share exchange transaction on August 12, 2013, becoming ultimate controlling party of the Group.

(2) 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

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

(3) Significant transactions with related parties

A. Operating revenue

Amounts of significant sales to related parties are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Wida	\$ 445	-	759	-

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

B. Receivables from related parties

Details of receivables from related parties are as follows:

Account	Name of related party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivables	Wida	\$ 207	-	-

C. Rent income

Amounts of rent income from related parties are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Wida	\$ 559	564	1,627	1,670
Enlicheng	1,192	2,397	3,098	4,032
Lida Commercial Operation	687	710	687	1,411
Total	\$ 2,438	3,671	5,412	7,113

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.

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

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 September 30, 2025, December 31, 2024, and September 30, 2024, the guaranteed borrowing facilities amounted to CNY \$25,000 thousand, CNY \$60,000 thousand, and CNY \$35,000 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 September 30, 2025, December 31, 2024, and September 30, 2024, the guaranteed borrowing facilities amounted to CNY \$37,300 thousand, CNY \$32,300 thousand, and CNY \$32,300 thousand, respectively.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group's short-term borrowings were guaranteed jointly and severally by vice chairman, Huang, Da-Ping, and his spouse.

(4) Transactions with key management executives

Details of compensations to key management executives are as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Short-term employee benefits	\$ 769	775	2,319	2,379
Post-employment benefits	112	113	326	334
	\$ 881	888	2,645	2,713

8. PLEDGED ASSETS

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

Name of asset	Underlying target of the guarantee	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets at amortized cost	Short-term borrowings	\$ 6,406	6,717	-
Investment properties (part of the land and structures)	Short-term borrowings	60,650	67,388	66,633
		\$ 60,650	67,388	66,633

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

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

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

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ -	102,116	101,027

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	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By nature						
Employee benefits expenses						
Payroll expenses	62,798	10,565	73,363	74,998	33,493	108,491
Labor and health insurance expenses	3,882	730	4,612	5,035	735	5,770
Pension expenses	10,275	1,393	11,668	12,126	1,403	13,529
Directors' remuneration	-	464	464	-	-	-
Other employee benefits expenses	3,098	425	3,523	3,713	459	4,172
Depreciation expenses	24,074	13,539	37,613	25,649	7,337	32,986
Amortization expenses	-	-	-	-	-	-

By function	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By nature						
Employee benefits expenses						
Payroll expenses	176,074	33,151	209,225	193,312	53,661	246,973
Labor and health insurance expenses	11,466	2,103	13,569	15,006	2,127	17,133
Pension expenses	28,948	4,024	32,972	32,104	4,193	36,297
Directors' remuneration	-	1,326	1,326	-	-	-
Other employee benefits expenses	8,682	1,256	9,938	9,608	1,373	10,981
Depreciation expenses	67,261	39,257	106,518	69,030	21,721	90,751
Amortization expenses	-	-	-	-	-	-

Note: The aforementioned depreciation expenses do not include the depreciation expenses provided for investment properties. Please refer to Note 6(16) 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 three months ended September 30, 2025:

- 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 September 30, 2025:

Expressed in thousands of NTD/shares

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	Wellsoon International	British Virgin Islands	Investments	1,038,589	1,038,589	10,000	100.00%	5,974,791	210,848	210,848	Subsidiary
Wellsoon International	Lida (HK)	Hong Kong	Investments	42	42	201,669,137	100.00%	5,968,706	211,476	211,476	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, 2025	Investment flows		Accumulated outflow of investment form Taiwan as of September 30, 2025	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)	-	-	-	-	220,678	100.00%	220,678	6,574,904	-
Lida (Jiangxi)	Design, manufacture and sales of air compressors	535,924	(Note 2)	-	-	-	-	(15,660)	100.00%	(15,660)	197,243	-

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.

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

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.