

Airmate (Cayman) International Co Limited and
Subsidiaries
Consolidated Financial Statements and CPA's
Audit Report
Quarter 3 of 2024 and 2023
(Stock Code: 1626)

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Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Financial Report and Certified Public Accountant's Audit Report for the
Financial Years of Quarter 3 of 2024 and 2023

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Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Balance Sheets
September 30, 2024, December 31, and September 30, 2023

Unit: NT\$ Thousands

Assets	Note	September 30, 2024		December 31, 2023		September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current Assets								
1100	Cash and Cash Equivalents	6(1)	\$ 715,999	8	\$ 671,369	8	\$ 901,915	10
1110	Financial Assets at Fair Value	6(2)						
	through Profit or Loss - Current		45,341	1	-	-	158,089	2
1136	Financial Assets at Amortized Cost	6(3) and 8						
	- Current		686,345	8	438,364	5	444,053	5
1150	Net Amount of Notes Receivable	6(4) and 7	627,796	7	518,044	6	878,252	10
1170	Net Amount of Accounts	6(4) and 7						
	Receivable		914,634	11	977,065	12	1,009,823	11
1200	Other Receivables	6(5)(6)	27,955	-	22,458	-	18,361	-
130X	Inventories	6(7)	2,084,933	24	2,156,420	27	1,925,500	22
1410	Advance Payment	6(8)	310,098	4	204,282	3	226,892	3
1479	Other Current Assets - Others		18,024	-	14,882	-	61,042	1
1481	Rights of Pending Returning	6(26)						
	Products - Current		34,294	1	52,714	1	33,796	-
11XX	Total Current Assets		<u>5,465,419</u>	<u>64</u>	<u>5,055,598</u>	<u>62</u>	<u>5,657,723</u>	<u>64</u>
Non-current Assets								
1517	Financial Assets at Fair Value	6(9)						
	through Other Comprehensive							
	Income- Non-current		2,440	-	2,341	-	2,426	-
1550	Investments Accounted for Using	6(10)	36,181	-	34,381	1	34,724	1
	the Equity Method							
1600	Property, Plant and Equipment	6(11) and 8	2,509,638	29	2,521,797	31	2,674,068	30
1755	Right-of-use Assets	6(12) and 8	200,049	2	195,611	3	204,083	2
1760	Net amount of investment	6(12)						
	properties	(13)	8,831	-	8,664	-	9,045	-
1780	Intangible Assets	6(14)	21,337	-	5,802	-	6,349	-
1840	Deferred Income Tax Assets		221,098	3	190,699	2	188,182	2
1990	Other Non-current Assets - Others	6(15) and 8	122,491	2	98,708	1	69,692	1
15XX	Total Non-current Assets		<u>3,122,065</u>	<u>36</u>	<u>3,058,003</u>	<u>38</u>	<u>3,188,569</u>	<u>36</u>
1XXX	Total Assets		<u>\$ 8,587,484</u>	<u>100</u>	<u>\$ 8,113,601</u>	<u>100</u>	<u>\$ 8,846,292</u>	<u>100</u>

(Continued on next page)

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Balance Sheets
September 30, 2024, December 31, and September 30, 2023

Unit: NT\$ Thousands

Liabilities and Equities	Note	September 30, 2024		December 31, 2023		September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current Liabilities								
2100	Short-term loans	6(16) and 8	\$ 579,684	7	\$ 549,060	7	\$ 361,308	4
2130	Contract Liabilities - Current	6(26)	151,620	2	309,398	4	178,534	2
2150	Notes Payable	6(17) and 8	2,060,553	24	1,506,892	19	1,679,319	19
2170	Accounts Payable		1,432,868	17	1,466,198	18	1,645,174	19
2200	Other Payables	6(18) and 7	829,989	10	770,258	9	1,024,019	12
2230	Current Income Tax Liabilities		42,231	-	701	-	18,654	-
2250	Provision - Current	6(19)	76,127	1	54,472	1	52,332	1
2320	Long-term Liabilities Due within One Year or One Operating Cycle	6(20) and 8	-	-	-	-	333,434	4
2365	Refund Liabilities - Current	6(26)	48,988	-	78,586	1	48,519	-
2399	Other Current Liabilities - Others		26,738	-	29,802	-	13,122	-
21XX	Total Current Liabilities		<u>5,248,798</u>	<u>61</u>	<u>4,765,367</u>	<u>59</u>	<u>5,354,415</u>	<u>61</u>
Non-current Liabilities								
2570	Deferred income tax liabilities		37,289	-	33,487	-	31,705	-
2640	Net Defined Benefit Liabilities - Non-current		42,783	-	39,858	1	39,998	1
2645	Security Deposits Received		134,526	2	120,126	1	122,954	1
2670	Other Non-current Liabilities - Others	6(22)	70,983	1	69,910	1	73,074	1
25XX	Total Non-current Liabilities		<u>285,581</u>	<u>3</u>	<u>263,381</u>	<u>3</u>	<u>267,731</u>	<u>3</u>
2XXX	Total Liabilities		<u>5,534,379</u>	<u>64</u>	<u>5,028,748</u>	<u>62</u>	<u>5,622,146</u>	<u>64</u>
Equities Attributable to Owners of Parent Company								
	Share Capital	6(23)						
3110	Common Stock		1,528,217	18	1,528,217	19	1,528,217	17
	Capital Surplus	6(24)						
3200	Capital Surplus		1,217,656	14	1,217,656	15	1,227,991	14
	Retained Earnings	6(25)						
3310	Legal Reserve		120,328	1	117,657	1	117,657	1
3320	Special Reserve		351,243	4	278,317	3	278,317	3
3350	Undistributed Earnings		74,902	1	294,249	4	301,667	4
	Other Equities							
3400	Other Equities		(194,946)	(2)	(351,243)	(4)	(229,703)	(3)
	Treasury stock	6(23)						
3500	Treasury stock		(44,295)					
3XXX	Total Equities		<u>3,053,105</u>	<u>36</u>	<u>3,084,853</u>	<u>38</u>	<u>3,224,146</u>	<u>36</u>
	Significant contingent liabilities and unrecognized contractual commitments	9						
	Significant subsequent events	11						
3X2X	Total Liabilities and Equities		<u>\$ 8,587,484</u>	<u>100</u>	<u>\$ 8,113,601</u>	<u>100</u>	<u>\$ 8,846,292</u>	<u>100</u>

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman : Shih, Jui Pin

Manager : Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to September 30, 2024 and 2023

Unit: NTS Thousands
(Except for the Earnings (Loss) per share in NTD)

Items	Note	July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating Income	6(12)								
	(26) and 7	\$ 1,575,806	100	\$ 1,457,187	100	\$ 6,621,325	100	\$ 6,914,498	100
5000 Operating Cost	6(7), (12), (14), (21), (30), (31)	(1,313,272)	(84)	(1,194,081)	(82)	(5,342,939)	(81)	(5,471,704)	(79)
5900 Gross Profit		262,534	16	263,106	18	1,278,386	19	1,442,794	21
5910 Unrealized Sales Profit	6(10)	(2,802)	-	(2,817)	-	(8,523)	-	(8,563)	-
5920 Realized Sales Profit	6(10)	3,033	-	3,047	-	8,223	-	8,835	-
5950 Net Operating Profit		262,765	16	263,336	18	1,278,086	19	1,443,066	21
Operating Expenses	6(12), (14), (21), (30), (31) and 7								
6100 Selling Expenses		(249,609)	(16)	(271,124)	(19)	(1,007,423)	(15)	(1,073,528)	(15)
6200 Administrative Expenses		(70,555)	(4)	(84,903)	(6)	(211,541)	(3)	(249,772)	(4)
6300 Research and Development Expense		(46,836)	(3)	(33,553)	(2)	(127,885)	(2)	(96,430)	(1)
6450 Expected Credit Gain (Loss)	12(2)	5,141	-	12,133	1	9,994	-	15,152	-
6000 Total Operating Expenses		(361,859)	(23)	(377,447)	(26)	(1,336,855)	(20)	(1,404,578)	(20)
6900 Operating profit (loss)		(99,094)	(7)	(114,111)	(8)	(58,769)	(1)	(38,488)	(1)
Non-operating Income and Expenses									
7100 Interest Income		5,908	-	2,234	-	12,536	-	10,981	-
7010 Other Incomes	6(22), (27)	8,395	1	39,367	3	51,903	1	61,067	1
7020 Other Gains and Losses	6(20), (28)	5,643	-	(36,115)	(3)	(49,422)	(1)	(13,289)	-
7050 Finance Costs	6(16), (20), (29)	(6,847)	-	(4,104)	-	(28,579)	-	(26,241)	(1)
7060 Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(10)	450	-	(309)	-	643	-	354	-
7000 Total Non-operating Income and Expenses		13,549	1	1,073	-	(12,919)	-	32,872	-
7900 Net profit (net loss) before tax		(85,545)	(6)	(113,038)	(8)	(71,688)	(1)	(71,360)	(1)
7950 Income tax (expense) gains	6(32)	(2,914)	-	9,139	1	(26,215)	-	(37,226)	(1)
8200 Net profit (net loss) of the current period		(\$ 88,459)	(6)	(\$ 103,899)	(7)	(\$ 97,903)	(1)	(\$ 34,134)	-
Other Comprehensive Income									
Items that may Subsequently be Reclassified to Profit or Loss:									
8361 Exchange Differences from Translation of Financial Statements of Foreign Operating Entities		(\$ 20,492)	(1)	\$ 160,247	11	\$ 156,297	2	\$ 48,614	1
8300 Other Comprehensive Profit or Loss (Net)		(\$ 20,492)	(1)	\$ 160,247	11	\$ 156,297	2	\$ 48,614	1
8500 Total Comprehensive Income		(\$ 108,951)	(7)	\$ 56,348	4	\$ 58,394	1	\$ 82,748	1
8610 Net Profit (Loss) attributable to Owners of Parent Company		(\$ 88,459)	(6)	(\$ 103,899)	(7)	(\$ 97,903)	(1)	(\$ 34,134)	-
8710 Total Comprehensive Income Attributable to Owners of Parent Company		(\$ 108,951)	(7)	\$ 56,348	4	\$ 58,394	1	\$ 82,748	1
Earnings (Loss) Per Share	6(33)								
9750 Basic		(\$ 0.58)		(\$ 0.68)		(\$ 0.64)		(\$ 0.22)	
9850 Diluted		(\$ 0.58)		(\$ 0.68)		(\$ 0.64)		(\$ 0.22)	

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to September 30, 2024 and 2024

Unit: NT\$ Thousands

	Note	Equities Attributable to Owners of Parent Company					Exchange Differences from Translation of Financial Statements of Foreign Operating Entities	Treasury stock	Total Equity
		Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings			
<u>January 1 to September 30, 2023</u>									
Balance on January 1, 2023		\$1,455,445	\$ 1,228,726	\$ 69,854	\$ 261,181	\$ 478,016	(\$ 278,317)	\$ -	\$ 3,214,905
Net Profit of the Current Period		-	-	-	-	34,134	-	-	34,134
Other Comprehensive Income of the Current Period		-	-	-	-	-	48,614	-	48,614
Total Comprehensive Income		-	-	-	-	34,134	48,614	-	82,748
Appropriation and Distribution of 2022 Retained Earnings:									
Setting Aside Legal Reserve		-	-	47,803	-	(47,803)	-	-	-
Reversal of Special Reserve		-	-	-	17,136	(17,136)	-	-	-
Cash Dividends for Ordinary Shares	6(25)	-	-	-	-	(72,772)	-	-	(72,772)
Stock Dividends for Ordinary Shares	6(23)(25)	72,772	-	-	-	(72,772)	-	-	-
Redemption of Convertible Corporate Bonds	6(20)(24)	-	(735)	-	-	-	-	-	(735)
Balance on September 30, 2023		\$1,528,217	\$ 1,227,991	\$ 117,657	\$ 278,317	\$ 301,667	(\$ 229,703)	\$ -	\$ 3,224,146
<u>January 1 to September 30, 2024</u>									
Balance on January 1, 2024		\$1,528,217	\$ 1,217,656	\$ 117,657	\$ 278,317	\$ 294,249	(\$ 351,243)	\$ -	\$ 3,084,853
Net Profit of the Current Period		-	-	-	-	(97,903)	-	-	(97,903)
Other Comprehensive Income of the Current Period		-	-	-	-	-	156,297	-	156,297
Total Comprehensive Income		-	-	-	-	(97,903)	156,297	-	58,394
Appropriation and Distribution of 2023 Retained Earnings:									
Setting Aside Legal Reserve		-	-	2,671	-	(2,671)	-	-	-
Setting Aside Special Reserve		-	-	-	72,926	(72,926)	-	-	-
Cash Dividends for Ordinary Shares	6(25)	-	-	-	-	(45,847)	-	-	(45,847)
Treasury Stock Buyback	6(23)	-	-	-	-	-	-	(\$ 44,295)	(44,295)
Balance on September 30, 2024		\$1,528,217	\$ 1,217,656	\$ 120,328	\$ 351,243	\$ 74,902	(\$ 194,946)	(\$ 44,295)	\$ 3,053,105

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman : Shih, Jui Pin

Manager : Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to September 30, 2024 and 2023

Unit: NT\$ Thousands

	Note	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Cash Flows from Operating Activities</u>			
Net profit before tax in the current period		(\$ 71,688)	\$ 71,360
Adjustment Items:			
Revenue and Expense Items			
Expected Credit Loss (Gain)	12(2)	(9,994)	(15,152)
Depreciation Expense	6(11)(12)		
	(13)(30)	225,122	275,724
Amortization Expense	6(14)(30)	3,505	1,331
Interest Expense	6(29)	28,579	26,241
Interest Income		(12,536)	(10,981)
Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(10)		
		(643)	(354)
Net Loss (Gain) on Financial Assets and Liabilities Measured at Fair Value through Profit or Loss	6(28)		
		-	(1,365)
Loss (Gain) on Disposal of Property, Plant and Equipment	6(28)	(2,649)	(11,670)
Gain on Redemption of Convertible Corporate Bonds	6(28)		
		-	(901)
Unrealized Sales Profit	6(10)	8,523	8,563
Realized Sales Profit	6(10)	(8,223)	(8,835)
Unrealized Foreign Currency Exchange Loss		(2,636)	8,245
Amortization of Long-term Deferred Income	6(27)	(1,850)	(2,263)
Changes in Assets/Liabilities related to Operating Activities			
Net Changes in Assets related to Operating Activities			
Financial Assets at Fair Value through Profit or Loss		(44,629)	(109,464)
Net Amount of Notes Receivable		(86,494)	(19,179)
Net Amount of Accounts Receivable		109,810	(47,574)
Other Receivables		(4,545)	118,892
Inventories		159,155	282,390
Advance Payment		(95,636)	(48,077)
Other current assets — other		17,794	(44,527)
Net Changes in Liabilities related to Operating Activities			
Contract liabilities — current		(168,096)	(190,063)
Notes Payable		481,680	209,683
Accounts Payable		(93,880)	(125,631)
Other Payables		28,274	191,467
Provision - Current		19,051	29,548
Refund Liabilities - Current		(32,401)	(4,567)
Other Current Liabilities - Others		(4,150)	(15,464)
Net Defined Benefit Liabilities - Non- current		2,925	3,271
Cash Inflow Generated from Operations		444,368	570,648
Interest Received		12,607	11,411
Interest Paid		(27,948)	(22,177)
Income Tax Acquired (Paid)		(4,926)	43,498
Net Cash Inflow from Operating Activities		424,101	603,380

(Continued on the next page)

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to September 30, 2024 and 2023

Unit: NT\$ Thousands

	Note	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Cash Flows from Investment Activities</u>			
Acquisition of Financial Assets at Amortized Cost		(\$ 1,133,551)	(\$ 973,158)
Disposal of Financial Assets at Amortized Cost		906,419	780,560
Acquisition of Financial Assets at Fair Value through Other Comprehensive Income	6(9)	-	(2,426)
Acquisition of Property, Plant and Equipment	6(11)	(55,697)	(102,671)
Increase in Advance Payments for Equipment		(86,732)	(42,998)
Disposal of Property, Plant, and Equipment		4,166	23,589
Acquisition of Intangible Assets	6(14)	(5,127)	(3,370)
Other Non-current Assets - Other Decrease (Increase)		3,778	(2,757)
Net Cash Outflow from Investment Activities		(366,744)	(323,231)
<u>Cash Flows from Financing Activities</u>			
Proceeds from Short-term Loans	6(35)	1,424,308	1,415,429
Repayment of Short-term Loans	6(35)	(1,417,925)	(1,622,061)
Redemption of Convertible Corporate Bonds	6(20)	-	(23,527)
Deposit margin increase (decrease)	6(35)	9,181	15,129
Cash dividend payment	6(25)	(45,847)	-
Treasury sock byback	6(23)	(44,295)	-
Net cash outflows from financing activities		(74,578)	(215,030)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		61,851	(61,988)
Increase in Cash and Cash Equivalents in the Current Period		44,630	3,131
Cash and Cash Equivalents at Beginning of the Current Period	6(1)	671,369	898,784
Cash and Cash Equivalents at End of the Current Period	6(1)	\$ 715,999	\$ 901,915

Please refer to the accompanying Notes to the Consolidated Financial Statements which are part of the consolidated financial report.

Chairman : Shih, Jui Pin

Manager : Shih, Jui Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries
Notes to Consolidated Financial Statements
Quarter 3 of 2024 and 2023

Unit: NT\$ Thousands
(Unless otherwise specified)

I. Overview

Airmate (Cayman) International Co Limited (hereinafter referred to as the “Company”) is an overseas holding company incorporated in the British Cayman Islands in March 2004. The main business of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) is the manufacture of household appliances and precision mold treatment. The shares of the Company were officially listed and traded on the Taiwan Stock Exchange since March 21, 2013.

II. Date and Procedures for the Approval of Financial Statements

This consolidated financial report has been issued upon approval by the Board of Directors on November 7, 2024.

III. Application of New Publication and Amendments of Guidelines and Interpretations

(I) The impact of the newly issued or revised International Financial Reporting Standards adopted and effective, as approved and published by the Financial Supervisory Commission (FSC)

The following table summarizes the new, revised, and amended International Financial Reporting Standards and Interpretations that are applicable for the year 2024, as approved and published by the Financial Supervisory Commission (FSC):

<u>New, Revised and Amended Standards or Interpretations</u>	<u>International Accounting Standards Board effective date of issue</u>
Amendments to IFRS 16 “Lease liabilities in after-sales leaseback”	January 1, 2024
Amendment to IAS 1 (Classification of Liabilities as Current or Non-Current)	January 1, 2024
Amendments to IAS 1 “Non-current liabilities with contractual terms”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	
Amendments to IFRS 16 “Lease liabilities in after-sales leaseback”	January 1, 2024

The Group has assessed that the above Standards and Interpretations have no material impact on the financial position and financial performance of the Group.

(II) Impact of Yet to Adopt Newly Issued and Revised IFRSs approved by FSC

The following table summarizes the Standards and Interpretations for New Issuance, Amendments and Revisions to the International Financial Reporting Standards applicable in 2025, as approved by the FSC:

Newly issued/amended/revised standards and interpretations
Amendment to IAS 21 “Lack of Convertibility”

Effective date issued by the
International Accounting
Standards Board
January 1, 2025

The Group has assessed that the above Standards and Interpretations have no material impact on the financial position and financial performance of the Group.

(III) Impact of International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") but Yet to be Approved by the FSC

The following table summarizes the Standards and Interpretations for New Issuance, Amendments and Revisions to the International Financial Reporting Standards issued by the IASB but yet to be approved by the FSC:

<u>New, Revised and Amended Standards or Interpretations</u>	<u>International Accounting Standards Board effective date of issue</u>
Proposed amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments ”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board
IFRS 17 (Insurance Contracts)	January 1, 2023
Amendments to IFRS 17 (Insurance Contracts)	January 1, 2023
Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Updating the Subsidiaries without Public Accountability: Disclosures Standard’	January 1, 2027
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

Except for the relevant impact of the following standards that have yet to be assessed, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance:

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

Updated: Equity instruments designated as fair value through other comprehensive profit or loss (FVOCI) through an irrevocable election should disclose their fair value on a per-category basis and no longer need to disclose their fair value information on a per-subject basis. In addition, the amount of fair value gains and losses recognized in other comprehensive profits and losses during the reporting period should be disclosed, and the amount of fair value gains and losses related to investments excluded during the reporting period and the fair value gains and losses related to investments still held at the end of the reporting period should be separately presented. Amounts of value gains and losses; and accumulated gains and losses that were removed from investments during the reporting period and transferred to equity during the reporting period.

2. IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 "Presentation and Disclosures in Financial Statements" replaces IFRS 1 and updates the structure of the consolidated income statement, adds disclosures on management performance measurement, and strengthens the summary applied to the main financial statements and notes, and segmentation principles.

IV. Summary Description of Material Accounting Policies

For material accounting policies, in addition to the following explanations of the compliance declaration, the basis of preparation, the basis of consolidation and the additional sections, the rest are the same as Note 4 of the Consolidated Financial Statements in 2023. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Declaration

1. The Consolidated Financial Statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" recognized and issued by the Financial Supervisory Commission.

- The Consolidated Financial Statements should be read together with the Consolidated Financial Statements in 2023.

(II) Basis of Preparation

- Except for the following important items, this consolidated financial report is prepared at historical cost:
 - Financial assets and liabilities (including derivatives) measured at fair value through profit or loss at fair value.
 - Financial assets measured at fair value through other comprehensive profit or loss measured at fair value.
 - Defined benefit liabilities recognized on the basis of net present value of retirement fund assets less defined benefit obligations.
- The preparation of financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee (hereinafter referred to as "IFRSs"), as approved and published by FSC requires the use of a number of significant accounting estimates and the Management's judgment in the application of the Group's accounting policies, and involve a high degree of judgment or complex items, or items involving material assumptions and estimates in the Consolidated Financial Statements, as detailed in Note 5.

(III) Basis of Consolidation

- Preparation Principle of Consolidated Financial Reports

The principle of preparation of the Consolidated Financial Statements should be the same as the Consolidated Financial Statements in 2023.

- Subsidiaries included in the consolidated financial report:

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of shareholding			Explanation
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Airmate International Holdings Limited (abbreviated as "Airmate International")	Overseas holding company	100%	100%	100%	
Airmate International	Airmate China International Limited (abbreviated as "Airmate China")	Overseas holding company	100%	100%	100%	
Airmate China	Wacon Development Limited (abbreviated as Wacon Company)	Trade business	100%	100%	100%	
Wacon Company	Airmate Electric (Shenzhen) Co., Ltd. (abbreviated as Shenzhen Airmate)	Production and sale of household appliances and processing of precision mold	100%	100%	100%	
Wacon Company	Airmate Electric (Hongkong) Co., Ltd. (abbreviated as Hongkong Airmate)	Sales of household appliances	100%	-	-	Note 1

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of shareholding			Explanation
			September 30, 2024	December 31, 2023	September 30, 2023	
Wacon Company/ Shenzhen Airmate	Airmate Electrical Appliances (Jiujiang) Co., Limited (abbreviated as "Jiujiang Airmate")	Production and sale of household appliances and processing of precision mold	100%	100%	100%	Note 2
Shenzhen Airmate	Airmate Technology (Shenzhen) Co., Limited (abbreviated as "Airmate Technology")	Sales, research and development of household appliances	100%	100%	100%	
Shenzhen Airmate	Airmate e-Commerce (Shenzhen) Co., Ltd. (abbreviated as "Airmate e-Commerce")	Sales of household appliances	100%	100%	100%	
Shenzhen Airmate	Material Technology (Foshan) Co., Ltd. (hereinafter referred to as Material Technology)	Sales of household appliances	100%	100%	100%	
Airmate E-commerce	Xiangdao Technology (Shenzhen) Co., Ltd. (hereinafter referred to as Xiangdao Technology)	Sales of household appliances	100%	100%	100%	Note 3

Note 1: The subsidiary invested in the newly established company on August 27, 2024 and gained control..

Note 2:Wacon Company and Shenzhen Airmate respectively invested and held 90% and 10% of the equity of Jiujiang Airmate.

Note 3:The subsidiary invested in and gained control of the newly established company during September 27, 2023.

3. Subsidiaries not included in the Consolidated Financial Report: Nil.
4. Different accounting adjustment and treatment modes by subsidiaries during the accounting period: Nil.
5. Material limitation: Nil.
6. Non-controlling interests in subsidiaries that are material to the Group: Nil.

(IV) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year. If there are significant market changes, significant reductions, liquidations, or other significant one-time events after the end of the period, they will be adjusted. Relevant information will be disclosed in accordance with the aforementioned policies.

(V) Income tax

The income tax expense for the interim period is calculated by applying the estimated annual average effective tax rate to the pre-tax profit of the interim period. Relevant information is disclosed in accordance with the aforementioned policies.

(VI) Share capital(Buyback)

When the Company repurchases issued shares, the consideration paid, including any directly attributable incremental costs, is recognized as a reduction in shareholders' equity on a net after-tax basis. When the repurchased shares are subsequently reissued, the difference between the consideration received after deducting any directly attributable incremental costs and income tax effects and the carrying amount is recognized as an adjustment to shareholders' equity.

V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

There are no significant changes in the current period. Please refer to Note 5 of the Consolidated Financial Statements in 2023.

VI. Description of Important Accounting Items

(I) Cash and Cash Equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash On Hand	\$ 842	\$ 1,156	\$ 1,092
Cheques and Demand Deposits	693,059	670,213	736,560
Fixed term deposit (Note)	<u>22,098</u>	<u>-</u>	<u>164,263</u>
	<u>\$ 715,999</u>	<u>\$ 671,369</u>	<u>\$ 901,915</u>

Note: The duration of the aforementioned fixed-term deposits is within three months and is classified as cash equivalents based on their nature.

1. The financial institutions with which the Group engages has good credit quality, and the Group engages in transactions with a number of financial institutions to diversify credit risk. The likelihood of default is very low.
2. The Group does not provide cash and cash equivalents as pledge guarantee.

(II) Financial assets and liabilities at fair value through profit or loss

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial assets at fair value through profit or			

loss - current:				
Wealth management products	\$	45,341	\$	-
Derivatives - Forward exchange agreement		-		-
				142
	\$	<u>45,341</u>	\$	<u>-</u>
				<u>158,089</u>

1. Please refer to Note 6 (28) Other gains and losses for the amount of financial assets and liabilities at fair value through profit or loss recognized in profit or loss.
2. The transactions and contractual information of derivative financial assets and debts not subject to hedge accounting undertaken by the Group are as follows:

	September 30, 2023		
	Contract amount (NTD thousand)	Explanation	Maturity period
Buy forward foreign exchange	USD\$ 4,000	USD to RMB	2023.10-2023.11

There was no such incident on December 31, 2023 and September 30, 2024.

The option contracts and forward foreign exchange transactions entered into by the Group are to avoid the exchange rate risk which the operating activities are exposed to, the hence hedging accounting is not applied.

3. The Group does not provide any financial assets measured at fair value through profit or loss as pledge guarantee.
4. Please refer to Note 12(2) for information on the credit risk of financial assets measured at fair value through profit or loss.

(III) Financial Assets at Amortized Cost

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Reimbursement			
accounts and pledged	<u>\$ 686,345</u>	<u>\$ 438,364</u>	<u>\$ 444,053</u>
time deposits			

1. Interest income recognized on financial assets measured at amortized cost is recorded under interest income.
2. Without taking into account the collateral or other credit enhancements held, the financial assets at amortized cost that best represents the Group at the maximum exposure to credit risk were NT\$686,345, NT\$438,364 and NT\$444,053 on September 30, 2024, December 31 and September 30, 2023, respectively.
3. Please refer to Note 8 for the conditions of the provision of financial assets measured at amortised cost as pledge guarantees for details.
4. Please refer to Note 12(2) for information on the credit risk of financial assets measured at amortized cost.

(IV) Notes receivable and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes Receivable	\$ 955,423	\$ 806,713	\$ 1,502,706
Less:Discount on notes	(344,288)	(291,939)	(643,815)
receivable			
Notes receivable	<u>-</u>	<u>-</u>	<u>-</u>
transfer			
Allowance loss	611,135	514,774	858,891
Net Amount of Notes	<u>16,661</u>	<u>3,270</u>	<u>19,361</u>
Receivable			
Notes receivable - related	<u>\$ 627,796</u>	<u>\$ 518,044</u>	<u>\$ 878,252</u>
parties			
	\$ 885,277	\$ 961,733	\$ 1,008,249
Accounts Receivable	55,826	42,571	34,707
Lease payments receivable	<u>(34,052)</u>	<u>(42,415)</u>	<u>(41,564)</u>
Less: Provision	907,051	961,889	1,001,392
Net Amount of Accounts	<u>7,583</u>	<u>15,176</u>	<u>8,431</u>
Receivable			
Accounts receivable -	<u>\$ 914,634</u>	<u>\$ 977,065</u>	<u>\$ 1,009,823</u>
related parties			

Please refer to Note 6 (12) Lease Transaction for the explanation of lease payments receivable and please refer to Note 7 for information on related party transaction.

1. The aging analysis of accounts receivable and notes receivable are as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable	Notes Receivable	Accounts Receivable
Not Overdue	\$ 627,796	\$ 569,724	\$ 518,044	\$ 747,707	\$ 878,252	\$ 624,756
Due date:						
Within 30 days	-	117,483	-	206,747	-	129,471
31~60 days	-	125,437	-	19,357	-	173,708
61 ~ 90 days	-	82,383	-	2,296	-	83,918
91 ~ 180 days	-	20,398	-	10,575	-	5,594
181 ~ 270 days	-	1,211	-	230	-	713
271 ~ 365 days	-	1	-	582	-	4
More than 366 days	-	32,049	-	31,986	-	33,223
	<u>\$ 627,796</u>	<u>\$ 948,686</u>	<u>\$ 518,044</u>	<u>\$1,019,480</u>	<u>\$ 878,252</u>	<u>\$1,051,387</u>

The above aging analysis is based on the number of days overdue.

- The balances of accounts and notes receivable as of September 30, 2024, December 31 and September 30, 2023 were generated from customer contracts, and the balance of accounts receivable under customer contracts as of January 1, 2023 was NT\$ 1,823,506.
- The bills receivable transferred by the Group are all bank acceptance bills given by the customer. According to a FAQ issued by Securities and Futures Bureau on December 26, 2018, "Whether the transfer of notes receivable in Mainland China can be derecognized?", assess the credit rating of the accepting bank that received the banker's acceptance. Banker's acceptances with a higher credit rating of the accepting bank usually have less credit risk and late payment risk. The main risk associated with a banker's acceptance is interest rate risk, and interest rate risk has been transferred with an endorsement of notes. It is able to judge that almost all risks and rewards of ownership of banker's acceptances have been transferred. Therefore, the endorsement of the banker's acceptance transferred to the supplier is eligible for derecognition. The discounted and transferred notes are reported as a deduction for notes receivable.
- Without taking into account the collateral or other credit enhancements held, the accounts and notes receivable that best represents the Group at the maximum exposure to credit risk were NT\$1,542,430, NT\$1,495,109 and NT\$1,888,075 as at September 30, 2024, December 31 and September 30, 2023 respectively.
- For information on the transfer of financial assets, please refer to Note 6 (5) for details.
- For aging analysis and credit risk information of accounts and notes receivable, please refer to Note 12, (2) and (3) for details.
- The Group has not provided any notes receivable and accounts receivable as pledge guarantee.

(V) Transfer of financial assets

The Group has entered into contracts with financial institutions for the sale of accounts receivable. According to the contract, the Group is not required to bear the risk of irrecoverability of these transferred accounts receivable, but is only required to bear the losses caused by commercial disputes. The Group does not have any further involvement in these transferred accounts receivable. Therefore, the Group excludes the accounts receivable transferred, and the relevant information of those which have not yet matured are as follows:

September 30, 2023				
<u>Amount of accounts receivable sold</u>	<u>Underwriting limit</u>	<u>Derecognized amount</u>	<u>Advanced amount</u>	<u>Interest range</u>
US\$ 66,774	US\$ 1,000,000	\$ 2,156 (US\$ 66,774)	\$ -	-

September 30, 2024 and December 31, 2023, Nil.

The above amount of accounts receivable sold has been removed from accounts receivable and transferred to "other receivables". Please refer to Note 6(6) for details.

(VI) Other Receivables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Claims receivable sold	\$ 116,846	\$ 112,111	\$ 116,186
Subsidy receivable (Note)	-	-	2,156
Other receivables - collections	<u>27,955</u>	<u>22,458</u>	<u>16,205</u>
Other receivables - others	144,801	134,569	134,547
	<u>(116,846)</u>	<u>(112,111)</u>	<u>(116,186)</u>
Less: Provision	<u>\$ 27,955</u>	<u>\$ 22,458</u>	<u>\$ 18,361</u>

(VII) Inventories

	<u>September 30, 2024</u>		
	<u>Cost</u>	<u>Provision for loss on valuation</u>	<u>At the end of the period</u>
Raw materials	\$ 486,788	(\$ 66,313)	\$ 420,475
Work-in-process	289,509	(16,460)	273,049
Finished product	<u>1,551,154</u>	<u>(159,745)</u>	<u>1,391,409</u>
	<u>\$ 2,327,451</u>	<u>(\$ 242,518)</u>	<u>\$ 2,084,933</u>
	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Provision for loss on valuation</u>	<u>At the end of the period</u>
Raw materials	\$ 525,545	(\$ 52,207)	\$ 473,338

Work-in-process	303,692	(22,322)	281,370
Finished product	<u>1,578,024</u>	<u>(176,312)</u>	<u>1,401,712</u>
	<u>\$ 2,407,261</u>	<u>(\$ 250,841)</u>	<u>\$ 2,156,420</u>

	<u>September 30, 2023</u>		
	<u>Cost</u>	<u>Provision for loss on valuation</u>	<u>At the end of the period</u>
Raw materials	\$ 454,389	(\$ 51,651)	\$ 402,738
Work-in-process	288,399	(22,078)	266,321
Finished product	<u>1,437,677</u>	<u>(181,236)</u>	<u>1,256,441</u>
	<u>\$ 2,180,465</u>	<u>(\$ 254,965)</u>	<u>\$ 1,925,500</u>

1. Inventory cost recognized as expenses by the Group in the current period:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Cost of inventories sold	\$ 1,303,355	\$ 1,172,559
Loss on valuation	(8,531)	11,760
Others	<u>18,448</u>	<u>9,762</u>
	<u>\$ 1,313,272</u>	<u>\$ 1,194,081</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Cost of inventories sold	\$ 5,322,187	\$ 5,452,185
Recovery gain	(18,621)	(2,737)
Others	39,373	22,256
	<u>\$ 5,342,939</u>	<u>\$ 5,471,704</u>

2. Recovery of the net realisable value of inventories due to de-stocking of inventories originally provided as inventory valuation loss is recognized as decrease in costs of goods sold from July 1 to September 30, 2024 and January 1 to September 30, 2024 and 2023.

3. The Group does not provide inventory as pledge guarantee.

(VIII) Advance Payment

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayment	\$ 33,305	\$ 58,319	\$ 56,856
Prepaid Expenses	59,858	64,063	58,216
Retained tax amount	216,935	81,900	111,820
	<u>\$ 310,098</u>	<u>\$ 204,282</u>	<u>\$ 226,892</u>

(IX) Financial Assets at Fair Value through Other Comprehensive Income

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current items:			
Equity instruments			
Stocks from unlisted companies	\$ 2,440	\$ 2,341	\$ 2,426
Valuation adjustments	-	-	-
	<u>\$ 2,440</u>	<u>\$ 2,341</u>	<u>\$ 2,426</u>

1. The Group has chosen to classify its investments in stocks from unlisted companies, which are strategic investments, as financial assets measured at fair value through other comprehensive income. The fair value of these investments on September 30, 2024 and December 31, 2023 and September 30, 2023 were NT\$2,426.

2. Without taking into account the collateral or other credit enhancements held, the financial assets at fair value through other comprehensive income that best represents the Group at the maximum exposure to credit risk were NT\$2,440 and NT\$2,341 and NT\$2,426 on September 30, 2024 and December 31, 2023 and September 30, 2023.

3. The Group did not provide any financial assets measured at fair value through other comprehensive income as pledge guarantee.

4. Please refer to Note 12(2) for information on the credit risk of financial assets measured at

fair value through other comprehensive income.

(X) Investments Accounted for Using the Equity Method

	<u>2024</u>	<u>2023</u>
1 January	\$ 34,381	\$ 33,440
Share of Investments Accounted for Using the Equity Method	643	354
Net Unrealized Profit and Loss from the Sidestream Transactions Arising from Sales	(300)	272
Net exchange differences	<u>1,457</u>	<u>658</u>
September 30	<u>\$ 36,181</u>	<u>\$ 34,724</u>

Associates in which the Group adopts equity method are individual non-material ones, whose financial information was as follows:

	<u>September 30, 2023</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
The book amount of equity at the end of the current period of individual non-material associates	<u>\$ 36,181</u>	<u>\$ 34,381</u>	<u>\$ 34,724</u>

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Share attributable to the Consolidated Company: Total comprehensive revenue amount of continuous operation units	<u>\$ 450</u>	<u>(\$ 309)</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Share attributable to the Consolidated Company: Total comprehensive revenue amount of continuous operation units	<u>\$ 643</u>	<u>\$ 354</u>

1. The Group holds 40% of the shares of Zhejiang Airmate Electric Sales Co., Ltd. (hereinafter referred to as Zhejiang Airmate Company). Because other single major shareholders (not related parties) hold 60% of the shares, it shows that the Group has no actual ability to lead related activities, so it is judged that it has no control over the company and only has a significant impact.

2. The realized (unrealized) gross profit from the sidestream transactions of the Group from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023 arising from the sales to the associates company Zhejiang Airmate Company are as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Unrealized gross profit from sidestream sales	(\$ 2,802)	(\$ 2,817)
Realized gross profit from sidestream sales	<u>3,033</u>	<u>3,047</u>
	<u>\$ 231</u>	<u>\$ 230</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Unrealized gross profit from sidestream sales	(\$ 8,523)	(\$ 8,563)
Realized gross profit from sidestream sales	<u>8,223</u>	<u>8,835</u>
	<u>(\$ 300)</u>	<u>\$ 272</u>

3. The Group does not provide any investment using the equity method as pledge guarantee.

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(XI) Property, Plant and Equipment

	<u>Houses and Buildings</u>			<u>Machinery and Equipment</u>	<u>Transportation Facilities</u>	<u>Office Equipment</u>	<u>Other Equipment</u>	<u>Unfinished works and equipment to be inspected</u>	<u>Total</u>
	<u>For personal use</u>	<u>For lease</u>	<u>Subtotal</u>						
<u>January 1, 2024</u>									
Cost	\$2,527,173	\$ 139,604	\$2,666,777	\$ 696,563	\$ 50,388	\$ 220,101	\$2,299,747	\$ 18,516	\$5,952,092
Accumulated depreciation and impairment	(486,856)	(72,175)	(559,031)	(572,736)	(38,576)	(197,465)	(2,062,487)	-	(3,430,295)
	<u>\$2,040,317</u>	<u>\$ 67,429</u>	<u>\$2,107,746</u>	<u>\$ 123,827</u>	<u>\$ 11,812</u>	<u>\$ 22,636</u>	<u>\$ 237,260</u>	<u>\$ 18,516</u>	<u>\$2,521,797</u>
<u>2024</u>									
1 January	\$2,040,317	\$ 67,429	\$2,107,746	\$ 123,827	\$ 11,812	\$ 22,636	\$ 237,260	\$ 18,516	\$2,521,797
Additions	13,195	-	13,195	2,955	1,552	6,443	40,489	(8,937)	55,697
Reclassification	(5,446)	5,446	-	189	-	432	51,508	(1,910)	50,219
Depreciation Expense	(53,344)	(2,463)	(55,807)	(47,176)	(2,456)	(7,105)	(108,653)	-	(221,197)
Disposal – Cost	-	-	-	(24,166)	-	(426)	(4,473)	-	(29,065)
Disposal – Accumulated Depreciation	-	-	-	22,649	-	426	4,473	-	27,548
Net exchange differences	84,867	3,465	88,332	4,505	485	952	9,756	609	104,639
September 30	<u>\$2,079,589</u>	<u>\$ 73,877</u>	<u>\$2,153,466</u>	<u>\$ 82,783</u>	<u>\$ 11,393</u>	<u>\$ 23,358</u>	<u>\$ 230,360</u>	<u>\$ 8,278</u>	<u>\$2,509,638</u>
<u>September 30, 2024</u>									
Cost	\$2,635,139	\$ 156,983	\$2,792,122	\$ 678,729	\$ 53,448	\$ 194,243	\$2,442,722	\$ 8,278	\$6,169,542
Accumulated depreciation and impairment	(555,550)	(83,106)	(638,656)	(595,946)	(42,055)	(170,885)	(2,212,362)	-	(3,659,904)
	<u>\$2,079,589</u>	<u>\$ 73,877</u>	<u>\$2,153,466</u>	<u>\$ 82,783</u>	<u>\$ 11,393</u>	<u>\$ 23,358</u>	<u>\$ 230,360</u>	<u>\$ 8,278</u>	<u>\$2,509,638</u>

	Houses and Buildings			Machinery and Equipment	Transportation Facilities	Office Equipment	Other Equipment	Unfinished works and equipment to be inspected	Total
	For personal use	For lease	Subtotal						
<u>January 1, 2023</u>									
Cost	\$ 2,619,198	\$ 62,102	\$2,681,300	\$ 909,443	\$ 49,548	\$ 241,828	\$2,575,403	\$ 41,699	\$6,499,221
Accumulated depreciation and impairment	(466,227)	(30,094)	(496,321)	(693,856)	(39,592)	(218,703)	(2,263,036)	-	(3,711,508)
	<u>\$ 2,152,971</u>	<u>\$ 32,008</u>	<u>\$2,184,979</u>	<u>\$ 215,587</u>	<u>\$ 9,956</u>	<u>\$ 23,125</u>	<u>\$ 312,367</u>	<u>\$ 41,699</u>	<u>\$2,787,713</u>
<u>2023</u>									
1 January	\$2,152,971	\$ 32,008	\$2,184,979	\$ 215,587	\$ 9,956	\$ 23,125	\$ 312,367	\$ 41,699	\$2,787,713
Additions	31,519	-	31,519	1,955	5,590	5,382	19,487	38,738	102,671
Reclassification	(69,243)	69,481	238	402	-	5,655	71,983	(61,052)	17,226
Depreciation Expense	(22,308)	(32,692)	(55,000)	(61,450)	(2,610)	(8,319)	(144,472)	-	(271,851)
Disposal – Cost	(668)	-	(668)	(135,000)	(2,647)	(11,735)	(18,938)	-	(168,988)
Disposal – Accumulated Depreciation	316	-	316	124,349	2,582	11,374	18,448	-	157,069
Net exchange differences	<u>40,276</u>	<u>1,431</u>	<u>41,707</u>	<u>2,614</u>	<u>257</u>	<u>499</u>	<u>4,841</u>	<u>310</u>	<u>50,228</u>
September 30	<u>\$2,132,863</u>	<u>\$ 70,228</u>	<u>\$2,203,091</u>	<u>\$ 148,457</u>	<u>\$ 13,128</u>	<u>\$ 25,981</u>	<u>\$ 263,716</u>	<u>\$ 19,695</u>	<u>\$2,674,068</u>
<u>September 30, 2023</u>									
Cost	\$2,621,489	\$ 143,475	\$2,764,964	\$ 767,289	\$ 53,081	\$ 240,006	\$2,468,874	\$ 19,695	\$6,313,909
Accumulated depreciation and impairment	(488,626)	(73,247)	(561,873)	(618,832)	(39,953)	(214,025)	(2,205,158)	-	(3,639,841)
	<u>\$2,132,863</u>	<u>\$ 70,228</u>	<u>\$2,203,091</u>	<u>\$ 148,457</u>	<u>\$ 13,128</u>	<u>\$ 25,981</u>	<u>\$ 263,716</u>	<u>\$ 19,695</u>	<u>\$2,674,068</u>

1. There is no capitalisation of borrowing cost for the Group's property, plant and equipment from January 1 to September 30, 2024 and 2023.
2. The significant components of the Group's houses and buildings include the building and its ancillary works. The buildings are depreciated on a 35-year and 50-year basis respectively while the ancillary works are depreciated on a 10-year and 35-year basis respectively.
3. For the information on guarantees in the form of property, plant and equipment provided by the Group, refer to Note 8 for details.

(XII) Lease Transaction

1. Lessee

- (1) The Group has signed contracts with Shenzhen Land Resources Bureau and Administrative Bureau of House Property Baoan Branch respectively to acquire land in the Huangfengling Industrial Zone for the construction of plants and employee dormitories. The term of the lease contract commence from year 2001 to 2051 for a total of 50 years; and with the Land and Resources Bureau of Jiujiang Municipality to acquire the target plant and its land use right of Jiujiang Economic and Technological Development Zone for the construction of target plants and employee dormitories. The term of the lease contract commence from year 2020 to 2070 for a total of 50 years. Also, the land obtained from the local Hong Kong Land Registry and used as office space is at the Fortress Tower on King's Road, North Point, Hong Kong. The term of the lease contract commence from year 1976 to 2051 for a total of 75 years.
- (2) Changes in the Group's right-of-use assets in 2024 and January 1 to September 30, 2023 are as follows:

	Land use right	
	2024	2023
1 January	\$ 195,611	\$ 203,685
Depreciation Expense	(3,729)	(3,679)
Net exchange differences	8,167	4,077
September 30	<u>\$ 200,049</u>	<u>\$ 204,083</u>

- (3) The depreciation details for the right to use assets are as follows:

	July 1 to September 30,	July 1 to September 30,			
	2024	2023			
Operating Cost	\$ 295	\$ 405			
Operating Expenses	964	816			
	<u>\$ 1,259</u>	<u>\$ 1,221</u>			
<u>January 1 to September 30, 2024</u>			<u>January 1 to September 30, 2023</u>		
Operating Cost	\$ 873	\$ 863			
Operating Expenses	2,856	2,816			
	<u>\$ 3,729</u>	<u>\$ 3,679</u>			

- (4) The information on the profit and loss items and total cash outflow from lease in relation to lease contracts are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023
<u>Items that affect the profit and loss of the current period</u>		
Expenses attributable to short-term lease contracts	\$ 4,031	\$ 4,009
Expenses attributable to the lease of low-value assets	<u>45</u>	<u>34</u>

Total cash outflow from lease	\$ <u>4,076</u>	\$ <u>4,043</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Items that affect the profit and loss of the current period</u>		
Expenses attributable to short-term lease contracts	\$ 12,195	\$ 12,670
Expenses attributable to the lease of low-value assets	<u>115</u>	<u>98</u>
Total cash outflow from lease	\$ <u>12,310</u>	\$ <u>12,768</u>

(5) For the information on guarantees in the form of the right-of-use assets, refer to Note 8 for details.

2. Lessor

- (1) The leased assets of the Group include land use rights and buildings. The lease contracts usually range from 2 years to 11 years. They are individually negotiated, containing various terms and conditions.
- (2) The Group recognized rental income of \$26,141, \$24,018, \$77,748, and \$56,024 for the periods from July 1 to September 30, 2023 and 2024, and January 1 to September 30, 2023 and 2024, respectively, based on operating lease agreements. There were no variable lease payments.
- (3) The lease payments analyzed at maturity for the operating leases leased by the Group are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Within 1 year	\$ 92,171	\$ 78,306	\$ 71,339
More than 1 years but not exceeding 2 years	91,960	58,356	63,600
More than 2 years but not exceeding 3 years	94,932	53,568	52,599
More than 3 years but not exceeding 4 years	84,397	53,352	53,462
More than 4 years but not exceeding 5 years	57,032	53,121	53,106
More than 5 years	<u>219,391</u>	<u>261,771</u>	<u>274,923</u>
	<u>\$ 639,883</u>	<u>\$ 558,474</u>	<u>\$ 569,029</u>

- (4) The Group's lease receivables have no overdue payments, and the amount of credit risk losses is assessed to be insignificant.

(XIII) Investment properties

	<u>Right-of-use assets - land</u>	
	<u>2024</u>	<u>2023</u>
1 January	\$ 8,664	\$ 9,307

Reclassification (Note)	-	(239)	
Depreciation Expense	(196)	(194)
Net exchange differences		<u>363</u>	<u>171</u>	
September 30	<u>\$</u>	<u>8,831</u>	<u>\$</u>	<u>9,045</u>

Note: Changes in purposes respectively are transferred to real estate for its own use. Please refer to Note 6 (11) Property, Plant, and Equipment for details.

The investment properties held by the Group are state-owned construction land use rights and buildings located in Shiyan Street (Haigu Science and Technology Building), Bao 'an District, Shenzhen, China. The fair values of the investment properties on December 31, 2023 and December 31, 2022 are RMB602,635 thousand (converted as NTD 2,723,166) and RMB659,160 thousand (converted as NTD 2,978,589), respectively, based on the evaluation results of independent evaluation experts, which are assessed by reference to the comparison method and income method recently adopted for similar real estate, and are fair values at the third level. On September 30, 2024, and September 30, 2023, there were no significant changes in fair value compared to December 31, 2023, and December 31, 2022.

(XIV) Intangible Assets

	2024		
	Computer Software and Network Engineering	Golf license	Total
1 January			
Cost	\$ 132,387	\$ 18,577	\$ 150,964
Accumulated amortization and impairment	(126,585)	(18,577)	(145,162)
	<u>\$ 5,802</u>	<u>\$ -</u>	<u>\$ 5,802</u>
1 January	\$ 5,802	\$ -	\$ 5,802
Additions	5,127	-	5,127
Eclassification (Note)	10,981	2,446	13,427
Amortization Expense	(3,444)	(61)	(3,505)
Net exchange differences	<u>448</u>	<u>38</u>	<u>486</u>
September 30	<u>\$ 18,914</u>	<u>\$ 2,423</u>	<u>\$ 21,337</u>
September 30			
Cost	\$ 154,343	\$ 21,847	\$ 176,190
Accumulated amortization and impairment	(135,429)	(19,424)	(154,853)
	<u>\$ 18,914</u>	<u>\$ 2,423</u>	<u>\$ 21,337</u>

	2023		
	Computer Software and Network Engineering	Golf license	Total
1 January			
Cost	\$ 131,096	\$ 18,889	\$ 149,985
Accumulated amortization and impairment	(126,975)	(18,815)	(145,790)
	<u>\$ 4,121</u>	<u>\$ 74</u>	<u>\$ 4,195</u>
1 January			
Cost	\$ 4,121	\$ 74	\$ 4,195
Additions	3,370	-	3,370
Amortization Expense	(1,258)	(73)	(1,331)
Net exchange differences	116	(1)	115
September 30	<u>\$ 6,349</u>	<u>\$ -</u>	<u>\$ 6,349</u>
September 30			
Cost	\$ 137,060	\$ 19,252	\$ 156,312
Accumulated amortization and impairment	(130,711)	(19,252)	(149,963)
	<u>\$ 6,349</u>	<u>\$ -</u>	<u>\$ 6,349</u>

Note: From transfer of prepaid expenses.

1. Details on the amortization of intangible assets are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023
Operating Cost	\$ 169	\$ 57
Operating Expenses	1,209	438
	<u>\$ 1,378</u>	<u>\$ 495</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Operating Cost	\$ 456	\$ 253
Operating Expenses	3,049	1,078
	<u>\$ 3,505</u>	<u>\$ 1,331</u>

2. The Group does not provide any intangible asset as pledge guarantee.

(XV) Other non-current assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Advance payment for equipment	\$ 101,278	\$ 74,671	\$ 45,580
Refundable Deposits	19,160	22,698	22,634
Others	2,053	1,339	1,478
	<u>\$ 122,491</u>	<u>\$ 98,708</u>	<u>\$ 69,692</u>

For details on payment of security deposits as pledge guarantee, please refer to Note 8.

(XVI) Short-term loans

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Bank loans			
Unsecured loans	\$ 248,134	\$ 311,460	\$ 153,709
Secured loans	331,550	237,600	207,599
	<u>\$ 579,684</u>	<u>\$ 549,060</u>	<u>\$ 361,308</u>
Unutilised line of credit	<u>\$ 2,260,797</u>	<u>\$ 2,189,936</u>	<u>\$ 2,485,170</u>
Interest range	<u>3.35%~6.23%</u>	<u>3.50%~6.59%</u>	<u>3.21%~5.88%</u>

1. Interest expense recognized in profit or loss from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023 was NT\$6,847, NT\$2,944, NT\$28,579 and NT\$22,681, respectively.
2. Please refer to Note 8 for details of collateral for bank loans.

(XVII) Notes Payable

1. As on September 30, 2024, December 31, 2023, and September 30, 2023, the Group's notes payable with guarantees or commitments from financial institutions were NT\$2,060,553, NT\$1,506,027 and NT\$1,679,319, respectively.
2. Please refer to Note 8 for details of collateral for notes payable.

(XVIII) Other Payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Payable contribution expense	\$ 498,528	\$ 466,517	\$ 590,075
Payables for salary and incentives	164,284	182,274	226,174
Payable transportation expense	30,876	39,597	23,362
Payable tax	14,015	11,261	11,715
Compensation payable to directors	5,062	7,276	9,777
Discounted notes receivable	4,519	-	-
Dividends Payable	-	-	72,772
Other expenses payable	73,194	51,174	62,804
Other Payables	39,511	12,159	27,340
	<u>\$ 829,989</u>	<u>\$ 770,258</u>	<u>\$ 1,024,019</u>

(XIX) Provision - Current (Warranty liabilities)

	2024		2023	
1 January	\$	54,472	\$	22,354
Additional provisions made in the current period		80,102		80,958
Provision amounts used during the current period	(60,747)	(51,410)
Net exchange differences		<u>2,300</u>		<u>430</u>
September 30	<u>\$</u>	<u>76,127</u>	<u>\$</u>	<u>52,332</u>

The Group's provision for warranty liabilities is mainly related to the sale of electronic appliances by distributors in Mainland China and the export of home appliances, and is estimated based on historical warranty information for similar product transactions. The Group anticipates that most of these liabilities will incur in the year following the sale.

(XX) Corporate bonds payable and long-term liabilities due within one year or one operating cycle

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured convertible bonds	\$ -	\$ -	\$ 334,300
Less: Discount on corporate bonds payable	<u>-</u>	<u>-</u>	<u>(866)</u>
	-	-	333,434
Less: Corporate bonds due within one year or one operating cycle	<u>-</u>	<u>-</u>	<u>(333,434)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equity component - conversion rights (recognized under capital surplus - stock options)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,335</u>
	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	
Embedded derivatives - gain on valuation of redemption rights (recognized under net gain on financial assets and liabilities measured at fair value through profit or loss)	<u>\$ -</u>	<u>\$ -</u>	
Interest Expense	<u>\$ -</u>	<u>\$ 1,160</u>	

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Embedded derivatives - gain on valuation of redemption rights (recognized under net gain on financial assets and liabilities measured at fair value through profit or loss)	\$ -	\$ -
Interest Expense	\$ -	\$ 3,560

1. The following is the Company's issuance conditions for the third secured convertible bonds issued domestically in the Republic of China:

- (1) Issue period: 3 years, from December 10, 2020 to December 10, 2023.
- (2) The total amount of the issuance is NT\$ 400,000, with a nominal value of NT\$100 each, issued in nominal value. A total of 4,000 copies were issued.
- (3) The coupon rate is 0%, and the effective interest rate is 0.1128%.
- (4) Conversion period:

From the next day following three months after issuance of convertible corporate bonds (March 11, 2021) to the maturity date (December 10, 2023).

- (5) Redemption method:

From the next day following three months after issuance of convertible corporate bonds (March 11, 2021) to forty days before the expiry of the issuance period (October 21, 2023), if the closing price of common stock of the Company at the Taipei Exchange goes over 30% (included) over the conversion price of convertible corporate bonds at the time for 30 business days continuously, or the outstanding balance of convertible corporate bonds is lower than 10% of the total amount of issuance, redemption right will be exercised according to the provisions of the conversion method. If the Company executes the redemption request, the convertible corporate bonds shall be redeemed from the bondholders with cash according to face value within five business days after the bond's redemption record date.

- (6) Reverse repurchase method: Nil.
- (7) Conversion price and adjustment:
 - A. The conversion price at the time of issue is NT \$27.
 - B. If the number of issued common stock increases after issuance of convertible bonds, the Company has to adjust the conversion price according to the formula listed in the prospectus. The Convertible Bonds has matured on December 10, 2023. The conversion price upon expiration of the conversion is NT\$ 23.4.

- (8) Conversion status:

From the date of issuance of convertible bonds to December 10, 2023, bondholders have applied for the conversion of 1,370,000 ordinary shares of the Company, and the face amount of corporate bonds conversion is NTD 37,000. The decrease in capital reserve due to conversion was NTD 1,143. From January 1 to September 30, 2023, there were no conversions.

(9) Redemption and repurchase:

The fourth secured convertible corporate bonds were due to redeem 3,630 corporate bonds on December 10, 2023. The redemption price was NT\$ 364,769, resulting a capital surplus reduction of NT\$ 11,222. The redemption gain arising from the foregoing is NT\$ 9,135, which is listed under "Other gains and losses".

(XXI) Pensions

1. Defined benefit plan

- (1) In accordance with the provisions of the "Labor Standards Act", the Group's Waon Company and its Taiwan Branch company have established defined benefit of retirement pension that apply to the service years of all permanent employees before the implementation of the "Labor Pension Act" on July 1, 2005, as well as to the subsequent service years that continue to apply the Labor Standards Law after the implementation of the "Labor Pension Act". If an employee meets the retirement conditions, the payment of the retirement pension is calculated based on the service years and the average salary of the 6 months before retirement. For service years within 15 years (inclusive), two base amounts are given for each full year of service, and the service years beyond 15 years, one base amount is given for each full year of service, provided that the cumulative maximum is 45 base amounts. Waon Company and its Taiwan Branch allocate 2% of the total salary to the Retirement Fund on a monthly basis. The Fund is deposited with the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve. In addition, before the end of each year, Waon Company and its Taiwan branch shall estimate the balance of the designated account for the Labor Retirement Reserve mentioned in the preceding paragraph. If the balance falls short of the amount of the retirement pension calculated according to the foregoing calculation for the employees who meet the retirement conditions within the next year of payment, the differences shall be contributed in one payment before the end of March of the following year.
- (2) The Group's anticipated contribution for retirement plans within the next one year is NT\$41.
- (3) From July 1 to September 30, 2024, and 2023 and January 1 to September 30, 2024 and 2023, the Group recognized pension costs of NT\$505, NT\$504, NT\$1,479, and NT\$1,491 under the above pension scheme, respectively.

2. Defined contribution plan

- (1) The Waon Company allocates pensions to designated account of the provident fund in accordance with the Mandatory Provident Fund Schemes Ordinance of Hong Kong.
- (2) The Taiwan Branch of Waon Company contributes 6% of the salary sum to the designated account for Labor Retirement Fund of the Bureau of Labor Insurance in accordance with the Labor Pension Act. The payment of the employee's retirement pension is based on the individual employee's retirement pension account and the amount of accumulated income by monthly payment or in a lump sum.

- (3) Airmate Shenzhen, Airmate Jiujiang and Airmate Technology shall allocate pension insurance premiums in accordance with the pension insurance system stipulated by the Government of the People's Republic of China at a fixed rate based on the total salary of local employees every month. Retirement benefits for each employee are managed and arranged by the Government, and the Group has no further obligations other than the monthly contribution.
- (4) From July 1 to September 30, 2024, and 2023 and January 1 to September 30, 2024 and 2023, the Group recognized pension costs of NT\$11,508, NT\$10,152, NT\$33,521 and NT\$30,787 under the above pension scheme, respectively.

(XXII) Other Non-current Liabilities

Long-term deferred income is incentives for the purchase of housing tax provided by the Jiujiang Economic and Technological Development Zone Management Committee, which is amortized as other income for the period of 35 to 50 years. The changes in the current period are as follows:

	2024	2023
1 January	\$ 69,910	\$ 73,960
Amortization in the current period (1,850)	(2,263)
Net exchange differences	2,923	1,377
September 30	<u>\$ 70,983</u>	<u>\$ 73,074</u>

The above long-term deferred income amortization is listed under "Other income", please refer to Note 6 (27) for details.

(XXIII) Share Capital

- As of September 30, 2024, the Company had an authorized capital of NT\$2,162,500 divided into 216,250,000 shares. The paid-up capital is NT\$1,528,217 with a nominal value of NT\$ 10 per share. The issued shares capital of the Company have been received.
- The adjustment of the number of the Company ordinary shares in circulation at the beginning and end of the period are as follows:

Unit: Thousand shares

	2024	2023
1 January	152,822	145,545
Capital increase from retained earnings	-	7,277
Repurchase	(2,720)	-
September 30	<u>150,102</u>	<u>152,822</u>

- On June 19, 2023, the Company resolved at the Ordinary Shareholders' Meeting to allocate share dividends of NT\$72,772 from the 2022 distributable earnings, increasing the capital by issue of 7,277,000 new shares, with a par value of NT\$10 per share, and allocate 50 shares per 1000 shares free of charge according to the shareholding ratio of the shareholders recorded in the register of shareholders on the base date of issuance of the new shares. The

listing of the new shares issued in this capital increase case has been approved and declared effective by the Taiwan Stock Exchange on September 27, 2023. The date of the new shares' listing is October 6, 2023.

4. To repay loans and improve the financial structure, new shares issued through increasing cash capital are resolved by the Company's Board of Directors on August 9, 2023. The maximum number of shares to be issued is limited to 20,000 thousand, with a par value of NT\$10 per share. The actual issue price and related matters will be handled in accordance with legal regulations once the application is effectively registered with the competent authority. As of September 30, 2024, no application has been submitted to the regulatory authority.

5. Treasury Stock

(1) Reasons and quantities of shares withdrawn:

<u>Holding Shares in the Company</u>	<u>Retract reason</u>	<u>September 30, 2024</u>	
		<u>Number of shares</u> <u>(thousands of shares)</u>	<u>Carrying amount</u>
The Company	Maintain company credit and Shareholder equity	2,720	\$44,295

December 31, 2023 and September 30, 2023, Nil.

On August 14, 2024, the company's board of directors resolved to implement the sixth repurchase of 3,000 ordinary shares of the company in order to safeguard the company's credit and shareholders' rights. The expected repurchase period is from August 15, 2024 to On October 14, the expected buy-back price range is NT\$13 to NT\$22 per share; during the actual buy-back period from August 26 to October 9, 2024, a total of 3,000 shares have been bought back. The amount was \$49,026, and the average buy-back price per share was NT\$16.34.

- (2) The Securities and Exchange Law stipulates that the company's proportion of the number of outstanding shares to be repurchased shall not exceed 10% of the company's total issued shares, and the total amount of shares purchased shall not exceed the retained earnings plus the premium for issued shares and the amount of realized capital reserves.
- (3) The treasury stocks held by the company cannot be pledged in accordance with the provisions of the Securities and Exchange Act, and they cannot enjoy shareholder rights before they are transferred.
- (4) According to the provisions of the Securities and Exchange Act, shares purchased back for the purpose of transferring shares to employees must be transferred within five years from the date of purchase. If they are not transferred within the time limit, they will be deemed as unissued shares by the company and must be canceled by change registration. shares. For shares purchased back in order to protect the company's credit and shareholders' rights and interests, the shares should be changed to be registered and canceled within six months from the date of purchase.

Please also refer to Note 11 for details on major post-period events.

(XXIV) Capital Surplus

In accordance with the Company Act, the capital surplus from the excess amount of the shares issued in excess of the par value and the capital surplus received from gifts shall be used to compensate for losses, and when the Company has no cumulative losses, it shall be distributed

as new shares or cash in proportion to the original shareholding ratio of the shareholders. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above capital surplus is allocated to the capital, the total amount of the capital surplus shall not exceed 10% of the paid-up capital each year. The Company shall not use the capital surplus to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

The details of the Company's capital surplus are as follows:

		2024			
		Issuance premium	Overdue expiration of employee share option	Share option of convertible corporate bonds	Total
January 1 (that is, September 30)		\$ 1,210,231	\$ 7,425	\$ -	\$ 1,217,656
		2023			
		Issuance premium	Overdue expiration of employee share option	Share option of convertible corporate bonds	Total
1 January		\$ 1,210,231	\$ 7,425	\$ 11,070	\$ 1,228,726
Redemption of Convertible Corporate Bonds		-	-	(735)	(735)
September 30		\$ 1,210,231	\$ 7,425	\$ 10,335	\$ 1,227,991

(XXV) Retained Earnings

1. In accordance with the Articles of Incorporation of the Company, during the period when the Company's shares are listed for sale on a trading platform or are listed on the Stock Exchange, the Board of Directors shall, when proposing the distribution of surplus earnings, make provision for the following from the surplus earnings of each fiscal year:

- (i) Provision for the payment of the relevant tax for the fiscal year;
- (ii) Amount to offset past losses;
- (iii) 10% surplus reserve (referred to as "statutory surplus reserve" below) (unless the statutory surplus reserve has reached the paid-in capital of the Company); and
- (iv) Special Reserve as required by the securities supervisory authority in accordance with the rules on company with public issuance.

When the Company is required to set aside special reserves by the securities supervisory authority in accordance with the rules on company with public issuance, the net amount of other equity deductions and the net increase in the fair value of investment properties held by the Company recognized in previous cumulations should set aside the same amount of special reserve as the undistributed earnings from the previous period. If it is insufficient, the amount of undistributed earnings in the current period shall be set aside by including net profit after tax plus other items other than net profit after tax in the current period.

The Company's dividend distribution policy takes into account factors such as the current and future investment environment, capital requirements, industry competition, and capital budget. It aims to balance shareholder's interests with the Company's long-term financial planning. The principle of dividend distribution is not less than 25% of the "distributable earnings in the current period" (this percentage is referred to as the "dividend distribution base ratio"). Dividends are then distributed to shareholders based on their shareholding ratio. Dividends distributed to shareholders shall be a combination of stock dividends and cash dividends; however, the proportion of cash dividend shall not be less than 10% of the total dividend distributed. However, (i) when the Board of Directors, after considering the aforementioned factors, deems it appropriate to adopt a conservative dividend policy for the current year, dividends may be distributed to shareholders within a range not lower than 50% of the aforementioned dividend distribution base ratio, with the proportion of cash dividend not less than 10% of the total dividend distribution. (ii) If the "distributable earnings in the current period" is less than 5% of the paid-in capital, no distribution shall be made, and this shall be submitted for resolution at the shareholders' meeting.

"Distributable earnings in the current period" mentioned in the previous paragraph refers to the earnings for the current year, which, as per the above regulations, the earnings after paying the taxes, offsetting previous years' losses, setting aside legal reserve and special reserves and excluding the accumulated undistributed earnings from the beginning of the current period.

Dividends and bonuses, capital surplus or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Company's Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

2. Legal Reserve

In accordance with provisions of the Company Act, the Company shall contribute 10% of the net profit after tax as a legal reserve unless the legal reserve has reached the paid-in capital of the Company. When there is no loss in the Company, the legal reserve will be used to issue new shares or cash upon resolution at the Shareholders' Meeting, but shall be limited to the part of the reserve that has exceeded 25% of the paid-up capital.

3. Special Reserve

The amount of interest arising out of retained earnings of cumulative translation adjustment generated due to financial statement translation of foreign operation under the item of shareholders equity by the Company when applying the exemption item in IFRS No.1 "First-time Adoption of International Financial Reporting Standards" was NT\$185,271 thousand. Besides, in accordance with the provision of FSC Jin-Guan-Zheng-Fa-Zi No. 1010012865 on April 6, 2012, the same amount was recognized as a special reserve, and when relevant assets are used, handled, and re-classified, the earnings are distributed according to the ratio of the original recognized special reserve.

In accordance with the above provisions, in distributing distributable earnings by the Company, the difference between the net amount recognized of other shareholders equity deduction occurred in the current year and the special reserve balance mentioned above is set aside as special reserve from current year profit or loss and previous undistributed earnings; the cumulative other shareholders' equity deduction through previous cumulation is set aside as special reserve that could not be distributed from previous undistributed earnings. Afterward, if other shareholders' equity deduction has been reversed, the reversal shall be applicable to earnings distribution.

4. Earnings distribution

- (1) On June 19, 2023, the Shareholders' Meeting resolved the profit distribution plan for year 2022. The details of the dividends distributed to owners of ordinary shares are as follows:

	2022	
	Shares allotment rate (NTD)	Amount
Cash	\$ 0.50	\$ 72,772
Stock Dividend	0.50	72,772
		<u>\$ 145,544</u>

- (2) On March 15, 2024, the Company's Board of Directors passed a resolution to distribute dividends for 2023. The cash dividend per ordinary share is NT\$0.3, with a total dividend amounting to \$45,847, and reported to the shareholders' meeting on June 18, 2024.

(XXVI) Operating Income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Customer contract revenue	\$ 1,549,665	\$ 1,433,169
Lease income (note)	<u>26,141</u>	<u>24,018</u>
	<u>\$ 1,575,806</u>	<u>\$ 1,457,187</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Customer contract revenue	\$ 6,543,577	\$ 6,858,506
Lease income (note)	<u>77,748</u>	<u>55,992</u>
	<u>\$ 6,621,325</u>	<u>\$ 6,914,498</u>

Note: Please refer to Note 6 (12). 2. Lease transaction- explanation of lessor.

1. Break down of customer contract revenue

The Group's income derived from the transfer of control over commodities to customers to meet performance obligations. Revenue can be broken down into the following geographical areas and main product lines:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Main regional markets		
China	\$ 1,015,838	\$ 834,323
Other countries	<u>533,827</u>	<u>598,846</u>
	<u>\$ 1,549,665</u>	<u>\$ 1,433,169</u>
Main products:		
Electric fans	\$ 875,878	\$ 709,719
Electric heaters	317,934	381,448
Others	<u>355,853</u>	<u>342,002</u>
	<u>\$ 1,549,665</u>	<u>\$ 1,433,169</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Main regional markets		
China	\$ 4,152,931	\$ 4,430,413
Other countries	<u>2,390,646</u>	<u>2,428,093</u>
	<u>\$ 6,543,577</u>	<u>\$ 6,858,506</u>
Main products:		
Electric fans	\$ 5,049,925	\$ 5,298,368
Electric heaters	652,739	709,545
Others	<u>840,913</u>	<u>850,593</u>
	<u>\$ 6,543,577</u>	<u>\$ 6,858,506</u>

2. Contract Liabilities

The Group recognizes the contract liabilities related to the customer contract revenue as follows:

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Contract Liabilities	<u>\$ 151,620</u>	<u>\$ 309,398</u>	<u>\$ 178,534</u>	<u>\$ 365,995</u>

Income Recognized in the Current Period from the Contract Liabilities at the Beginning of the Period

From the opening balance of the Group's contract liabilities, the amounts of income recognized in 2024 and July 1 to September 30, 2023, and January 1 to September 30, 2024 and 2023 were NT\$17,034, NT\$0, NT\$273,706, and NT\$365,995, respectively.

3. Refund liabilities

The Group gives the right to return the goods to some domestic distributors of electrical appliances in mainland China. When the products are transferred to the distributors, the anticipated return sum from part of the consideration received is recognized as a refund liability. The right to recover the goods when the distributors return the goods is recognized as a right to the products to be returned. As at September 30, 2024, December 31, 2023 and September 30, 2023, the balance of the Group's rights to products to be returned based on historical return information of similar product transactions was NT\$34,294, NT\$52,174 and NT\$33,796, respectively, and the balance of the refund liabilities was NT\$48,988, NT\$78,586 and NT\$48,519, respectively.

(XXVII) Other Incomes

	July 1 to September 30, 2024	July 1 to September 30, 2023
Government subsidy income	\$ 5,937	\$ 25,256
System annual fee income	14	-
Amortization of Long-term Deferred Income	625	710
Hire income	<u>1,819</u>	<u>13,401</u>
Others	<u>\$ 8,395</u>	<u>\$ 39,367</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Government subsidy income	\$ 43,929	\$ 33,256
System annual fee income	2,108	2,258
Amortization of Long-term Deferred Income	1,850	2,263
Hire income	4,016	23,290
Others	<u>\$ 51,903</u>	<u>\$ 61,067</u>

(XXVIII) Other Gains and Losses

	July 1 to September 30, 2024	July 1 to September 30, 2023
Loss on disposal of property, plant and equipment	(\$ 957)	(\$ 356)
Net gain on financial assets measured at fair value through profit or loss	70	3,767
Gain on Redemption of Convertible Corporate Bonds	-	699
Gain (loss) on foreign currency exchange	8,832	34,367
Miscellaneous Disbursements	(2,302)	(5,858)
	<u>\$ 5,643</u>	<u>(\$ 36,115)</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Gain (loss) from disposal of property, plant and equipment	\$ 2,649	\$ 11,670
Net Loss (Gain) on Financial Assets and Liabilities Measured at Fair Value through Profit or Loss	-	1,365
Gain on Redemption of Convertible Corporate Bonds	-	901
Gain (loss) on foreign currency exchange	(44,823)	5,918
Miscellaneous Disbursements	(7,248)	(21,307)
	<u>(\$ 49,422)</u>	<u>\$ 13,289</u>

(XXIX) Finance Costs

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest Expense :		
Bank loans	\$ 6,847	\$ 2,944
Convertible Corporate Bonds	-	1,160
	<u>\$ 6,847</u>	<u>\$ 4,104</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest Expense :		
Bank loans	\$ 28,579	\$ 22,681
Convertible Corporate Bonds	-	3,560
	<u>\$ 28,579</u>	<u>\$ 26,241</u>

(XXX) Additional Information on the Nature of the Expense

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Employee Benefits Expenses	\$ 214,901	\$ 221,473
Depreciation expense for property, plant and equipment	70,378	85,247
Depreciation expense of right-of-use assets	1,259	1,221
Depreciation expense for investment properties	66	65
Amortization expense for intangible assets	<u>1,378</u>	<u>495</u>
	<u>\$ 287,982</u>	<u>\$ 308,501</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Employee Benefits Expenses	\$ 793,239	\$ 820,747
Depreciation expense for property, plant and equipment	221,197	271,851
Depreciation expense of right-of-use assets	3,729	3,679
Depreciation expense for investment properties	196	194
Amortization expense for intangible assets	<u>3,505</u>	<u>1,331</u>
	<u>\$ 1,021,866</u>	<u>\$ 1,097,802</u>

(XXXI) Employee Benefits Expenses

	July 1 to September 30, 2024	July 1 to September 30, 2023
Salary Expenses	\$ 190,025	\$ 199,987
Labor insurance expense (Note)	12,013	10,656
Retirement benefit Expenses	8,558	8,210
Other personnel costs	4,305	2,620
	<u>\$ 214,901</u>	<u>\$ 221,473</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Salary Expenses	\$ 718,475	\$ 757,141
Labor insurance expense (Note)	35,000	32,278
Retirement benefit Expenses	25,542	24,263
Other personnel costs	14,222	7,065
	<u>\$ 793,239</u>	<u>\$ 820,747</u>

Note: Including insurances like local medicare, unemployment, work injury and birth for subsidiaries in Mainland China.

1. In accordance with the provisions of the Articles of Incorporation of the Company, unless otherwise provided by the Cayman Company Law, the Rules on Public Offering Company or Articles of Incorporation, if the Company is profitable at a particular fiscal year, the remuneration of employees and directors shall be allocated as follows. However, when the Company is at a cumulative loss, an amount shall first be retained to offset its loss.
 - (a) One percent to ten percent for the remuneration of employees, including employees of affiliated companies; and
 - (b) Not more than three percent for the remuneration of directors (not including independent directors).

Distribution of the employees' and directors' remuneration shall be resolved at Board of Directors' Meetings, with over two-thirds of directors in attendance and approved by over half of the directors present in the meeting, and reported at the Shareholder's Meeting. However, when the Company is at a cumulative loss, the make-up sum shall first be retained, and then allocate the employees' and directors' remunerations at the percentage mentioned above. The above "profit" refers to the net profit before tax of the Company. For the avoidance of doubt, net profit before tax refers to the amount before payment of remunerations for employees and directors.

Without violating the provisions of any applicable laws, the employees' remunerations shall be in the form of cash or shares.

2. For July 1 to September 30, 2024, and 2023, and January 1 to September 30, 2024, and 2023, the estimated sum of the Company's employee compensation is NT(\$732), NT(\$6,050), NT\$0, and NT\$3,784. The estimated sum of directors' compensation is NT(\$219), NT(\$1,815), NT\$0, and NT\$1,135, which are included under Salary Expense.

The employees' and directors' compensation for year 2023, as resolved by the Board of Directors, were NT\$ 2,092 and NT\$ 628, respectively, which is not different from the amount recognized in employee compensation and director compensation of the 2023 Annual Financial Report.

Information on the remuneration of employees and directors passed by the Board of Directors of the Company can be found at the Market Observation Post System.

(XXXII) Income Tax

Income tax expense (gain) component:

	July 1 to September 30, 2024	July 1 to September 30, 2023
Current income tax:		
Income tax generated from current income	(\$ 9,394)	\$ 7,803
Overestimation of income tax in the previous year	29	(15)
	(9,365)	7,788
Deferred income tax:		
Occurrence and reversal of temporary differences	12,279	(16,927)
Income tax (profit)	\$ 2,914	(\$ 9,139)
	January 1 to September 30, 2024	January 1 to September 30, 2023
Current income tax:		
Income tax generated from current income	\$ 41,706	\$ 21,589
Underestimation (overestimation) of income tax in the previous year	4,236	(1,072)
	45,942	20,517
Deferred income tax:		
Occurrence and reversal of temporary differences	(19,727)	16,709
Income Tax Expense	\$ 26,215	\$ 37,226

1. The applicable tax rates for each entity consolidated are as follows:

- (1) For the Waon Company, in accordance with Hong Kong tax law, the income tax rates of 16.5% shall apply if the income is derived domestically in Hong Kong.
- (2) In accordance with the tax laws of the Republic of China, the income tax rate of the profit-making business of the Waon Company Taiwan Branch is 20%.
- (3) In accordance with the tax laws of Mainland China, the income tax rate applicable to Shenzhen Airmate, Jiujiang Airmate, Airmate Technology, Airmate Electronic Commerce and Material Technology is 25% if the tax preference is not applied.

In 2023, Jiujiang Airmate obtained the preferential tax treatment for high-tech enterprises at the applicable tax rate of 10%.

The corporate income tax of Jiujiang Airmate, Shenzhen Airmate and Airmate Technology and Airmate Electronic Commerce and Material Technology has been reported to the local tax authorities up to year 2023; Waon Company's corporate income tax has been reported to the local tax authorities until 2023 and has been reviewed by the local tax authorities up to year 2021; Waon Company Taiwan Branch's profit-making business income tax return has been reviewed by the tax audit authority up to year 2022.

(XXXIII) Earnings (Loss) Per Share

	<u>July 1 to September 30, 2024</u>		
	<u>After-tax amount</u>	<u>Weighted average number of foreign shares in thousand</u>	<u>Loss per share (NTD)</u>
<u>Basic and diluted loss per share</u>			
Net loss in the current period attributable to ordinary shareholders of the parent company	(\$ 88,459)	152,297	(\$ 0.58)
	<u>July 1 to September 30, 2023</u>		
	<u>After-tax amount</u>	<u>Weighted average number of foreign shares in thousand</u>	<u>Loss per share (NTD)</u>
<u>Basic and diluted loss per share</u>			
Net loss in the current period attributable to ordinary shareholders of the parent company	(\$ 103,899)	152,822	(\$ 0.68)

	January 1 to September 30, 2024		
	After-tax amount	Weighted average number of foreign shares in thousand	Earning Per Share (NTD)
<u>Basic earnings per share</u>			
Net profit in the current period attributable to common shareholders of the parent company	(\$ 97,903)	152,646	(\$ 0.64)

	January 1 to September 30, 2023		
	After-tax amount	Weighted average number of foreign shares in thousand	Earning Per Share (NTD)
<u>Basic earnings per share</u>			
Net profit in the current period attributable to common shareholders of the parent company	\$ 34,134	152,822	\$ 0.22

<u>Diluted earnings per share</u>			
Net profit in the current period attributable to common shareholders of the parent company			
Influence of potential common stock with diluting effect	\$ 34,134	152,822	
Convertible Corporate Bonds	-	2,339	
Employee Remuneration	\$ 34,134	155,161	0.22

The Company excludes the dilutive effect of employee remuneration and convertible corporate bonds for the period from January 1 to September 30, 2024 and 2023, from the calculation of diluted loss per share. Additionally, the Company excludes the dilutive effect of convertible corporate bonds for the period from July 1 to September 30, 2024 and 2023, from the calculation of diluted earnings per share.

(XXXIV) Supplementary Information on Cash Flow.

1. Investment and financing activities that do not affect cash flow:

	January 1 to September 30, 2024	January 1 to September 30, 2023
Transfer of prepayments for equipment to property, plant and equipment	\$ 50,219	\$ 16,987
Transfer of investment properties to property, plant and equipment	\$ -	\$ 239
Investment property transferred from asset exchange transactions	\$ 13,427	\$ -

Corporate bonds payable and long term loans transferred to long-term liabilities due within one year or one operating cycle	<u>\$</u>	-	<u>\$</u>	<u>333,434</u>
Declared but unpaid cash dividends	<u>\$</u>	-	<u>\$</u>	<u>72,772</u>

(XXXV) Changes in Liabilities due to Financing Activities

	January 1, 2024	Cash Flow	Non-cash changes/exchange rate changes	September 30, 2024
Short-term loans	\$ 549,060	\$ 6,383	\$ 24,241	\$ 579,684
Security Deposits Received	120,126	9,181	5,219	134,526
Other Non-current Liabilities	69,910	-	1,073	70,983
Total liabilities from financing activities	<u>\$ 739,096</u>	<u>\$ 15,564</u>	<u>\$ 30,533</u>	<u>\$ 785,193</u>

	January 1, 2023	Cash Flow	Non-cash changes/exchange rate changes	September 30, 2023
Short-term loans	\$ 556,523	(\$ 206,632)	\$ 11,417	\$ 361,308
Corporate bonds payable (including long-term liabilities due within one year)	353,566	(23,527)	3,395	333,434
Security Deposits Received	105,457	15,129	2,368	122,954
Dividends payable (Note)	-	-	72,772	72,772
Other Non-current Liabilities	73,960	-	(886)	73,074
Total liabilities from financing activities	<u>\$ 1,089,506</u>	<u>(\$ 215,030)</u>	<u>\$ 89,066</u>	<u>\$ 963,542</u>

Note: Listed under "Other Payables," other non-cash changes are declared as cash dividends to be paid.

(XXXVI) Operation Seasonality

The primary products of the Group are electric fans and electric heaters, hence the operation is subject to seasonal fluctuation due to weather conditions. Among them, the sales of electric fan in the first quarter of each year is unfavorably influenced by winter weather conditions; downstream customers will order in advance in the second quarter to meet the demand of electric fan in summer and in the fourth quarter to meet the demand for electric heater in winter; in July it will depend on changes in the weather; while in August to December, the sale is stagnant. The Group tries to meet the supply demand for the period through flexible adjustment of the production of electric fans, electric heaters and other products according to the market adjustment, weather changes and customer demand, as well as inventory management satisfy the demand during these period to reduce the seasonal impact.

VII. Related Party Transaction

(I) The Names and Relationships of the Related Parties

Name of Related Party

Relationship with the Group

Zhejiang Airmate Electrical Appliance Sales Co., Ltd.	Associated Enterprises
Tung Fu Electric Co Limited	Other related party. The chairman of the Board of Directors of this company is the Chairman of the Board of Directors of the Company
Jui-Pin, Shih	Chairman of the Board of Directors of the Company
Zheng-Fu, Cai	Director of the Company

(II) Significant Transactions with Related Parties

1. Operating Income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Merchandise sales:		
Associated Enterprises	\$ 8,172	\$ 12,365
Other related party	<u>8,543</u>	<u>15,450</u>
	<u>\$ 16,715</u>	<u>\$ 27,815</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Merchandise sales:		
Associated Enterprises	\$ 52,881	\$ 65,282
Other related party	<u>39,534</u>	<u>64,836</u>
	<u>\$ 92,415</u>	<u>\$ 130,118</u>

The transaction price and payment terms for the sale of goods are agreed upon by both parties. No guarantee or interest is received for receivables from related parties, and no provision for losses has been made after assessment.

2. Receivables from related parties

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable:			
Associated Enterprises	\$ 16,661	\$ 3,270	\$ 19,361
Trade receivables:			
Other related party	<u>7,583</u>	<u>15,176</u>	<u>8,431</u>
	<u>\$ 24,244</u>	<u>\$ 18,446</u>	<u>\$ 27,792</u>

3. Expenses paid to related parties

The related expenses incurred by the Group for the services rendered by the related parties are as follows:

	<u>Transaction amount</u>			
	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Associated Enterprises	\$ 242	\$ 240	\$ 1,560	\$ 1,442
Other related party	<u>136</u>	<u>139</u>	<u>412</u>	<u>413</u>
	<u>\$ 378</u>	<u>\$ 379</u>	<u>\$ 1,972</u>	<u>\$ 1,855</u>

	<u>Other payable payment to related party</u>		
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Associated Enterprises	\$ 1,805	\$ 1,537	\$ 1,533
Other related party	<u>6</u>	<u>6</u>	<u>6</u>
	<u>\$ 1,811</u>	<u>\$ 1,543</u>	<u>\$ 1,539</u>

The outstanding balance with this type of related party shall be settled with cash within three months from the reporting date, and for common expenses, the payment shall be made within the same month. There is no significant difference between the transaction price and those with non-related parties.

4. Endorsement and Guarantee Provided by Related Parties

As on September 30, 2024, December 31, and September 30, 2023, some of the key Management of the Group act as joint guarantor for the Group's financing from financial institutions.

(III) Information on Remuneration of Key Management

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Short-term Employee Benefits	\$ 6,230	\$ 3,399
Post-employment Benefits	<u>14</u>	<u>8</u>
	<u>\$ 6,244</u>	<u>\$ 3,407</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Short-term Employee Benefits	\$ 19,566	\$ 18,488
Post-employment Benefits	<u>44</u>	<u>23</u>
	<u>\$ 19,610</u>	<u>\$ 18,511</u>

VIII. Pledged Assets

The details of the carrying value of the assets pledged and guaranteed by the Group are as follows:

<u>Assets</u>	<u>Book value</u>			<u>Pledge guarantee object</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	
Provision account (listed "after amortization" Current financial assets measured at cost)	\$ 686,345	\$ 438,364	\$ 444,053	Notes payable acceptance guarantee, Short-term loan and financing limit
Property, Plant and Equipment	1,491,227	1,435,261	1,500,371	Short-term loan and financing limit
Right-of-use Assets	86,262	84,253	88,196	Short-term loan and financing limit
Guarantee deposits (listed under "other non-current assets")	19,160	22,698	22,634	Performance bond
	<u>\$ 2,282,994</u>	<u>\$ 1,980,576</u>	<u>\$ 2,055,254</u>	

IX. Significant Commitments and Contingencies

Capital expenditures contracted but not yet incurred:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Property, Plant and Equipment	<u>\$ 67,410</u>	<u>\$ 73,547</u>	<u>\$ 49,330</u>

X. Material Disaster Losses

Nil.

XI. Subsequent Events

The company's board of directors resolution passed on November 7, 2024:

(1) The sixth treasury stock was purchased for cancellation, the capital reduction amount was \$30,000, and 3,000 shares were eliminated. The base date for capital reduction is November 8, 2024.

(2) Provide external capital loans of US\$700,000 through its subsidiary Weiang Development Co., Ltd.

XII. Others

(I) Capital Management

The Group's capital management objectives are based on sound capital to maintain the confidence of investors, creditors and markets and to support the development of future operations. Capital includes the share capital, capital surplus, retained earnings and other equity interests of the Group. The Board of Directors controls the capital return rate and the ordinary shares dividend level.

The Group's debt-to-capital ratios as on September 30, 2024, December 31, and September 30, 2023 are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Total Liabilities	\$ 5,534,379	\$ 5,028,748	\$ 5,622,146
Less: cash and cash equivalents	(715,999)	(671,369)	(901,915)
Net liability	<u>\$ 4,818,380</u>	<u>\$ 4,357,379</u>	<u>\$ 4,720,231</u>
Total Equity	<u>\$ 3,053,105</u>	<u>\$ 3,084,853</u>	<u>\$ 3,224,146</u>
Liability capital ratio	<u>157.82%</u>	<u>141.25%</u>	<u>146.40%</u>

(II) Financial Instruments

1. Types of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>at amortized cost</u>			
Financial Assets at Fair Value through Profit or Loss			
Financial Assets mandatorily measured at fair value through profit or loss			
Wealth management products	\$ 45,341	\$ -	\$ 157,947
Derivatives - forward	-	-	142

	September 30, 2024	December 31, 2023	September 30, 2023
	\$ 45,341	\$ -	\$ 158,089
Financial Assets at fair value through other comprehensive income			
Investments in designated equity instruments chosen	\$ 2,440	\$ 2,341	\$ 2,426
Financial Assets at Amortized Cost			
Cash and Cash Equivalents	\$ 715,999	\$ 671,369	\$ 901,915
Financial Assets at Amortized Cost			
Notes Receivable	627,796	518,044	878,252
Accounts Receivable	914,634	977,065	1,009,823
Other Receivables	27,955	22,458	18,361
Refundable Deposits	19,160	22,698	22,634
	\$ 2,991,889	\$ 2,649,998	\$ 3,275,038
<u>Financial Liabilities</u>			
Financial liabilities through amortized cost			
Short-term loans	\$ 579,684	\$ 549,060	\$ 361,308
Notes Payable	2,060,553	1,506,892	1,679,319
Accounts Payable	1,432,868	1,466,198	1,645,174
Other Payables	829,989	770,258	1,024,019
Corporate bonds payable (including long-term liabilities due within one year)	-	-	333,434
Security Deposits Received	134,526	120,126	122,954
	\$ 5,037,620	\$ 4,412,534	\$ 5,166,208

2. Risk Management Policy

The Group's financial management department provides services to various business units, coordinates access to domestic and international financial markets, and oversees and manages the financial risks associated with the Group's operations through internal risk reporting which analyzes the risk exposure according to their risk level and breadth. The Group uses derivative financial instruments to avoid exposure to risk in order to mitigate the impact of such risks. The use of derivative financial instruments is governed by the policies approved by the Board of Directors of the Group and is governed by the written principles of exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investment of residual liquidity. The Internal Auditors continuously review the conformity to policies and risk exposure limits. The Group does not deal in financial instruments (including derivative financial instruments) for speculative purposes.

3. Nature and extent of material financial risk

(1) Market risk

Market risk refers to the risk of changes in market prices, such as changes in exchange rates, interest rates and equity instruments, affecting the Group's earnings or the value of financial instruments held. The objective of market risk management lies in optimizing the investment return by controlling the market risk exposure within the acceptable range.

The Group manages market risk by engaging in derivative transactions and thereby generating financial liabilities. The execution of all transactions must abide by the designated staff authorized by the Board of Directors.

Exchange rate risk

- A. The Group is exposed to exchange rate risk arising from sales, purchases and borrowing transactions that are not denominated in the functional currencies of each Group companies. The functional currency of the Group companies is mainly NTD, followed by RMB and HKD. The main currencies used in these transactions are denominated in NTD, RMB, JPY, USD and HKD.

The Group uses short-term loans and derivative financial instruments to hedge against exchange rate risk in order to avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates. The use of such derivative financial instruments may assist the Group in reduction, but not the complete elimination of the effects of changes in foreign currency exchange rates. As 50% of the Group's sales region come from China in the recent years and are denominated in RMB, the other 50% mainly come from Europe, USA, Japan and South Korea, and mainly denominated in USD and JPY, while the import is mainly denominated in RMB. Therefore, in addition to the natural hedging of the RMB from the import and sales, the change in the exchange rate of the remaining different currencies still has an offsetting effect. In addition to the natural hedging, the Group also chooses to prevent exchange rate risk through forward foreign exchange contracts and exchange rate option contracts in due time. However, as the Group considers the growth of future operations, the holding of foreign currencies will continue to increase and domestic funds and future dividends distribution to domestic investors are required to be exchanged in USD, so the risk of exchange rate fluctuation of USD against the NTD will arise; therefore, the Group will strengthen the control over foreign exchange, and the possible response measures are as follows:

- (a) Continuously strengthen the concept of foreign exchange hedging among finance personnel, and determine the trend of exchange rate fluctuations using methods such as the real-time online exchange rate system and the strengthening contacts with financial institutions as the basis for reference.
 - (b) To the extent possible, make payment for the purchase and related expenses by sales revenue in the same currency to achieve the natural hedging effect.
 - (c) Decide whether to adopt derivatives for hedging to avoid exchange rate risks according to the Company's operational status.
- B. The Group's financial assets and liabilities which are exposed to significant foreign currency exchange rate risk (including monetary items in non-functional currency denominations that have been eliminated in the Consolidated Financial Statements) are as follows:

	September 30, 2024		
	Foreign currency (thousands)	Currency Exchange Rate	NTD
(Foreign currency: functional currency) <u>at amortized cost</u>			
<u>Monetary Items</u>			
USD	\$ 76,156	31.6500	\$ 2,410,337
JPY	867,013	0.2223	192,737
RMB	1,252	4.5187	5,657
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	63,657	31.6500	2,014,744
HKD	367	4.0750	1,496
	December 31, 2023		
	Foreign currency (thousands)	Currency Exchange Rate	NTD
<u>at amortized cost</u>			
<u>Monetary Items</u>			
USD	\$ 86,152	30.7050	\$ 2,645,297
JPY	1,011,258	0.2172	219,645
RMB	1,011	4.3357	4,383
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	82,606	30.7050	2,536,417
HKD	363	3.929	1,426

	September 30, 2023		
	Foreign currency (thousands)	Currency Exchange Rate	NTD
<u>at amortized cost</u>			
<u>Monetary Items</u>			
USD	\$ 97,297	32.2700	\$ 3,139,774
JPY	1,150,007	0.2162	248,632
RMB	979	4.4932	4,399
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD	81,472	32.2700	2,629,101
HKD	328	4.1230	1,352

- C. The Group's exchange rate risk arises primarily from cash and cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables, etc. denominated in foreign currencies, which results in foreign currency exchange gains and losses in translation. From January 1 to September 30, 2024 and 2023, when the value of NTD depreciates or appreciates by 5% against USD, JPY, RMB and HKD, the net profit before tax from January 1 to September 30, 2024 and 2023 would increase or decrease by NT\$29,625 and NT\$38,118, respectively, using the same basis for both periods of analysis and all other factors remained unchanged.
- D. The Group's exchange gains recognized in respect of monetary items from July 1 to September 30, 2024, and 2023, and January 1 to September 30, 2024, and 2023 due to exchange rate fluctuations (both realized and unrealized) totaled at NT8,832, NT(\$34,367), NT(\$44,823), and NT(\$5,918), respectively.

Price risk

The Group's equity instruments exposed to price risk refer to financial assets measured at fair value through other comprehensive income. The prices of these equity instruments may be influenced by the uncertainty of the future value of the investment targets. If the prices of these equity instruments rise or fall by 5%, while all other factors remain unchanged, the pre-tax net profit for the period from January 1 to September 30, 2024 and 2023 will increase or decrease by \$2,267 and \$7,897 respectively, due to the gains or losses from equity instruments measured at fair value through profit or loss. The other comprehensive income will increase or decrease by \$122 and \$121 respectively, due to the gains or losses from equity investments classified as fair value through other comprehensive income.

Interest rate risk

The Group's borrowings are measured at amortised cost and re-priced annually as contracted, thus exposing the Group to the risk of future changes in market interest rates. The Group's interest rate risk arises from loans at floating interest rates. Currency market interest rates have risen slowly in recent years but the changes in loan rate of the Group's loans is minimal. However, if there is a significant fluctuation in future interest rate trends, and the Group still has demand for loan, in addition to adopting other capital market financing instruments, the Group has to observe interest rate trends and choose to borrow at fixed or floating interest rates to avoid the risk of interest rate fluctuations.

If the loan interest rate increases or decreases by 1% from January 1 to September 30, 2024 and 2023, with all other factors remain unchanged, the increase or decrease in interest expense from the Group's loans floating interest rate will result in a decrease or increase in net profit after tax of NT\$868 and NT\$7 from January 1 to September 30, 2024 and 2023, respectively.

(2) Credit risk

The Group's credit risk is the risk of financial loss arising from the inability of a customer or counterparty to meet its contractual obligations, mainly arising from accounts receivable from customers of the Group.

Investment

The credit risk of bank deposits (including repayable accounts and pledged time deposits), fixed income investments and other financial instruments are measured and monitored by the Group's Finance Department. As the transacting party and the counterparties of the Group are banks with good creditworthiness and financial institutions with investment grade and above, corporate bodies and government agencies, there are no significant performance concerns and therefore no significant credit risks.

Notes receivable, accounts receivable and other receivables

- A. The Group's Finance Department together with the Market Department, establishes a credit policy under which the credit rating of each new customer is analyzed individually before standard payment and delivery terms and conditions are granted according to the policy. The Group's review includes external ratings (if available) and, in certain cases, bank notes. Customers who do not meet the Group's benchmark credit rating may only transact with the Group on an advance receipt basis.
- B. In monitoring the credit risk of customers, the Group categorizes the customers according to the credit characteristics of the customers, including whether they are individuals or legal entities; whether they are distributors, retailers or end customers; and the scale of operation, distributor target achievement rate and whether there were late payment. The Group's accounts receivable and other receivables are primarily attributed to the Group's customers who are distributors. Customers rated with high risk will be included into the list of restricted customers and put under the monitoring of Market Department, and future sales with this type of customers will be conducted on the advance receipt basis.
- C. The Group has allocated an impairment loss allowance account to reflect the estimated loss on accounts receivable and other receivables. The main components of allowance account include specific loss components related to individual material risk exposure and portfolio loss components for losses already incurred yet unidentified within similar asset group. The portfolio loss allowance account is determined by historical payment statistical data of similar financial assets.
- D. In accordance with the credit risk management procedures of the Group, a breach of contract is deemed to have occurred when the counterparty fails to honour the agreement between the parties without consulting the Company.
- E. The Group applies a simplified approach to the estimation of expected credit losses for all notes receivable and accounts receivable, which are measured using the duration of the expected credit losses. For measurement purposes, these notes

receivable and accounts receivable are grouped according to the common credit risk characteristics of the ability to pay all amounts due on behalf of the customer in accordance with the terms of the contract, and have been included in the forward-looking information such as historical credit loss experience and reasonable expectations of future economic conditions.

The expected credit losses of the Group's notes receivable and accounts receivable are analyzed as follows:

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September 30, 2024

Group A

Number of days overdue

	<u>Not Overdue</u>	<u>Within 30 days</u>	<u>31 ~ 60 days</u>	<u>61 ~ 90 days</u>	<u>91 ~ 180 days</u>	<u>181 ~ 270 days</u>	<u>271 ~ 365 days</u>	<u>More than 366 days</u>	<u>Total</u>
Total book value (including related parties)	\$1,109,494	\$ 81,533	\$ 46,396	\$ 44,911	\$ 20,398	\$ 1,211	\$ 1	\$ 13	\$1,303,957
Expected credit loss during the duration	<u>(790)</u>	<u>(375)</u>	<u>(306)</u>	<u>(133)</u>	<u>(386)</u>	<u>(13)</u>	<u>-</u>	<u>(13)</u>	<u>(2,016)</u>
	<u>\$1,108,704</u>	<u>\$ 81,158</u>	<u>\$ 46,090</u>	<u>\$ 44,778</u>	<u>\$ 20,012</u>	<u>\$ 1,198</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$1,301,941</u>
Expected Loss Rate	0%~0.10%	0%~0.73%	0%~0.99%	0%~2.44%	0%~3.86%	0%~13.66%	0%~44.62%	0%~100%	

Group B

Number of days overdue

	<u>Not Overdue</u>	<u>Within 30 days</u>	<u>31 ~ 60 days</u>	<u>61 ~ 90 days</u>	<u>91 ~ 180 days</u>	<u>181 ~ 270 days</u>	<u>271 ~ 365 days</u>	<u>More than 366 days</u>	<u>Total</u>
Total book value (including related parties)	\$ 88,026	\$ 35,950	\$ 79,041	\$ 37,472	\$ -	\$ -	\$ -	\$ 32,036	\$ 272,525
Expected credit loss during the duration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,036)</u>	<u>(32,036)</u>
	<u>\$ 88,026</u>	<u>\$ 35,950</u>	<u>\$ 79,041</u>	<u>\$ 37,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,489</u>
Expected Loss Rate	0%	0%	0%	0%	25%	50%	75%	100%	

December 31, 2023

Group A

Number of days overdue

	<u>Not Overdue</u>	<u>Within 30 days</u>	<u>31 ~ 60 days</u>	<u>61 ~ 90 days</u>	<u>91 ~ 180 days</u>	<u>181 ~ 270 days</u>	<u>271 ~ 365 days</u>	<u>More than 366 days</u>	<u>Total</u>
Total book value (including related parties)	\$1,097,145	\$ 137,245	\$ 19,357	\$ 2,296	\$ 10,566	\$ 157	\$ 582	\$ 75	\$1,267,423
Expected credit loss during the duration	(5,616)	(3,432)	(172)	(84)	(944)	(9)	(133)	(75)	(10,465)
	<u>\$1,091,529</u>	<u>\$ 133,813</u>	<u>\$ 19,185</u>	<u>\$ 2,212</u>	<u>\$ 9,622</u>	<u>\$ 148</u>	<u>\$ 449</u>	<u>\$ -</u>	<u>\$1,256,958</u>
Expected Loss Rate	0%~0.42%	0%~2.51%	0%~3.65%	0%~6.80%	0%~9.00%	0%~23.53%	0%~55.27%	0%~100%	

Group B

Number of days overdue

	<u>Not Overdue</u>	<u>Within 30 days</u>	<u>31 ~ 60 days</u>	<u>61 ~ 90 days</u>	<u>91 ~ 180 days</u>	<u>181 ~ 270 days</u>	<u>271 ~ 365 days</u>	<u>More than 366 days</u>	<u>Total</u>
Total book value (including related parties)	\$ 168,606	\$ 69,502	\$ -	\$ -	\$ 9	\$ 73	\$ -	\$ 31,911	\$ 270,101
Expected credit loss during the duration	-	-	-	-	(2)	(37)	-	(31,911)	(31,950)
	<u>\$ 168,606</u>	<u>\$ 69,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,151</u>
Expected Loss Rate	0%	0%	0%	0%	25%	50%	75%	100%	

September 30, 2023

Group A

Number of days overdue

	<u>Not Overdue</u>	<u>Within 30 days</u>	<u>31 ~ 60 days</u>	<u>61 ~ 90 days</u>	<u>91 ~ 180 days</u>	<u>181 ~ 270 days</u>	<u>271 ~ 365 days</u>	<u>More than 366 days</u>	<u>Total</u>
Total book value (including related parties)	\$1,463,266	\$ 104,841	\$ 68,801	\$ 6,272	\$ 5,594	\$ 713	\$ 4	\$ 76	\$1,649,567
Expected credit loss during the duration	(3,265)	(1,741)	(2,610)	(147)	(542)	(34)	(2)	(76)	(8,417)
	<u>\$1,460,001</u>	<u>\$ 103,100</u>	<u>\$ 66,191</u>	<u>\$ 6,125</u>	<u>\$ 5,052</u>	<u>\$ 679</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$1,641,150</u>
Expected Loss Rate	0%~0.42%	0%~2.38%	0%~3.93%	0%~8.37%	0%~10.57%	0%~25.66%	0%~52.91%	0%~100%	

Group B

Number of days overdue

	<u>Not Overdue</u>	<u>Within 30 days</u>	<u>31 ~ 60 days</u>	<u>61 ~ 90 days</u>	<u>91 ~ 180 days</u>	<u>181 ~ 270 days</u>	<u>271 ~ 365 days</u>	<u>More than 366 days</u>	<u>Total</u>
Total book value (including related parties)	\$ 39,742	\$ 24,630	\$ 104,907	\$ 77,646	\$ -	\$ -	\$ -	\$ 33,147	\$ 280,072
Expected credit loss during the duration	-	-	-	-	-	-	-	(33,147)	(33,147)
	<u>\$ 39,742</u>	<u>\$ 24,630</u>	<u>\$ 104,907</u>	<u>\$ 77,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,925</u>
Expected Loss Rate	0%	0%	0%	0%	25%	50%	75%	100%	

Group A: General Distributors and Foreign Sales Customers.

Group B: Customers such as e-commerce platforms and mass sales channels.

- F. Changes in impairment losses on accounts receivable and notes receivable adopted by the Group in a simplified manner are as follows:

	January 1 to September 30, 2024	January 1 to September 30, 2023
Opening Balance	\$ 42,415	\$ 61,334
(Reversal) Provision for impairment loss (9,994) (15,152)
Amount written off due to irrecoverability	-	(5,378)
Effect of Exchange Rate Changes	1,631	760
Closing balance	<u>\$ 34,052</u>	<u>\$ 41,564</u>

The Group recognized impairment gains (losses) of NT\$5,141, NT\$12,133, NT\$9,994, and NT\$15,152 on receivables arising from customer contracts from July 1 to September 30, 2024, and 2023, and January 1 to September 30, 2024 and 2023, respectively.

- G. The Group's credit risk exposure is mainly affected by the individual circumstances of each customer. However, the Management also considers the statistical information of the Group's customer base, including the risk of default in the customer's industry and country, as these factors may affect credit risk.

(3) Liquidity risk

- A. Liquidity risk is the risk that the Group will not be able to settle its financial liabilities in cash or other financial assets and not able to meet the relevant obligations. The Group's approach to managing liquidity is to ensure, to the extent possible, that the Group has sufficient liquidity to meet its liabilities as they fall due under both normal and pressuring circumstances, without incurring unacceptable losses or exposing the Group to reputational damage.
- B. The Group ensures that sufficient cash is available to meet the anticipated operating expense requirements for 60 days, including the fulfilment of financial obligations, but excludes potential impacts that cannot be reasonably expected in extreme circumstances, such as natural disasters. In addition, the Group's unused lines of credit on September 30, 2024, December 31, 2023, and September 30, 2023, totaled NT\$2,369,247 NT\$2,189,936, and NT\$2,485,170, respectively.
- C. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities closed on a net or aggregate basis, grouped according to the relevant maturity dates. Non-derivative financial liabilities are analyzed according to the remaining period from the balance sheet date to the contract maturity date; derivative financial liabilities are analyzed according to the remaining period from the balance sheet date to the expected maturity date. The amounts of contractual cash flows disclosed in the following table is the undiscounted amounts.

September 30, 2024

Within 1 year	1~2 years	2~3 years	More than 3 years
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Non-derivative
financial liabilities:

Short-term loans	\$ 588,402	\$ -	\$ -	\$ -
Notes Payable	2,060,553	-	-	-
Accounts Payable	1,432,868	-	-	-
Other Payables	829,989	-	-	-
	<u>\$ 4,911,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Derivative financial
liabilities:Nil

December 31, 2023

	<u>Within 1 year</u>	<u>1~2 years</u>	<u>2~3 years</u>	<u>More than 3 years</u>
<u>Non-derivative financial liabilities:</u>				
Short-term loans	\$ 558,488	\$ -	\$ -	\$ -
Notes Payable	1,506,892	-	-	-
Accounts Payable	1,466,198	-	-	-
Other Payables	770,258	-	-	-
	<u>\$ 4,301,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Derivative financial
liabilities:Nil

September 30, 2023

	<u>Within 1 year</u>	<u>1~2 years</u>	<u>2~3 years</u>	<u>More than 3 years</u>
<u>Non-derivative financial liabilities:</u>				
Short-term loans	\$ 368,450	\$ -	\$ -	\$ -
Notes Payable	1,679,319	-	-	-
Accounts Payable	1,645,174	-	-	-
Other Payables	1,024,019	-	-	-
Corporate bonds payable	334,300	-	-	-
	<u>\$ 5,051,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Derivative financial
liabilities:Nil

(III) Information on Fair Value

1. The hierarchy of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: quoted prices (unadjusted) in the active market for the same assets or liabilities that an enterprise may acquire at the measurement date. An active market is a market in where assets or liabilities are traded with sufficient frequency and quantity to provide pricing information on a continuing basis. The wealth management products invested by the Group is included.

Level 2: The observable input value of the asset or liability, directly or indirectly, except for the quotation included in Level 1. The fair values of hybrid instruments, derivatives and accounts receivable expected to be sold invested by the Company are all included.

Level 3: non-observable input value of the asset or liability. The equity instruments with no active market invested by the Group are all included.

2. For the fair value information of investment property measured at cost, please refer to Note 6, (13).

3. Financial instruments not measured at fair value

Includes cash and cash equivalents, assets measured at amortized cost, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable, other payables, corporate bonds payable (including those maturing within one year or one operating cycle), long-term loans (including those maturing within one year or one operating cycle), and the carrying amount of security deposits received is a reasonable approximation of fair value.

4. The Group classified financial and non-financial instruments measured at fair value according to the nature, characteristics and risks of assets and liabilities and fair value level. The relevant information is as follows:

- (1) The Group's classification based on the nature of assets and liabilities, the relevant information is as follows:

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial Assets at Fair Value through Profit or Loss				
Wealth management products	\$ 45,341	\$ -	\$ -	\$ 45,341
Derivatives - forward exchange agreement				
Financial Assets at Fair Value through Other Comprehensive Income				
Investments in designated equity instruments chosen	<u>-</u>	<u>-</u>	<u>2,440</u>	<u>2,440</u>
	<u>\$ 45,341</u>	<u>\$ -</u>	<u>\$ 2,440</u>	<u>\$ 47,781</u>

Liabilities: None.

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial Assets at Fair Value through Profit or Loss				
Wealth management products				
Financial Assets at Fair Value through Other Comprehensive Income				
Accounts receivable expected to be sold	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,341</u>	<u>\$ 2,341</u>

Liabilities: None.

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
Financial Assets at Fair Value through Profit or Loss				
Wealth management products	\$157,947	\$ -	\$ -	\$157,947
Derivatives - Option contract	-	142	-	142
Financial Assets at Fair Value through Other Comprehensive Income				
Accounts receivable expected to be sold	<u>-</u>	<u>-</u>	<u>2,426</u>	<u>2,426</u>
	<u>\$157,947</u>	<u>\$ 142</u>	<u>\$ 2,426</u>	<u>\$160,515</u>

Liabilities: None.

- (2) The methods and assumptions used by the Group to measure fair value are described as follows:
- A. When evaluating non-standard and less complex financial instruments, such as debt instruments with no active market, the Group employs valuation techniques widely used by market participants. The parameters used in the evaluation model of such financial instruments are generally market-observable information.
 - B. The evaluation of wealth management products is to use the net value of the market price as the input value of the fair value (that is, the first level).
 - C. The valuation of derivative financial instruments is based on valuation models that are widely accepted by market users, such as the discounting method and the option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward foreign exchange rate.
 - D. The Group incorporates credit risk valuation adjustments into the fair value

calculation of financial and non-financial instruments to reflect the credit risk of counterparties and the Group's credit quality respectively.

- E. The Group's equity investments with fair value classified as Level 3 are mainly investments in domestic unlisted companies. The valuation process for these investments is carried out by the Finance Department, which regularly uses the net asset value method for valuation and measurement.
5. There were no transfers between Level 1 and Level 2 from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023.
 6. There were no transfers in or out of Level 3 from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023.

XIII. Note Disclosure

(I) Information on Significant Transactions

1. Funds Loaned to Others: Please refer to Schedule I.
2. Endorsement or Guarantee for Others: Please refer to Schedule II.
3. Marketable securities held at the end of the period (excluding parts controlled by investment subsidiaries, Associates and Joint Venture): Please refer to Schedule III.
4. Cumulative amount of buying or selling negotiable securities to reach NT\$ 300 million or over 20% of the paid-up capital: None
5. The amount of acquiring property to reach NT\$ 300 million or over 20% of the paid-up capital: None
6. The amount of disposing of property to reach NT\$ 300 million or over 20% of the paid-up capital: None
7. The amount of goods purchased and sold transacted with related parties amounted to NT\$ 100 million or over 20% of the paid-up capital: Please refer to Schedule IV.
8. Receivables from related parties amounted to NT\$ 100 million or over 20% of the paid-up capital: Please refer to Schedule V.
9. Engagement in derivative instrument transactions: None.
10. Significant transactions and amounts of business relationships between the Parent Company and the Subsidiaries and between Subsidiaries: Please refer to Schedule VI.

(II) Information on Investees

Relevant information such as the name and location of the investee company (excluding the investee companies in Mainland China): Please refer to the Schedule VII.

(III) Information on Investments in Mainland China

1. Basic information: Please refer to Schedule VIII.
2. Significant transactions that occurred directly or indirectly through third-region undertakings and reinvestment in investee companies in Mainland China: Nil.

(IV) Information of Major Shareholders

Information on Major Shareholders: Please refer to Schedule IX.

XIV. Segment Information

(I) General Information

The reportable departments of the Group are categorized into the Domestic Market and Export market. The Domestic Market is the business unit responsible for sales in Mainland China. The Export Market is the business unit responsible for sales in Northeast Asia, Europe, and America.

(II) Information on the Reporting Department's profit and loss, assets, liabilities and measurement basis and adjustment

The Group uses the departmental pre-tax profit and loss (excluding income tax, non-frequently occurring profit or loss, gains and losses on financial assets measured at fair value and exchange gains and losses) in internal management reports reviewed by the key operational decision makers as the basis for resource allocation and performance evaluation. The information and adjustment of operating segments of the consolidated company were as follows:

	July 1 to September 30, 2024				
	Domestic sales market	Export sales market	Others	Adjustment and elimination	Total
Revenue:					
Revenue from external customers	\$ 1,015,838	\$ 533,827	\$ 26,141	\$ -	\$ 1,575,806
Inter-departmental revenue	121,070	474,152	-	(595,222)	-
Total revenue	<u>\$ 1,136,908</u>	<u>\$ 1,007,979</u>	<u>\$ 26,141</u>	<u>(\$ 595,222)</u>	<u>\$ 1,575,806</u>
Report department profit or loss	<u>(\$ 73,836)</u>	<u>(\$ 45,542)</u>	<u>\$ 24,931</u>	<u>\$ 8,902</u>	<u>(\$ 85,545)</u>
	July 1 to September 30, 2023				
	Domestic sales market	Export sales market	Others	Adjustment and elimination	Total
Revenue:					
Revenue from external customers	\$ 834,323	\$ 598,846	\$ 24,018	\$ -	\$ 1,457,187
Inter-departmental revenue	61,217	525,873	-	(587,090)	-
Total revenue	<u>\$ 895,540</u>	<u>\$ 1,124,719</u>	<u>\$ 24,018</u>	<u>(\$ 587,090)</u>	<u>\$ 1,457,187</u>
Report department profit or loss	<u>(\$ 137,127)</u>	<u>\$ 30,736</u>	<u>\$ 23,254</u>	<u>(\$ 29,901)</u>	<u>(\$ 113,038)</u>
	January 1 to September 30, 2024				
	Domestic sales market	Export sales market	Others	Adjustment and elimination	Total
Revenue:					
Revenue from external customers	\$ 4,152,931	\$ 2,390,646	\$ 77,748	\$ -	\$ 6,621,325
Inter-departmental revenue	424,493	2,202,500	-	(2,626,993)	-
Total revenue	<u>\$ 4,577,424</u>	<u>\$ 4,593,146</u>	<u>\$ 77,748</u>	<u>(\$ 2,626,993)</u>	<u>\$ 6,621,325</u>
Report department profit or loss	<u>\$ 2,535</u>	<u>(\$ 103,492)</u>	<u>\$ 74,092</u>	<u>(\$ 44,823)</u>	<u>(\$ 71,688)</u>
Report department assets	<u>\$ 6,934,040</u>	<u>\$ 16,195,492</u>	<u>\$ -</u>	<u>(\$ 14,542,048)</u>	<u>\$ 8,587,484</u>

	January 1 to September 30, 2023				
	Domestic sales market	Export sales market	Others	Adjustment and elimination	Total
Revenue:					
Revenue from external customers	\$ 4,430,413	\$ 2,428,093	\$ 55,992	\$ -	\$ 6,914,498
Inter-departmental revenue	<u>476,537</u>	<u>2,217,099</u>	<u>-</u>	<u>(2,693,636)</u>	<u>-</u>
Total revenue	<u>\$ 4,906,950</u>	<u>\$ 4,645,192</u>	<u>\$ 55,992</u>	<u>(\$ 2,693,636)</u>	<u>\$ 6,914,498</u>
Report department profit or loss	<u>(\$ 49,689)</u>	<u>\$ 70,765</u>	<u>\$ 53,936</u>	<u>(\$ 3,652)</u>	<u>\$ 71,360</u>
Report department assets	<u>\$ 6,384,399</u>	<u>\$ 16,696,140</u>	<u>\$ -</u>	<u>(\$ 14,234,247)</u>	<u>\$ 8,846,292</u>

In 2024, July 1 to September 30, 2024, and 2023, and January 1 to September 30, 2024, and 2023, the reported departmental profit and loss adjustment items are the net loss on financial assets and liabilities measured at fair value through profit or loss, foreign currency exchange gains, bond redemption income and disposal asset income of NT\$8,902, NT(\$29,901), NT(\$44,823), and NT(\$3,652) , respectively.

Airmate (Cayman) International Co Limited and Subsidiaries
Funds Loaned to Others
January 1 to September 30, 2024

Schedule 1 Unit: NTS Thousands
(Unless otherwise specified)

No. (Note 1)	Companies that lend funds	Counterparty	Transaction item	Is it a related party	Maximum amount in the current period	Closing balance	Actual disbursement amount	Interest range	Capital loans and its nature (Note 2)	Amount of business transactions	Reasons for the need for short- term financing	Appropriated amount for loss allowance	Collateral		Loan limit for individual objects	Capital loans and total limits	Remark
													Name	Value			
1	Airmate International Co. Limited China	Airmate Electric Appliances (Shenzhen) Co Limited	Long-term receivables - related parties	Yes	\$ 508,736	\$ 490,805	\$ 490,805	2%~2.5%	2	\$ -	Operating turnover	\$ -	Nil	\$ -	\$2,203,148	\$ 4,406,296	Note 3
2	Wacon Development Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	Long-term receivables - related parties	Yes	276,021	271,126	271,126	2%~2.5%	2	-	Operating turnover	-	Nil	-	1,856,107	3,712,214	Note 3
2	Wacon Development Co Limited	The Company	Other receivables - related parties	Yes	1,400,000	1,400,000	1,321,676	-	2	-	Operating turnover	-	Nil	-	1,484,885	3,712,214	Note 3
3	Airmate e-Commerce (Shenzhen) Co., Ltd.	Airmate Electric Appliances (Shenzhen) Co Limited	Other receivables - related parties	Yes	29,902	29,372	29,372	-	2	-	Operating turnover	-	Nil	-	30,282	75,707	Note 3

Note 1: The explanation for this column is as follows:

(1) Fill 0 for the issuer.

(2) The investee company is numbered sequentially starting with Arabic numeral 1 for each entity.

Note 2: Capital loans and its nature code:

(1) Companies with business transactions

(2) Company which requires short-term financing.

Note 3: The operating procedures for fund lending to others are as follows:

(1) The amount of individual loans for the company or bank which has business transactions with the company lending funds shall not exceed the amount of business transactions between the two parties. The term "business transaction" refers to the purchase or sale of goods by both parties.

(2) The amount of individual loans for the company or bank with short-term financing funds necessary shall be limited to 40% of the net value of the company lending funds.

(3) The amount of financing for individual counterparty which engages in capital lending to the subsidiaries with the company lending funds shall be limited to no more than 50% of the net value of the company's latest financial statements.

(4) The total loan and amount of the company lending funds shall not exceed 40% of the net value of the company lending funds; provided, however, that the total amount of the loan does not exceed 100% of the net value of the company lending funds between foreign companies directly or indirectly holding 100% of the voting shares of the parent company, or 100% of the voting shares held directly or indirectly by the parent company.

Note 4: The above transactions had been written off in preparing the consolidated financial report.

Airmate (Cayman) International Co Limited and Subsidiaries
Endorsement or Guarantee for Others
January 1 to September 30, 2024

Schedule 2 Unit: NTS Thousands
(Unless otherwise specified)

No. (Note 1)	Recipient of endorsements/guarantees		Relationship (Note 2)	Endorsement guarantee limit for single enterprise	Maximum endorsement guarantee balance for the current period	Endorsement guarantee balance at the end of the period	Actual disbursement amount	Endorsement guarantee amount secured by property.	Ratio of accumulated endorsement guarantee amount to the net value of the latest financial statements	Maximum limit of endorsement Guarantee	Endorsement guarantee to the subsidiary by the parent company	Endorsement guarantee to the parent company by a subsidiary	Endorsement Guarantee to Mainland China	Remark
	Endorsement Guarantor Company Name	Company name												
0	The Company	Waon Development Co Limited	2	\$ 6,106,210	\$ 2,424,603 (USD 74,500 thousand)	\$ 2,329,440 (USD 73,600 thousand)	\$ 1,409 (USD 45 thousand)	\$ -	76.30%	\$15,265,525	Y	N	N	Note 3
0	The Company	Airmate Electric Appliances (Jiujiang) Co. Limited	2	6,106,210	598,045 (RMB 130,000 thousand)	587,440 (RMB 130,000 thousand)	142,793 (RMB 31,600 thousand)	-	19.24%	15,265,525	Y	N	Y	Note 3, note 4
0	The Company	Airmate Electric Appliances (Shenzhen) Co Limited	2	6,106,210	552,042 (RMB 120,000 thousand)	542,252 (RMB 120,000 thousand)	149,119 (RMB 33,000 thousand)	-	17.76%	15,265,525	Y	N	Y	Note 3, note 5
1	Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	4	5,070,186	2,054,575 (RMB 448,500 thousand)	1,976,961 (RMB 437,500 thousand)	1,219,069 (RMB 269,779 thousand)	-	77.98%	12,675,465	N	N	Y	Note 3
2	Airmate Electric Appliances (Jiujiang) Co. Limited	Airmate Electric Appliances (Shenzhen) Co Limited	4	4,328,886	2,484,189 (RMB 540,000 thousand)	2,440,134 (RMB 540,000 thousand)	770,857 (RMB 170,590 thousand)	-	112.74%	10,822,215	N	N	Y	Note 3
3	Waon Development Co Limited	Airmate Electric Appliances (Shenzhen) Co Limited	4	7,424,428	368,028 (RMB 80,000 thousand)	361,501 (RMB 80,000 thousand)	87,664 (RMB 19,400 thousand)	-	9.74%	18,561,070	N	N	Y	Note 3

Note 1: The explanation for this column is as follows:

- (1) Fill 0 for the issuer.
- (2) The investee company is numbered sequentially starting with Arabic numeral 1 for each entity.

Note 2: There are 7 types of relationship between the endorsement guarantor and the endorsee as follows, please specify the type:

- (1) Companies with business dealings.
- (2) Companies where the Company directly or indirectly holds over 50% voting shares.
- (3) Companies that directly or indirectly hold more than 50% of the voting rights in the company.
- (4) The Company directly and indirectly holds more than 90% of the voting shares of the company.
- (5) Companies that are mutually guaranteed by the contract between peers or co-contractors based on the needs of the underwriting project.
- (6) Companies to which all investing shareholders endorse a guarantee based on its shareholding ratio as a result of the joint investment relationship.
- (7) Joint and several guarantees of performance bonds for pre-sale housing sales contracts with peers in the same industry in accordance with the regulations of the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee procedures are as follows:

- (1) For companies with business transaction, the total amount of endorsement guarantee shall not exceed 40% of the net value of the company, and individual objects shall not exceed the amount of business transactions.
- (2) The total amount of the endorsement guarantee of the company exceeding 50% of the shares directly and indirectly held by the company shall not exceed 40% of the net value of the company, and the individual counterparty shall not exceed the amount of their investment.
- (3) The total amount of the Company's overall external endorsement guarantee is limited to not more than 40 percent of the net value of the latest financial statements; and the limit for a single enterprise is limited to 40 percent of its net value.
For subsidiaries which the Company holds 100% voting shares and between subsidiaries, the endorsement guarantee shall not exceed 500% of the net value based on the latest financial report. For each individual counterparty, the amount of endorsement guarantee shall not exceed 200% of the net value based on the latest financial report. And the project shall be reported to the board of directors for review.

Note 4: Wherein the balance endorsement guarantee at the end of the period amounted to NT\$542,252, which is the bank financing limit shared with Airmate Electric (Shenzhen) Co., Ltd., totaling to not more than NT\$632,627; the actual disbursement amounted to NT\$142,793.

Note 5: Wherein the balance endorsement guarantee at the end of the period amounted to NT\$542,252, which is the bank financing limit shared with Airmate Electric (Jiujiang) Co., Ltd., totaling to not more than NT\$632,627; the actual disbursement amounted to NT\$149,119.

Note 6: The above transactions had been written off in preparing the consolidated financial report.

Airmate (Cayman) International Co Limited and Subsidiaries
Marketable securities held at the end of the period (excluding parts controlled by investment subsidiaries, Associates and Joint Venture)
January 1 to September 30, 2024

Schedule 3 Unit: NTS Thousands

Company held	Types and names of negotiable securities	Relationship with Securities Issuer	Account Columns	End of the period				Remark
				Number of shares (thousand shares)	at the end of the period	Percentage of Ownership	Fair value	
Airmate e-Commerce (Shenzhen) Co., Ltd.	Bank of China Wealth Management - Enjoy Every Day	Nil	Financial Assets at Fair Value through Profit or Loss - Current	10,034	\$ 45,341	-	\$ 45,341	
Airmate Electric Appliances (Shenzhen) Co Limited	Capital contribution- Dongguan Airmate Intelligent Technology Co Limited	Nil	Financial Assets at Fair Value through Other Comprehensive Income	Note	2,440	18	2,440	

Note: Refers to Limited Company, therefore it is not applicable.

Airmate (Cayman) International Co Limited and Subsidiaries
The amount of goods purchased and sold transacted with related parties amounted to NT\$ 100 million or over 20% of the paid-up capital
January 1 to September 30, 2024

Schedule 4 Unit: NT\$ Thousands
(Unless otherwise specified)

			Transaction details			Circumstances and Reasons where Transaction conditions are different from general transactions		Notes and Accounts Receivable (Payable)			
Supplier (Buyer) Company	Transaction counterparty	Relationship	Purchase/Sale	Amount	Ratio to total inputs (sales)	Credit period	Unit price	Credit period	Balance	Ratio of total notes receivable (paid) to accounts receivable	Remark
Airmate Electric Appliances (Jiujiang) Co Limited	Waon Development Co Limited	Parent/Subsidiary Company	(Sales)	(\$ 1,191,348)	(23%)	According to mutual agreement	Note	Note	\$ 884,153	40%	
Airmate Electric Appliances (Shenzhen) Co. Limited	Waon Development Co Limited	Parent/Subsidiary Company	(Sales)	(1,007,204)	(78%)	According to mutual agreement	Note	Note	1,513,011	88%	
Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	Affiliated companies	(Sales)	(175,955)	(14%)	According to mutual agreement	Note	Note	149,057	9%	
Airmate Electric Appliances (Jiujiang) Co. Limited	Airmate Electric Appliances (Shenzhen) Co. Limited	Affiliated companies	(Sales)	(110,595)	(2%)	According to mutual agreement	Note	Note	65,070	3%	
Waon Development Co Limited	Airmate Electric Appliances (Jiujiang) Co Limited	Parent/Subsidiary Company	Purchase	1,191,348	53%	According to mutual agreement	Note	Note	(884,153)	(31%)	
Waon Development Co Limited	Airmate Electric Appliances (Shenzhen) Co. Limited	Parent/Subsidiary Company	Purchase	1,007,204	44%	According to mutual agreement	Note	Note	(1,513,011)	(53%)	
Airmate Electric Appliances (Jiujiang) Co. Limited	Airmate Electric Appliances (Shenzhen) Co Limited	Affiliated companies	Purchase	175,955	5%	According to mutual agreement	Note	Note	(149,057)	(5%)	
Airmate Electric Appliances (Shenzhen) Co. Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	Affiliated companies	Purchase	110,595	11%	According to mutual agreement	Note	Note	(65,070)	(9%)	

Note: Except where there were no similar transactions as precedence, the trading conditions were determined by negotiation between the parties, while the remaining are not materially different from normal trading conditions.

Airmate (Cayman) International Co Limited and Subsidiaries
Receivables from related parties amounted to NT\$ 100 million or over 20% of the paid-up capital
September 30, 2024

Schedule 5 Unit: NT\$ Thousands
(Unless otherwise specified)

The companies that record such transactions as receivables	Transaction counterparty	Relationship	Accounts receivable balance from related parties	Turnover	Overdue accounts receivable from related party		Amount collected after the due date for accounts receivable from related parties	Appropriated amount for loss allowance
					Amount	Handling method		
Airmate Electric Appliances (Shenzhen) Co Limited	Wacon Development Co Limited	Parent/Subsidiary Company	\$1,962,110	0.61	\$ -	-	\$ 31,927	\$ -
Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	Affiliated companies	425,410	1.43	-	-	-	-
Wacon Development Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	Parent/Subsidiary Company	292,482	-	-	-	-	-
Wacon Development Co Limited	The Company	Parent/Subsidiary Company	1,321,676	-	-	-	-	-
Airmate Electric Appliances (Jiujiang) Co. Limited	Wacon Development Co Limited	Parent/Subsidiary Company	896,100	1.98	-	-	64,038	-
Airmate International Co. Limited China	Airmate Electric Appliances (Shenzhen) Co Limited	Parent/Subsidiary Company	694,774	-	-	-	-	-

Note: the above transactions had been written off in preparing the consolidated financial report.

Airmate (Cayman) International Co Limited and Subsidiaries
Significant transactions and amounts of business relationships between the Parent Company and the Subsidiaries and between Subsidiaries
January 1 to September 30, 2024

Schedule 6 Unit: NT\$ Thousands
(Unless otherwise specified)

Where the amount of transactions between the parent company and its subsidiaries or between subsidiaries exceeds NT\$ 10,000,000 and is disclosed in Note 3, its counterparty transactions will not be repeated.

No. (Note 1)	Name of transacting party	Transacting party	Relationship with counterparty (Note 2)	Transaction terms			Ratio to total consolidated revenue or total assets
				Account	Amount	Transaction terms	
0	The Company	Wacon Development Co Limited	1	Other payables - capital loans	\$ 1,321,676	Administered according to mutual agreement	15%
1	Airmate International Co. Limited China	Airmate Electric Appliances (Shenzhen) Co Limited	1	Long-term receivables - capital loans (Note 4)	694,774	Administered according to mutual agreement	8%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	3	Sales	175,955	Administered according to mutual agreement	3%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	3	Accounts Receivable	149,057	Administered according to mutual agreement	2%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	3	Other Receivables	276,353	Administered according to mutual agreement	3%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	3	Advance Payment	26,509	Administered according to mutual agreement	-
2	Airmate Electric Appliances (Shenzhen) Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	3	Human Resources income	145,325	Administered according to mutual agreement	2%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Wacon Development Co Limited	2	Sales	1,007,204	Administered according to mutual agreement	15%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Wacon Development Co Limited	2	Accounts Receivable	1,513,011	Administered according to mutual agreement	18%
2	Airmate Electric Appliances (Shenzhen) Co Limited	Wacon Development Co Limited	2	Other Receivables	449,099	Administered according to mutual agreement	5%
3	Wacon Development Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	1	Long-term receivables - capital loans (Note 5)	280,295	Administered according to mutual agreement	3%
3	Wacon Development Co Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	1	Other Receivables	12,187	Administered according to mutual agreement	-
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Airmate Electric Appliances (Shenzhen) Co Limited	3	Sales	110,595	Administered according to mutual agreement	2%
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Airmate Electric Appliances (Shenzhen) Co Limited	3	Accounts Receivable	65,070	Administered according to mutual agreement	1%
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Wacon Development Co Limited	2	Sales	1,191,348	Administered according to mutual agreement	18%
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Wacon Development Co Limited	2	Accounts Receivable	884,153	Administered according to mutual agreement	10%
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Wacon Development Co Limited	2	Other Receivables	11,947	Administered according to mutual agreement	-
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Airmate e-Commerce (Shenzhen) Co., Ltd.	3	Sales	80,688	Administered according to mutual agreement	1%
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Material Technology (Foshan) Co., Ltd.	3	Sales	57,094	Administered according to mutual agreement	1%
4	Airmate Electric Appliances (Jiujiang) Co. Limited	Material Technology (Foshan) Co., Ltd.	3	Accounts Receivable	51,389	Administered according to mutual agreement	1%
5	Airmate Technology (Shenzhen) Co. Limited	Airmate Electric Appliances (Jiujiang) Co. Limited	3	Advance Payment	73,181	Administered according to mutual agreement	1%
6	Airmate e-Commerce (Shenzhen) Co., Ltd.	Airmate Electric Appliances (Shenzhen) Co Limited	3	Other payables - capital loans	29,372	Administered according to mutual agreement	-

Note 1: Fill in the numbers as follows:

(1) 0 stands for parent company.

(2) Subsidiaries are numbered sequentially starting with Arabic numeral 1 by company.

Note 2: The transaction was carried out in accordance with the agreement between the two parties and was not materially different from the ordinary transaction.

(1) Parent to Subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to Subsidiary.

Note 3: Only the information on the sale of goods and accounts receivable from the business relationship and significant transactions between the parent company and the subsidiary are disclosed, while the purchase of goods and accounts payable by the counterparty will not be described herein.

Note 4: The long-term receivables of Airmate International Co. Limited China from Airmate Electric Appliances (Shenzhen) Co Limited is NT\$490,805 in capital loans and NT\$203,969 in interest.

Note 5: The long-term receivables of Wacon Development Co., Limited. from Airmate Electric Appliances (Jiujiang) Co. Limited is NT\$271,126 in capital loans and NT\$9,169 in interest.

Airmate (Cayman) International Co Limited and Subsidiaries

Relevant information such as the name and location of the investee company (excluding the investee companies in Mainland China)

January 1 to September 30, 2024

Schedule 7 Unit: NT\$ Thousands
(Unless otherwise specified)

Name of Investor	Name of investee	Location	Main business items	Initial Investment (Note 1)		Number of Shares			Profit or loss of investee for the current period	Recognized gains and losses on investments for the current period (Note 2)	Remark
				End of the current period	End of previous year	Held at the end of the Period	Ratio	At the end of the period			
The Company	Airmate International Holding Limited	British Virgin Islands	Holding company	\$ 2,024,793 (USD 63,974 thousand)	\$ 2,024,793 (USD 63,974 thousand)	63,974,492	100%	\$ 4,405,572	(\$ 77,878)	(\$ 77,878)	Directly invested subsidiary companies of the Company
Airmate International Holding Limited	Airmate International Co. Limited China	British Virgin Islands	Holding company	2,207,943 (USD 69,761 thousand)	2,207,943 (USD 69,761 thousand)	69,761,220	100%	4,406,296	(77,831)	(77,831)	Directly invested subsidiary companies of the Company
Airmate International Co. Limited China	Wacon Development Co Limited	Hong Kong	Trading company	3,342,715 (HK \$820,298 thousand)	3,342,715 (HK \$820,298 thousand)	-	100%	3,712,214	(105,917)	(105,917)	Directly invested subsidiary companies of the Company
Wacon Development Co Limited	Airmate Electric (Hongkong) Co., Ltd.	Hong Kong	Sales of household appliances	815 (HK \$200 thousand)	-	-	100%	-	-	-	Directly invested subsidiary companies of the Company(Note 3)

Note 1: Converted using the exchange rate of USD: NTD: 1: 31.6500, RMB: HKD: 1: 1.1089, HKD: NTD: 1: 4.0750 at the date of the financial report.

Note 2: The above transactions had been written off in preparing the consolidated financial report.

Note 3: It was established in August 2024 and is still in the start-up period and is waiting for the investment funds to be remitted after the relevant procedures are completed.

Airmate (Cayman) International Co Limited and Subsidiaries
Information on Investments in Mainland China - Basic Information
January 1 to September 30, 2024

Schedule 8 Unit: NTS Thousands
(Unless otherwise specified)

Name of investee company in Mainland China	Main business items	Paid-up Capital (Note 4)	Investment method (Note 1)	Cumulative investment amount transferred from Taiwan at the beginning of the current period	Exported or recovered investment amount for the current period (Note 2)		Cumulative investment amount transferred from Taiwan at the end of the current period	Profit or loss of investee for the current period	Shareholding ratio of the Company's direct or indirect investment	Profit or loss on investment recognized in the current period	Book value of investments at the end of the period	Investment income recovered as of the current period	Remark
					Remit	Recovered							
Airmate Electric Appliances (Shenzhen) Co Limited	Production and sale of household appliances and processing of precision mold	\$ 1,012,800	(2)	\$ -	\$ -	\$ -	\$ -	(\$ 250,040)	100%	(\$ 250,040)	\$ 2,535,093	\$ -	Note 3 and 5
Airmate Electric Appliances (Jiujiang) Co. Limited	Production and sale of household appliances and processing of precision mold	2,304,120	(2) and (3)	-	-	-	-	109,706	100%	109,706	2,164,443	-	Note 3 and 5
Zhejiang Airmate Electrical Appliance Sales Co., Ltd.	Sales of electric appliances	47,447	(3)	-	-	-	-	1,606	40%	643	36,181	-	Note 3 and 5
Airmate Technology (Shenzhen) Co. Limited	Sales, research and development of household appliances	45,188	(3)	-	-	-	-	7,976	100%	7,976	60,074	-	Note 3 and 5
Airmate e-Commerce (Shenzhen) Co., Ltd.	Sales of household appliances	45,188	(3)	-	-	-	-	4,075	100%	4,075	75,707	-	Note 3 and 5
Material Technology (Foshan) Co., Ltd.	Sales of household appliances	2,259	(3)	-	-	-	-	(19,945)	100%	(19,945)	(33,937)	-	Note 3 and 5
Xiangdao Technology (Shenzhen) Co., Ltd	Sales of household appliances	2,259	(3)	-	-	-	-	(3)	100%	(3)	2,250	-	Note 3 and 5

Company name (Note 2)	Accumulated amount of investment remitted from Taiwan to Mainland China at the end of the current period	Investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs	Quota for investment in mainland China according to the Investment Review Committee of the Ministry of Economic Affairs
	-	-	-

Note 1: The investment methods are divided into the following three types. Please indicate the type as follows:

- (1) Direct investment in mainland China.
- (2) Reinvestment in Mainland China through a third region (Waon Development Co Limited).
- (3) Other methods: It is reinvested through our company's mainland invested companies (Amtech Electronics (Shenzhen) Co., Ltd. and Amtech E-commerce (Shenzhen) Co., Ltd.).

Note 2: The Company is an overseas company, so it is not bound by the limitations of "Review Principles on Investment or Technological Cooperation in Mainland China".

Note 3: The financial reports audited by CPAs of the invested company during the same period will be recognized.

Note 4: Converted using the exchange rate of USD: NTD: 1: 31.6500, RMB: HKD: 1: 1.1089, HKD: NTD: 1: 4.0750 at the date of the financial report.

Note 5: Except for Zhejiang Airmate Electrical Appliance Sales Co., Ltd., the above transactions have been written off during the preparation of the Consolidated Financial Report.

Airmate (Cayman) International Co Limited and Subsidiaries
Information of Major Shareholders
September 30, 2024

Schedule 9 Unit: shares

Name of Major Shareholders	Shareholding	
	Shares Held	Percentage of Ownership
Pearl Place Holding	28,503,024	18.65%

- Note 1: This above information was calculated based on the shareholdings of the shareholders who holds more than 5% of the total common shares and preference shares of the Company (including treasury share) which has completed the non-physical registration and delivery as at the last business day of each quarter.
- Note 2: For the above information, if the shares are held by a trust, it shall be disclosed by the name of the settlor who sets up the trust.
- Note 3: The principle of preparation of this table is to calculate the distribution of the balance of each credit transaction with reference to the register of securities owners (short-selling not included) when the trading has been suspended by the extraordinary shareholders' meeting.
- Note 4: Shareholding ratio (%) = the total number of shares held by the shareholder/the total number of shares delivered after completing the non-physical registration and delivery.
- Note 5: The total number of shares (including treasury shares) that have been delivered and registered is 152,821,721 shares = 152,821,721 (common shares) + 0 (preference shares).