



Stock code:
1626

**AIRMATE (CAYMAN) INTERNATIONAL CO.,
LIMITED**

2024 Annual Report

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Printed on May 6, 2025

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.

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Board of Directors List

| <u>Title</u> | <u>Name</u> | <u>Nationality</u> | <u>Main Academic and Work Experience</u> |
|---------------------------------------------------|------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman, also serving as CEO and General Manager | Shih, Jui-Pin | Republic of China | Department of Electronics, Chubu University of Japan Employee, Product Department, Yuasa Primus Co., Ltd. |
| Director | Tsai, Cheng-Fu | Republic of China | Master's Degree in Electronic Engineering, National Kaohsiung University of Science and Technology Zhanwei Limited (Hong Kong) Person in Charge |
| Director | Cheng, Li-Ping | Republic of China | Tamkang University Department of Statistics East Rich Electric (Group) Company Deputy General Manager, Airmate (Cayman) Chairman of International Limited |
| Director | Shih Jui-lin | Republic of China | Department of Business Administration, Idaho State University Dingxin Computer Co., Ltd. and Micro Technology Co., Ltd. Business Department Specialist |
| Director | Huang, Ching-Shu | Republic of China | Chairman of Hengrui Co., Ltd., Chairman of Hengda Mold Co., Ltd., Chairman of Huisheng Optoelectronics Technology Co., Ltd. |
| Independent Director | Lin, Chih-Lung | Republic of China | Master's Degree from the Graduate Institute of Accounting, National Cheng Kung University Lecturer at the Department of Finance and Taxation, Taipei University of Business Technology; Lecturer at the Department of Accounting Information, Southern Taiwan University of Science and Technology; Associate Professor at the Graduate Institute of Business, Tainan University of Applied Science; Partner Accountant at Yuxin United Accounting Firm; Audit Department at Zhiyuan Accounting Firm; Tax Department at Anhou Jianye Accounting Firm. |
| Independent Director | Hsu, Shih-Wen | Republic of China | Bachelor's Degree from the Department of Law, Fu Jen Catholic University Director of Tainan Bar Association; Director and Executive Director of Puli Christian Hospital Foundation; Director of Tainan Private Guanghua Senior High School; Advisory Committee Member of Tainan City Police Department. |
| Independent Director | Lin Hui-fen | Republic of China | Doctor of Accounting, National Cheng Kung University Assistant Manager, Citic Investment Trust Fund Management Department, Deputy Manager, Fubon Securities Underwriting Department, Manager, Fuhwa Securities Co., Ltd. |
| Independent Director | Yen Min-Jen | Republic of China | Visiting Scholar Professor, Cornell University, Postdoctoral Researcher, Northwestern University, Doctor of Engineering Technology, National Kaohsiung University of Science and Technology Consultant Expert in Technology and Economic Policy, United Nations Development Programme (UNDP). |

6. Stock Transfer Agency

Name: China Trust Commercial Bank (Stock) Company Agency Department, Website:

www.ctbcbank.com

Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City, Phone: (886) 2-6636-5566

7. Recent Annual Financial Report Certified Public Accountants

Accountant Names: Wang Guohua, Wu g Firm

Jianzhi

Website: www.pwc.com

Office

Phone: (886) 7-237-3116

Name: PricewaterhouseCoopers Accountin

Address: 22nd Floor, No. 95, Minzu 2nd Road, Xinxing District, Kaohsiung City

8. Name of the trading venue for overseas securities listing and the method to inquire about such overseas securities information: None.

9. Company website: <http://www.airmate-china.com>

Chapter I. Letter to the Shareholders

1. Foreword

Time does not waste, in 2024, the global economy experienced ups and downs, with geopolitical issues and inflation intertwining, hindering the company's operations. Among the external factors affecting our company, one is the decline in the real purchasing power due to currency depreciation in major export markets like Japan and South Korea, leading to a contraction in the overall home appliance consumer market; the second is the domestic market in mainland China, which is severely affected by insufficient confidence, conservative consumption, and intense competition, resulting in many adverse variables for our company's operations in 2024. Although the entire management team is striving to do their best, the overall operational situation is still difficult to describe as satisfactory. Therefore, our company is reviewing its operational performance for 2024, including optimizing product lines in the Chinese market, diversifying online channel integration, rational allocation of manufacturing bases, consistent implementation of cost reduction and efficiency enhancement, and expanding new customers and new products for export, actively facing and practicing these challenges. The company's long-term goal is to use core small home appliance products as a moat, expanding product differentiation and functional dimensions, and constructing the continuity and breadth of the brand, hoping to create sustainable business value for the company.

The following is a report on our company's operational overview for 2024 and future outlook for 2025:

Our company is the ultimate parent company of the group after being listed, mainly responsible for investment holding, with production bases located in Shenzhen, Guangdong Province, and Jiujiang, Jiangxi Province, in mainland China. In 2024, the consolidated revenue was NT\$8.13 billion, with a consolidated after-tax loss of NT\$159 million, and a consolidated after-tax loss per share of NT\$1.05. Looking ahead to 2025, although the overall economic and operating environment remains severe, there seems to be a glimmer of light at the end of the tunnel during this low point, with low inventory levels among export customers and the gradual introduction of economic stimulus measures in mainland China. Our company is actively facing the quantitative trends in the consumer market, maintaining a core rhythm of stable operations, continuously deepening the operational management and overall synergy of its subsidiaries, consolidating and expanding quality customer partnerships, enhancing full-process value-added services, and constructing sustainable ESG corporate goals.

Regarding the company's future development, the company firmly believes that by relying on the vast consumer market in mainland China and the robust industrial productivity supported by its supply chain, exports will still maintain a good competitive position. In other words, amidst the

interplay of favorable and unfavorable conditions, the company continuously pursues perfection and recognition in terms of market, product quality, and customer service. On this basis, it is expected that the company's sales situation will reverse the downward trend and stabilize. Specifically, with the multi-polar and multi-modal transformation of the market and competition, our company and all subsidiaries within the group will continue to adapt to market changes, focusing on solidly cultivating existing customer groups and expanding the breadth of customer cooperation, while increasing efforts to develop quality new customers. Since going public, the management team and all employees have adhered to the cornerstone of honest management, insisting on the development of core business operations, providing excellent products that meet market demand for the small home appliance industry, aiming to create a win-win situation for all shareholders and company employees, in return for shareholders' expectations. The long night will soon end, and with the continuous operation of various strategic improvement goals, we believe that future feedback benefits will gradually emerge, expressing our sincere gratitude to all shareholders for their long-term support of the company.

2. 2024 Annual Business Results

(1) 2024 Business Plan and Implementation Results

Unit: NT\$ thousand

| | <u>2024 Annual</u> <u>Audit Number</u> | <u>2023 Year</u> <u>Audit Number</u> | <u>Growth Rate</u> |
|-------------------------------------------------|-------------------------------------------|-----------------------------------------|--------------------|
| Consolidated Operating Revenue | 8,130,776 | 8,401,753 | -3.23% |
| Consolidated Gross Profit | 1,624,276 | 1,827,717 | -11.13% |
| Consolidated Operating Net Profit | -213,974 | -12,336 | -1634.55% |
| Consolidated Non-Operating Net Income(Expenses) | 25,278 | 52,078 | -51.46% |
| Consolidated Pre-Tax Net Profit | -188,696 | 39,742 | -574.80 % |
| Income Tax Expense | 29,486 | -13,163 | 324.01 % |
| Consolidated Total Profit and Loss | -159,210 | 26,579 | -699.01 % |

(2) Budget Execution Status

This company has not disclosed financial forecast information for the year 2024.

(3) Financial Income and Expenditure and Profitability

| Year | Item | 2024 Year | 2023 Year |
|------------------------|-------------------------|-----------|-----------|
| Financial Structure | Debt to Asset Ratio (%) | 67.38 | 61.98 |
| Debt Repayment Ability | Current Ratio (%) | 101.52 | 106.09 |
| | Quick Ratio (%) | 57.37 | 59.70 |
| Profitability | Return on Assets (%) | -1.51 | 1.04 |
| | Return on Equity (%) | -5.28 | 0.84 |
| | Net Profit Margin (%) | -1.96 | 0.32 |
| | Earnings Per Share (元) | -1.05 | 0.17 |

(4) Annual Research and New Technology Development Status

1. Annual Research and New Technology Development Achievements

- (1) Development of High Airflow PTC Electric Heater
- (2) Design and Development of Inverter Window Air Conditioner
- (3) Integrated Electric Heater for Drying Clothes and Heating
- (4) Superconducting Heating and Cooling Circulation Fan
- (5) Light-Sensitive Touch
- (6) Development of Flame Baseboard Electric Heater Series
- (7) Development of Flame (Colorful) Humidifier
- (8) Development of Heating Vaporization Humidifier
- (9) Development of Heating Clothes Steamer
- (10) Development of small portable air conditioning (compressor)
- (11) Development of small split-type portable air conditioning (compressor)
- (12) Development of refrigeration chip beer machine
- (13) Development of products with smart cameras
- (14) Development of solar cell application products

2. Future research and new technology development plan

(1) Short-term business development plan

- A. Development and research of wireless steam cleaning machines, floor cleaning machines, personal health and care products, and pet series products.
- B. Continuous increase in application research of semiconductor refrigeration chips, radar, batteries, and refrigeration chip mini refrigerators.
- C. Design and development of high humidification (2.5 liters/hour) humidifiers.
- D. Research and development of new electric heaters (flame mountain, foot line with a closable air outlet; graphene heating element).
- E. Continuous development and application research of pin structures and high-power internal winding motors.
- F. Continuous introduction of new technologies such as voice and image intelligent recognition (offline + online), motion monitoring, and gesture recognition into various products.
- G. Development of hydrogen-oxygen ion air purification ceiling fans.
- H. Development of products with compressors.
- I. Development and research of lightweight, portable heating products and home appliance kitchen and bathroom products.
- J. Development and research of composite multifunctional combination products.
- K. Development and research of solar-powered fans.

(2) Long-term business development plan

- A. Development of personal health, nursing, and cleaning appliances (disinfection, sterilization) series appliances.
- B. Research and development of medical product series.
- C. Research on the application of sensors and human-machine interaction (voice control) in smart home appliances.
- D. Research on various composite air processors (cooling, heating, humidifying).
- E. Research on the DIY direction of fresh air products.
- F. Development and application research of high cost-performance external rotor DC motors.
- G. Development and application research of pet products.
- H. Development of products with compressors.

III. Operating Plan Overview of the Year

(1) Business Policy

1. Strengthen the development of the Airmate brand, building it into a competitive and core value leading manufacturer of small household appliances for both domestic and export markets in mainland China, ensuring quality and quantity improvements, and enhancing the win-win cooperation between the company, suppliers, and customers.
2. Continuously promote the digitalization and modularization of management across companies and group enterprises, strengthen the company's product capabilities, continuously develop new products, new customers, and new markets, improve production optimization technology, and continuously invest in efficient production lines and reasonable cost control to ensure that the company's operating profits accumulate significantly.
3. Emphasize labor-capital harmony, create maximum profits for employees and shareholders, and fulfill corporate social responsibility.

(2) Expected Sales Volume and Its Basis

The main markets of the company's invested subsidiaries are located in mainland China, Northeast Asia, Southeast Asia, and Europe and the United States. Therefore, the annual expected sales volume is primarily based on local industry-related statistical data, feedback from major customer information, and judgments on future market supply and demand. Overall, the future sales volume and value of the small home appliance industry are expected to stabilize and grow moderately compared to 2024.

(3) Important Production and Sales Policies

1. Export - Northeast Asia, Southeast Asia, and Europe and the United States markets
 - The sales of products in the Japan-Korea market and the Europe and the United States market have maintained stable growth over the past two seasons. We are actively developing customers from different industries, assisting them in developing new products, and continuously cultivating the Southeast Asian market.
 - We focus on key customers and ensure that the technical team remains closely connected, deepening the investment and iterative upgrades of representative products, increasing the number of product developments (enhancing patent layout

and licensing to customers) to secure orders and balance market share. On the other hand, we also emphasize the development and sales of non-seasonal products to eliminate the limitations of sales regions affected by seasons, achieving the benefit of increasing orders.

- We comprehensively enhance export business services, including customer service platform channel integration, providing IDM services, multi-selling from one machine, R&D awards and patent sharing, and online sales strategies to improve service quality.
- We consolidate the foundation of existing export customer sales channels and expand international market cooperation channels with more cross-border e-commerce platforms, continuously promoting our own brand products on the international stage.

2. China Market

- Team Integration: Further team integration is conducted to improve labor efficiency, manage the market more accurately and efficiently, and enhance the brand's service capabilities to distributor partners and consumers, empowering distributors in the new retail era.
- Product Precision Focus: Focus on product bestsellers, extreme cost, fit the market, ensure sales efficiency, enhance production and sales operation integration. At the same time, pay close attention to the inventory turnover rate and amount of distributors and factories, reduce end-of-season inventory for distributors and factories, ultimately achieving order-based production.
- Launch outdoor appliances: Airmate has launched an outdoor series of appliances based on the development trends of the Chinese market, including outdoor camping air conditioners, outdoor folding fans, outdoor multifunctional water cups, and other products, combining outdoor scenarios with appliance supply to create a more relaxed and comfortable outdoor living experience. We believe that the outdoor appliance market in China will see huge demand and market growth.
- Marketing transformation: Fully embrace mobile internet marketing, utilizing emerging media to deeply interact with young consumers through live streaming, short videos, Weibo, public accounts, Xiaohongshu, and other social media, achieving brand rejuvenation, enhancing Airmate's visibility and reputation among various consumer groups, and increasing brand influence.

- Multi-platform healthy development: Develop differentiated product combinations suitable for various online consumer groups and sales models on major platforms such as Taobao Tmall, JD.com, Douyin, Xiaohongshu, and community live streaming, to meet the needs of different consumers. At the same time, pay attention to the development of other new sales models similar to Pinduoduo, Yunji, and NetEase Yanxuan, establishing a vertical production and sales model, extending brand share across the entire network and all channels. Additionally, engage in new sales models in secondary e-commerce channels, focusing on emerging niche traffic channels such as short video e-commerce, content e-commerce, and information flow e-commerce, targeting the precision market.
- Multi-channel store operation model: The main e-commerce platform stores have shifted from a distribution model to a direct operation model. In the past two years, the direct operation model has gradually become a channel for the brand to reach users directly, obtaining user feedback directly, communicating more timely and effectively, meeting user needs, and enhancing the service experience before and after sales, thereby improving competitiveness. At the same time, maintain existing relationships with selected online distribution customers, allowing products to capture more market share outside mainstream stores.

IV. The Company's future development strategy

This company and its affiliated investment subsidiaries will continue to focus on core business development, developing competitive high-margin products and continuously improving processes, researching new technologies, and pursuing win-win cooperation with production and sales stakeholders. We will fully invest in maintaining brand strength and customer loyalty, while actively responding to, discovering, and meeting the deep needs of end-market customers, obtaining recognition and orders for new markets, new customers, and new products through immediate responses to market changes, consolidating our position as a well-known enterprise in the small appliance market.

V. The effect of external competition, the legal environment, and the overall business environment

(1) Impact of external competitive environment

The small appliance industry is in a highly competitive environment. Our company and its subsidiaries will continue to leverage our physical advantages to adapt to the market and strengthen product differentiation, effectively controlling costs and inventory to reduce the impact of the external competitive environment.

(2) Impact of Regulatory Environment

The company and its important subsidiaries have not faced any penalties or losses from local governments or regions due to changes in the regulatory environment in the recent fiscal year.

(3) Impact of the overall economic environment

Currently, the production and operations of the company's invested subsidiaries are located in mainland China, where the market competition in the small home appliance industry is fierce. The global economic situation is unpredictable, with glimpses of hope. With the future comprehensive economic enhancement actions in mainland China, along with the continuous development of new technologies and the public's pursuit of product quality, the overall assessment remains optimistic for the future.

Wishing you prosperity and peace.

Airmate (Cayman) International Limited

Chairman: Shih, Jui-Pin

General Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei-Hsiu

Chapter II. Corporate Governance Report

I. Directors, Supervisors, President, Vice President, Assistant Vice Presidents and Managers of Departments and Branches

(1) Basic Information of Directors

1. Director Information

March 31, 2025

| Title | Nationality or Registered Location | Name | Gender Age | Election (Appointment) Date | Term | First Appointment Date | At the time of appointment Shares Held | | Currently Held Shares | | Spouse and Minor Children Currently Held Shares | | Shares Held in the Name of Others | | Main Education (Academic) Background | Currently Holding Position in This Company and Other Companies | Other Executives, Directors, or Supervisors Related by Spouse or Within Two Degrees of Kinship | | |
|---------------------------------------------------------------------------------------|------------------------------------|----------------|----------------------|-----------------------------|---------|------------------------|----------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------------------------------|-------------------------|-----------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------|--------------|
| | | | | | | | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | | | Title | Name | Relationship |
| Chairman, CEO and General Manager | Republic of China | Shih, Jui-Pin | Male 41-50 years old | 2024.06.18 | 3 years | 2011.09.01 | 1,102,238 | 0.74 | 1,102,238 | 0.74 | 851,782 | 0.57 | - | - | Department of Electronics, Chubu University of Japan, Aichi Prefecture, YUASAPRIMUS CO., LTD. Product Department Staff, Head of Pearl Place Holdings Limited | Note 1 (1)(2) | Director | Shih Jui-lin | Brother |
| Vice Chairman and General Manager of Airmate Electric (Jiujiang) Co., Ltd. Subsidiary | Republic of China | Tsai, Cheng-Fu | Male 71 - 80 years | 2024.06.18 | 3 years | 2004.04.30 | 4,378,238 | 2.92 | 4,378,238 | 2.92 | - | - | - | - | Master's Degree in Electronic Engineering, National Kaohsiung University of Science and Technology Zhanwei Limited (Hong Kong) Person in Charge | Note 2 | - | - | - |
| Director | Republic of China | Cheng, Li-Ping | Male 71-80 years old | 2024.06.18 | 3 years | 2006.12.18 | 3,447,193 | 2.30 | 3,447,193 | 2.30 | 53,736 | 0.04 | - | - | Tamkang University Department of Statistics Tongfu Electric (Co.) Deputy General Manager | Note 3 | - | - | - |
| Director | Republic | Shih Jui-lin | Male 41-50 years old | 2024.06.18 | 3 years | 2018.06.11 | 641,160 | 0.43 | 641,160 | 0.43 | 167,803 | 0.11 | - | - | Department of Business Administration, University of Idaho Staff of the Business Department of Dingxin | Note 4 | Chairman Concurrent CEO and General | Shih, Jui-Pin | Brother |

| Title | Nationality or Registered Location | Name | Gender Age | Election (Appointment) Date | Term | First Appointment Date | At the time of appointment Shares Held | | Currently Held Shares | | Spouse and Minor Children Currently Held Shares | | Shares Held in the Name of Others | | Main Education (Academic) Background | Currently Holding Positions in This Company and Other Companies | Other Executives, Directors, or Supervisors Related by Spouse or Within Two Degrees of Kinship | | |
|----------------------|------------------------------------|------------------|----------------------|-----------------------------|---------|------------------------|----------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------------------------------|-------------------------|-----------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|------|--------------|
| | | | | | | | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | | | Title | Name | Relationship |
| | of China | | | | | | | | | | | | | | Computer (Co.) and Staff of the Business Department of Micro Technology (Co.) | | Manager | | |
| Director | Republic of China | Huang, Ching-Shu | Male 61-70 years old | 2024.06.18 | 3 years | 2021.08.05 | 1,905,169 | 1.27 | 1,905,169 | 1.27 | 2,227 | 0.00 | - | - | Chairman of Hengrui Co., Ltd., Chairman of Hengda Mold Co., Ltd., Chairman of Huisheng Optoelectronics Technology Co., Ltd. | Note 5 | - | - | - |
| Independent Director | Republic of China | Lin, Chih-Lung | Male 51-60 years old | 2024.06.18 | 3 years | 2021.08.05 | - | - | - | - | - | - | - | - | Master's Degree from the Graduate Institute of Accounting, National Cheng Kung University Taipei University of Business, Department of Finance and Taxation, Lecturer; National Kaohsiung University of Science and Technology, Department of Accounting Information, Lecturer; Tainan University of Applied Science, Graduate Institute of Business, Associate Professor; Yu-Hsin United Accounting Firm, Partner; Chih-Yuan Accounting Firm, Audit Department; An-Ho Jian-Ye Accounting Firm, Tax Department | Note 6 | - | - | - |

| Title | Nationality or Registered Location | Name | Gender Age | Election (Appointment) Date | Term | First Appointment Date | At the time of appointment Shares Held | | Currently Held Shares | | Spouse and Minor Children Currently Held Shares | | Shares Held in the Name of Others | | Main Education (Academic) Background | Currently Holding Positions in This Company and Other Companies | Other Executives, Directors, or Supervisors Related by Spouse or Within Two Degrees of Kinship | | |
|----------------------|------------------------------------|---------------|------------------------|-----------------------------|---------|------------------------|----------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------------------------------|-------------------------|-----------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|------|--------------|
| | | | | | | | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | | | Title | Name | Relationship |
| Independent Director | Republic of China | Hsu, Shih-Wen | Male 51-60 years old | 2024.06.18 | 3 years | 2023.06.19 | - | - | - | - | - | - | - | - | Bachelor's Degree in Law, Fu Jen Catholic University; Director of Tainan Bar Association; Director and Executive Director of Puli Christian Hospital Foundation; Director of Tainan Private Guanghua Senior High School; Advisory Committee Member of Tainan City Police Department. | Note 7 | - | - | - |
| Independent Director | Republic of China | Lin Hui-fen | Female 51-60 years old | 2024.06.18 | 3 years | 2024.06.18 | - | - | - | - | - | - | - | - | Doctor of Accounting, National Cheng Kung University; Deputy Manager, Fund Management Department, Chinatrust Investment Trust; Assistant Manager, Underwriting Department, Fubon Securities; Manager, Fuhwa Securities Co., Ltd. | Note 8 | - | - | - |
| Independent Director | Republic of China | Yen Min-Jen | Male 41-50 years old | 2024.06.18 | 3 years | 2024.06.18 | - | - | - | - | - | - | - | - | Visiting Scholar, Cornell University, USA; Postdoctoral Research, Northwestern University, USA; Doctor of Engineering Technology, National Kaohsiung University of Science and Technology; Expert Consultant on Science and | Note 9 | - | - | - |

| Title | Nationality or Registered Location | Name | Gender Age | Election (Appointment) Date | Term | First Appointment Date | At the time of appointment Shares Held | | Currently Held Shares | | Spouse and Minor Children Currently Held Shares | | Shares Held in the Name of Others | | Main Education (Academic) Background | Currently Holding Positions in This Company and Other Companies | Other Executives, Directors, or Supervisors Related by Spouse or Within Two Degrees of Kinship | | |
|-------|------------------------------------|------|------------|-----------------------------|------|------------------------|----------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------------------------------|-------------------------|-----------------------------------|-------------------------|--------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|------|--------------|
| | | | | | | | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | Number of Shares | Share holding Ratio (%) | | | Title | Name | Relationship |
| | | | | | | | | | | | | | | | Economic Policy, United Nations Development Programme (UNDP) | | | | |

Note 1: (1) Concurrently serves as the CEO and General Manager of Airmate Group, Chairman of Airmate International Holdings Limited, Chairman of Airmate China International Limited, Chairman of Weion Development Limited,

Chairman of the Taiwan branch of Hong Kong Weion Development Limited, Chairman and General Manager of Airmate Electric (Shenzhen) Co., Ltd., Vice Chairman of Airmate Electric (Jiujiang) Co., Ltd.,
Chairman of Dongfu Electric (Stock) Company, and responsible person of Airmate E-commerce (Shenzhen) Co., Ltd., Pearl Place Holdings Ltd.

(2) When the Chairman and the General Manager or equivalent (highest management) are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and countermeasures should be explained (for example:

increasing the number of independent directors, ensuring that more than half of the directors are not concurrently serving as employees or managers, etc.) related information.

| Reasons | Rationality and Necessity | Countermeasures |
|--------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Complete industry experience | Good familiarity with customers | Actively cultivate professional managers |
| Understand the industry market | Have a thorough understanding of market changes | More than half of the company's directors do not concurrently serve as employees or managers. |
| Possess leadership skills | Has overall corporate planning capabilities | Increase one independent director seat |

Note 2: Weian Development Limited, Director, Airmate Electric (Shenzhen) Co., Ltd. Vice Chairman, Zhejiang Airmate Electric Sales Co., Ltd. Director, Joyful Oasis Ltd. Person in Charge, Airmate

Chairman and General Manager of Electric Appliances (Jiujiang) Co., Ltd., and Executive Director and Legal Representative of Airmate Technology (Shenzhen) Co., Ltd.

Note 3: Director of Weiang Development Limited.

Note 4: Airmate Electric (Shenzhen) Co., Ltd. Export Market Department Manager, Special Assistant to the Group General Manager, Director of Dongfu Electric (Stock) Company.

Note 5: Chairman of Hengrui Co., Ltd., Chairman of Hengda Mould Co., Ltd.

Note 6: Director of Zhilin United Accounting Firm, Partner Accountant, Lecturer at the Department of Accounting, National Cheng Kung University, Director of Nanguang Chemical Pharmaceutical Co., Ltd., Director of the Cheng Kung Financial and Economic Strategy Research Foundation, Independent Director of Jiahe Industrial Co., Ltd., Corporate Director Representative of Zhibao Optoelectronics Co., Ltd.

Note 7: Head Lawyer of Xu Andeli Law Firm, Supervisor of Tainan Private Guanghua Senior High School.

Note 8: Independent Director of Otsuka Information Technology Co., Ltd., Independent Director of Linhong Technology Co., Ltd., Independent Director of Jiuyuxingye Technology Co., Ltd.

Note 9: Full Professor at National Chengchi University, Director of the Digital Empowerment and Sustainable Development Research Center at National Chengchi University, Chief Academic Expert Consultant of the Asian Productivity Organization (APO) in Japan.

4. Board of Directors: Disclosure of Professional Qualifications and Independence of Independent Directors

| Conditions Name | Professional Qualifications and Experience (Note 1) | Independence Status (Note 2) | Number of Concurrent Independent Director Positions in Other Public Companies |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------|
| Chairman Shih, Jui-Pin | Graduated from Chubu University of Aichi Prefecture, Japan, with a major in Electronics. Currently serves as the Chairman, CEO, and General Manager of the company, possessing over five years of work experience in business, finance, and corporate operations. Committed to the small appliance industry, with professional capabilities in leadership, marketing, operations management, and strategic planning, leading the company towards becoming an industry pioneer and achieving sustainable growth. No circumstances under Article 30 of the Company Law. | Not applicable | None |

| Conditions Name | Professional Qualifications and Experience (Note 1) | Independence Status (Note 2) | Number of Concurrent Independent Director Positions in Other Public Companies |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------|
| Director Tsai, Cheng-Fu | <p>Graduated from the Master's program in Electronic Engineering at National Kaohsiung University of Science and Technology, currently serving as the Vice Chairman of the Group and a Director of its subsidiaries. He has over five years of experience in business, finance, and corporate operations, with more than 25 years of dedication to the small appliance industry. He is also the founding Secretary-General and Honorary President of the Shenzhen Taiwanese Business Association, possessing strong operational management skills and extensive planning experience in the industry.</p> <p>No circumstances under Article 30 of the Company Law.</p> | Not applicable | None |
| Director Cheng, Li-Ping | <p>Graduated from Tamkang University with a degree in Statistics, previously served as the Deputy General Manager of Dongfu Electric Co., Ltd. and General Manager of Airmate Group, currently serves as a director of the company's subsidiary, Weiang Development Co., Ltd. With over five years of work experience in business, finance, and corporate operations, he has dedicated more than 25 years to the small appliance industry, possessing professional leadership, international market promotion and marketing, operational management, and strategic planning capabilities, along with extensive industry experience.</p> <p>No circumstances under Article 30 of the Company Law.</p> | Not applicable | None |
| Director Shih Jui-lin | <p>Department of Business Administration, University of Idaho</p> <p>Formerly served as a staff member in the Business Department of Dingxin Computer Co., Ltd., Micro Technology (Stock) Company Business Department Staff</p> <p>One of the company's former directors, with over five years of work experience required in business, finance, and corporate operations.</p> <p>No circumstances under Article 30 of the Company Law.</p> | Not applicable | None |

| Conditions Name | Professional Qualifications and Experience (Note 1) | Independence Status (Note 2) | Number of Concurrent Independent Director Positions in Other Public Companies |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Director Huang, Ching-Shu | <p>Currently serving as the Chairman of Heng Rui Co., Ltd. and the Chairman of Heng Da Mould Co., Ltd., with over five years of experience in business, finance, and corporate operations. He is dedicated to specializing in the production of various home appliance molds and the development and technical research of plastic molds, with over 30 years of experience in related industries, providing professional advice on the development and technology of the company's product molds.</p> <p>No circumstances under Article 30 of the Company Law.</p> | Not applicable | None |
| Independent Director Lin, Chih-Lung | <p>Graduated with a Master's degree in Accounting from National Cheng Kung University, passed the national accountant examination of the Republic of China, and holds professional licenses as an accountant, land administration agent, internal auditor of the Republic of China, and international internal auditor. He has over five years of experience in business, legal, financial, accounting, or corporate operations. He is the convener of the company's audit committee and a member of the compensation committee, currently serving as the director of Zhi Li United Accounting Firm, a partner accountant, a director of Nanguang Chemical Pharmaceutical Co., Ltd., an independent director of Jiahe Industrial Co., Ltd., and a corporate director representative of Zhibao Optoelectronics Co., Ltd., with rich experience in accounting practice and diverse industries.</p> <p>No circumstances under Article 30 of the Company Law.</p> | <p>The independent directors of the company meet the independence criteria.</p> <p>The independent director, their spouse, and their relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the company or other related enterprises; do not hold shares of the company; and do not serve as directors, supervisors, or employees of companies with specific relationships with the company.</p> <p>No remuneration has been received in the past two years for providing business, legal, financial, accounting, or other services to the company or its related enterprises.</p> | 1 |

| Conditions Name | Professional Qualifications and Experience (Note 1) | Independence Status (Note 2) | Number of Concurrent Independent Director Positions in Other Public Companies |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Independent Director Hsu, Shih-Wen | <p>Graduated with a Bachelor's degree in Law from Fu Jen Catholic University, passed the national lawyer examination of the Republic of China, and holds a professional license as a lawyer. He has over five years of experience in business, legal, financial, accounting, or corporate operations. He is the convener of the company's compensation committee and a member of the audit committee, currently serving as a council member of the Tainan Bar Association, a director and executive director of Puli Christian Hospital Foundation, and a board member of Guanghua Senior High School in Tainan City, as well as a consulting committee member of the Tainan City Police Department.</p> <p>No circumstances under Article 30 of the Company Law.</p> | <p>The independent directors of the company meet the independence criteria.</p> <p>The independent director, their spouse, and their relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the company or other related enterprises; do not hold shares of the company; and do not serve as directors, supervisors, or employees of companies with specific relationships with the company.</p> <p>No remuneration has been received in the past two years for providing business, legal, financial, accounting, or other services to the company or its related enterprises.</p> | None |
| Independent Director Lin Hui-fen | <p>Ph.D. in Accounting from National Cheng Kung University, passed the national accountant examination of the Republic of China, and holds professional licenses as an accountant and land administration agent. He has over five years of experience in business, legal, financial, accounting, or corporate operations. He is a member of the company's compensation committee and audit committee, currently serving as a partner accountant at Wei Yang United Accounting Firm in Taichung, an independent director of Otsuka Information Technology Co., Ltd., an independent director of Jiu Yu Industrial Technology Co., Ltd., and an independent director of Lin Hong Technology Co., Ltd.</p> <p>No circumstances under Article 30 of the Company Law.</p> | <p>The independent directors of the company meet the independence criteria.</p> <p>The independent director, their spouse, and their relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the company or other related enterprises; do not hold shares of the company; and do not serve as directors, supervisors, or employees of companies with specific relationships with the company.</p> <p>No remuneration has been received in the past two years for providing business, legal, financial, accounting, or other services to the company or its related enterprises.</p> | 3 |

| Conditions Name | Professional Qualifications and Experience (Note 1) | Independence Status (Note 2) | Number of Concurrent Independent Director Positions in Other Public Companies |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Independent Director Yen Min-Jen | <p>Visiting scholar professor at Cornell University, postdoctoral research at Northwestern University, and Ph.D. in Engineering Technology from National Kaohsiung University of Science and Technology, with over five years of experience in business, legal, financial, accounting, or corporate operations. He is a member of the company's compensation committee and audit committee, currently serving as a full-time professor at National Chengchi University, the director of the Digital Empowerment and Sustainable Development Research Center at National Chengchi University, and the chief academic expert advisor of the Asian Productivity Organization (APO) in Japan.</p> <p>No circumstances under Article 30 of the Company Law.</p> | <p>The independent directors of the company meet the independence criteria.</p> <p>The independent director, their spouse, and their relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the company or other related enterprises; do not hold shares of the company; and do not serve as directors, supervisors, or employees of companies with specific relationships with the company.</p> <p>No remuneration has been received in the past two years for providing business, legal, financial, accounting, or other services to the company or its related enterprises.</p> | None |

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of each director. If they are members of the audit committee and possess accounting or financial expertise, their accounting or financial background and work experience should be specified, along with an explanation of whether they meet the conditions of Article 30 of the Company Act. Additionally, explain whether they do not meet any of the conditions specified in Article 30 of the Company Act.

Note 2: Independent directors should specify the circumstances that meet independence, including but not limited to whether they, their spouses, or relatives within the second degree are serving as directors of the company or its affiliated enterprises.

Supervisors or employees; the number and proportion of company shares held by oneself, spouse, and relatives within the second degree of kinship (or using another person's name); whether they serve as directors, supervisors, or employees of companies that have a specific relationship with this company (refer to Article 3, Paragraph 1, Items 5-8 of the Regulations on the Establishment and Compliance Matters of Independent Directors for Publicly Issued Companies); the amount of remuneration obtained for providing business, legal, financial, accounting, and other services to this company or its affiliated enterprises in the last two years.

5. Board Diversity and Independence:

(1) Board Diversity:

The company's goal for board member diversity is to ensure that the number of board seats for each gender reaches at least one-third, and that the number of board seats held by employee representatives does not exceed one-third.

Currently, there are 9 board members, including 4 independent directors. The implementation of diversity among all directors is as follows:

①The proportion of female directors is 11%, while the proportion of male directors is 89%. The composition of the Board of Directors is primarily based on the candidate's professional

background, experience, and involvement and contribution to the company's future development. There is no specific limit on gender ratio. Therefore, no specific target has been set yet. Gender equality among Board members will be gradually implemented during the next board election.

②The proportion of directors who are employee representatives is 33%, and the proportion of independent directors is 44%, which complies with regulations.

③There are 2 directors aged over 70; 1 director aged 61-70; 3 directors aged 51-60; and 3 directors aged 41-50.

④4 directors have a tenure of more than 10 years; 2 directors have a tenure of 3-9 years; and 3 directors have a tenure of less than 3 years.

⑤The core diversity items for each director are as follows:

| Diversified Core Projects | | Gender | Part-time Employees | Management | Leadership Decision-making | Industry Knowledge | Financial Accounting | Legal Practice |
|---------------------------|------------------|--------|---------------------|------------|----------------------------|--------------------|----------------------|----------------|
| Director's Name | | | | | | | | |
| Director | Shih, Jui-Pin | Male | V | V | V | V | | |
| Director | Tsai, Cheng-Fu | Male | V | V | V | V | | |
| Director | Cheng, Li-Ping | Male | | V | | V | | |
| Director | Shih Jui-lin | Male | | V | | V | | |
| Director | Chen, Yen-Fu | Male | | V | | V | | |
| Director | Huang, Ching-Shu | Male | | V | | V | | |
| Independent Director | Lin, Chih-Lung | Male | | V | | V | V | |
| Independent Director | Hsu, Shih-Wen | Male | | V | | V | | V |
| Independent Director | Lin Hui-fen | Female | | V | | V | V | |
| Independent Director | Yen Min-Jen | Male | | V | | V | | |

(2) Independence of the Board of Directors:

The election process for all directors of the company is open and fair, in accordance with the company's "Articles of Association," "Director Election Measures," "Corporate Governance Best Practice Principles," "Regulations on the Establishment and Election of Independent Directors for Publicly Issued Companies," and "Article 14-2 of the Securities Exchange Act." The current composition of the board of directors consists of 4 independent directors (44%) and 5 other directors (56%).

Chairman Shih JuiPin and Director Shi Juilin, two of the Company's nine directors, are second-degree relatives (22%). The remaining seven directors and independent directors do not have spouses or relatives within the second degree of kinship (78%). Less than half (50%) of the Company's directors are spouses or relatives within the second degree of kinship. Therefore, the Company complies with the provisions of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

The board of directors of the company guides the company's strategy, supervises the management team, and is accountable to the company and its shareholders. In the operations and arrangements of the corporate governance system, the board of directors exercises its powers in accordance with laws, the company's articles of association, or resolutions of the shareholders' meeting. The board emphasizes independent operation and transparency. Directors and independent directors are independent entities that exercise their powers independently. The four independent directors also follow relevant legal regulations, in conjunction with the powers of the audit committee, to review the management of existing or potential risks within the company, thereby effectively supervising the implementation of internal controls, the appointment (dismissal) of certified public accountants, their independence, and the proper preparation of financial statements. In addition, the company's "Election Method for Directors" stipulates that the election of directors and independent directors adopts a cumulative voting system and a candidate nomination system, encouraging shareholder participation. Shareholders holding a certain number of shares can propose a list of candidates, and the qualification review of those candidates and confirmation of any violations of the provisions listed in Article 30 of the Company Law are conducted in accordance with the law and announced, protecting shareholders' rights and preventing the monopolization or excessive proliferation of nomination rights, thus maintaining independence.

The company has established a performance evaluation system for the board of directors, conducting an internal self-assessment of the board and a self-assessment of board members once a year. The evaluation results are reported to the board of directors and disclosed in the company's annual report and website.

In summary, the Board of Directors of the Company is independent as a whole.

(2) Information on the general manager, deputy general manager, assistant managers, and heads of departments and branches

| Title | Nationality | Name | Gender | Date of appointment | Shares Held | | Shares held by spouse and minor children | | Shares Held in the Name of Others | | Main work (academic) experience | Current positions held in other companies | | | Managers with a spouse or relatives within the second degree of kinship | | |
|---------------------------------------------------------------------------------------|---------------------------|------------------------|--------|---------------------|------------------|------------------------|------------------------------------------|------------------------|-----------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|-------------------------------------------------------------------------|---|--|
| | | | | | Number of Shares | Shareholding Ratio (%) | Number of Shares | Shareholding Ratio (%) | Number of Shares | Shareholding Ratio (%) | | | | | | | |
| Chairman, General Manager, and CEO | Chinese Republic of China | Shih, Jui-Pin (Note 1) | Male | 2019.08.08 | 1,102,238 | 0.72 | 851,782 | 0.57 | - | - | Chubu University of Japan, Aichi Prefecture, Vocational School Electronics Department, YUASAPRIMUS CO., LTD, Product Department Staff | Concurrent Executive Director and General Manager of Airmate Group, Chairman of Airmate International Holdings Limited, Chairman of Airmate China International Limited, Chairman of Weion Development Limited, Chairman of Weion Development Limited Taiwan Branch, Chairman and General Manager of Airmate Electric (Shenzhen) Co., Ltd, Vice Chairman of Airmate Electric (Jiujiang) Co., Ltd, Chairman of Dongfu Electric (Stock) Company, Airmate E-commerce (Shenzhen) Co., Ltd | - | - | - | - | |
| Vice Chairman and General Manager of Airmate Electric (Jiujiang) Co., Ltd. Subsidiary | Republic of China | Tsai, Cheng-Fu | Male | 2020.12.17 | 4,378,238 | 2.86 | - | - | - | - | Master's Degree in Electronic Engineering, National Kaohsiung University of Science and Technology Person in charge of Zhanwei Limited (Hong Kong) | The company's Vice Chairman, Director of Weiang Development Co., Ltd., Vice Chairman of Airmate Electric (Shenzhen) Co., Ltd., Director of Zhejiang Airmate Electric Sales Co., Ltd., Head of Joyful Oasis Ltd., Chairman and General Manager of Airmate Electric (Jiujiang) Co., Ltd., Executive Director and Legal Representative of Airmate Technology (Shenzhen) Co., Ltd. | | | | | |

| | | | | | | | | | | | | | | |
|------------------------------------------|---------------------------------|---------------------|--------|------------|---------|------|---|---|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|
| Chief Operating Officer | Chinese Republic of China | Tseng, Chao-Ting | Male | 2018.11.14 | 320,339 | 0.21 | - | - | - | Department of International Trade, Central China Normal University Finance Manager at Airmate Electric (Shenzhen) Co., Ltd., Purchasing Manager at Qisda Corporation, Assistant Manager of Supply Chain Management at Tsann Kuen (Zhangzhou) Co., Ltd. | General Manager of Dongfu Electric Co., Ltd., Director of Airmate Electric (Jiujiang) Co., Ltd. | - | - | - |
| Head of China Market Department | China Mainland | Lei Yan | Female | 2018.09.10 | - | - | - | - | - | Department of Law, Hunan Provincial Hengyang Public Security Cadre School Director of China Market Department, Airmate Electric (Shenzhen) Co., Ltd. | General Manager of Airmate Technology (Shenzhen) Co., Ltd., General Manager of Airmate E-commerce (Shenzhen) Co., Ltd., Supervisor of Material Technology (Foshan) Co., Ltd., Supervisor of Xiangdao Technology (Shenzhen) Co., Ltd. | - | - | - |

March 31, 2025

| Title | Nationality | Name | Gender | Date of appointment | Shares Held | | Shares held by spouse and minor children | | Shares Held in the Name of Others | | Main work (academic) experience | Current positions held in other companies | Managers with a spouse or relatives within the second degree of kinship | | |
|-------------------------------------------------|---------------------------|--------------|--------|---------------------|------------------|------------------------|------------------------------------------|------------------------|-----------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------|--------------|
| | | | | | Number of Shares | Shareholding Ratio (%) | Number of Shares | Shareholding Ratio (%) | Number of Shares | Shareholding Ratio (%) | | | Title | Name | Relationship |
| Accounting Manager and Chief Governance Officer | Chinese Republic of China | Ho, Mei-Hsiu | Female | 2019.01.10 | 122,322 | 0.08 | - | - | - | - | Department of Financial Management, National Kaohsiung University of Science and Technology Manager of the Audit Department, Anhou Jianye Certified Public Accountants | Accounting Manager of Airmate International Holdings Limited, Airmate China International Limited, Weiang Development Limited, Hong Kong Weiang Development Limited Taiwan Branch, Airmate Electric (Shenzhen) Co., Ltd. and Airmate Electric (Jiujiang) Co., Ltd., Supervisor of Zhejiang Airmate Electric Sales Co., Ltd., Airmate Technology (Shenzhen) Co., Ltd. and Airmate E-commerce (Shenzhen) Co., Ltd. | - | - | - |

Note 1: If the Chairman and the General Manager or equivalent position (highest manager) are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and countermeasures should be explained:

| Reasons | Rationality and Necessity | Countermeasures |
|--------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Complete industry experience | Good familiarity with customers | Actively cultivate professional managers |
| Understand the industry market | Have a thorough understanding of market changes | More than half of the company's directors do not concurrently serve as employees or managers. |
| Possess leadership skills | Has overall corporate planning capabilities | Increase one independent director seat |

II. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, General Manager, and Deputy General Managers

1. Remuneration for general directors and independent directors

(1). Recently (2024) Annual payment of directors' remuneration

Unit: Thousand Yuan

| Title | Name | Directors' remuneration | | | | | | | | Total amount of A, B, C, and D and the proportion of after-tax net profit (%) (Note 2) | Employees concurrently receiving related remuneration | | | | | | Total amount of A, B, C, D, E, F, and G and the proportion of after-tax net profit (%) (Note 2) | Remuneration received from subsidiaries outside of investment projects or from the parent company | | |
|-----------------------------------------------------------|------------------------|-------------------------|------------------------|--------------------------------------|--------------------------------|-----------------------------------------|------------------------|------------------------------------|--------------|----------------------------------------------------------------------------------------|-------------------------------------------------------|-------------|--------------|--------------|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------|------|
| | | Compensation (A) | Retirement pension (B) | Directors' remuneration (C) (Note 1) | Business Execution Expenses(D) | Salary, bonus, and special expenses (E) | Retirement pension (F) | Employee compensation (G) (Note 1) | This company | | All companies in the financial report | Cash amount | Stock amount | This company | All companies in the financial report | Cash amount | Stock amount | | | |
| Chairman, concurrently serving as CEO and General Manager | Shih, Jui-Pin | - | 618 | - | - | - | - | 30 | 30 | 30 -0.02% | 648 -0.41% | - | 6,123 | - | - | - | - | 30 -0.02% | 6,771 -4.25% | None |
| Director | Tsai, Cheng-Fu | - | 617 | - | - | - | - | 30 | 30 | 30 -0.02% | 647 -0.41% | 2,140 | 4,677 | - | - | - | - | 2,170 -1.36% | 5,324 -3.35% | None |
| Director | Cheng, Li-Ping | - | 1,200 | - | - | - | - | 30 | 30 | 30 -0.02% | 1,230 -0.77% | - | - | - | - | - | - | 30 -0.02% | 1,230 -0.77% | None |
| Director | Shih, Jui-Lin (Note 3) | - | - | - | - | - | - | 20 | 20 | 20 -0.01% | 20 -0.01% | - | 1,145 | - | 16 | - | - | 20 -0.01% | 1,181 -0.74% | None |

| | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|----------------------------------------------------------------------------------------------|-------|-------|---|---|---|---|----|----|-----------------|-----------------|---|-----|---|----|---|---|---|---|---|-----------------|-----------------|------|
| Director | Huang, Ching-Shu (Note 3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | None |
| Independent Director | Lin, Chih-Lung | 1,200 | 1,200 | - | - | - | - | 30 | 30 | 1,230 -0.77% | 1,230 -0.77% | - | - | - | - | - | - | - | - | - | 1,230 -0.77% | 1,230 -0.77% | None |
| Independent Director | Hsu, Shih-Wen | 1,200 | 1,200 | - | - | - | - | 30 | 30 | 1,230 -0.77% | 1,230 -0.77% | - | - | - | - | - | - | - | - | - | 1,230 -0.77% | 1,230 -0.77% | None |
| Independent Director | Lin Hui-fen (Note 4) | 643 | 643 | - | - | - | - | 20 | 20 | 663 -0.42 % | 663 -0.42 % | - | - | - | - | - | - | - | - | - | 663 -0.42 % | 663 -0.42 % | None |
| Independent Director | Yen Min-Jen (Note 4) | 643 | 643 | - | - | - | - | 20 | 20 | 663 -0.42 % | 663 -0.42 % | - | - | - | - | - | - | - | - | - | 663 -0.42 % | 663 -0.42 % | None |
| Director | PEARL PLACE HOLDINGS LIMITED - Representative: Shih, Jui-Lin (Note 3) | - | - | - | - | - | - | 10 | 10 | 10 -0.01 % | 10 -0.01 % | - | 930 | - | 13 | - | - | - | - | - | 10 -0.01 % | 953 -0.60% | None |
| Director | Chen, Yen-Fu (Note 3) | - | - | - | - | - | - | 10 | 10 | 10 -0.01 % | 10 -0.01 % | - | - | - | - | - | - | - | - | - | 10 -0.01 % | 10 -0.01 % | None |
| Director | China Trust Commercial Bank Custodian Daji Limited Investment Account Representative: Huang, | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | None |

| | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|-------------------------------------|-----|-----|---|---|---|---|----|----|-----|-----|------------|------------|---|---|---|---|---|---|---|------------|-----|-----|
| | Ching-S hu (Note 3) | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Chen, Ming-Cha ng (Note 4) | 557 | 557 | - | - | - | - | 10 | 10 | 567 | 567 | -0.35 % | -0.35 % | - | - | - | - | - | - | - | -0.35 % | 567 | 567 |
| Independent Director | Chi, Lai-Ping (Note 4) | 557 | 557 | - | - | - | - | 5 | 5 | 562 | 562 | -0.35 % | -0.35% | - | - | - | - | - | - | - | -0.35 % | 562 | 562 |

Explanation:

1. The policy, system, standards, and structure for the remuneration of independent directors, as well as the relationship between the remuneration amount and factors such as responsibilities, risks, and time invested: In consideration of maintaining the professionalism and independence of independent directors, the independent directors of our company, in addition to receiving

In addition to fixed remuneration and travel expenses for attending meetings, directors do not participate in the distribution of remuneration from the company's profits. Their remuneration is determined by the board of directors based on industry standards.

2. In addition to the disclosures in the above table, the directors of the company for the most recent year received no remuneration for services provided to all companies in the financial report (such as serving as non-employee consultants, etc.).

Note 1: The loss compensation plan for the most recent fiscal year (2024) was approved by the Board of Directors (2025.02.27) but has not yet been approved by the shareholders' meeting. Due to the company's loss in 2024, no employee or director compensation has been allocated.

Note 2: The after-tax net loss of the company and consolidated financial reports for the year 2024 is 159,210 thousand yuan.

Note 3: Mr. Shi Ruilin and Mr. Huang, Ching-Shu were newly elected as directors of the company at the shareholders' meeting on June 18, 2024; the representative of the board PEARL PLACE HOLDINGS LIMITED: Mr. Shi Ruilin, Mr. Chen, Yen-Fu, and the representative of the investment account of the trustee China Trust Commercial Bank for Daji Co., Ltd.: Mr. Huang, Ching-Shu did not continue as directors of the company due to the expiration of their term.

Note 4: Independent directors Ms. Lin Hui-fen and Mr. Yen Min-Jen were newly elected as independent directors of the company at the shareholders' meeting on June 18, 2024; independent directors Mr. Chen, Ming-Chang and Mr. Chi, Lai-Ping did not renew their terms as independent directors of the company.

Compensation Scale

| Remuneration levels for each director of the company | Director's Name | | | |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| | Total remuneration for the first four items (A+B+C+D) | | Total remuneration for the first seven items (A+B+C+D+E+F+G) | |
| | This company | All companies in the consolidated financial statements | This company | All companies in the consolidated financial statements |
| Below 1,000,000 yuan | Shih, Jui-Pin, Tsai, Cheng-Fu, Cheng, Li-Ping, Shi Ruilin, Huang, Ching-Shu, Chen, Yen-Fu, Chen, Ming-Chang, Chi, Lai-Ping, Yen Min-Jen, Lin Hui-fen | Shih, Jui-Pin, Tsai, Cheng-Fu, Shi Ruilin, Huang, Ching-Shu, Chen, Yen-Fu, Chen, Ming-Chang, Chi, Lai-Ping, Yen Min-Jen, Lin Hui-fen | Shih, Jui-Pin, Cheng, Li-Ping, Shi Ruilin, Huang, Ching-Shu, Chen, Yen-Fu, Chen, Ming-Chang, Chi, Lai-Ping, Yen Min-Jen, Lin Hui-fen | Huang, Ching-Shu, Chen, Yen-Fu, Chen, Ming-Chang, Chi, Lai-Ping, Yen Min-Jen, Lin Hui-fen |
| 1,000,000 yuan (including) ~ 2,000,000 yuan (excluding) | Lin, Chih-Lung, Hsu, Shih-Wen | Cheng, Li-Ping, Hsu, Shih-Wen, Lin, Chih-Lung | Lin, Chih-Lung, Hsu, Shih-Wen | Cheng, Li-Ping, Lin, Chih-Lung, Hsu, Shih-Wen |
| 2,000,000 Yuan (including) ~ 3,500,000 Yuan (excluding) | - | - | Tsai, Cheng-Fu | Shih Jui-lin |

| | | | | |
|------------------------------------------------------------|----------|----------|----------|-------------------------------|
| 3,500,000 Yuan (including) ~ 5,000,000 Yuan (excluding) | - | - | - | - |
| 5,000,000 Yuan (including) ~ 10,000,000 Yuan (excluding) | - | - | - | Shih, Jui-Pin, Tsai, Cheng-Fu |
| 10,000,000 Yuan (including) ~ 15,000,000 Yuan (excluding) | - | - | - | - |
| 15,000,000 Yuan (including) ~ 30,000,000 Yuan (excluding) | - | - | - | - |
| 30,000,000 Yuan (including) ~ 50,000,000 Yuan (excluding) | - | - | - | - |
| 50,000,000 Yuan (including) ~ 100,000,000 Yuan (excluding) | - | - | - | - |
| Over 100,000,000Yuan | - | - | - | - |
| Total | 12People | 12People | 12People | 12People |

2. Compensation of Supervisors: Not applicable.

3. Compensation of the General Manager and Deputy General Manager(Remuneration of the top five highest-paid executives)

Unit: Thousand Yuan

| Title | Name | Salary (A) | | Retirement pension (B) | | Bonus and Special Expenses, etc. (C) | | Employee Compensation Amount ((D)) (Note 1) | | | | A, B, C, and D total amount and the proportion of net profit after tax (%) (Note 1) | Remuneration received from subsidiaries outside of investment projects or from the parent company | | |
|-----------------------------------------------------------|------------------|--------------|---------------------------------------|------------------------|---------------------------------------|--------------------------------------|---------------------------------------|------------------------------------------------|--------------|---------------------------------------|--------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------|--|
| | | This company | All companies in the financial report | This company | All companies in the financial report | This company | All companies in the financial report | This company | | All companies in the financial report | | | | | |
| | | | | | | | | Cash amount | Stock amount | Cash amount | Stock amount | | | | |
| Chairman concurrently serves as CEO and General Manager | Shih, Jui-Pin | — | 5,054 | — | — | — | 1,070 | — | — | — | — | 6,124 -3.85% | None | | |
| Vice Chairman Subsidiary Jiujiang Company General Manager | Tsai, Cheng-Fu | — | 2,537 | — | — | 2,140 | 2,140 | — | — | — | — | 2,140 -1.34% | 4,677 -2.94% | | |
| Chief Operating Officer | Tseng, Chao-Ting | — | 2,475 | — | — | — | 360 | — | — | — | — | — | 2,835 -1.78% | None | |
| China Marketing Department Headquarters Director | Lei Yan | — | 3,293 | — | — | — | 745 | — | — | — | — | — | 4,038 -2.54% | None | |
| Chief Financial Officer | Ho, Mei-Hsiu | — | 2,475 | — | 30 | — | 360 | — | — | — | — | — | 2,865 1.79% | None | |

Note 1: The after-tax net loss of the company and consolidated financial reports for the fiscal year 2024 is 159,210 thousand NTD.

Compensation Scale

| Compensation levels for the company's various general managers and deputy general managers | Names of General Managers and Deputy General Managers | |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------|
| | This company | All companies in the financial report |
| Below 1,000,000 yuan | Shih, Jui-Pin, Tseng, Chao-Ting, He Meixiu, Lei Yan | - |
| 1,000,000 yuan (including) ~ 2,000,000 yuan (excluding) | - | - |
| 2,000,000 Yuan (including) ~ 3,500,000 Yuan (excluding) | Tsai, Cheng-Fu | Tseng, Chao-Ting, He Meixiu |
| 3,500,000 Yuan (including) ~ 5,000,000 Yuan (excluding) | - | Tsai, Cheng-Fu, Lei Yan |
| 5,000,000 Yuan (including) ~ 10,000,000 Yuan (excluding) | - | Shih, Jui-Pin |
| 10,000,000 Yuan (including) ~ 15,000,000 Yuan (excluding) | - | - |
| 15,000,000 Yuan (including) ~ 30,000,000 Yuan (excluding) | - | - |
| 30,000,000 Yuan (including) ~ 50,000,000 Yuan (excluding) | - | - |
| 50,000,000 Yuan (including) ~ 100,000,000 Yuan (excluding) | - | - |
| Over 100,000,000 Yuan | - | - |
| Total | 5 people | 5 people |

4. Names of managers distributing employee compensation and distribution situation:

March 31, 2025 Unit: thousand NTD

| | Title | Name | Stock amount | Cash amount | Total | The proportion of total amount to net profit after tax (%) |
|----------------------------|---------------------------------------------------------|------------------|--------------|-------------|-------|------------------------------------------------------------|
| M e a t u v | Chairman concurrently serves as CEO and General Manager | Shih, Jui-Pin | - | - | - | - |
| | Chief Operating Officer | Tseng, Chao-Ting | | | | |
| | Deputy General Manager | Park Won-cheol | | | | |
| | China Marketing Department Headquarters Director | Lei Yan | | | | |
| | Accounting Manager and Public Corporate Governance | Ho, Mei-Hsiu | | | | |
| | Financial Manager | Lin Huangming | | | | |

Note 1: The loss compensation plan for the most recent fiscal year (2024) was approved by the Board of Directors (2025.02.27). Due to the losses incurred by the company in 2024, it is not intended to distribute employee bonuses or compensation for directors and supervisors, and it has not yet been approved by the shareholders' meeting.

(4) A comparative analysis of the total remuneration paid by the company and all companies in the consolidated financial statements to the company's directors, supervisors, general manager, and deputy general manager over the past two years, as a percentage of the individual or separate financial report's after-tax net profit, along with an explanation of the policies, standards, and combinations for remuneration, the procedures for determining remuneration, and the relationship with operational performance and future risks:

(1) The total remuneration paid to directors, supervisors, the general manager, and deputy general managers in the last two years as a percentage of net profit after tax

| Item | Fiscal Year 2024 | | Fiscal Year 2023 | |
|---------------------------------------------------------|--------------------------------------------------------|---------------------------------------|--------------------------------------------------------|---------------------------------------|
| | Total Amount as a Percentage of Net Profit After Tax % | | Total Amount as a Percentage of Net Profit After Tax % | |
| | This company | All companies in the financial report | This company | All companies in the financial report |
| Directors' remuneration | -4.51 | -12.80 | 32.89 | 99.70 |
| General Manager and Deputy General Manager Remuneration | -1.34 | -12.90 | 7.78 | 80.96 |

Note: The after-tax net (loss) income of the company and the consolidated financial report for the years 2020 and 2023 are (159,210) thousand yuan and 26,579 thousand yuan, respectively.

The total remuneration paid to directors, general managers, and deputy general managers of the Company and all consolidated subsidiaries in 2024 decreased compared to 2023. This was primarily due to the operating losses incurred in the current year, resulting in a corresponding decrease in remuneration linked to operating performance.

(2) Policy, standards and combination of remuneration payment

A. Directors

Director remuneration may be determined by the board of directors based on the recommendations of the compensation committee and the general standards of other peers. Director remuneration includes travel expenses, profit distribution remuneration, and business execution remuneration. The profit distribution remuneration is specified in the company's articles of association, and after paying the applicable income tax and compensating for previous years' losses, 10% of the remaining amount is allocated as statutory surplus reserve and special surplus reserve, and the proposal is submitted to the shareholders' meeting for approval by

the board of directors within a limit of no more than three percent.

B. General Manager and Deputy General Manager

The remuneration of the General Manager and Deputy General Manager is handled according to their positions, contributions to the company, and reference to industry standards, in accordance with the company's personnel regulations.

(3) Procedure for determining remuneration

A. Directors

Independent directors, based on their duties, independently perform their duties and participate in corporate governance. They receive a fixed monthly remuneration of NT\$100,000, regardless of the company's profits or losses, and do not participate in any profit-sharing. Directors who also hold group operations and management responsibilities receive a fixed monthly salary. Other general directors receive no salary except travel expenses for attendance.

B. General Manager and Deputy General Manager

Based on the "Performance Appraisal Management Regulations", the compensation is based on the company's overall operating performance, future industry risks and development trends, as well as individual performance achievement rates and contributions to the company, to provide reasonable compensation. The relevant performance appraisal and compensation rationality are reviewed by the Remuneration Committee and the Board of Directors, and will be reviewed at any time based on actual operating conditions and relevant laws and regulations.

(4) Correlation with operating performance and future risks

The review of relevant payment standards and systems is primarily based on the company's overall operating performance, future industry risks and development trends, and payment standards are determined based on performance achievement rate and contribution level to enhance the overall organizational team effectiveness of the board of directors and management.

We also reference industry compensation standards to ensure that management compensation is competitive within the industry, thereby retaining outstanding management talent. Linking the Company's operating results with management performance and compensation positively impacts overall corporate performance and maximizes shareholder value. Important decisions made by management are made after carefully considering various risk factors. The performance of these decisions is reflected in the Company's profitability, which in turn is linked to management compensation and Directors' remuneration.

III Implementation of Corporate Governance

(1) Board of Directors Operations

(1) Information on the operation of the Board of Directors

2024 Annual Board Meeting 6 times (A) the attendance of directors is as follows:

| Title | Name | Actual attendance (B) | Number of Delegated Attendances | Actual Attendance Rate (%) 【B/A】 | Remarks |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------|
| Chairman concurrently serves as CEO and General Manager | Shih, Jui-Pin | 6 | - | 100 | 2024.06.18 The shareholders' general meeting re-elected, with 6 attendances required. |
| Director | Cheng, Li-Ping | 6 | - | 100 | 2024.06.18 The shareholders' general meeting reappointment, should attend times 6 times. |
| Director | Tsai, Cheng-Fu | 6 | - | 100 | 2024.06.18 The shareholders' general meeting re-elected, with 6 attendances required. |
| Director | Shih Jui-lin | 4 | - | 100 | 2024.06.18 Shareholders' Meeting New Appointment, required attendance 4 times. |
| Director | Huang, Ching-Shu | 0 | 4 | 0 | 2024.06.18 Dismissed after the full re-election of the board of directors, required attendance 4 times. |
| Independent Director | Lin, Chih-Lung | 6 | - | 100 | 2024.06.18 The shareholders' general meeting reappointment, should attend times 6 times. |
| Independent Director | Hsu, Shih-Wen | 6 | - | 100 | 2024.06.18 The shareholders' general meeting reappointment, should attend times 6 times. |
| Independent Director | Yen Min-Jen | 4 | - | 100 | 2024.06.18 Shareholders' Meeting New Appointment, required attendance 4 times. |
| Independent Director | Lin Hui-fen | 4 | - | 100 | 2024.06.18 Shareholders' Meeting New Appointment, required attendance 4 times. |
| Director | Chen, Yen-Fu | 2 | - | 100 | 2024.06.18 Not reappointed after the full re-election of the board of directors, required attendance 2 times. |
| Corporate Director | Pearl Place Holdings Limited Representative: Shi Ruilin | 2 | - | 100 | 2024.06.18 Not reappointed after the full re-election of the board of directors, required attendance 2 times. |
| Corporate Director | China Trust Commercial Bank, entrusted to manage the investment account of Daji Limited Representative: Huang, Ching-Shu | 0 | 2 | 0 | 2024.06.18 Not reappointed after the full re-election of the board of directors, required attendance 2 times. |
| Independent Director | Chen, Ming-Chang | 2 | - | 100 | 2024.06.18 Not reappointed after the full re-election of the board of directors, required attendance 2 times. |

| | | | | | |
|----------------------|------------|---|---|----|---------------------------------------------------------------------------------------------------------------|
| Independent Director | Qilai Ping | 1 | 1 | 50 | 2024.06.18 Not reappointed after the full re-election of the board of directors, required attendance 2 times. |
|----------------------|------------|---|---|----|---------------------------------------------------------------------------------------------------------------|

Other matters to be recorded:

- If any of the following situations occur in the operation of the board of directors, the date of the board meeting, the period, the content of the proposal, all independent directors' opinions, and the company's handling of the independent directors' opinions should be stated.

(一) Matters listed in Article 14-3 of the Securities and Exchange Act:

| Board meeting Date (Period) | Content of the proposal |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024/3/15 (First meeting of 2024) | <ol style="list-style-type: none"> Approval of the internal control system declaration of Airmate (Cayman) International Limited for the year 2023. According to the provisions of the "Guidelines for Handling Fund Loans and Endorsements by Publicly Issued Companies" revised by the Securities and Futures Bureau on July 24, 2020, the company will handle whether accounts receivable overdue for three months are considered as fund loans. The distribution of employee compensation and director remuneration for the year 2023 was approved by the company. The company's business report and consolidated financial report for the year 2023 were approved. The company's profit distribution proposal for the year 2023 was approved. The endorsement and guarantee case for subsidiaries Weiang Development Co., Ltd., Airmate Electric (Shenzhen) Co., Ltd., and Airmate Electric (Jiujiang) Co., Ltd. was approved. The assessment of the independence and competence of the company's certified public accountant for the financial statements was approved. The appointment of the company's certified public accountant was approved. The company's proposal to add the "Risk Management Practice Guidelines" and "Risk Management Policies and Procedures" was approved. The company's proposal to amend the "Audit Committee Organization Regulations" was approved. The company's proposal to amend the "Board Meeting Rules" was approved. The company intends to revise the "Rules of Procedure for Shareholders' Meetings". The proposal to comprehensively re-elect directors and handle the nomination of candidates for directors (including independent directors). The proposal to approve the list of candidates for directors (including independent directors) nominated and reviewed by the board of directors. The proposal to lift the restrictions on the non-competition of directors. The proposal to convene the company's 2024 annual shareholders' meeting. |
| Independent Director's Opinion | No objections or reservations. |
| Company's Handling of Independent Director's Opinion | Not applicable |
| 2024/5/8 (Second Meeting of 2024) | <ol style="list-style-type: none"> The proposal to handle matters in accordance with the revised "Guidelines for the Handling of Loans and Endorsements by Publicly Issued Companies" as of July 24, 2020, by the Securities and Futures Bureau, regarding whether accounts receivable overdue for three months should be considered as loans. Approval of the company's consolidated financial report for the first quarter of 2024. Approval of the endorsement guarantee case for subsidiaries Weiang Development Co., Ltd., Airmate Electric (Shenzhen) Co., Ltd., and Airmate Electric (Jiujiang) Co., Ltd. Approval of the company's profit distribution plan for the year 2023. Approval of the addition of the agenda for the company's 2024 annual shareholders' meeting. |
| Independent Director's Opinion | No objections or reservations. |
| Company's Handling of Independent | Not applicable |

| | |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director's Opinion | |
| 2024/6/18 (Third meeting of 2024) | 1. Approval of the election of the company's chairman and vice chairman. 2. Approval of the appointment of the compensation committee for the company. |
| Independent Director's Opinion | No objections or reservations. |
| Company's Handling of Independent Director's Opinion | Not applicable |
| 2024/08/14 (Fourth meeting of 2024) | 1. The proposal to handle matters in accordance with the revised "Guidelines for the Handling of Loans and Endorsements by Publicly Issued Companies" as of July 24, 2020, by the Securities and Futures Bureau, regarding whether accounts receivable overdue for three months should be considered as loans. 2. Through the company's consolidated financial report for the second quarter of 2024. 3. Approval of the endorsement guarantee case for subsidiaries Weiang Development Co., Ltd., Airmate Electric (Shenzhen) Co., Ltd., and Airmate Electric (Jiujiang) Co., Ltd. 4. Approval of the sixth share repurchase plan to maintain the company's credit and protect shareholders' rights. 5. Approval of the company's 2024 director salary compensation plan. 6. Approval of the company's 2024 independent director salary compensation plan. |
| Independent Director's Opinion | No objections or reservations. |
| Company's Handling of Independent Director's Opinion | Not applicable |
| 2024/11/07 (2024, 5th meeting) | 1. Approval of the company's handling in accordance with the revised "Guidelines for Publicly Issued Companies' Fund Loans and Endorsement Guarantees" by the Securities and Futures Bureau on July 24, 2020, regarding whether accounts receivable overdue for three months are considered as fund loans. 2. Approval of the company's consolidated financial report for the third quarter of 2024. 3. Approval of the company's sixth share repurchase for cancellation. 4. Approve the provision of non-assurance services to the company and its subsidiaries by the pre-approved certified public accountants, their firms, and related enterprises. 5. Approve the investment in overseas projects through the subsidiary Weiang Development Limited. 6. Approve the provision of funding loans to external parties through the subsidiary Weiang Development Limited. |
| Independent Director's Opinion | No objections or reservations. |
| Company's Handling of Independent Director's Opinion | Not applicable |
| 2024/12/13 (6th meeting of 2024) | 1. Approve the addition of the company's "Sustainable Information Management Operating Procedures" and "Sustainability Report Preparation and Verification Operating Procedures." 2. Approve the addition and revision of the internal control system of Airmate (Cayman) International Limited. 3. Approve the audit plan for Airmate (Cayman) International Limited for 2025. 4. Approve the company's proposal to renew the purchase of directors' and officers' liability insurance. 5. Approve the endorsement guarantee for the subsidiaries Airmate Electric (Shenzhen) Limited and Airmate Electric (Jiujiang) Limited. 6. Through the company's 2025 budget. 7. Approval of the director's salary compensation plan for the years 2024 and 2025. |

| | |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 8. Approval of the independent director's salary compensation plan for the year 2025. 9. Approval of the manager's salary compensation plan for the years 2024 and 2025. |
| Independent Director's Opinion | No objections or reservations. |
| Company's Handling of Independent Director's Opinion | Not applicable |

(二) Aside from the aforementioned matters, there are no other board resolutions that were opposed or reserved by independent directors and recorded or stated in writing.

二、 The execution of the avoidance of conflicts of interest by directors should specify the names of the directors, the content of the proposal, the reasons for the avoidance of interests, and the voting situation:

| | |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024/08/14 (Fourth meeting of 2024) | <p>1. Proposal content: Approval of the company's director salary compensation plan for the year 2024. Directors avoiding conflicts of interest: Shih, Jui-Pin, Cheng, Li-Ping, Tsai, Cheng-Fu, Shi Ruilin, Huang, Ching-Shu Reasons for avoidance of interests: Individual directors avoided based on their own interests. Voting situation: The aforementioned directors avoided discussion and voting on this proposal, and it was resolved by the other attending directors. Approved.</p> <p>2. Proposal content: Approval of the independent director remuneration plan for the year 2024 of the company. Directors with conflicts of interest: Lin, Chih-Lung, Hsu, Shih-Wen, Lin Hui-fen, Yen Min-Jen Reason for conflict of interest: Individual directors abstained due to personal interests. Voting participation: The aforementioned directors abstained from discussing and voting on this proposal, which was approved by the other attending directors.</p> |
| 2024/12/13 (6th meeting of 2024) | <p>1. Proposal content: The remuneration plan for directors for the years 2024 and 2025 of the company. Proposal content: Approval of the directors with conflicts of interest: Shih, Jui-Pin, Cheng, Li-Ping, Tsai, Cheng-Fu, Shi Ruilin, Huang, Ching-Shu Reason for conflict of interest: Individual directors abstained due to personal interests. Voting participation: The aforementioned directors abstained from discussing and voting on this proposal, which was approved by the other attending directors. Approved.</p> <p>2. Proposal content: The independent director remuneration plan for the year 2025. Directors with conflicts of interest: Lin, Chih-Lung, Hsu, Shih-Wen, Lin Hui-fen, Yen Min-Jen Reasons for avoidance of interests: Individual directors avoided based on their own interests. Voting situation: The aforementioned directors abstained from discussing and voting on this proposal, which was approved by a resolution of the other attending directors.</p> <p>3. Proposal Content: The salary compensation plan for managers of the company for the years 2024 and 2025 Directors with conflicts of interest: Shih, Jui-Pin, Tsai, Cheng-Fu, Shi Ruilin Reason for conflict of interest: Serving as managers Voting situation: The aforementioned directors avoided discussion and voting on</p> |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| | <p>this proposal, and it was resolved by the other attending directors.</p> <p>Approved.</p> |
| <p>三、 Listed companies should disclose information regarding the self (or peer) evaluation cycle and period of the board of directors, the scope, methods, and content of the evaluation, and fill out Table 2 (2) regarding the execution of the board evaluation: Please refer to the table below.</p> <p>4. Goals for strengthening the functions of the board of directors in the current and recent years (e.g., establishing an audit committee, enhancing information transparency, etc.) and evaluation of execution: The company has resolved to establish an audit committee and a compensation committee on June 8, 2012, and will disclose relevant information on the designated websites of the company and regulatory authorities in the future to enhance information transparency.</p> | |

(2) Execution of the board evaluation

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method |
|----------------------|-------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Executed once a year | 202 - 202 | Overall Board of Directors, Individual Board Members, Compensation Committee, Audit Committee | Internal Self-Assessment of the Board of Directors Board Member Self-Assessment |

Assessment Content:

- (1) Board Performance Evaluation: Includes participation in company operations, quality of board decision-making, composition and structure of the board, appointment and ongoing education of directors, internal controls.
- (2) Individual Board Member Performance Evaluation: At a minimum, includes understanding of company goals and tasks, awareness of board responsibilities, and company operations Participation level, internal relationship management and communication, directors' professionalism and continuing education, internal control, etc.
- (3) Compensation Committee Performance Evaluation: Degree of Participation in Company Operations, Compensation Awareness of Compensation Committee Responsibilities, Enhance Compensation Committee Members Decision-making quality, Compensation committee composition and member selection, etc.
- (4) Audit Committee Performance evaluation: Degree of participation in the company's operations, Audit Awareness of the responsibilities of the Audit Committee, Audit Committee Decision-making quality, Audit committee composition and member selection, internal control, etc.

Evaluation Procedure Description:

The evaluation is conducted by the Secretary of the Board of Directors using an internal questionnaire method. It is divided into four parts: the operation of the Board of Directors, the participation of directors, the operation of the Compensation Committee, and the operation of the Audit Committee. The evaluation includes assessments of the Board's operation by directors, self-assessments by directors, evaluations of the Compensation Committee's operation by its members, and evaluations of the Audit Committee's operation by its members. The results of this performance evaluation will serve as a reference for the selection or nomination of directors, and the performance evaluation results of directors and functional committee members will be used as a reference for determining their individual salary compensation. After the questionnaires are collected in January each year, the results will be summarized and analyzed according to the aforementioned methods, and the results will be reported to the Board of Directors, along with suggestions for improvement based on directors' feedback.

Assessment conclusion:

The company has completed the overall board of directors, individual board members, compensation committee, and audit committee for the fiscal year 2024 before March 2025.

The performance evaluation results are proposed to be reported to the most recent board meeting as a basis for review and improvement. This year's evaluation

The score ranges from 4.69 to 4.84, which is still considered good.

(1) The overall average self-assessment score of the board of directors is 4.81 points (out of 5), indicating that the overall operation of the board is good. No suggestions for improvement were made by the board members this period.

No suggestions for improvement were made by the board members this period.

(2) The overall average self-assessment score of individual board members is 4.84 points (out of 5), indicating that the overall operation of the board is good.

No suggestions for improvement were made by the board members this period.

(3) The self-assessment results of the compensation committee show an average score of 4.79 points (out of 5), indicating that the overall operation of the compensation committee is good.

No suggestions for improvement were made by the committee members this period.

(4) The self-assessment results of the audit committee show an average score of 4.69 points (out of 5), indicating that the overall operation of the audit committee is sound.

It complies with corporate governance. No suggestions for improvement were made by the committee members this period.

(2) Operation of the audit committee

The company established the audit committee on June 8, 2012, composed of all independent directors, and it meets at least once a quarter. The operation of the audit committee for the current and most recent year is as follows:

2024 Annual Audit Committee Meeting 5 times (A) the attendance of independent directors is as follows:

| Title | Name | Actual Attendance Frequency(B) | Number of Delegated Attendances | Actual Attendance Rate(%) (B/A)(Note) | Remarks |
|----------------------|------------------|---------------------------------|---------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Independent Director | Lin, Chih-Lung | 4 | 1 | 80 | 2024.06.18 Continued to serve as an independent director, and according to the articles of association, also as a member of the audit committee, should attend 5 times. |
| Independent Director | Hsu, Shih-Wen | 5 | - | 100 | 2024.06.18 Continued to serve as an independent director, and according to the articles of association, also as a member of the audit committee, should attend 5 times. |
| Independent Director | Lin Hui-fen | 3 | - | 100 | 2024.06.18 New to serve as an independent director, and according to the articles of association, also as a member of the audit committee, should attend 3 times. |
| Independent Director | Yen Min-Jen | 3 | - | 100 | 2024.06.18 New to serve as an independent director, and according to the articles of association, also as a member of the audit committee, should attend 3 times. |
| Independent Director | Chen, Ming-Chang | 2 | - | 100 | 2024.06.18 Due to the full re-election of the board of directors, not re-elected, and according to the articles of association, also as a member of the audit committee, should attend 2 times. |
| Independent Director | Qilai Ping | 1 | 1 | 50 | 2024.06.18 Due to the full re-election of the board of directors, not re-elected, and according to the articles of association, also as a member of the audit committee, should attend 2 times. |

Other matters to be recorded:

— If the operation of the audit committee has any of the following situations, it should describe the audit committee's date, period, agenda content, independent directors' dissenting opinions, reserved opinions, or significant recommendations, the audit committee's resolution results, and the company's handling of the audit committee's opinions.

(—) Article 14-5 of the Securities and Exchange Act.

| | |
|-----------------------------|-------------------------|
| Board meeting Date (Period) | Content of the proposal |
|-----------------------------|-------------------------|

| | |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024/3/15 (First meeting of 2024) | <ol style="list-style-type: none"> Approval of the internal control system statement of Airmate (Cayman) International Limited for the year 2023. According to the provisions of the Q&A set forth in the "Guidelines for the Handling of Fund Loans and Endorsements by Publicly Issued Companies" amended by the Securities and Futures Bureau on July 24, 2020, the issue of whether accounts receivable overdue for three months should be regarded as fund loans. Approval of the distribution of employee compensation and director remuneration for the year 2023. Approval of the business report and consolidated financial report for the year 2023. Approval of the profit distribution proposal for the year 2023. Approval of the endorsement and guarantee case for subsidiaries Weiang Development Co., Ltd., Airmate Electric (Shenzhen) Co., Ltd., and Airmate Electric (Jiujiang) Co., Ltd. Approval of the assessment of the independence and competence of the certified public accountant for the company's financial statements. Approval of the appointment of the certified public accountant for the company. Approval of the proposed amendments to the "Risk Management Practice Guidelines" and "Risk Management Policies and Procedures." Approval of the proposed amendments to the "Organization Regulations of the Audit Committee." Approval of the proposed amendments to the "Rules of Procedure for Board Meetings." The company intends to revise the "Rules of Procedure for Shareholders' Meetings." Resolution to lift the restrictions on the non-competition of directors. |
| Independent directors' dissenting opinions, reservations, or significant suggestions. | None |
| Audit Committee resolution results. | Approved by all members of the Audit Committee. |
| Company's handling of the Audit Committee's opinions. | Not applicable |
| 2024/5/8 (Second Meeting of 2024) | <ol style="list-style-type: none"> Approved the handling of the company's compliance with the revised "Guidelines for the Handling of Loans and Endorsements by Publicly Issued Companies" as of July 24, 2020, by the Securities and Futures Bureau, regarding whether accounts receivable overdue for three months should be considered as loans. Approved the consolidated financial report for the first quarter of 2024. Approved the endorsement and guarantee case for subsidiaries Weiang Development Co., Ltd., Airmate Electric (Shenzhen) Co., Ltd., and Airmate Electric (Jiujiang) Co., Ltd. Approved the profit distribution plan for the year 2023. |
| Independent directors' dissenting opinions, reservations, or significant suggestions. | None |
| Audit Committee resolution results. | Approved by all members of the Audit Committee. |
| Company's handling of the Audit Committee's opinions. | Not applicable |
| 2024/8/14 (2024 3rd) | <ol style="list-style-type: none"> The proposal to handle matters in accordance with the revised "Guidelines for the Handling of Loans and Endorsements by Publicly Issued Companies" as of July 24, 2020, by the Securities and Futures Bureau, regarding whether accounts receivable overdue for three months should be considered as loans. |

| | |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ol style="list-style-type: none"> 2. Approval of the company's consolidated financial report for the second quarter of 2024. 3. Approval of the endorsement guarantee case for subsidiaries Weiang Development Co., Ltd., Airmate Electric (Shenzhen) Co., Ltd., and Airmate Electric (Jiujiang) Co., Ltd. 4. Approval of the sixth share buyback plan to maintain the company's credit and protect shareholders' rights. 5. Approval of the company's director salary compensation plan for 2024. 6. Approval of the company's independent director salary compensation plan for 2024. |
| Independent directors' dissenting opinions, reservations, or significant suggestions. | None |
| Audit Committee resolution results. | Approved by all members of the Audit Committee. |
| Company's handling of the Audit Committee's opinions. | Not applicable |
| 2024/11/7 (2024 4th) | <ol style="list-style-type: none"> 1. The proposal to handle matters in accordance with the revised "Guidelines for the Handling of Loans and Endorsements by Publicly Issued Companies" as of July 24, 2020, by the Securities and Futures Bureau, regarding whether accounts receivable overdue for three months should be considered as loans. 2. Approval of the company's consolidated financial report for the third quarter of 2024. 3. Approval of the cancellation of the sixth treasury stock buyback. 4. Provide non-assurance services to the company and its subsidiaries through pre-approved certified public accountants, their firms, and related entities. 5. Investment in overseas targets through the subsidiary Weiang Development Limited. 6. Provision of external funding loans through the subsidiary Weiang Development Limited. |
| Independent directors' dissenting opinions, reservations, or significant suggestions. | None |
| Audit Committee resolution results. | Approved by all members of the Audit Committee. |
| Company's handling of the Audit Committee's opinions. | Not applicable |
| 2024/12/13 (2024, 5th meeting) | <ol style="list-style-type: none"> 1. Adoption of the company's "Sustainable Information Management Operating Procedures" and "Sustainable Report Preparation and Verification Operating Procedures." 2. Addition and revision of the internal control system of Airmate (Cayman) International Limited. 3. Approval of the audit plan for Airmate (Cayman) International Limited for 2025. 4. Approval of the company's proposal to renew the purchase of directors' and officers' liability insurance. 5. Endorsement and guarantee for the subsidiaries Airmate Electric (Shenzhen) Limited and Airmate Electric (Jiujiang) Limited. 6. Approval of the company's budget for 2025. |
| Independent directors' dissenting opinions, reservations, or significant suggestions. | None |

| | |
|-------------------------------------------------------|-------------------------------------------------|
| Audit Committee resolution results. | Approved by all members of the Audit Committee. |
| Company's handling of the Audit Committee's opinions. | Not applicable |

(II) Other resolutions not approved by the Audit Committee but agreed upon by more than two-thirds of all directors: None.

II. The implementation of independent directors' avoidance of conflicts of interest should specify the names of independent directors, the content of the proposals, the reasons for the avoidance of interests, and the voting participation: None.

3. Communication between Independent Directors and Internal Audit Supervisors and Accountants (e.g., matters, methods, and results of communication regarding the company's financial and business conditions):

(1) Communication between Independent Directors and Internal Audit Supervisors

1. The company's audit unit regularly provides independent directors with audit reports on internal audits, and reports the latest audits through the board of directors.

In this situation, independent directors may at any time review the financial and operational status of the company. If there are any questions regarding the company's related operations, they may immediately... Communicate with relevant unit supervisors and conduct reviews for improvement. Additionally, regarding communication with the accountants, if independent directors have concerns about the company's finances and operations.

If there are any questions regarding the status of operations, please feel free to communicate with our company's accountants and guide the relevant departments of our company to conduct reviews and improvements.

2 The communication between independent directors and the internal audit supervisor is as follows

| Date | Communication content | Communication results |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2024.03.15 | <p>1. The execution progress of the audit plan for November 2023 and January 2024.</p> <p>Report on the tracking situation as of February 2024 regarding the internal control deficiencies and abnormal issues discovered by the audit department after the report was submitted for review, tracked quarterly.</p> <p>Internal control system declaration for the year 2023.</p> | After discussion and communication, the independent directors have no objections to the results of the audit business execution. |
| 2024.05.08 | <p>Progress of the audit plan for February to March 2024.</p> <p>Report on the tracking situation as of March 2024 regarding the internal control deficiencies and abnormal issues discovered by the audit department after the report was submitted for review, tracked monthly.</p> | After discussion and communication, the independent directors have no objections to the results of the audit business execution. |
| 2024.08.14 | <p>Progress of the audit plan for April to June 2024.</p> <p>Report on the tracking situation as of July 2024 regarding the internal control deficiencies and abnormal issues discovered by the audit department after the report was submitted for review, tracked quarterly.</p> | After discussion and communication, the independent directors have no objections to the results of the audit business execution. |
| 2024.11.07 | <p>1. Progress of the audit plan for July to September 2024.</p> <p>2. After the report on internal control deficiencies and anomalies discovered by the audit department is submitted for review, quarterly tracking will be conducted, with a report on the tracking situation as of October 2024.</p> | After discussion and communication, the independent directors have no objections to the results of the audit business execution. |
| 2024.12.13 | <p>1. Progress of the audit plan for October to November 2024.</p> <p>2. After the report on internal control deficiencies and anomalies discovered by the audit department is submitted for review, quarterly tracking will be conducted, with a report on the tracking situation as of November 2024.</p> | After discussion and communication, the independent directors have no objections to the results of the audit business execution. |

(2) Communication between independent directors and auditors

The company's audit committee has good communication with the certified public accountants, and they attend audit committee meetings when necessary to report on the audit or review results of the financial statements for the quarter and other related legal requirements. In case of any special circumstances, they will also report to the members of the audit committee in a timely manner. There are no special circumstances regarding the financial situation for the year 2024.

| Date | Nature/Method | Communication content | Communication Situation |
|------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024.08.08 | Written communication | Communication of the audit results of the consolidated financial report for the second quarter of 2024 with the governance unit. | After discussion and communication, there were no objections to the communication results between the independent directors and the accountants. |
| 2024.11.07 | Written communication | Communication of the audit plan for the year 2024 with the governance unit. Important legal updates. | After discussion and communication, there were no objections to the communication results between the independent directors and the accountants. |

(Three) The operation of corporate governance and the differences and reasons compared to the corporate governance practices for listed companies.

| Assessment items | Operational situation | | | Differences and reasons compared to the corporate governance practices for listed companies |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| 1. Has the company established and disclosed its corporate governance practices in accordance with the "Corporate Governance Best Practice Principles for Listed Companies"? | V | | The company has established its corporate governance practices in accordance with the "Corporate Governance Best Practice Principles for Listed Companies" and has disclosed them on the company website and the public information observatory. | No. |
| 2. Company's equity structure and shareholder rights | V | | (1) The company has established "Internal Major Information and Prevention of Insider Trading Procedures," and the spokesperson handles shareholder suggestions and disputes. If the dispute involves legal issues, it will be handled by a lawyer. | |
| (1) Has the company established internal procedures to handle shareholder suggestions, doubts, disputes, and litigation matters, and implemented these procedures? | V | | (2) The company relies on the shareholder register provided by China Trust Securities to grasp the situation of major shareholders and the list of ultimate controllers of major shareholders. | |
| (2) Does the company have a list of the main shareholders who actually control the company and the ultimate controllers of these main shareholders? | V | | (3) According to the company's relevant internal control system and the supervision measures for subsidiaries, regular business reviews are conducted, and the auditing unit regularly supervises the implementation. | No. |
| (3) Has the company established and implemented risk control and firewall mechanisms with related enterprises? | V | | (4) The company has established the "Code of Ethical Conduct for Directors, Supervisors, and Managers" and the "Internal Major Information and Prevention of Insider Trading Operations," which are promoted to insiders at least once a year, and are announced internally and provided as education and training for all employees. | |
| (4) Has the company established internal regulations prohibiting insiders from trading securities based on undisclosed information in the market? | | | (1) See the explanation on pages 11-12 of this annual report. | (1), (3), (4) There are no significant |
| 3. Composition and Responsibilities of the Board of | | | | |

| Assessment items | Operational situation | | | Differences and reasons compared to the corporate governance practices for listed companies |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| <p>Directors</p> <p>(1) Does the board of directors plan to establish a diversification policy, specific management goals, and implement them?</p> <p>(2) In addition to legally establishing a compensation committee and an audit committee, does the company voluntarily establish other functional committees?</p> <p>(3) Has the company established a performance evaluation method for the board of directors and its evaluation methods, conducts performance evaluations regularly each year, and submits the results of the performance evaluations to the board of directors, using them as a reference for individual director compensation and re-nomination?</p> <p>(4) Does the company regularly assess the independence of the certified public accountant?</p> | V | V | <p>(2) The company has not yet formulated this.</p> <p>(3) The company has established the "Performance Evaluation Method for the Board of Directors and its Evaluation Methods."</p> <p>According to the relevant regulations, a performance evaluation of the board of directors will be conducted regularly at the end of each fiscal year. The evaluation results for the 2024 fiscal year can be found on page 23 of this annual report and will be disclosed on the company's website.</p> <p>(4) The company's audit committee evaluates the independence and competence of the certified public accountants each year. In addition to requiring the certified public accountants to provide a "Declaration of Independence" and "Audit Quality Indicators (AQIs)," the board of directors regularly assesses the independence of the certified public accountants based on AQI information and reports the evaluation results to the board. Please refer to the "Assessment of Auditor Independence" in this annual report (Page 30), Appendix 1. The evaluation results of the independence of the certified public accountants for the year 2024 were approved by the board of directors on February 27, 2025.</p> | differences in compliance with the Corporate Governance Practice Code for listed companies, and (2) will be established in the future based on actual operational needs. |
| Does the listed company have an appropriate number of qualified corporate governance personnel, and has | V | | Currently, the Chief Financial Officer of our company also serves as the Secretary of the Board of Directors, | There are no significant differences in compliance with the corporate |

| Assessment items | Operational situation | | | Differences and reasons compared to the corporate governance practices for listed companies |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| it designated a corporate governance officer responsible for matters related to corporate governance (including but not limited to providing the necessary information for directors and supervisors to perform their duties, assisting directors and supervisors in complying with laws, handling matters related to board meetings and shareholder meetings in accordance with the law, and preparing minutes for board and shareholder meetings)? | | | and additionally, in March 2023 The board of directors approved on the 15th that the Chief Financial Officer also serves as the company's governance supervisor, responsible for public Corporate governance related matters. | governance practices code for listed companies. |
| 5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a dedicated section for stakeholders on the company website, appropriately responding to important corporate social responsibility issues of concern to stakeholders? | V | | The company has set up a "Stakeholder Zone" on its website, which includes contact information and email for stakeholders, and has provided contact methods on the public information observation station and the company website to respond to important corporate social responsibility issues of concern to stakeholders. Relevant departments handle matters related to consumers, suppliers, banks, or stakeholders associated with the company. Employee feedback can be communicated through hierarchical responses. | There are no significant differences in compliance with the corporate governance practices code for listed companies. |
| 6. Does the company appoint a professional stock affairs agency to handle shareholder meeting affairs? | V | | Stock affairs agency: China Trust Commercial Bank Agency Department | There are no significant differences in compliance with the corporate governance practices code for listed companies. |
| 7. Information Disclosure (1) Does the company have a website to disclose financial, business, and corporate governance information? | V | | (一) The company publicly discloses its business status on its website and financial information on the public information observation station. (二) The company has a Chinese website and has | (1) (2) There are no significant differences in compliance with the corporate governance practices for listed companies, (3) Currently, all |

| Assessment items | Operational situation | | | Differences and reasons compared to the corporate governance practices for listed companies |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| (2) Does the company adopt other methods of information disclosure (such as establishing an English website, designating a person responsible for collecting and disclosing company information, implementing a spokesperson system, and posting the process of corporate briefings on the company website, etc.)? | | | <p>designated a person responsible for collecting and disclosing information, and has implemented a spokesperson system.</p> <p>(三) The company announces and files financial reports within the deadlines set by the competent authority.</p> | announcements and filings are made within the prescribed time, and in the future, it will assess whether to announce and file the first, second, and third quarter financial reports and monthly operational conditions ahead of time based on actual operations. |
| (3) Does the company announce and file the annual financial report within two months after the end of the accounting year, and announce and file the first, second, and third quarter financial reports and monthly operational conditions ahead of the prescribed deadlines? | | | | |
| Is there any other important information that helps to understand the company's governance operations (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholder rights, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the situation regarding the purchase of liability insurance for directors and supervisors, etc.)? | V | | <p>(1) Employee rights and employee care: Establishing a staff welfare committee, allocating retirement funds, and including group insurance in accordance with legal regulations to care for employees and protect their rights.</p> <p>(2) Investor relations, supplier relations, and the rights of stakeholders: The company discloses information through the public information observation station and the company website, allowing investors to fully understand the company's operational status. An investor relations office is established to specifically handle investor suggestions, and a dedicated section for</p> | There are no significant differences in compliance with the corporate governance practices code for listed companies. |

| Assessment items | Operational situation | | | Differences and reasons compared to the corporate governance practices for listed companies |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>stakeholders is set up on the company website to respond to important issues of concern to stakeholders.</p> <p>(3) The situation of directors' further education: The company provides information on further education for directors at any time for their reference, and regularly reports on the status of directors' further education.</p> <p>(4) Implementation of Risk Management Policies and Risk Measurement Standards: The company's management has a thorough understanding of the industry, the company's position, and the future development direction. Any decision is made after careful evaluation, followed by discussion, authorization, and execution by the board of directors, to safeguard the company's assets and reduce risks.</p> <p>(5) Implementation of consumer or customer protection policies: The company has established a customer service hotline, where dedicated personnel provide consultation and responses to suggestions or complaints from consumers, and simultaneously notify relevant units in writing.</p> <p>(6) The company purchases liability insurance for its directors every year.</p> | |
| 9. Please explain the improvements made regarding the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year, and propose priority areas and measures for those that have not yet been improved: | | | | |
| <p>(1) Improved Situation:</p> <p>In addition to the planned establishment of a policy for the diversification of board members, and the disclosure of specific management goals and implementation status of the diversification policy on the company's website and in the annual report, the company is also gradually improving its corporate governance.</p> <p>(2) Those who have not yet improved propose priority strengthening items and measures:</p> <p>It is expected that, in addition to the legally established Compensation Committee and Audit Committee, other various functional committees will be voluntarily</p> | | | | |

| Assessment items | Operational situation | | | Differences and reasons compared to the corporate governance practices for listed companies |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|---------------------|---------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| established to gradually improve corporate governance, in order to meet evaluation indicators and enhance the image of corporate governance. | | | | |

Appendix 1: Evaluation of Auditor Independence

| Item | Evaluation Indicator | Yes | Is Independence Complied With |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------|
| 1 | The term of the signing auditor does not exceed 7 years | V | V |
| 2 | Whether the service team members, other co-practicing auditors or shareholders of corporate accounting firms, accounting firms, affiliated enterprises, and alliance firms maintain independence from this company | V | V |
| 3 | The signing auditor and members of the audit service team have not served as directors, supervisors, or managers of the audit client, or held positions that have a significant impact on the audit case in the current or the last two years | V | V |
| 4 | The signing auditor and members of the audit service team have no familial relationship with the directors, supervisors, or managers of this company, or personnel who hold positions that have a significant impact on the audit case | V | V |
| 5 | The signing auditor has not served as a director, supervisor, or manager of this company, or held positions that have a significant impact on the audit case within one year after resignation | V | V |
| 6 | The certified public accountant has no direct or indirect significant financial interest in the company. | V | V |
| 7 | The certified public accounting firm does not overly rely on a single client (the company) for its fee income. | V | V |
| 8 | There are no significant close business relationships between the certified public accountant and the company. | V | V |
| 9 | There are no potential employment relationships between the certified public accountant and the company. | V | V |
| 10 | The certified public accountant has no public expenses related to the audit case. | V | V |
| 11 | The non-audit services provided by the certified public accountant do not directly affect significant items in the audit case for the company. | V | V |
| 12 | The certified public accountant does not represent the company in legal cases or other disputes with third parties. | V | V |
| 13 | The certified public accountant does not promote or mediate the company's issued stocks or other securities. | V | V |
| 14 | The certified public accountant has not received significant gifts or special favors from the company or its directors, supervisors, managers, or major shareholders. | V | V |
| 15 | Members of the certified public accountant or audit service team do not hold funds on behalf of the company. | V | V |

IV Composition, Responsibilities, and Operations of the Compensation Committee

1. Compensation Committee Composition

| Identity | Name | Professional qualifications, experience, and independence | Number of members concurrently serving on the compensation committee of other publicly listed companies |
|----------------------|----------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Independent Director | Lin, Chih-Lung | | 1 |
| Independent Director | Hsu, Shih-Wen | Refer to the relevant content in Appendix 1, Director Information, on pages 7-12 of this annual report. | 0 |
| Independent Director | Lin Hui-fen | | 3 |
| Independent Director | Hsu, Shih-Wen | | 0 |

2. Compensation Committee Responsibilities

The Compensation Committee shall exercise due diligence and faithfully perform the following duties, and submit the recommendations to the Board of Directors for discussion:

(1) Establish and regularly review the policies, systems, standards, and results of performance evaluation and compensation for directors and managers.

Structure.

(2) Regularly evaluate and determine the salary compensation of directors and managers. The compensation committee shall meet at least twice a year, and may convene meetings as needed.

3. Operation of the Compensation Committee

(1) The company's Compensation Committee consists of 4 members.

(2) The term of the current committee members is from June 18, 2024, to June 17, 2027.

In the most recent year (2024), the Compensation Committee met 2 times (A), and the qualifications and attendance of the members are as follows:

| Title | Name | Actual Attendance Frequency(B) | Number of Delegated Attendances | Actual Attendance Rate%(B/A)(Note) | Remarks |
|----------|------------------|--------------------------------|---------------------------------|------------------------------------|-----------------------------------------------------------------------------------------|
| Convener | Hsu, Shih-Wen | 2 | - | 100 | Reappointed by the Board of Directors on June 18, 2024. |
| Member | Lin, Chih-Lung | 2 | - | 100 | Reappointed by the Board of Directors on June 18, 2024. |
| Member | Lin Hui-fen | 2 | - | 100 | Newly appointed by the Board of Directors on June 18, 2024. |
| Member | Yen Min-Jen | 2 | - | 100 | Newly appointed by the Board of Directors on June 18, 2024. |
| Member | Chen, Ming-Chang | - | - | - | Did not continue after the full re-election of the Board of Directors on June 18, 2024. |
| Member | Qilai Ping | - | - | - | Did not continue after the full re-election of the Board of Directors on June 18, 2024. |

Other matters to be recorded:

— Discussion topics and resolutions of the Compensation Committee

| Compensation Committee Date | Content of the proposal | Resolution Results | Handling of the Company's Salary and |
|-----------------------------|-------------------------|--------------------|--------------------------------------|
| | | | |

| | | | Compensation Committee Opinions |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------|
| 2024.08.14 | <ul style="list-style-type: none"> 1. The proposal for the company's 2024 director salary and compensation plan has been approved. 2. The proposal for the company's 2024 annual salary and compensation plan for newly appointed independent directors has been approved. | <p>Approved by all attending committee members</p> <p>Approved</p> | Not applicable |
| 2024.12.13 | <ul style="list-style-type: none"> 1. The proposal for the company's 2024 and 2025 director salary and compensation plan has been approved. 2. The proposal for the company's 2025 independent director salary and compensation plan has been approved. 3. The proposal for the 2024 and 2025 manager salary and compensation plan has been approved. | <p>Approved by all attending committee members</p> <p>Approved</p> | Not applicable |
| | <p>2. If the board of directors does not adopt or amend the recommendations of the salary and compensation committee, it should specify the date, period, content of the proposal, and the board of directors.</p> <p>Resolution results and the company's handling of opinions from the Compensation Committee (such as the compensation approved by the Board of Directors being superior to that of the Compensation Committee)</p> <p>According to the suggestions of the meeting, the differences and reasons should be clearly stated: None.</p> <p>3. The decisions made by the Compensation Committee regarding salaries, if any member has opposing or reserved opinions and there are records or written statements, should specify the salary report.</p> <p>Compensation Committee date, period, proposal content, opinions of all members, and handling of members' opinions: None.</p> | | |

(5) Promotion of sustainable development implementation and the differences and reasons regarding the practical guidelines for sustainable development of listed companies

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| 1. Has the company established a governance structure to promote sustainable development, and does it set Establish a dedicated (part-time) unit to promote sustainable development, authorized by the board of directors. How is the management hierarchy handled, and what is the oversight situation of the board of directors? | V | | <p>The company has established the "Corporate Sustainable Development Practice Code," effective from 2024.12.13. The Board of Directors has established a Sustainable Development Task Force, chaired and convened by the Executive Assistant to the General Manager. This task-oriented organization is composed of department heads and is responsible for proposing and implementing sustainable development policies, systems, and related management guidelines, as well as specific action plans. In the future, it is expected that a sustainable development position (part-time) will be established in accordance with the vision and mission of the ESG5 policy, serving as a cross-departmental communication platform for vertical integration and horizontal connection. Regular reports will be made to the board of directors to advance the implementation of corporate governance, develop a sustainable environment, and enhance the disclosure of information on the company's sustainable development, fulfilling civic duties and giving back to society.</p> <p>Due to the establishment of the "Sustainable Development Group" on December 13, 2024, only one meeting was held that year, with the agenda including: (1) identifying sustainability issues that need attention and formulating corresponding action plans; (2) setting goals, policies, action plans, and capital expenditures related to sustainability issues; (3) supervising the implementation of sustainable management matters and evaluating the execution status.</p> <p>Future work plan is expected to hold regular meetings of the "Sustainable Development Group" in 2025.</p> <p>Hold sustainability development group meetings and report</p> | 2024.12.13 The Board of Directors established a Sustainable Development Committee, which will regularly report to the Board on the handling situation. In the future, it is planned to establish a dedicated (part-time) unit for promoting sustainable development according to the schedule set by the competent authority, and the Board will authorize senior management to manage it. |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>on sustainability development to the board of directors quarterly.</p> <p>Present the execution results and progress, the board discusses the feasibility of successful strategies related to sustainable development, reviews the progress of the strategies, and urges the management team to make adjustments when necessary.</p> | |
| <p>2. Does the company conduct operations related to its business in accordance with the principle of materiality?</p> <p>Risk assessment of environmental, social, and corporate governance issues, and the establishment of relevant Risk management policy or strategy?</p> | V | | <p>The company has established the "Corporate Sustainable Development Practice Code" to implement corporate governance, conduct risk assessments related to environmental, social, and governance issues associated with company operations, develop a sustainable environment, and maintain social welfare. Relevant risk management strategies and measures have been established for significant issues.</p> <p>The company discloses data and risk assessment boundaries based on the relevance to core operations and the impact of significant themes, covering the sustainable development performance of the company's main operational locations during the 2024 fiscal year (subsidiaries Airmate Electric (Shenzhen) Co., Ltd. and Airmate Electric (Jiujiang) Co., Ltd.).</p> <p>Please refer to page 40 of this annual report, chapter "The Company's Sustainable Development Promotion Status" (Table 1).</p> | <p>Complies with the regulations of the "Sustainable Development Practice Code for Listed Companies."</p> |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| III. Environmental Issues | | | | |
| (1) Has the company established an appropriate environmental management system based on its industry characteristics? | V | | (1) The company has obtained multiple ISO certifications (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018), which have complete specifications for quality management, safety and health, and environmental protection, and comply with the inspection standards of regulatory authorities and meet the public's expectations for corporate social responsibility. | |
| (2) Is the company committed to improving the efficiency of resource utilization and using renewable materials with low environmental impact? | V | | | |
| (3) Has the company assessed the potential risks and opportunities of climate change on the business now and in the future, and taken measures to address climate-related issues? | V | | (二) The company has established various waste management procedures to classify and handle waste according to standard procedures, and has entrusted local government-approved waste disposal organizations for removal or recycling. In addition, the company is committed to the effective utilization of resources to effectively reduce production costs. Since the waste generated during the company's production process mainly consists of wastewater and exhaust gas, the company has purchased wastewater and exhaust gas treatment facilities, which have a very limited impact on the environment. | |
| (4) Has the company recorded greenhouse gas emissions, water usage, and total waste weight for the past two years, and developed policies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, or other waste management? | | | Our company uses raw materials that comply with the EU's RoHS and REACH regulations. In green manufacturing, we aim to reduce unnecessary resource waste and seek the development of waste reduction and reuse technologies. We work together in the value chain to promote the shared recycling of packaging materials; additionally, we strive to test the use of recycled materials that have a low environmental impact on our products. | Complies with the regulations of the "Sustainable Development Practice Code for Listed Companies." |
| | | | The company actively promotes various energy | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|------------------|------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>reduction measures, selecting equipment with high energy efficiency and energy-saving designs to reduce energy consumption for both the enterprise and its products, while expanding the use of renewable energy to optimize energy usage efficiency. In this fiscal year, new electricity will be added, with a target of reducing electricity consumption by 1%-5% compared to the baseline year of 2024 from 2025 to 2029, and establishing renewable energy generation facilities and purchasing green electricity to gradually enhance the efficiency of renewable energy usage.</p> <p>(3) The assessment of the company's climate change-related risks and opportunities, as well as the response measures, can be found in this annual report in the chapter "The Company's Sustainable Development Promotion Situation" (Table 2), pages 40-44.</p> <p>(4) The company annually statistics greenhouse gas emissions, water consumption, and total waste weight, and formulates policies for energy conservation and carbon reduction, greenhouse gas reduction, and reduction of water or other waste management.</p> <p>(1) Greenhouse Gas Emissions</p> <p>According to the ISO 14064-1 standard, inventory greenhouse gas emissions for the past two years</p> | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies | | | | | | | | | | | | | | | |
|--------------------------------------|------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--|--|------|------|------|------------------|--------|--------|--------------------|-----------|-----------|--------------------------------|-----------|-----------|--|
| | Yes | No | Summary Description | | | | | | | | | | | | | | | | |
| | | | <p>Measurement results:</p> <table border="1"> <thead> <tr> <th colspan="3">Unit: Carbon Dioxide Equivalent Tons</th> </tr> <tr> <th>Year</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Direct emissions</td> <td>804.25</td> <td>779.28</td> </tr> <tr> <td>Indirect emissions</td> <td>27,117.96</td> <td>21,932.88</td> </tr> <tr> <td>Total greenhouse gas emissions</td> <td>27,922.21</td> <td>22,712.16</td> </tr> </tbody> </table> <p>Through its own operational management and the research and development of process technology, to reduce energy Source consumption and greenhouse gas emissions.</p> <p>Due to the construction time of each major operating company and the local government's greenhouse gas inspection</p> <p>Due to different policy requirements, effective planning of greenhouse gas reduction strategies is necessary. This company</p> <p>In 2023, the company began outsourcing the inspection of Airmate Electric (Jiujiang) Co., Ltd.</p> <p>The greenhouse gas emissions, which are included in the company's annual greenhouse gas emissions</p> <p>Quantitative statistics.</p> <p>In the future, we will use the year 2023 as the benchmark year, hoping to achieve this through concrete actions.</p> <p>Further implement the goal of reducing greenhouse gas emissions.</p> <p>Reduce energy intensity target: Year 2026 overall electricity intensity</p> <p>Target of a 1% reduction compared to the base year of</p> | Unit: Carbon Dioxide Equivalent Tons | | | Year | 2024 | 2023 | Direct emissions | 804.25 | 779.28 | Indirect emissions | 27,117.96 | 21,932.88 | Total greenhouse gas emissions | 27,922.21 | 22,712.16 | |
| Unit: Carbon Dioxide Equivalent Tons | | | | | | | | | | | | | | | | | | | |
| Year | 2024 | 2023 | | | | | | | | | | | | | | | | | |
| Direct emissions | 804.25 | 779.28 | | | | | | | | | | | | | | | | | |
| Indirect emissions | 27,117.96 | 21,932.88 | | | | | | | | | | | | | | | | | |
| Total greenhouse gas emissions | 27,922.21 | 22,712.16 | | | | | | | | | | | | | | | | | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies | | | | | | | | | |
|-------------------|------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--|--|------|------|------|-------------------|---------|---------|--|
| | Yes | No | Summary Description | | | | | | | | | | |
| | | | <p>2023.</p> <p>The target for greenhouse gas reduction: starting from the baseline year 2023, gas emissions Density(Greenhouse gas emissions/ Revenue)Compared to the base year of 2023 Reduce 1%.</p> <p>(2) Water Consumption</p> <table border="1"> <thead> <tr> <th colspan="3">Unit: Ton</th> </tr> <tr> <th>Year</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Water Consumption</td> <td>336,247</td> <td>387,738</td> </tr> </tbody> </table> <p>Our company aims to reduce significant impacts related to water in the value chain, in addition to formulating water Pollutant control procedures, clearly specifying the responsibilities of each department regarding wastewater treatment</p> <p>Responsibilities, employees engaged in wastewater pollution control and management are all assigned by the Human Resources Department.</p> <p>Wastewater treatment personnel undergo training and assessment at the environmental protection department. In addition, the</p> <p>The manufacturing plant also complies with local laws and regulations by obtaining an environmental assessment report at the time of establishment.</p> <p>and wastewater discharge permit.</p> <p>Water consumption reduction target: Starting from the base year 2023, the annual water consumption will be reduced compared to the previous year.</p> <p>In the year, a decrease of 1% was observed, and in 2024, a decrease of approximately 13% is expected compared to the previous year.</p> <p>The company will continue to move towards the goal of</p> | Unit: Ton | | | Year | 2024 | 2023 | Water Consumption | 336,247 | 387,738 | |
| Unit: Ton | | | | | | | | | | | | | |
| Year | 2024 | 2023 | | | | | | | | | | | |
| Water Consumption | 336,247 | 387,738 | | | | | | | | | | | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies | | | | | | | | | | | | | | | |
|-----------------------|------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--|--|------|------|------|-----------------|--------|--------|---------------------|--------|--------|-----------------------|--------|--------|--|
| | Yes | No | Summary Description | | | | | | | | | | | | | | | | |
| | | | <p>sustainable business operations.</p> <p>(3) Waste</p> <table border="1"> <thead> <tr> <th colspan="3">Unit: Ton</th> </tr> <tr> <th>Year</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste</td> <td>155.49</td> <td>107.58</td> </tr> <tr> <td>Non-hazardous waste</td> <td>543.01</td> <td>646.80</td> </tr> <tr> <td>Total weight of waste</td> <td>698.50</td> <td>754.38</td> </tr> </tbody> </table> <p>The implementation plan is as follows:</p> <p>Strengthen the recycling and treatment of hazardous waste: prevent the leakage of toxic waste</p> <p>Discharge pollution into the environment, establish management indicators, hazardous waste 100% handover</p> <p>Qualified treatment agencies for recycling and treatment, strictly implement environmental protection</p> <p>Agency requirements. Strictly implement safety production standardization management in production,</p> <p>Strictly implement SOP, eliminate production waste, and strictly establish KPI for execution</p> <p>Control.</p> <p>Production equipment improvement: Effectively supervise production operations and manage material operations in the management department.</p> <p>To eliminate unreasonable and erroneous operations that cause material waste, analysis</p> <p>Factors that may cause material waste and improvements in each production department</p> <p>Establish customized loss indicators.</p> <p>Energy-saving measures in the factory area: regulations on the management of electricity, water, and paper usage, and Achieve energy and water resource savings.</p> | Unit: Ton | | | Year | 2024 | 2023 | Hazardous waste | 155.49 | 107.58 | Non-hazardous waste | 543.01 | 646.80 | Total weight of waste | 698.50 | 754.38 | |
| Unit: Ton | | | | | | | | | | | | | | | | | | | |
| Year | 2024 | 2023 | | | | | | | | | | | | | | | | | |
| Hazardous waste | 155.49 | 107.58 | | | | | | | | | | | | | | | | | |
| Non-hazardous waste | 543.01 | 646.80 | | | | | | | | | | | | | | | | | |
| Total weight of waste | 698.50 | 754.38 | | | | | | | | | | | | | | | | | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>Waste generation reduction target: Starting from the base year 2023, the annual waste generation</p> <p>Production volume decreased by 3% compared to the previous year, and is expected to decrease in 2024 compared to the previous year.</p> <p>Approximately 7%, our company will continue to move towards the goal of sustainable business operations.</p> | |
| 4. Social Issues | | | | |
| (1) Does the company establish relevant management policies and procedures in accordance with applicable laws and international human rights conventions? | V | | (1) The company adheres to international human rights conventions, including the United Nations' "Universal Declaration of Human Rights" and the "International Labour Organization Conventions," and has established relevant management policies and procedures. Each subsidiary of the company handles employee-related benefits and establishes management procedures in accordance with the relevant labor laws of their respective locations to protect the legal rights and interests of employees. | |
| (2) Does the company establish and implement reasonable employee welfare measures (including compensation, vacation, and other benefits), and appropriately reflect operational performance or results in employee compensation? | V | | | |
| (3) Does the company provide a safe and healthy working environment for employees and conduct regular safety and health education for them? | V | | (2) (1) The company has clear regulations regarding employee promotion, assessment, training, and rewards and punishments. The salary standards for new employees are determined based on the educational background and experience required for the position. After being hired by the department, their performance will be assessed, and this will serve as the basis for promotion. | Complies with the regulations of the "Sustainable Development Practice Guidelines for Listed Companies". |
| (4) Does the company have an effective career development training program for employees? | V | | | |
| (5) Does the company comply with relevant regulations and international standards regarding customer health and safety, customer privacy, marketing, and labeling of products and services, and has it established relevant | | | (2) The company's fixed holidays are Saturdays, Sundays, | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| <p>consumer protection policies and complaint procedures?</p> <p>(6) Does the company have a supplier management policy that requires suppliers to comply with environmental Compliance with relevant regulations regarding issues such as insurance, occupational safety and health, or labor rights, and the implementation status?</p> | | | <p>and national holidays in the country where the company is located, and annual leave is granted in accordance with local labor regulations.</p> <p>According to Article 14.5 of the company's articles of association, if the company makes a profit in a given year, it shall allocate 1% to 10% of the profits for employee compensation, and the remuneration for directors shall not exceed 3%. Additionally, the company will issue year-end bonuses to employees based on indicators such as the operating performance results of that year.</p> <p>(3) The company values employee safety and a healthy work environment, implementing pre-employment and on-the-job training, as well as regular and irregular training both inside and outside the factory. It organizes labor safety and fire rescue training, regularly subsidizes employee health check-ups, and provides appropriate and sufficient protective equipment. The company has also obtained the "Occupational Health and Safety Management System (ISO 45001)."</p> <p><u>Occupational Safety and Health Policy</u></p> <p>The company values employee safety and health in a collaborative environment, and implements pre-employment training</p> <p>Vocational training and regular and irregular training both inside and outside the factory, organizing labor safety and fire rescue, regular subsidies for employee health checks, and providing appropriate and sufficient protective tools. Protection measures for personal safety and the working environment</p> | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|------------------|------------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>It requires the participation and maintenance of enterprises, employees, and society as a whole. This</p> <p>The company organizes safety management by formulating and implementing a series of safety management systems.</p> <p>Comprehensive knowledge training and improved safety facilities; employees need to enhance their self-protection.</p> <p>Awareness and management capabilities, strictly adhering to safety operating procedures and correctly</p> <p>Use personal protective equipment. Additionally, the company has a specific work plan to expand</p> <p>Occupational safety and health activities related to products and services, enhancing overall occupational safety and health performance.</p> <p>Effectively control risks.</p> <p>Labor working environment monitoring In order to protect workers from environmental hazards in the workplace and provide a healthy and comfortable working environment, temperature measurements are conducted at the workstations every year from June to October. Employees are provided with cooling drinks such as mung bean soup and ginger tea; once a year, a legally qualified third-party company is commissioned to test occupational disease hazard factors in the workplace. The testing mainly includes dust, noise, vibration, and toxic and harmful gases, and a "Workplace Occupational Disease Hazard Factor Testing Report" is generated and announced to all employees. Rectifications are made for any non-compliant</p> | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|------------------|------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>items, and pre-employment, in-service, and post-employment health checks are conducted for personnel involved in occupational hazards to ensure the health of employees.</p> <p><u>Work Safety Inspection</u></p> <p>The head of the Safety Production Committee and the safety production specialists conduct daily supervision and inspection of production safety in the workshop. The inspection items include operational safety, equipment safety, environmental safety such as the wearing of labor protection equipment, employee safety operations, the safety status of machinery and equipment usage, and the safety inspection of electrical circuits. Immediate issues are identified and improved upon, and safety hazards are promptly eliminated.</p> <p>The overall disability injury frequency for employees in 2024 is 0.90, with no major workplace accidents, which is higher than the previous year. The company will strive to reduce the disability injury frequency year by year, aiming to achieve a zero workplace accident goal.</p> <p><u>Establish a system for investigating and handling work-related injury accidents</u></p> <p>According to the "Work Injury Handling Regulations," establish a system for investigating and handling work injury accidents to understand the causes of injuries to employees.</p> <p><u>Equipment Safety Management</u></p> <p>The company has established the "2024 Major Production Equipment Protection Device Identification Improvement Detail Table" and the "Safety Inspection Rules for</p> | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies | | | | | | | | | |
|---------------------------------|------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|------|------|---------------------------------|--------|--------|----------------------|----------|-----------|--|
| | Yes | No | Summary Description | | | | | | | | | | |
| | | | <p>Hazardous Machinery and Equipment" for its main production and auxiliary equipment. The Biotechnology Department is responsible for maintenance, the user departments conduct daily upkeep, and the Safety Committee performs daily safety inspections to ensure safe operation.</p> <p><u>Workplace Safety Education and Training and Promotion in the Past Two Years</u></p> <p>To ensure that employees are familiar with occupational safety and health regulations, enhance safety awareness, and promote employee health care, an annual education and training plan is arranged. The courses include training for first aid personnel at major operational sites, fire drills (including fire emergencies), and obtaining qualified certifications for occupational safety and health or environmental protection regulations.</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Number of Training Participants</td> <td>23,086</td> <td>20,155</td> </tr> <tr> <td>Total Training Hours</td> <td>27,005.0</td> <td>30,922.50</td> </tr> </tbody> </table> <p><u>Company Verification Status</u></p> <p>To implement the company's occupational health and safety management structure, the main production bases in Shenzhen, China, and the Jiugang Company area have obtained ISO 45001:2018 Occupational Health and Safety Management System certification, with current validity until December 31, 2025, and December 29,</p> | | 2024 | 2023 | Number of Training Participants | 23,086 | 20,155 | Total Training Hours | 27,005.0 | 30,922.50 | |
| | 2024 | 2023 | | | | | | | | | | | |
| Number of Training Participants | 23,086 | 20,155 | | | | | | | | | | | |
| Total Training Hours | 27,005.0 | 30,922.50 | | | | | | | | | | | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|------------------|------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>2026, respectively. Through the management spirit of planning, execution, inspection, and action, the goals of preventing accidents, promoting employee health and safety, and protecting company assets are achieved.</p> <p>(4) The company currently holds regular training sessions for employees that align with their career development capabilities.</p> <p>(5) The company maintains consumer rights and its products and services</p> <p>Provide a transparent and effective consumer complaint procedure situation, and in</p> <p>The company website has a customer service section.</p> <p>The company has complied with relevant regulations and international standards regarding the marketing and labeling of products and services.</p> <p>(6) The company has established a "Business Partner Management Program" that includes suppliers and external</p> <p>Market, suppliers, and recruitment agencies, managed by the procurement department on behalf of the management</p> <p>Responsible for managing suppliers under the table.</p> <p>The company aims to enhance collaboration with suppliers.</p> <p>Social responsibility, both parties with suppliers should commit to complying with local labor</p> | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| | | | <p>Compliance with legal regulations and BSCI corporate social responsibility standards, and acceptance of company requirements</p> <p>On-site audits are required. An on-site audit assessment should be arranged at least once a year.</p> <p>Social responsibility performance serves as the basis for whether to continue cooperation.</p> | |
| 5. Does the company refer to internationally accepted reporting standards or guidelines when preparing corporate social responsibility reports and other disclosures of non-financial information? Has the aforementioned report obtained assurance or guarantee opinions from a third-party verification entity? | | V | <p>The company prepares its corporate sustainable development report based on the latest GRI Standards, presenting its sustainable development performance, and allows the public and stakeholders to download it from the company website. However, it has not yet obtained assurance or guarantee opinions from a third-party verification entity.</p> | Except for the ongoing third-party verification matters, the rest complies with the regulations of the "Sustainable Development Practice Guidelines for Listed Companies". |
| 6. If the company has established its own sustainable development guidelines based on the "Sustainable Development Practice Guidelines for Listed Companies", please describe the differences between its operations and the established guidelines: | <p>In March 2023, in line with international development trends and to achieve sustainable development goals, the board of directors approved amendments to certain provisions of the "Corporate Sustainable Development Practice Guidelines", gradually integrating them into operational strategies and daily operations of various management systems and departments, serving as guiding principles for the company's long-term promotion of sustainable development and a concrete commitment to society.</p> | | | |

| Assessment items | Execution Status | | | Differences and Reasons Regarding the Sustainable Development Practices Code for Listed and Over-the-Counter Companies | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|---------------------|------------------------------------------------------------------------------------------------------------------------|--|
| | Yes | No | Summary Description | | |
| 7. Other important information that helps understand the operation of corporate social responsibility: | | | | | |
| (1) Employee rights and care: The company provides channels for employee feedback and holds meetings irregularly, such as labor-management meetings and employee forums, allowing personnel at all levels and departments to express their opinions fully. Please refer to Company official website employee area https://www.airmate-china.com/ygzq/index_192.aspx . | | | | | |
| (2) Rights of Stakeholders: The company maintains open communication channels with banks, employees, consumers, and suppliers, and respects and safeguards their legitimate rights and interests. In addition, the company has established a spokesperson System for representatives and litigation, non-litigation agents, to honestly and openly disclose company information in accordance with legal regulations, aiming to provide stakeholders with highly transparent financial and business information. In addition, the company has established a "related party transaction management "Management methods" and "supervision and management operating procedures for subsidiaries" are executed based on transactions with related enterprises. | | | | | |
| (3) Consumer Rights: Understand customer satisfaction while ensuring the favor of existing customers and acquiring potential customers, in order to actively, quickly, and effectively improve service quality and enhance the company's competitiveness. | | | | | |
| (4) Association Organization: Our company actively participates in association organizations and seminars, sharing our own experiences and exchanging ideas with excellent peers in the industry, aiming to jointly enhance the competitiveness of the industry and contribute to society. | | | | | |

Table 1: Promoting Sustainable Development Risk Assessment

| Major Issues | Risk Assessment | Risk Management Strategies and Measures |
|--------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environment | Environmental Protection and Climate Change | <p>Airmate focuses on environmental protection issues by changing internal value chain processes to reduce environmental impact. In addition to complying with global design and manufacturing trends, as well as the requirements of customers and our own HSF, the company ensures that its products meet international regulations and customer requirements, while also adhering to laws such as the Waste Disposal Act, Water Pollution Control Act, and Air Pollution Control Act to implement pollution control and maintain environmental quality.</p> <p>Establishing targets for electricity intensity and greenhouse gas intensity reduction.</p> |

| | | |
|----------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Society | Workplace Safety and Talent Development | <p>1. In addition to protecting employees, regardless of gender, religion, or political affiliation, equal employment opportunities are ensured to guarantee that employees are free from discrimination and harassment, thus upholding basic human rights. The company also adheres to the principles of occupational safety and health management systems, complies with safety regulations, reduces the risk of workplace accidents, and creates the best workplace environment.</p> <p>2. To prevent talent loss, the company periodically offers employees skill enhancement courses and encourages knowledge sharing and communication both internally and externally, creating a positive work environment.</p> |
| Corporate Governance | Socioeconomic and Legal Compliance | <p>1. By establishing a governance organization and implementing internal control mechanisms, ensure that all personnel and operations of the company comply with relevant laws and regulations.</p> <p>The products developed by the company apply for patents to protect the company's rights.</p> |

Table 2: Climate-related Information of Listed and Over-the-Counter Companies

| Item | Execution Status |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Clarify the board of directors and Management's perspective on Climate-related risks Supervision of Opportunities and governance. | <p>The merged company, in response to the high uncertainty of climate and the rapid changes in policies and markets, regularly convenes senior executives from various departments to identify and estimate the potential impacts caused by climate change.</p> <p>Identify significant climate risks and opportunities. At the same time, further assess the risks that floods, droughts, typhoons, and high temperatures may pose to various operational sites, aiming to grasp the external environmental climate changes and market dynamics.</p> <p>To consider the overall operational strategy planning more comprehensively.</p> <p>The company plans to establish a corporate sustainability-related unit and personnel configuration under the board of directors in accordance with the regulations of the Corporate Sustainability Development Practice Code. Meetings will be held quarterly to be responsible for formulating, promoting, and</p> <p>Strengthen the action plans and capital expenditures for important policies related to sustainable development (including climate-related issues) within the group companies, review, track, and revise the implementation and effectiveness of sustainable development, and report to the board.</p> <p>Committee. Relevant units Sustainable Environment Group, responsible for environmental management systems, compliance with environmental regulations and international standards, assessment of sustainable transformation, improvement of resource utilization, and climate change response mechanisms,</p> <p>and establish a dedicated environmental management unit or personnel, and hold cross-departmental meetings from time to time to discuss and coordinate with each other to achieve the goal of environmental sustainability. Additionally, a risk management team is responsible for the various companies within the group.</p> <p>The risk management policies and procedures, including climate-related risk issues, the latest regulations on industry climate risks, and updates on the identification results of climate risks and opportunities.</p> <p>In addition, after the establishment of the relevant units for corporate sustainable development, other functional committees will also be responsible for the governance of certain climate-related issues, including:</p> <p>“Audit Committee” meets quarterly to discuss relevant issues, regularly hears reports from the head of internal audit on the work performed by the internal audit department regarding the design and effectiveness of internal control systems related to climate-related risks, as well as audit findings.</p> <p>“Compensation Committee” holds meetings every six months to discuss, evaluate, and review the remuneration of managers related to ESG performance (including management of climate change-related issues). Climate-related goals and the degree of achievement of these goals are incorporated into the performance evaluation and compensation system of senior executives to monitor the realization of climate-related objectives. By linking the</p> |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| | compensation system with the results of climate change management, it encourages management to operate the company in a way that simultaneously achieves profitability and sustainable operations; thus, the company's sustainability goals can be realized, bringing value to investors and stakeholders. | | | | |
| | The company actively formulates solutions, hoping to reduce the operational and financial impacts brought by climate change and enhance organizational climate resilience. It defines the short term as within 3 years, the medium term as 3 to 5 years, and the long term as over 5 years, assessing the potential operational and financial impacts of related climate risks and opportunities on the company, in order to plan various actions to respond to climate-related risks and opportunities. | | | | |
| 2. Explain how the identified climate risks and opportunities affect the business, strategy, and finances of the company (short-term, medium-term, long-term). | Risk | Risk Categories and Opportunities | Short-term (1-3 years) | Medium-term (3-5 years) | Long-term (5 years or more) |
| | | <p>Transformation Risk</p> <p>Risks arising from the transition to a low-carbon economy. Transformation risks include policy, legal, technological, market, and reputational risks.</p> | Overall greenhouse gas control and carbon tax, carbon fees | <ul style="list-style-type: none"> •Changes in consumer demand and preferences •Transition to low-carbon/reduced plastic technology •New renewable energy regulations •Insufficient climate response actions leading to a decline in brand reputation | Net zero emission trend |

| | | | | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------|---------------------------------|
| Opportunities. | Opportunities. The positive impacts generated by climate change on individuals. Efforts to mitigate and adapt to climate change can create climate-related opportunities for individuals. | Research and innovation of new low-carbon products and services. | Improving resource use efficiency. | Enhancing corporate reputation. |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------|---------------------------------|

The merged company assesses the above risks and presents climate-related risks and opportunities that may have significant financial impacts, along with response strategies as follows:

| Transformation Risks / Climate Opportunities | | |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R Risks / O Opportunities | Financial Impact - / + | Response Strategies |
| R: Total greenhouse gas control and carbon tax, carbon fees R: New renewable energy regulations | - Operational site shutdowns leading to revenue decline - Damage to machinery and equipment causing property loss - Rising raw material prices resulting in increased operational costs - Decreased product output leading to revenue decline | <ul style="list-style-type: none"> • Assess flood risks at production sites and implement risk mitigation measures • Develop alternative raw materials • Seek suppliers from other regions • • |
| R: Rising average temperatures O: Improving resource use efficiency | – The increase in electricity consumption has led to an increase in operating costs (R) – The shortage of raw materials has caused price increases (R) – Increased costs or decreased production have resulted in reduced revenue (R) + Decreased electricity costs (O) | <ul style="list-style-type: none"> • Use renewable energy • Develop alternative raw materials • Procure energy-saving equipment • Adopt an environmental management system to track energy usage |

3. Clarify the

The impact of extreme weather events on finances

| | |
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| <p>impact of extreme climate events and transformation actions on finances.</p> | <p>The merged company identified potential risks to production or transportation stages through internal discussions, inventory checks, and assessments, including flooding, drought, and extreme changes in precipitation and climate patterns. Flooding caused by heavy rainfall can lead to operational shutdowns and equipment damage, resulting in temporary inability to ship products; while drought and water shortages can affect normal production line operations, necessitating measures such as reducing water usage, transporting water across regions with water trucks, or trading with other factories.</p> <p>Maintaining supply has led to an increase in operating costs. The extreme changes in precipitation patterns and climate models primarily affect the production bases in South China, which is adjacent to the Yangtze River. The increased intensity of rainfall and the concentration of the rainy season will lead to greater fluctuations in the water levels of the river, making flooding more likely. This is detrimental to the transportation of raw materials and finished products, resulting in inefficiencies and increased transportation costs.</p> <p>In response to the risks posed by flooding and changes in precipitation patterns due to typhoons, the merged company's Sustainable Environment Group will refer to research data from the Chinese Academy of Sciences, the main operational base in mainland China, and climate change-related indicators and data published by United Nations specialized agencies. They will analyze the impact on operations and finances at various locations and formulate climate adaptation management and strategies for the merged company.</p> <p><u>The impact of transformation actions on finance</u></p> <p>Under the risk of transformation, the transition to a low-carbon economy may face extensive changes in policies and regulations, technology, and market dynamics. Depending on the nature, speed, and focus of these changes, within the analysis timeframe, carbon pricing and total greenhouse gas control, renewable energy regulations, and shifts in consumer preferences may increase operating costs or reduce sales volume. Considering that the merged company already has some low-carbon products on the market and continues to innovate and diversify related products, market sales have not been significantly impacted under various scenarios; therefore, the company focuses on analyzing operating costs. In the context of low-carbon transformation, carbon pricing will lead to increased operational and supply chain costs for the merged company. The future plan of the merged company is to introduce energy-saving and carbon-reduction projects, striving to minimize the impact of energy consumption, water usage, and waste on the climate in operations and supply chains; improving energy efficiency, using green equipment such as solar energy; and investing in the research and development of green products that meet consumer demands to address these transformation risks. This project will lead to increased capital investment and operating costs for the merged company.</p> |
| <p>4. Clarify how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.</p> | <p>The board of directors is the highest decision-making unit for risk management within the group, directly overseeing the risk governance structure of each company in the group. To improve risk assessment and strengthen management functions, the board of directors approved the "Risk Management Practice Code" and "Risk Management Policies and Procedures" on March 15, 2024. The risk management team, which is subordinate to the board of directors, is responsible for identifying and managing operational risks, including the physical and transitional risks posed by climate change, and leading the planning of relevant response measures. The risk management team conducts identification and analysis of economic (including corporate governance), environmental, social, and other aspects of risk based on the business scope of each department, updates the annual major risk identification matrix, and formulates response strategy planning based on the results of risk identification. Each department integrates and manages risks that may affect operations and profitability, and reports to the board of directors at least once a year on the management execution status and risk control report, supervising and tracking the review of the operational team's risk management execution to strengthen the corporate structure.</p> |
| <p>5. If scenario analysis is used</p> | <p>The company has not yet used scenario analysis to assess resilience against climate change risks. The scenarios, parameters, assumptions, analytical factors, and major financial impacts used will be gradually improved in future sustainability reports.</p> |

| | |
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| <p>to assess resilience against climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts used should be explained.</p> | |
| <p>6. If there is a transformation plan to manage climate-related risks, the indicators and targets used to identify and manage physical risks and transition risks within that plan should be explained.</p> | <p>The company does not yet have a transformation plan to manage climate-related risks. The indicators and targets used to identify and manage physical risks and transition risks within that plan should be explained.</p> |
| <p>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.</p> | <p>The company has not yet used internal carbon pricing as a planning tool or established a basis for price setting.</p> |

| | |
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| 8. If climate-related targets are set, information on the activities covered, greenhouse gas emission scopes, planning timelines, and annual progress should be provided. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the sources and quantities of the offset carbon reductions or the number of RECs should be explained. | The company has not yet set climate-related targets or provided information on the activities covered, greenhouse gas emission scopes, planning timelines, and annual progress. |
| 9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action | <p>1-1 Recent two years company greenhouse gas inventory and assurance status.</p> <p>1-1-1 Greenhouse Gas Inventory Information</p> <p>The scope of the greenhouse gas inventory is the main operating subsidiaries of the company, Airmate Electric (Shenzhen) Co., Ltd. and Airmate Electric (Jiujiang) Co., Ltd.</p> <p>Due to the different construction timelines of major operating companies and the local government's policy requirements for greenhouse gas inventory, in order to effectively plan greenhouse gas reduction strategies, our company</p> |

plans.

The company began outsourcing the investigation of greenhouse gas emissions from Airmate Electric (Jiujiang) Co., Ltd. for the year 2023, and included it in the company's annual greenhouse gas emissions.

Quantitative statistics.

| | Fiscal Year 2024 | | Fiscal Year 2023 | |
|-----------------------------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|
| | Emissions (ton CO2e) | Density (ton CO2e/million revenue) | Emissions (ton CO2e) | Density (ton CO2e/million revenue) |
| Scope One | | | | |
| Direct greenhouse gas emissions | 804.24 | | 779.28 | |
| Scope Two | | | | |
| Indirect Greenhouse Gas Emissions | 27,117.96 | | 21,932.88 | |
| Total | 27,922.21 | 3.64 | 22,712.16 | 2.87 |

1-1-2 Greenhouse Gas Assurance: The company will disclose the individual inventory information and assurance status for the parent company for the year 2027, no later than 2028, in accordance with the sustainable development roadmap. In 2029, the verification and assurance operations for the consolidated company's greenhouse gas emissions for the year 2028 will be conducted.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Greenhouse Gas Reduction Baseline Year and Reduction Targets

To plan the greenhouse gas reduction strategy, 2023 will be set as the baseline year for Airmate's greenhouse gas emission management. Starting from the baseline year 2023, the gas emission intensity (greenhouse gas emissions / revenue) will be reduced by 1% each year. The effectiveness of annual carbon reduction will be continuously tracked, and the reduction targets will be moderately assessed and adjusted each year to optimize and plan more effective carbon management measures, striving towards the goal of becoming a green enterprise. This year's intensity increased by approximately 0.77% compared to the previous year, mainly due to the unfavorable market environment this year, resulting in a decline in revenue compared to the same period last year.

Greenhouse Gas Reduction Strategies and Specific Action Plans

Airmate is committed to achieving energy conservation and carbon reduction goals by implementing energy-saving measures in its factories, improving production processes, updating production equipment, and reducing commuting carbon emissions. It is assessing the feasibility of using solar power

generation equipment in its main production subsidiaries.

(6) The situation of fulfilling honest business operations and the differences and reasons compared to the Code of Integrity for Listed Companies

| Assessment items | Operational situation | | | Differences and reasons compared to the Code of Integrity for Listed Companies |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| 1. Establishing integrity management policies and plans | | | | |
| (1) Has the company established an integrity management policy approved by the board of directors, and clearly stated the integrity management policies and practices in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the management policies? | V | | <p>(1) Our company has established a 'Code of Integrity Management'. We promote and encourage honest and ethical behavior in meetings from time to time. Additionally, Chapter 3 of the employee code clearly states the management philosophy of 'Integrity, Trust, Fairness, and Diligence'. This has been disclosed on the internal employee website, annual reports, and the company website.</p> <p>(2) The company has established 'Internal Major Information Handling Procedures' and an 'Employee Handbook', which clearly stipulates that directors, managers, and employees who are aware of the company's internal major information must not disclose such information to others, nor inquire or collect unpublished internal major information unrelated to their personal duties from those who are aware of it. They must also not disclose unpublished internal major information to others unless it is in the course of business. Bribery and accepting bribes, providing illegal political donations, improper charitable donations or sponsorships, unreasonable gifts, hospitality, or other improper benefits are prohibited during business activities. The company has effectively informed all employees, managers, and directors about the 'Internal Major Information Handling Procedures' and the 'Employee Handbook' to</p> | |
| (2) Has the company established an assessment mechanism for the risks of dishonest behavior, regularly analyzing and evaluating business activities within its scope that have a higher risk of dishonest behavior, and based on this, formulated plans to prevent dishonest behavior, which at least cover the preventive measures for each item in Article 7, Paragraph 2 of the Code of Integrity for Listed Companies? | V | | | There is no inconsistency with the 'Code of Integrity for Listed Companies'. |
| (3) Does the company specify operational procedures, behavioral guidelines, penalties for violations, and complaint systems in | | | | |

| Assessment items | Operational situation | | | Differences and reasons compared to the Code of Integrity for Listed Companies |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| the plans to prevent dishonest behavior, and implement them effectively, while regularly reviewing and revising the aforementioned plans? | | | <p>prevent dishonest behavior.</p> <p>(3) The company has established 'Integrity Management Operating Procedures and Behavioral Guidelines', which specifically regulate the matters that personnel should pay attention to when conducting business, including the handling system for reporting dishonest or improper behavior by internal and external personnel, and commits to protecting whistleblowers from improper treatment due to their reporting, with a dedicated complaint channel set up on the official website.</p> | |
| <p>II. Implementing Integrity in Business</p> <p>(1) Does the company assess the integrity records of its counterparties and explicitly state integrity behavior clauses in the contracts signed with them?</p> <p>(2) Does the company establish a dedicated unit under the board of directors to promote corporate integrity, and report regularly (at least once a year) to the board on its integrity policies, measures to prevent dishonest behavior, and the supervision of their implementation?</p> <p>(3) Has the company formulated a policy to prevent conflicts of interest, provided appropriate channels for reporting, and ensured its implementation?</p> <p>(4) Has the company established an effective accounting system and internal control system to implement integrity in business, and does the internal audit unit develop relevant audit plans based on the assessment results of dishonest behavior risks, and verify compliance with the measures to prevent dishonest behavior, or commission accountants to conduct</p> | V | V | <p>(1) When our company signs contracts with others, the content should include compliance with the integrity business policy, and if the counterparty engages in dishonest behavior, our company may terminate or rescind the contract at any time.</p> <p>(2) Our company has not yet established a dedicated unit to promote corporate integrity, but the audit department conducts regular and irregular audits every year and reports the results to the audit committee and the board, taking appropriate corrective measures.</p> <p>(3) The company has established a complaint mailbox for employees; if employees discover any violations of laws or ethical conduct, any individual can submit a complaint through the mailbox, and the company will have a designated person to handle it.</p> <p>(4) The company has designed an accounting system for accounting personnel to follow; in addition to</p> | Except for (1)(3)(4)(5) which do not conflict with the "Code of Integrity Management for Listed and Over-the-Counter Companies", (2) will be established in the future based on actual operational needs. |

| Assessment items | Operational situation | | | Differences and reasons compared to the Code of Integrity for Listed Companies |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| audits? (5) Does the company regularly conduct internal and external training on integrity in business? | | | <p>establishing integrity business codes to regulate the behavior of management and employees, and ensuring their implementation, the company has also established internal control systems for related party transactions and insider trading, requiring vendors to sign "Code of Conduct Commitment" and "Commitment to Prevent Commercial Bribery." The audit will not only establish internal control mechanisms based on laws and the actual situation of the company for relevant audits but also immediately report to the audit committee and board members if a complaint is received and verified to be true, and continuously review to ensure the design and implementation of the system remain effective.</p> <p>(5) The company regularly holds integrity management training courses for both internal and external participants, covering topics such as labor ethics, patent searches, information security risks, and practices. The total course hours for the year 2023 and 2024 are 24 hours and 16.5 hours, respectively, with the number of participants being 14,638 and 12,077, respectively. In the future, we will continue to conduct integrity management themed education and training to enhance employees' awareness of integrity management.</p> | |
| 3. The operation of the company's reporting system (1) Has the company established a specific reporting and reward system, created convenient reporting channels, and assigned appropriate personnel to handle reported cases? (2) Has the company established standard operating procedures for | V | V | <p>(一) The company has set up an employee complaint mailbox, and the reporting methods are published in the employee handbook and on the company website. In the event of a complaint case, the audit department will conduct verification and understanding, and report</p> | There is no conflict with the "Code of Integrity Management for Listed and Over-the-Counter Companies". |

| Assessment items | Operational situation | | | Differences and reasons compared to the Code of Integrity for Listed Companies |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| | Yes | No | Summary Description | |
| investigating reported matters, subsequent measures to be taken after the investigation is completed, and relevant confidentiality mechanisms? (3) Has the company taken measures to protect whistleblowers from improper treatment due to their reports? | V | | <p>the results for the company to impose penalties based on the severity of the situation. The integrity management policy has been integrated with employee performance evaluation and human resources policies, establishing a clear and effective reward and punishment system.</p> <p>(二) The company has established a procedure for handling violations of integrity in Article 21 of the "Integrity Management Operating Procedures and Guidelines". The personnel handling reported cases will conduct confidential investigations arranged by the company or group, and if necessary, establish a reporting review committee. To protect the safety of the whistleblower, the identity of the reporter must not be disclosed; if leaked, the personnel handling the case will be dealt with according to the disclosure of significant company secrets.</p> <p>(三) The company has stipulated in Article 21 of the "Integrity Management Operating Procedures and Guidelines" that personnel handling reported cases must provide a written declaration to keep the identity of the whistleblower and the content of the report confidential. The company also commits to protecting whistleblowers from improper treatment due to their reports.</p> | |
| 4. Strengthening information disclosure (1) Does the company disclose the content of its integrity management code and its promotion effectiveness on its website and public information observation station? | V | | The company has a dedicated corporate governance webpage that discloses the integrity management code, and updates relevant financial business and corporate | There is no conflict with the "Code of Integrity Management for Listed and Over-the-Counter Companies". |

| Assessment items | Operational situation | | | Differences and reasons compared to the Code of Integrity for Listed Companies | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----|-------------------------------------|--------------------------------------------------------------------------------|--|--|--|
| | Yes | No | Summary Description | | | | |
| | | | governance information at any time. | | | | |
| 5. If the company has established its own integrity management code based on the "Integrity Management Code for Listed and Over-the-Counter Companies," please describe the operation and differences from the established code: | | | | | | | |
| <p>Although the company has not established a dedicated unit under the board of directors to promote corporate integrity management, it has effectively operated according to the integrity management code and regulated various operational activities. The company has three independent directors and an internal audit, and has established an audit committee. Currently, there are no significant violations of integrity management. In the future, the company will consider the current situation and legal regulations, and through amendments to relevant management methods, establish a dedicated unit under the board of directors to promote corporate integrity management.</p> | | | | | | | |
| 6. Other important information that helps understand the company's integrity management operations: (e.g., the company's review and revision of its established integrity management code) | | | | | | | |
| <p>1. Promoting the company's commitment to integrity management, policies, and inviting business partners to participate in training:</p> <ul style="list-style-type: none"> (1) The company periodically invites suppliers to participate in meetings held by the company, where, in addition to reviewing procurement quality issues, the company's management philosophy is also promoted. (2) The company conducts review operations for newly added suppliers, performing on-site and written reviews based on the items listed in the "Supplier Evaluation Form." These items include inspections of processes, shipments, social responsibility, etc. At the same time, interviews are conducted with the responsible persons of the supplying companies to understand the company's management philosophy and whether the company operates with integrity. (3) The company requires suppliers to sign the "Code of Conduct Commitment" and the "Anti-Bribery Commitment." <p>2. Review and amend the company's established code of integrity management, etc.:</p> <p>The company's employee code of conduct, Chapter 3, clearly states that the company's cultural management philosophy is: "Integrity, Trust, Fairness, Diligence." Since the establishment of the company, this philosophy has been the highest guiding principle for the company's management. Based on this management philosophy, the company further established the "Integrity Management Code" to more clearly guide the behavior of the company's directors and managers in accordance with ethical standards, and to help stakeholders such as customers, suppliers, and other external parties better understand the company's ethical standards.</p> | | | | | | | |

(I) Other material information that can enhance the understanding of corporate governance within the Company:

1. Continuing education status of directors:

| Title | Name | Date of appointment | Continuing education date | Organizing unit | Course name | Continuing education hours |
|----------|----------------|---------------------|---------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------|
| Chairman | Shih, Jui-Pin | 2024.06.18 | 2024.08.16 | Foundation for the Development of Accounting Research, Republic of China | ESG Development Trends and Relevant Regulations for Sustainable Information Disclosure | 3 |
| | | | 2024.09.06 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| Director | Cheng, Li-Ping | 2024.06.18 | 2024.08.16 | Foundation for the Development of Accounting Research, Republic of China | ESG Development Trends and Relevant Regulations for Sustainable Information Disclosure | 3 |
| | | | 2024.09.20 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| Director | Tsai, Cheng-Fu | 2024.06.18 | 2024.10.18 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| | | | 2024.12.28 | Foundation for the Development of Accounting Research, Republic of China | Common Deficiencies in Financial Report Review and Common Issues in Acquiring/Disposing of Assets | 3 |

| | | | | | | |
|----------------------|------------------|------------|------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| Director | Shih Jui-lin | 2024.06.18 | 2024.07.29 | Foundation for the Development of Accounting Research, Republic of China | Latest Compilation of Regulations Related to "Annual Reports/Sustainability Information/Financial Report Preparation" and Internal Control Management Practices | 6 |
| Director | Huang, Ching-Shu | 2024.06.18 | 2024.09.06 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| | | | 2024.12.26 | Foundation for the Development of Accounting Research, Republic of China | How to Apply "Robotic Process Automation" (RPA) to Enhance Internal Control Effectiveness | 6 |
| Independent Director | Lin, Chih-Lung | 2024.06.18 | 2024.06.19 | Taiwan Investor Relations Association | Carbon Exchange Support and Outlook & Data-Driven Precision Carbon Reduction, Driving Operational Management Upgrades | 3 |
| | | | 2024.06.19 | Taiwan Investor Relations Association | Sustainable Report Preparation Practice Sharing | 3 |
| Independent Director | Hsu, Shih-Wen | 2024.06.18 | 2024.09.06 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| | | | 2024.12.28 | Foundation for the Development of Accounting Research, Republic of China | Common Deficiencies in Financial Report Review and Common Issues in Acquiring/Disposing of Assets | 3 |

| | | | | | | |
|----------------------|-------------|------------|------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---|
| Independent Director | Yen Min-Jen | 2024.06.18 | 2024.09.20 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| | | | 2024.12.09 | Taipei Financial Research and Development Foundation | Information Security - Personal Data Security Audit | 3 |
| | | | 2024.12.23 | Project Management Association of Taiwan | Corporate Sustainable Development and ESG, SDGs Action Plans and Strategy Formulation | 3 |
| | | | 2024.12.24 | Project Management Association of Taiwan | Succession Team Construction and Talent Development | 3 |
| Independent Director | Lin Hui-fen | 2024.06.18 | 2024.05.06 | Chinese Corporate Governance Association | Trends and Responses in Corporate Governance from the Sustainable Development Action Plan (Corporate Governance 4.0) | 3 |
| | | | 2024.06.21 | Chinese Corporate Governance Association | Principles of Integrity in Corporate Management | 3 |

2. Managerial Continuing Education Status

| Title | Name | Date of appointment | Continuing education date | Organizing unit | Course name | Continuing education hours |
|-----------------------------------------------------------------|--------------|---------------------|---------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------|
| Accounting Manager Concurrently Corporate Governance Management | Ho, Mei-Hsiu | 2014.01.01 | 2024.02.26 | Foundation for the Development of Accounting Research, Republic of China | Common Deficiencies in "Financial Report Review" and Important Internal Control Regulations Practical Analysis | 6 |
| | | | 2024.03.21 | Foundation for the Development of | Legal Responsibilities and Internal Control Practices | 6 |

| | | | | | |
|---------------|-----------|------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| | | | Accounting Research, Republic of China | for "Employee Fraud" | |
| | | 2024.07.18 | Foundation for the Development of Accounting Research, Republic of China | How to Analyze Key Financial Information of Enterprises to Strengthen Crisis Warning Capability | 6 |
| | | 2024.08.16 | Foundation for the Development of Accounting Research, Republic of China | E SG Development Trends and Relevant Regulations on Sustainable Information Disclosure | 3 |
| | | 2024.09.16 | The Foundation for the Development of the Securities and Futures Market of the Republic of China | 113th Annual Anti-Insider Trading Promotion Conference | 3 |
| Audit Manager | Zhang Wei | 2023.07.20 | 2024.11.20 | Internal Audit Association of the Republic of China | New Challenges for Internal Auditors - Analysis of Sustainable Information Disclosure, Management Policies, and Related Audit Points |
| | | | 2024.12.10 | Internal Audit Association of the Republic of China | Information Business Audit Practice Workshop |

3. Other Important Information: This company has announced all information on the Public Information Observation Station for investors to understand relevant information.

(8) Status of Internal Control System Implementation

- Internal Control System Declaration: Please refer to the Public Information Observation Station (URL: <https://mops.twse.com.tw>) / Corporate Governance > Internal Control Section > Announcement of Internal Control Declaration.
- The commissioned accountant for the project review of the internal control system should disclose the accountant's review report: None.

(9) Important resolutions of the shareholders' meeting and board of directors in recent years and up to the date of the annual report publication:

- Important resolutions of the shareholders' meeting for the year 2024 and up to the date of the annual report publication:

| Meeting Date | Resolution Matters | Resolution Results | Execution Status |
|--------------|--------------------|--------------------|------------------|
| | | | |

| | | | |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| 2024.06.18 | <p>1. Approved the distribution of the company's 2023 annual surplus.</p> <p>2. Approved the company's 2023 annual business report and consolidated financial report.</p> <p>3. Approved the complete re-election of the company's board of directors (including 4 independent directors).</p> <p>4. Approved the amendment to the "Rules of Procedure for Shareholders' Meetings".</p> <p>5. Through the removal of the non-competition restrictions for the newly appointed directors.</p> | <p>The voting results of this proposal - the number of voting rights of shareholders present at the time of voting was 82,656,422 rights, with 80,376,348 rights in favor, accounting for 97.24% of the total rights; this proposal was passed as originally proposed.</p> <p>The voting results of this proposal - the number of voting rights of shareholders present at the time of voting was 82,656,422 rights, with 80,947,179 rights in favor, accounting for 97.93%; This proposal was passed as originally proposed.</p> <p>The election results of this proposal. Director: Shih, Jui-Pin 391,291,296 Director: Cheng, Li-Ping 96,115,856 Director: Tsai, Cheng-Fu 108,365,058 Director: Shi Ruilin 20,737,376 Director: Huang, Ching-Shu 30,834,913 Independent Director: Lin, Chih-Lung 14,270,017 Independent Director: Hsu Shih-Yuan 14,206,336 Independent Director: Yen Min-Jen 14,092,151 Independent Director: Lin Hui-fen 14,107,44</p> <p>The voting results of this proposal - Number of voting rights held by shareholders present at the vote: 82,656,422 rights, Number of votes in favor: 80,366,814 rights, accounting for 97.22% of the total rights; this proposal was passed as originally proposed.</p> <p>The voting results of this proposal - the number of voting rights of shareholders present at the time of voting was 82,656,422 rights, with 80,633,158 rights in favor, accounting for 97.55% of the total rights; this proposal was passed as originally proposed.</p> | <p>Completion</p> <p>Completion</p> <p>Completion</p> <p>Completion</p> <p>Completion</p> |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

2.2024 Important resolutions of the Board of Directors for the year and as of the date of publication of the annual report: Please refer to page 20 of this annual report Information on the operation of the Board of Directors.

(10) In the most recent fiscal year and up to the date of the annual report's publication, the directors or supervisors have expressed differing opinions on important resolutions passed by the board of directors.

And those with records or written statements: None.

IV. Certified Accountant Public Expenses Information

Unit: New Taiwan Dollar Thousand

| Accounting Firm Name | Accountant Name | Audit Period | Audit Public Expense | Non-Audit Public Expense | Total | Remarks |
|-------------------------------|-----------------|---------------------|----------------------|--------------------------|-------|-----------------------------------------------------------------------------------|
| PricewaterhouseCoopers Taiwan | Wang, Kuo-Hua | 2024/1/1-2024/12/31 | 4,940 | 60 | 5,000 | Non-audit public expenses Mainly related to tax certifications service fees, etc. |
| | Wu, Chien-Chih | | | | | |

(一) For the non-audit fees of the certified public accountant, the accounting firm to which the certified public accountant belongs, and its related enterprises, if they exceed one-fourth of the audit fees: None.

(2) If the accounting firm is changed and the audit fees paid for the year are less than those of the previous year: None.

(3) The audit public expenses decreased by more than 10% compared to the previous year: None.

V.Information on Replacement of CPAs: None.

VI.The chairman of the board, the general manager, and the manager responsible for financial or accounting affairs of the company have served in the auditing accounting firm within the last year.

There are no affiliated firms or related enterprises.

VII. Recent annual reports and as of the date of publication, the directors, supervisors, managers, and shareholders holding more than ten percent of the shares

Changes in equity transfer and equity pledge:

(1) Transfer of equity and changes in equity pledges of directors, supervisors, managers, and shareholders holding more than 10% of shares

Unit: shares

| Title | Name | 2024 Year | | As of March 31, 2025 | |
|------------------------------------|---------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|----------------------------------------------|
| | | Number of shares held increase (decrease) | Number of pledged shares increase (decrease) | Number of shares held increase (decrease) | Number of pledged shares increase (decrease) |
| Chairman, General Manager, and CEO | Shih, Jui-Pin | - | - | - | - |

| Title | Name | 2024 Year | | As of March 31, 2025 | |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|----------------------------------------------|
| | | Number of shares held increase (decrease) | Number of pledged shares increase (decrease) | Number of shares held increase (decrease) | Number of pledged shares increase (decrease) |
| Vice Chairman concurrently serves as General Manager of subsidiary Jiujiang Company | Tsai, Cheng-Fu | - | - | - | - |
| Director | Cheng, Li-Ping | - | - | - | - |
| Director | Huang, Ching-Shu | - | - | - | - |
| Director | Shih Jui-lin | - | - | - | - |
| Shareholders holding more than 10% | Pearl Place Holdings Limited | - | - | - | - |
| Director | Chen, Yen-Fu | - | - | - | - |
| Independent Director | Lin, Chih-Lung | - | - | - | - |
| Independent Director | Hsu, Shih-Wen | - | - | - | - |
| Independent Director | Lin Hui-fen | - | - | - | - |
| Independent Director | Yen Min-Jen | - | - | - | - |
| Chief Operating Officer | Tseng, Chao-Ting | - | - | - | - |
| Head of China Market Department | Lei Yan | - | - | - | - |
| Deputy General Manager | Park Won-cheol | - | - | - | - |
| Accounting Manager and Corporate Governance Supervisor | Ho, Mei-Hsiu | - | - | - | - |
| Financial Manager | Lin Huangming | 5,000 | - | - | - |
| Audit Supervisor (Acting) | Zhang Wei | - | - | - | - |
| Director(Note 1) | China Trust Commercial Bank entrusted to manage the investment account of Daji Co., Ltd. Representative: Huang, Ching-Shu | - | - | - | - |
| Director(Note 1) | Pearl Place Holdings Limited Representative: Shi Ruilin | - | - | - | - |
| Director(Note 1) | Chen, Yen-Fu | - | - | - | - |
| Independent Director (Note 1) | Chen, Ming-Chang | - | - | - | - |
| Independent Director (Note 1) | Qilai Ping | - | - | - | - |

Note 1: Director of China Trust Commercial Bank, custodian of the investment account of Daji Co., Ltd., representative: Mr. Huang, Ching-Shu, representative of Pearl Place Holdings Limited

Mr. Shi Ruilin, Mr. Chen, Yen-Fu, and independent directors Mr. Chen, Ming-Chang and Mr. Chi, Lai-Ping will be dismissed upon the expiration of their term on June 18, 2024.

(2) The counterparty of the equity transfer is related party information: None.

(3) The counterparty of the equity pledge is related party information: None.

VIII. Information about the relation between/among the top 10 shareholders

March 31, 2025; Unit: Shares;%

| Name | I Shares Held | | Shares held by spouse and minor children | | Shares held in the name of others | | Names or identities of the top ten shareholders who have relationships with each other or are spouses, relatives within the second degree, and their relationships | | Rema rks |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------------------------------|---------------------------|-----------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------|
| | Number of Shares | Sharehold ing Ratio | Number of Shares | Shareho lding Ratio | Num ber of Shares | Shareh olding Ratio | Name (or Name) | Relatio nship | |
| Pearl Place Holdings Limited | 28,503,024 | 19.02 | - | - | - | - | - | - | |
| Representative: Shih, Jui-Pin | 1,102,238 | 0.7 | 851,782 | 0.57 | - | - | - | - | |
| Superb Rhyme Limited | 7,271,620 | 4.85 | - | - | - | - | - | - | |
| Representative: Zeng Wanlin | 1,370,148 | 0.9 | 86,869 | 0.06 | - | - | - | - | |
| Strong Fit Holdings Limited | 5,152,955 | 3.44 | - | - | - | - | - | - | |
| Representative: Lin Meixiang | 53,736 | 0.04 | 3,447,193 | 2.30 | - | - | Cheng, Li-Ping | Spouse | |
| Tsai, Cheng-Fu | 4,378,238 | 2.92 | - | - | - | - | Robust View Ltd. Representative: Liu Cuihui | Spouse | |
| Cheng, Li-Ping | 3,447,193 | 2.30 | 53,736 | 0.04 | - | - | Strong Fit Holdings Limited Representative: Lin Meixiang | Spouse | |
| Robust View Limited | 3,363,319 | 2.24 | - | - | - | - | - | - | |
| Representative: Liu Cuihui | - | - | - | - | - | - | - | - | |
| China Trust Commercial Bank Custody of Shunxun Co., Ltd. Investment Account | 3,073,072 | 2.05 | - | - | - | - | - | - | |
| China Trust Commercial Bank Custody of Daji Co., Ltd. Investment Account | 2,561,568 | 1.71 | - | - | - | - | - | - | |
| Representative: Huang Ching-Shu | 1,905,169 | 1.27 | 2,227 | 0.00 | - | - | - | - | |
| Lo Hui-Min | 2,400,428 | 1.60 | - | - | - | - | - | - | |
| Yongfeng Financial Securities Co., Ltd. entrusted to custody Yongfeng Financial Securities (Asia) Company investment special account | 2,185,036 | 1. | - | - | - | - | - | - | |

IX. The number of shares held by the company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the company in the same invested business, and the consolidated shareholding ratio shall be calculated together:

March 31, 2025; Unit: New Taiwan Dollar Thousand; Thousand Shares;%

| Invested Enterprises | This Company Invests | | Investments by Directors, Supervisors, Managers, and Direct or Indirectly Controlled Enterprises | | Comprehensive Investment | |
|-----------------------------------------|----------------------|--------------------|--------------------------------------------------------------------------------------------------|--------------------|--------------------------|--------------------|
| | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio |
| Airmate International Holdings Limited | 63,974 | 100.00 | - | - | 63,974 | 100.00 |
| Airmate China International Limited | 69,761 | 100.00 | - | - | 69,761 | 100.00 |
| Weyang Development Limited | (Note 1) | 100.00 | - | - | - | 100.00 |
| Airmate Electric (Hong Kong) Limited | (Note 1) | 100.00 | - | - | - | 100.00 |
| Airmate Electric (Shenzhen) Limited | (Note 1) | 100.00 | - | - | - | 100.00 |
| Zhejiang Airmate Electric Sales Limited | (Note 1) | 40.00 | - | - | - | 40.00 |
| Airmate Electric (Jiujiang) Limited | (Note 1) | 100.00 | - | - | - | 100.00 |
| Airmate Technology (Shenzhen) Limited | (Note 1) | 100.00 | - | - | - | 100.00 |
| Airmate E-commerce (Shenzhen) Co., Ltd. | (Note 1) | 100.00 | - | - | - | 100.00 |
| Weimo Technology (Foshan) Co., Ltd. | (Note 1) | 100.00 | - | - | - | 100.00 |
| Xiandao Technology (Shenzhen) Co., Ltd. | (Note 1) | 100.00 | - | - | - | 100.00 |

Note 1: It is a limited company, thus no shares are issued.

Chapter III. Capital Overview

1. Capital and Shares

(1) Source of Company Capital

1. Process of Capital Formation

March 31, 2025; Unit: Thousand Yuan / Thousand Shares

| Year and Month | Issue Price (Yuan) | Approved Capital | | Paid-in Capital | | Source of Capital | Those who use property other than cash to offset share payments | Others |
|----------------|--------------------|------------------|---------------|------------------|---------------|-------------------------------------------------------------------|-----------------------------------------------------------------|--------|
| | | Number of Shares | Amount | Number of Shares | Amount | | | |
| 2004.04 | HKD 0.1 Yuan | 5,000,000 | HKD 500,000 | 160,000 | HKD 16,000 | Established Capital | - | |
| 2008.07 | HKD 0.1 Yuan | 5,000,000 | HKD 500,000 | 160,400 | HKD 16,040 | Cash IncreaseHKD 40 Thousand | - | |
| 2009.12 | HKD 0.1 Yuan | 5,000,000 | HKD 500,000 | 176,100 | HKD 17,610 | Employee bonus capital increaseHKD1,570 thousand | - | |
| 2009.03 | HKD 0.1 Yuan | 5,000,000 | HKD 500,000 | 186,600 | HKD 18,660 | Cash capital increaseHKD1,050 thousand | - | |
| 2009.12 | HKD 0.1 Yuan | 5,000,000 | HKD 500,000 | 219,100 | HKD 21,910 | Surplus capital increaseHKD3,250 thousand | - | |
| 2010.07 | HKD 0.1 Yuan | 5,000,000 | HKD 500,000 | 225,900 | HKD 22,590 | Employee bonus converted to capitalHKD680 thousand | - | |
| 2012.02 | HKD 1 Yuan | 500,000 | HKD 500,000 | 225,900 | HKD 225,900 | Capital reserve converted to capitalHKD203,310 thousand | - | |
| 2012.05 | HKD 1 Yuan | 500,000 | HKD 500,000 | 254,900 | HKD 254,900 | Cash capital increaseHKD 29,000 thousand | - | |
| 2012.08 | NTD 10yuan | 216,250 | NTD 2,162,500 | 110,244 | NTD 1,102,443 | Face value converted from Hong Kong dollars to New Taiwan dollars | - | Not e1 |
| 2013.03 | NTD 10yuan | 216,250 | NTD 2,162,500 | 122,494 | NTD 1,224,942 | Cash Capital Increase | | Not e2 |
| 2014.09 | NTD 10yuan | 216,250 | NTD 2,162,500 | 122,885 | NTD 1,228,846 | Convertible Bonds Conversion NTD 3,904 thousand | - | Not e3 |
| 2016.11 | NTD 10yuan | 216,250 | NTD 2,162,500 | 122,844 | NTD 1,228,436 | Reduction of treasury stock NTD 41 thousand | - | Not e4 |

| | | | | | | | | |
|---------|------------|---------|---------------|---------|---------------|-------------------------------------------------------------------------------------------------|---|--------|
| 2019.12 | NTD 10yuan | 216,250 | NTD 2,162,500 | 136,851 | NTD 1,368,506 | Cash capital increase NTD 120,000 thousand and convertible bonds conversion NTD 20,070 thousand | - | Note 5 |
| 2020.12 | NTD 10yuan | 216,250 | NTD 2,162,500 | 139,588 | NTD1,395,876 | Surplus capital increase NTD 27,370 thousand | - | |
| 2021.04 | NTD 10yuan | 216,250 | NTD 2,162,500 | 140,732 | NTD1,407,321 | Convertible bonds conversion NTD 11,445 thousand | - | Note 6 |
| 2021.07 | NTD 10yuan | 216,250 | NTD 2,162,500 | 140,958 | NTD1,409,580 | Convertible bonds conversion NTD 2,259 thousand | - | Note 6 |
| 2021.08 | NTD 10yuan | 216,250 | NTD 2,162,500 | 139,961 | NTD 1,399,610 | Cancellation of treasury shares NTD 9,970 thousand | - | Note 7 |
| 2021.10 | NTD 10yuan | 216,250 | NTD 2,162,500 | 145,545 | NTD 1,455,445 | Surplus capital increase NTD 55,835 thousand | - | |
| 2023.10 | NTD 10yuan | 216,250 | NTD 2,162,500 | 152,822 | NTD 1,528,217 | Surplus capital increase NTD 72,772 thousand | - | |
| 2024.11 | NTD 10yuan | 216,250 | NTD 2,162,500 | 149,822 | NTD 1,498,217 | Cancellation of treasury shares NTD 30,000 thousand | - | Note 8 |

Note 1: 2012.07.26 Shareholders' meeting approved the change of face value from Hong Kong dollars to New Taiwan dollars

Note 2: 2013.01.03 Financial Supervisory Commission Certificate No. 1010059496

Note 3: 2014.09 is the date of exercising the conversion rights of convertible corporate bonds

Note 4: 2016.11.17 is the record date for the reduction of treasury shares

Note 5: 2019.10.25 Financial Supervisory Commission Certificate No. 10803334691

Note 6: 2020.09.29 Financial Supervisory Commission Certificate No. 1090358770

Note 7: August 19, 2021 is the record date for the cancellation of treasury stock reduction.

Note 8: November 7, 2024 is the record date for the cancellation of treasury stock reduction.

2. Information related to the comprehensive reporting system: Not applicable.

(2) List of major shareholders

Shareholders holding more than 5% of shares or the names, shareholdings, and percentages of the top 10 shareholders are as follows:

March 31, 2025; Unit: shares

| Name of major shareholders | Shares | Number of shares held | Shareholding percentage (%) |
|------------------------------|--------|-----------------------|-----------------------------|
| Pearl Place Holdings Limited | | 28,503,024 | 19.02 |
| Superb Rhyme Limited | | 7,271,620 | 4.85 |
| Strong Fit Holdings Limited | | 5,152,955 | 3.44 |
| Tsai, Cheng-Fu | | 4,378,238 | 2.92 |
| Cheng, Li-Ping | | 3,447,193 | 2.30 |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|------|
| Robust View Limited | 3,363,319 | 2.24 |
| China Trust Commercial Bank Custody of Shunxun Co., Ltd. Investment Account | 3,073,072 | 2.05 |
| China Trust Commercial Bank Custody of Daji Co., Ltd. Investment Account | 2,561,568 | 1.71 |
| Lo Hui-Min | 2,400,428 | 1.60 |
| Yongfeng Financial Securities Co., Ltd. entrusted to custody Yongfeng Financial Securities (Asia) Company investment special account | 2,185,036 | 1.46 |

(3) Explanation of the company's dividend policy, execution status, and significant expected changes

1. Dividend policy stipulated in the company's articles of association

After being approved by the shareholders' meeting through an ordinary resolution, or in the case described in Article 12.3(a) of the Articles of Association, after being approved by a special resolution, dividends shall be distributed to shareholders in accordance with their shareholding ratios without violating the Articles of Association and the instructions of the shareholders' meeting. Dividends may be paid in cash, shares, or distributed in whole or in part in various assets as stipulated in Article 14.2 of the Articles of Association. The company shall not pay interest on any undistributed dividends. Subject to the premise of not violating Article 14.1 of the Articles of Association, the board of directors may decide to distribute all or part of the dividends in specific assets (which may include shares or securities of other companies) and handle related issues arising from the distribution; however, before the board of directors determines the value of such specific assets, it shall obtain the consent of the shareholders receiving the specific assets and submit the value of the specific assets for verification by a certified public accountant in the Republic of China. The board of directors may distribute cash to some shareholders based on the value of such assets to adjust the equity of shareholders. Without affecting the above general provisions, the board of directors may deliver such specific assets to a trustee under conditions it deems appropriate and distribute fractional shares. In accordance with the Cayman Islands Company Law, the company shall not distribute dividends or make other distributions except from realized profits, share issuance premium accounts, or reserves, provisions, or other funds permitted by the Cayman Islands Company Law. Unless otherwise provided by the rights attached to the shares, all dividends and other distributions shall be calculated based on the proportion of shares held by the shareholders. If the conditions for share

issuance are based on a specific date for calculating dividends, the dividends for those shares shall be calculated accordingly.

Unless otherwise provided by the Cayman Islands Company Law, these Articles of Association, or the rights attached to the shares, the distribution of the company's profits shall be based on the profit distribution proposal approved by the board of directors and passed by the shareholders' annual meeting through an ordinary resolution.

During the period of share registration for over-the-counter trading or listing on the stock exchange, the board of directors shall first allocate from the profits of each accounting year: (i) a reserve for the payment of taxes for the relevant accounting year; (ii) an amount to cover past losses; (iii) ten percent (10%) of the profits as a statutory surplus reserve (hereinafter referred to as "statutory surplus reserve") (unless the statutory surplus reserve has reached the company's paid-in capital); and (iv) a special surplus reserve required by the securities regulatory authority in accordance with the rules for publicly issued companies. If there are still profits, they may be distributed with the consent of the shareholders' meeting in the following manner and order:

- a. One percent (1%) to ten percent (10%) as employee compensation, including employees of subsidiaries; and
- b. No more than three percent (3%) as compensation for directors (excluding independent directors);
- c. If there is a surplus, it may be distributed together with all or part of the undistributed profits accumulated from previous years, in accordance with the proportion of shares held by the shareholders; and
- d. The company's dividend distribution policy must consider the current and future investment environment, funding needs, industry competition, and capital budgeting, while balancing the interests of shareholders and the company's long-term financial planning. The principle for dividend distribution is not less than twenty-five percent (25%) of the "distributable profits" (this percentage is referred to as the "dividend distribution base ratio"), and dividends shall be distributed to shareholders in accordance with their shareholding ratios. Dividends distributed to shareholders may be allocated in both stock dividends and cash dividends, but the cash dividends shall not be less than ten percent (10%) of the total dividend distribution. However, (i) if the board of directors, after considering the aforementioned factors, believes that a conservative dividend policy should be adopted for the year, it may distribute dividends to shareholders within a range of not less than fifty percent (50%) of the aforementioned dividend distribution base ratio, with cash dividends not less than ten percent (10%) of the total dividend distribution; and (ii) if the "distributable profits" are less than five percent (5%) of the paid-in capital, no distribution may be made, and it shall be submitted for resolution by the shareholders' meeting.

2. Proposed dividend distribution for this year:

The company's proposal for loss compensation for the year 2024 has been approved by the board of directors on February 27, 2025. Due to the operating results resulting in a loss this year, no dividends will be distributed. This proposal will be reported at the shareholders' meeting on May 29, 2025, and handled in accordance with relevant regulations.

- (4) The impact of the proposed free allocation of shares at this shareholders' meeting on the company's business performance and earnings per share: There is no such situation this period.
- (5) Employee compensation and remuneration for directors and supervisors (The company has not established a supervisory board)
 - 1. The percentage or range of remuneration for employees, directors, and supervisors as stated in the company's articles of association:

According to the provisions of the company's articles of association, unless otherwise stipulated by the Cayman Islands Company Law, the rules for publicly listed companies, or the articles of association, if the company has profits in its annual financial statements, it shall allocate employee compensation and director remuneration as follows; however, if the company still has accumulated losses, it shall first reserve the amount to cover those losses:

- (a) One percent to ten percent as employee compensation, including employees of subsidiaries; and
- (b) No more than three percent as remuneration for directors (excluding independent directors).

The distribution of employee compensation and director remuneration shall be decided by a resolution passed by more than two-thirds of the directors present at the board meeting, with the majority of those present agreeing, and shall be reported to the shareholders' meeting. However, if the company has accumulated losses, the amount for compensation must be reserved in advance, and then employee compensation and director remuneration shall be allocated according to the aforementioned ratio. The term "profit" refers to the company's pre-tax net profit. To avoid any doubt, pre-tax net profit refers to the amount before paying employee compensation and director remuneration. In compliance with applicable legal provisions, employee compensation shall be in cash or shares.

- 2. The basis for estimating the remuneration amounts for employees, directors, and supervisors in this period, the calculation basis for the number of shares allocated as employee remuneration, and the accounting treatment when the actual distribution amount differs from the estimated amount.

The employee bonuses and director remuneration of the company are determined according to the company's articles of association and estimated annually based on this principle. Subsequently,

If there is a difference between the amount allocated by the shareholders' meeting resolution and the estimated amount, it shall be handled according to accounting estimates and adjusted in the year of the shareholders' meeting resolution, recorded as profit and loss for the year of the shareholders' meeting resolution.

3. The board of directors approved the distribution of remuneration.

Due to losses incurred in the fiscal year 2024, the company has not allocated compensation for employees and directors.

(1) The amount of employee compensation and remuneration for directors and supervisors distributed in cash or stock. If there is a difference from the estimated amount recognized in the expense year, the difference, reasons, and handling should be disclosed: Not applicable.

(2) The proportion of employee compensation distributed in stock to the total amount of after-tax net profit of the current period or individual financial report and employee bonuses: Not applicable.

(3) Consideration of the estimated earnings per share after the proposed distribution of employee compensation and remuneration for directors and supervisors:

Since 2008, the company has implemented employee bonuses and the expense recognition of remuneration for directors and supervisors, and has estimated the employee bonus expenses and remuneration for directors and supervisors into the accounts, thus the estimated earnings per share are the same as those in the consolidated financial report.

4. The actual distribution of employee, director, and supervisor remuneration in the previous year (including the number of shares distributed, amount, and stock price), and if there are differences with the recognized employee, director, and supervisor remuneration, the difference, reasons, and handling should be stated:

On June 18, 2024, the shareholders' meeting approved the company's 2023 profit distribution plan, distributing employee compensation of 2,091,986 yuan and remuneration for directors and supervisors of 627,595 yuan. There were no differences in the actual distribution of employee compensation and remuneration for directors and supervisors for that year.

(6) The situation of the company repurchasing its own shares

(1) The situation of the company repurchasing its own shares (completed)

March 31, 2025

| Repurchase period | First (period) | Second (period) | Third (period) | Fourth (period) | Fifth (period) |
|-------------------|----------------|-----------------|----------------|-----------------|----------------|
| | | | | | |

| Purpose of buyback | Maintain company credit and Shareholder equity | Transfer shares to employees | Transfer shares to employees | Transfer shares to employees | Transfer shares to employees |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------|-------------------------------------|--------------------------------------------|--------------------------------------|
| Buyback period | September 5, 2016 To October 5, 2016 | November 7, 2016 To December 15, 2016 | March 6, 2017 To May 5, 2017 | January 3, 2018 To February 12, 2018 | March 16, 2021 To May 15, 2021 |
| Buyback price range | 25.75-27Yuan | 25-25.59Yuan | 18.35-39Yuan | 16.75-38Yuan | 25.00-28.85Yuan |
| Types and quantities of shares repurchased | Common stock41thousand shares | Common stock442thousand shares | Common stock316thousand shares | Common Stock500Thousand Shares | Common Stock997Thousand Shares |
| The ratio of the number of shares repurchased to the planned repurchase quantity () | 4.10 | 44.20 | 52.67 | 100.00 | 99.70 |
| Amount of repurchased shares | New Taiwan Dollar1,088Thousand Yuan | New Taiwan Dollar11,225Thousand Yuan | New Taiwan Dollar9,352Thousand Yuan | New Taiwan Dollar12,474thousand | New Taiwan Dollar27,262thousand |
| Number of shares that have been cancelled and transferred | 41thousand shares(note1) | 442thousand shares(note2) | 316thousand shares(note2) | 500thousand shares(note2) | 997thousand shares(note 3) |
| Cumulative number of shares held in the company | - | - | - | - | - |
| Cumulative number of shares held in the company accounts for Total number of shares issued ratio () | - | - | - | - | - |

Note 1: The share cancellation was completed on November 9, 2016.

Note 2: All repurchased shares were transferred to employees on November 18, 2019.

Note 3: The share cancellation was completed on August 25, 2021.

(2) Company repurchase of its own shares (still in progress): No such situation.

II. Corporate Bonds:

(1) Overseas corporate bonds: Not applicable.

(2) Domestic corporate bonds:

| Type of corporate bonds | Second (issue) secured convertible bonds | Third (issue) secured convertible bonds | Fourth (Issue) Unsecured Convertible Bonds |
|-------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------|
|-------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------|

| | | | |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuance (Handling) Date | September 30, 2017 | December 04, 2019 | December 10, 2020 |
| Face Value | NT\$ 100,000 | NT\$ 100,000 | NT\$ 100,000 |
| Issue Price | NT\$ 100,000 | NT\$ 100,000 | NT\$ 100,000 |
| Total Amount | NT\$ 500,000,000 | NT\$ 300,000,000 | NT\$ 400,000 thousand |
| Interest Rate | 0 | 0 | 0 |
| Maturity | Three-Year Term September 30, 2020 | Three-Year Term December 4, 2022 | Three-Year Term December 10, 2023 |
| Guarantee Institution | Taishin International Bank, China Trust Commercial Bank, Taiwan Shin Kong Commercial Bank, and Far Eastern International Bank | China Trust Commercial Bank, Taiwan Shin Kong Commercial Bank, and Far Eastern International Bank | None |
| Trustee | Yongfeng Commercial Bank Co., Ltd. | Yongfeng Commercial Bank Co., Ltd. | Yongfeng Commercial Bank Co., Ltd. |
| Underwriter | Taishin Comprehensive Securities Co., Ltd. | KGI Securities Co., Ltd. | KGI Securities Co., Ltd. |
| Certified Lawyer | Chen Youliang, Lawyer of Zhidin International Law Firm | Chen Youliang, Lawyer of Zhidin International Law Firm | Chen Youliang, Lawyer of Zhidin International Law Firm |
| Certified Public Accountant | Zhuang Junwei and Kou Huizhi, Accountants of Anhou Jianye Joint Accounting Firm | Li Cihui and Lü Guanwun, Accountants of Anhou Jianye Joint Accounting Firm | Xu Yufeng and Lü Guanwun, Accountants of Anhou Jianye Joint Accounting Firm |
| Repayment method | Except for bondholders converting to the company's common stock in accordance with Article 11 of these regulations, exercising the put option under Article 22 of these regulations, or the company redeeming early under Article 21 of these regulations or repurchasing and canceling through a securities firm's business location, the principal amount will be repaid in cash at maturity based on the bond's face value. | Except for bondholders (hereinafter referred to as "bondholders") converting to the company's common stock in accordance with Article 11 of these regulations or the company redeeming early under Article 21 of these regulations, or repurchasing and canceling through a securities firm's business location, the company will repay the bondholders in cash at maturity based on 101.51 (yield to maturity of 0.5) of the bond's face value. | Except for bondholders (hereinafter referred to as "bondholders") converting to the company's common stock in accordance with Article 11 of these regulations or the company redeeming early under Article 21 of these regulations, or repurchasing and canceling through a securities firm's business location, the company will repay the bondholders in cash at maturity based on 100.75 (yield to maturity of 0.25) of the bond's face value. |
| Unpaid principal | New Taiwan Dollar - Thousand | New Taiwan Dollar - Thousand | New Taiwan Dollar - Thousand |

| | | | |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Redemption or early repayment terms | <p>(1) After the issuance of this convertible bond has been completed for three months, starting from the next day (January 1, 2018) until forty days before the expiration period (August 21, 2020), if the closing price of the company's common stock exceeds the conversion price by 30% (inclusive) for thirty consecutive trading days, the company may, within the following thirty trading days, send a registered "Bond Redemption Notice" for a one-month period (the aforementioned period is calculated from the date the company sends the letter, and the expiration date of that period is the bond redemption reference date, and the aforementioned period shall not be during the conversion suspension period specified in Article 9) to the bondholders (based on the bondholder list as of the fifth trading day prior to the issuance of the "Bond Redemption Notice"; for bondholders who acquire the convertible bonds thereafter due to trading</p> | <p>(1) After the issuance of this convertible bond has been completed for three months, starting from the next day (March 5, 2020) until forty days before the expiration period (October 25, 2022), if the closing price of the company's common stock exceeds the conversion price by 30% (inclusive) for thirty consecutive trading days, the company may, within the following thirty trading days, send a registered "Bond Redemption Notice" for a thirty-day period (the aforementioned period is calculated from the date the company sends the letter, and the expiration date of that period is the bond redemption reference date, and the aforementioned period shall not be during the conversion suspension period specified in Article 9) to the bondholders (based on the bondholder list as of the fifth trading day prior to the issuance of the "Bond Redemption Notice"; for bondholders who acquire the convertible bonds thereafter due to trading or other reasons, notice will be given by</p> | <p>(1) From the day after the expiration of three months from the issuance of the convertible bonds (March 11, 2021) until forty days before the expiration of the issuance period (October 31, 2023), if the closing price of the company's common stock exceeds thirty percent (inclusive) of the conversion price for thirty consecutive business days, the company may, within the following thirty business days, send a registered "Bond Redemption Notice" that expires in thirty days (the aforementioned period is calculated from the date the company sends the letter, and the expiration date of that period is the basis for the bond redemption date, and the aforementioned period shall not be during the conversion suspension period specified in Article 9) to the bondholders (based on the bondholder list as of the fifth business day prior to the issuance of the "Bond Redemption Notice"; for those who</p> |
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| | | | |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>or other reasons, notice will be given by announcement), with the redemption price set at the face value of the bond, and request the OTC trading center to make an announcement. The company shall execute the redemption request within five trading days after the bond redemption reference date, redeeming the bondholders' convertible bonds in cash at the bond's face value.</p> <p>(2) After the issuance of this convertible bond has been completed for one month, starting from the next day (January 1, 2018) until forty days before the expiration period (August 21, 2020), if the outstanding balance of this convertible bond is less than 10% of the original issuance amount, the company may, at any time thereafter, send a registered "Bond Redemption Notice" for a one-month period (the aforementioned period is calculated from the date the company sends the letter, and the expiration date of that period is the</p> | <p>announcement), with the redemption price set at the face value of the bond, and request the OTC trading center to make an announcement. The company shall execute the redemption request within five trading days after the bond redemption reference date, redeeming the bondholders' convertible bonds in cash at the bond's face value.</p> <p>(2) The convertible bonds of this company shall be redeemed on the day after the expiration of three months from the issuance (March 5, 2020) until forty days before the expiration of the issuance period (October 25, 2022). If the outstanding balance of the convertible bonds is less than ten percent of the original total issuance amount, the company may, at any time thereafter, send a registered "Bond Redemption Notice" that expires in thirty days (the aforementioned period is calculated from the date the company sends the letter, and the expiration date of that period is the basis for the bond redemption date, and the aforementioned period</p> | <p>acquire the convertible bonds thereafter due to trading or other reasons, it shall be announced), at a redemption price equal to the face value of the bonds, redeeming all their bonds in cash, and request the over-the-counter trading center to announce it. The company shall execute the redemption request within five business days after the bond redemption date, redeeming the bondholders' convertible bonds in cash at the face value of the bonds.</p> <p>(2) From the day after the expiration of three months from the issuance of the convertible bonds (March 11, 2021) until forty days before the expiration of the issuance period (October 31, 2023), if the outstanding balance of the convertible bonds is less than ten percent of the original total issuance amount, the company may, at any time thereafter, send a registered "Bond Redemption Notice" that expires in thirty days</p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | | | |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>bond redemption reference date, and the aforementioned period shall not be during the conversion suspension period specified in Article 9) to the bondholders (based on the bondholder list as of the fifth trading day prior to the issuance of the "Bond Redemption Notice"; for bondholders who acquire the convertible bonds thereafter due to trading or other reasons, notice will be given by announcement), with the redemption price set at the face value of the bond, and request the OTC trading center to make an announcement. The company shall execute the redemption request within five trading days after the bond redemption reference date, redeeming the bondholders' convertible bonds in cash at the bond's face value.</p> <p>(3) If the creditor does not respond in writing to the company's stock affairs agency (effective upon delivery, with postal date as proof if sent by mail) before the bond redemption reference date</p> | <p>shall not be during the conversion suspension period specified in Article 9) to the bondholders (based on the bondholder list as of the fifth business day prior to the issuance of the "Bond Redemption Notice"; for those who acquire the convertible bonds thereafter due to trading or other reasons, it shall be announced) at a redemption price equal to the face value of the bonds, redeeming all their bonds in cash, and request the over-the-counter trading center to announce it. The company shall execute the redemption request within five business days after the bond redemption date, redeeming the bondholders' convertible bonds in cash at the face value of the bonds.</p> <p>(3) If the creditor does not reply in writing to the company's stock affairs agency (effective upon delivery, with postal date as proof for mailed replies) before the bond redemption date specified in the "Bond Redemption Notice," the company shall redeem the convertible bonds held by the creditor in cash at the face value of the bonds</p> | <p>(the aforementioned period is calculated from the date the company sends the letter, and the expiration date of that period is the basis for the bond redemption date, and the aforementioned period shall not be during the conversion suspension period specified in Article 9) to the bondholders (based on the bondholder list as of the fifth business day prior to the issuance of the "Bond Redemption Notice"; for those who acquire the convertible bonds thereafter due to trading or other reasons, it shall be announced) at a redemption price equal to the face value of the bonds, redeeming all their bonds in cash, and request the over-the-counter trading center to announce it. The company shall execute the redemption request within five business days after the bond redemption date, redeeming the bondholders' convertible bonds in cash at the face value of the bonds.</p> <p>(3) If the creditor does not reply in writing to the</p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | | | |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>stated in the "Bond Redemption Notice," the company shall redeem the convertible bonds held by the creditor in cash at the bond's face value within five trading days after the bond redemption reference date.</p> | <p>within five business days after the bond redemption date.</p> | <p>company's stock affairs agency (effective upon delivery, with postal date as proof for mailed replies) before the bond redemption date specified in the "Bond Redemption Notice," the company shall redeem the convertible bonds held by the creditor in cash at the face value of the bonds within five business days after the bond redemption date.</p> |
| Redemption and Buyback Situation | <p>On September 30, 2020, the second secured convertible bonds were redeemed, with 4,432 bonds redeemed at a redemption price of \$443,200 thousand, resulting in a decrease in capital surplus of \$10,959 thousand, and the redemption benefit generated from the aforementioned was \$10,959 thousand.</p> | <p>On December 4, 2022, the third secured convertible bonds were redeemed, with 3,000 bonds redeemed at a redemption price of \$304,530 thousand, resulting in a decrease in capital surplus of \$2,889 thousand, and the redemption loss generated from the aforementioned was \$1,631 thousand.</p> | <p>From the issuance date to the expiration date (December 10, 2023), the fourth unsecured convertible bonds have redeemed 3,630 bonds, with a redemption price of \$364,769 thousand, resulting in a decrease in capital surplus of \$11,222 thousand, and the redemption benefit generated from the aforementioned was \$9,135 thousand.</p> |
| Restriction Clause | None | None | None |
| Rating agency name, rating date, bond rating results credit | None | None | None |

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As of the date of the annual report publication, the amount of common stock, overseas depository receipts, or other securities converted (exchange or subscription).</p> | <p>Between the self-conversion date of the convertible bonds and September 30, 2020, bondholders have applied to convert 2,007 thousand shares of the company's common stock, with a face value of \$56,800 thousand for the convertible bonds. The related reduction in capital surplus from subscription rights generated is \$1,405 thousand, and the premium capital surplus generated from the issuance of new shares due to bond conversion in 2019 is \$37,389 thousand. The capital generated from bond conversion is \$20,070 thousand. Please refer to Note 6 (19) of the consolidated financial report for 2020.</p> | <p>No applications for conversion.</p> | <p>Between the issuance date and the maturity date (December 10, 2023) of the convertible bonds, bondholders have applied to convert 1,370 thousand shares of the company's common stock, with a face value of \$37,000 thousand for the convertible bonds. The related reduction in capital surplus from subscription rights generated is \$1,143 thousand; there were no conversion cases in 2023 and 2022.</p> |
| <p>Issuance and conversion (exchange or subscription) methods.</p> | <p>According to the company's established issuance and conversion methods for this secured convertible bond.</p> | <p>According to the company's established issuance and conversion methods for this secured convertible bond.</p> | <p>According to the company's established issuance and conversion methods for this unsecured convertible bond.</p> |
| <p>Issuance and conversion, exchange or subscription methods, issuance dilute equity, and the impact on existing shareholders' equity.</p> | <p>The second secured convertible bonds will mature on September 30, 2020, and will be redeemed, with no conditions that may affect the effects as described below.</p> | <p>Third guaranteed convertible bonds are due for redemption on December 4, 2022, and there are no impacts as described below.</p> | <p>Fourth unsecured convertible bonds are due for redemption on December 10, 2023, and there are no impacts as described below.</p> |
| <p>Name of the entrusted custody institution for the exchange target</p> | <p>None</p> | <p>None</p> | <p>None</p> |

1. Convertible bond information

| Type of corporate bonds | Second (issue) guaranteed convertible bonds | Third (issue) guaranteed convertible bonds | Fourth (issue) unsecured Convertible bonds |
|-----------------------------------------------------------|---------------------------------------------|--------------------------------------------|--------------------------------------------|
| Year | 2020 | 2022 | 2023 |
| Item | | | |
| Convertible Bonds | Highest | 110.50 | 103.00 |
| | Lowest | 99.70 | 95.95 |
| Market Exchange Public Price Company | Average | 102.11 | 104.31 |
| | | | 99.30 |
| Conversion Price | 28~28.3 yuan | 28.4~32 yuan | 23.4~27 yuan |
| Issuance (Handling) Date and Conversion Price at Issuance | 2017.09.30 28.3 Yuan | 2019.12.04 32 Yuan | 2020.12.10 27 Yuan |
| Method of Fulfillment of Conversion Obligations | Issuance of New Shares | Issuance of New Shares | Issuance of New Shares |

(2) Overseas Corporate Bonds: None.

(3) Exchange of corporate bond information: Not applicable

(4) Summary of corporate bond issuance: Not applicable.

(5) Information on attached stock option corporate bonds: Not applicable.

III. Preferred Stocks: None.

IV. Overseas Depository Receipt: None.

V. Employee Stock Warrant: Not issued

VI. New Shares to Employees with Restricted Rights: None

VII. Issuance of New Shares in Connection with the Merger or Acquisition of Other Companies: None.

VIII. Implementation of the Company's Capital Allocation Plan: N/A.

Chapter IV. Operational Highlights

I. Business Activities

(1) Scope of Business

(1) Main content of the business operations

The company specializes in the production of electric fans, electric heaters, other small appliances, complete sets of components, and molds, dedicated to the research and development as well as the production and sales of various high-quality small appliances, belonging to the home appliance industry.

(2) Main Product Sales Proportion Unit: New Taiwan Dollar Thousand

| Year Product | 2023 | | 2024 | |
|------------------|------|-----------|------|-------------------------|
| | Year | Amount | Year | Operating Proportion(%) |
| Electric fan | | 5,505,685 | | 65.53 |
| Electric heater | | 1,650,145 | | 19.64 |
| Small appliances | | 494,543 | | 5.89 |
| | | | | 499,537 |
| | | | | 6.14 |

| | | | | |
|---------------------|-----------|--------|-----------|--------|
| Electrical products | 481,805 | 5.73 | 535,636 | 6.59 |
| Others | 269,575 | 3.21 | 298,675 | 3.67 |
| Total | 8,401,753 | 100.00 | 8,130,776 | 100.00 |

Note: Others refer to spare parts, molds, and operating lease income.

(3) Current product (service) items of the company

A. Electric fans - mainly stand fans and cooling fans, representative models are as follows:

- a. Table fan series; b. Pedestal fan series; c. Box fan series; d. Wall fan series; e. Ceiling fan series; f. Cooling fan; g. Clip fan series; h. Ceiling fan; i. Ceiling fan series; j. Industrial fan series; k. Circulating fan

B. Electric heaters - mainly convection and quartz tube types, representative models are as follows:

- a. Heating wire series; b. Convection series; c. PTC series; d. Quartz tube series; e. Ceramic radar series; f. Blade series; g. Cloud motherboard series; h. Composite quick heating series; i. Halogen tube radar series; j. Dryer series; k. Electric fireplace series; l. Electric heating table series

C. Small appliances - mainly high-speed health juice machines, induction cookers, humidifiers/dehumidifiers, electric rice cookers, air purifiers, etc., with eight major series, representative models are as follows:

- a. Induction cooker series; b. Humidifier series; c. Electric pressure cooker series; d. Electric rice cooker series; e. Air freshener series; f. Juicer series; g. Food processor series; h. Infrared cooker series; i. Dehumidifier series; j. Vacuum cleaner series; k. Sterilization lamp series

D. Electrical products - mainly integrated ceilings and hand dryers, the representative models are as follows:

- a. Integrated ceiling; b. Control box series; c. Bathroom lighting series; d. Window clamp series; e. Hand dryer series
- f. Fresh air series

(4) Planned development of new products (services)

| Product category | Future development direction |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Storage-type electric heater | In response to the Chinese government's "coal-to-electricity" policy, research more efficient heat storage materials and promote new heat sources such as graphene and superconductors for use in heaters, replacing traditional |

| Product category | Future development direction |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | water heating systems in the north, striving for market share, increasing revenue, and consolidating the leading position of electric heaters in the industry. |
| Refrigeration series products | In light of the improvement in living standards and personal economic trends, continue to expand the application of compressors and refrigeration chips in products such as variable frequency air conditioners, small refrigerators, personal air conditioning fans, and pet air conditioners. |
| Fresh air machines, air purifiers | Continuously improve the performance of various motors to fill the gap of brushless DC BMC motors. Continue to optimize the design and development of 6-pole motors to enhance energy efficiency. Research the brushless DC technology of encapsulated BMC motors to enhance the core competitiveness of high-efficiency air purifiers and fresh air machines. In the post-pandemic era, develop air-cleaning circulation fans that combine the functions of circulation fans, using multifunctional products to attract consumers. |
| Health-related and cleaning-related Home appliance series | Health-related and cleaning-related products are currently the growth points in the market, especially as health awareness has generally increased after the pandemic, leading to high demand. Continuous investment in the R&D of such products can secure a place in the production of small home appliances beyond the two seasonal products. |

(2) Overview of the Industry

(1) Current Status and Development of the Industry

A. Overall Economy

The company's main products include electric fans, electric heaters, electrical products (such as exhaust fans, hand dryers, bathroom lighting heaters, etc.), and other small appliances (such as juicers, induction cookers, dehumidifiers/humidifiers, rice cookers, air purifiers, etc.), with electric fans, electric heaters, and other small appliances being the main sales focus. The primary function of small appliances is to facilitate people's lives and improve their quality of life. These products have a high demand elasticity, and their demand is extremely sensitive to economic cycles, easily fluctuating with consumer purchasing power. The state of the economic environment significantly affects consumer demand for these products, making the overall economic environment crucial for the small appliance industry.

In terms of the global macroeconomic outlook, in 2024, global economic

growth is expected to operate at a low level, showing a certain degree of resilience. Although institutions such as the International Monetary Fund have lowered their forecasts, the global economy is still maintaining positive growth. There is a significant divergence in performance between developed and emerging economies, with developed economies like the United States and Europe experiencing relatively moderate growth, while emerging economies show stronger momentum. However, economic growth faces many pressures, including the "scar effect" of the pandemic, geopolitical conflicts, inflation, and tightening monetary policies, all of which constrain rapid global economic growth.

In 2024, the global overall unemployment rate is expected to change little, but there are significant differences in employment situations across different countries and age groups. The unemployment rate has decreased in some developed countries, while the employment situation remains severe in some developing countries. The youth unemployment rate is high in many countries, and informal employment is quite common. In emerging economies, rapid economic development has created a certain number of jobs, but the quality of employment needs improvement; meanwhile, in developed economies, some traditional industries have seen a reduction in job positions during the process of industrial upgrading.

In 2024, global inflationary pressures are expected to continue to ease. Reduced supply chain pressures and relatively low energy prices are driving global inflation down. However, there are still concerns, as geopolitical risks and trade protectionism may push up the prices of traded goods, limiting the downward space for inflation. Global trade is showing a strong rebound, with the World Trade Organization predicting a 2.7% growth in goods trade. Service trade has become the main driving force for growth, while goods trade has increased but has not yet returned to pre-pandemic levels.

Looking ahead to the global economic outlook for 2025, mainstream institutions are relatively cautious and conservative in their forecasts for global economic growth, with an average expectation of about 2.9%. Emerging economies will still be the main drivers of growth, but risks of economic downturn remain due to fluctuations in global demand and uncertainties in trade policies, suggesting that global economic growth may continue at a medium to low speed. Ongoing geopolitical conflicts lead to uncertainties in trade policies, disrupt supply chain stability, and exacerbate economic fragmentation. The rise of trade protectionism, particularly if the United States imposes additional tariffs, could severely impact the global trade order, triggering inflation and rising interest rates. However, there are also opportunities. Technological innovation is generating new momentum, with

breakthroughs in fields such as artificial intelligence and new energy driving industrial upgrades. The rise of emerging economies, with their expanding economic scale, provides impetus for global economic growth and promotes balanced global economic development.

In the long term, as the consumption capacity of Asian economies rapidly increases, coupled with a large population base, the demand for home appliances that enhance basic living quality in Asian economies, including China, will continue to rise, making it a significant consumer market with substantial development potential in the future.

B. Consumption Trends in China's Small Home Appliance Industry

China's small home appliance industry holds a significant share in both sales and production globally, and China has the conditions for the rapid popularization of small home appliances: (1) Benefiting from the "Home Appliances Going to the Countryside" subsidy policy (which ended in May 2013), the penetration rate of home appliances in China has basically been completed; (2) Rapid increase in Chinese residents' consumption expenditure; (3) Strong production capacity for small home appliances in China.

According to data from the "2024 China Home Appliance Market Report" released by the China Electronic Information Industry Development Institute, the total retail sales of China's home appliance market are expected to reach 907.1 billion yuan in 2024, a year-on-year increase of 6.4%. The main sales channel is online e-commerce, driven by China's national policy of replacing old appliances with new ones, with significant increases in promotional efforts and performance during the year-end e-commerce sales events "Double Eleven" and "Double Twelve." The online sales channels for home appliances are becoming more diversified, with Tmall and JD.com continuously penetrating the offline market, while new sales channels such as Pinduoduo, Douyin, and Xiaohongshu are rapidly emerging.

Given that the first- and second-tier markets are becoming increasingly saturated, the improvement in the timeliness of e-commerce logistics and the expansion of coverage are releasing space for further exploration of lower-tier markets. On the other hand, home appliance companies and sales platforms are also actively establishing flagship stores and experience stores in regional central cities, strengthening direct touchpoints with consumers to shorten the distance between brands and users. As home appliances are components of the home environment, if the style, color scheme, and modular layout are unified with furniture and home decoration, their contribution to home aesthetics will also be greatly enhanced. Therefore, more and more home appliance manufacturers are integrating product research and development with sales scenarios, especially through the application of scenario-based sales to enhance consumer experiences and promote sales.

Currently, there are a large number of over-aged home appliances in residents' homes, which not only pose safety hazards but also have adverse effects on energy efficiency and environmental protection. Therefore, a new round of home appliance replacement is urgent and necessary. Products are the carriers through which consumers directly experience services, and the home appliance industry is currently facing a transformation in consumer demand from "availability" to "quality." Thus, it is necessary to diversify product categories and upgrade product functionalities.

The small appliance market in 2024 confirms the transformation from "practical tools" to "lifestyle aesthetics," and in 2025, it will further advance towards intelligence, greenness, and globalization under the triple drive of technology, policy, and consumer demand. Enterprises need to balance "high cost-performance" and innovation to establish themselves in the wave of rationality and quality in consumption.

C. China's Small Appliance Industry Export Situation

China has become a global production hub and a major exporter of small appliances. Currently, there are thousands of small appliance manufacturing companies in China. According to data from TianTuo Consulting, China's small appliances maintain a 40% share in the global export market. In the short term, it is difficult for overseas brands to find matching alternative resources, and the likelihood of orders being transferred to other countries or regions is low, which has a significant impact on the global market.

With the growth driven by intelligence and greenness, significant results in market diversification, and the simultaneous advancement of technological innovation and brand building strategies, in 2024, China's small appliance export volume reached 4.48 billion units, a year-on-year increase of 20.8%; the export value exceeded 712.2 billion yuan, a year-on-year increase of 15.4%, setting a historical record. Among them, categories such as vacuum cleaners, fans, and microwaves performed particularly well, showcasing remarkable consumer potential.

Despite these impressive results, the industry still faces challenges such as rising shipping costs and geopolitical fluctuations. However, in the long term, China's small appliance exports will benefit from the global trend of consumer stratification and the expansion of cross-border e-commerce channels. It is expected that in 2025, companies will continue to focus on intelligent and green technologies, deepen localized operations, and consolidate their leading position in the global value chain.

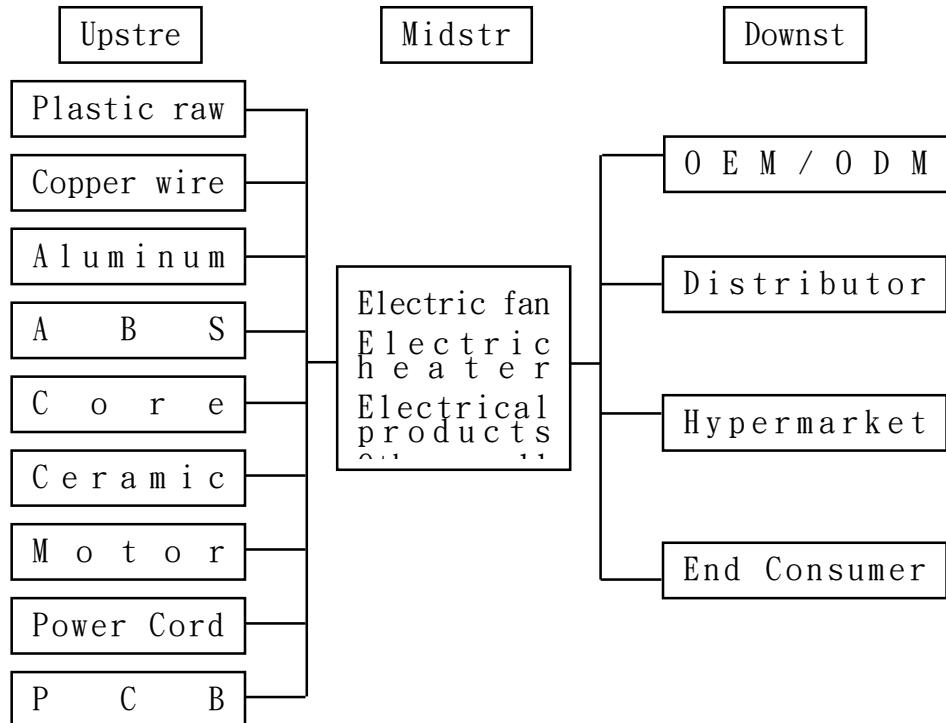
D. Economic Cycle

Small appliances are essential for modern life in advanced countries and are basic equipment for maintaining a good living environment. Therefore, in advanced countries, as income levels rise, consumers demand novelty, aesthetics, compactness, and energy efficiency in small appliances. Currently, the main potential market for small appliances is concentrated in emerging economies and developing countries, where fluctuations in consumer purchasing power and the pricing of small appliances will affect demand.

From a channel perspective, the arrival of the COVID-19 pandemic has accelerated the rapid development of online channels, with live streaming sales maturing and becoming the main sales channel for small appliances. However, from a product category perspective, consumer demand is continuously upgrading and becoming more segmented, leading to diversified demand that is no longer confined to traditional e-commerce channels but is further integrating new and old channels into a unified physical and online marketplace. From a brand perspective, traditional brands are increasingly focusing on youth transformation, while emerging brands are rapidly entering from niche markets, and major kitchen appliance brands are also entering, creating a competitive landscape. From a product perspective, there is a trend towards polarization, namely functional integration and product segmentation. Additionally, high aesthetics and small volume remain mainstream trends against the backdrop of a growing single-person living population. With the rapid development of technologies such as the Internet of Things, big data, cloud computing, and artificial intelligence, the smart home appliance trend has become inevitable.

In summary, while small appliances may be affected by economic conditions, they are essential products for modern life. Therefore, for major markets such as emerging economies and developing countries, economic fluctuations will not have a significant impact. Moreover, small appliances exhibit clear seasonal variations based on their nature and function. However, due to the gradual increase in production costs, materials, and labor in recent years, rising production costs have a significant impact on the small appliance industry. Nevertheless, in the long term, the industry does not exhibit a clear economic cycle.

(2) The Relationship Between Upstream, Midstream, and Downstream in the Industry



A. Upstream/Downstream Relations

Our company belongs to the home appliance industry. In terms of upstream and downstream relations within the industry, upstream includes various raw material suppliers such as plastic raw materials and copper wire; the midstream includes home appliance manufacturers such as Airmate, Midea, Pioneer, Lianchuang, Haier, Joyoung, and Gree, while downstream consists of retail channels selling to customers.

Our company is primarily engaged in the research and development, design, manufacturing, and sales of small home appliances, and has its own brand channels, making it an integrated production and sales enterprise. Therefore, our industry position is in the midstream and downstream. Our main marketing model is divided into two categories: export OEM/ODM and domestic sales under our own brand. First, the export part mainly involves designing and producing products according to the requirements of our partner clients, which are then sold to foreign partner clients through Hong Kong Wei'ang; this part of the product is in OEM/ODM form. Second, the domestic sales part operates under the OBM model, which directly sells small home appliance products under our own brand to domestic distributor clients.

B. Mastery of Downstream Sales Targets and Marketing Channels

The demand in the downstream market for small appliances will directly affect the sales volume of this industry. Potential customers include distributors, agents, wholesalers, and consumer electronics retail channels. Due to the dispersion of downstream customers and the ease with which consumers can obtain products of the same specifications in the market, there is a risk that the sales targets are difficult to grasp. Additionally, quality issues and after-sales service and repair problems are also areas that the small appliance industry needs to pay attention to.

The company actively develops the domestic and international small home

appliance consumer market. It acts as an OEM for internationally renowned brands and also expands the domestic market with its own brand. The export volume of OEM products, combined with the domestic sales volume of its own brand, has expanded the product line and increased scale. The company's main sales method is through distributors, which means transferring ownership of finished products to distributors for retail. Currently, there are about 200 regularly cooperating distributors, of which about 20% are core members who have maintained a cooperative relationship with the company for over ten years. Many distributors have profited from selling the company's home appliance products, thus maintaining long-term cooperative relationships with them.

(3) Various Development Trends of Products

A. The small home appliance industry has significant market growth potential.

As end consumers continuously raise their quality of life requirements, small home appliance products that improve living quality have gained market recognition. The growth potential is far greater than that of large home appliances. Cleaning appliances and high-end kitchen appliances will become future consumption hotspots, including vacuum cleaners, steam mops, mite removers, and robotic vacuums, which will be the next "trend." However, in terms of the number of small home appliances owned per household, Chinese households still have a relatively low ownership compared to European and American markets. According to data, developed countries have an average of nearly 40 types of small home appliances per household, while major cities in China average less than 10 types per household, indicating that the market is not yet saturated. The Chinese small home appliance market has enormous development potential. Coupled with technological advancements, the popularization of AI, and product diversification, along with the Chinese government's "13th Five-Year Plan," the small home appliance industry will also move towards energy-saving, environmental protection, and intelligence, comprehensively upgrading the entire industrial chain from raw materials, core components, manufacturing, to services.

B. Brand value positioning will become a future development goal.

Due to the low entry barriers in the small home appliance industry, numerous manufacturers have emerged in China. Therefore, how to gain recognition from end consumers and differentiate from other competitors to avoid falling into price competition is crucial. Clearly positioning brand value will be a key focus for the future development of the small home appliance industry. In addition to increasing brand awareness through new product launches, enhancing product quality to build consumer reputation and establishing clear pricing strategies will also contribute to

brand value positioning.

C. Energy-saving and environmentally friendly small home appliances will become mainstream.

As the global population continues to grow, environmental pollution and destruction have become increasingly severe, and global warming has gradually become a topic of concern. With the promotion of ESG, energy conservation and carbon reduction have become goals that the world needs to achieve together. In the current macro context of advocating energy conservation and environmental protection, energy-saving and environmentally friendly designs have started to become important reference indicators for manufacturers when designing products and for consumers when purchasing products. Additionally, due to rising electricity prices, consumers are leaning towards purchasing home appliances with high energy efficiency. Therefore, under the guidance of changing consumer demands and national policy advocacy, small home appliance products will trend towards energy-saving and environmentally friendly designs. The Chinese government is also promoting the labeling of home appliances with "energy efficiency labels" to help the public easily identify them. In the future, the small home appliance market will undoubtedly be dominated by energy-saving and environmentally friendly products.

D. The trend of product intelligence and functional diversification.

Electric heaters and humidifiers are popular products every winter. Electric heaters are favored by the public for their heating effects, while humidifiers are essential for combating dry climates. One of the significant features of new products in recent years is the combination of functions between electric heaters and humidifiers. Other small appliances, such as juicers and soy milk makers, also exhibit multifunctionality. For example, the soy milk maker's ability to make cold drinks and the juicer's ability to produce soy milk indicate a trend in small home appliance development—function integration. Intelligence means that operating small home appliances is becoming increasingly simple. Small home appliance products must ensure ease of use and comfort, with touch and control experiences suitable for operation, truly bringing convenience to daily life. With just a simple button selection, such products are even more needed in a fast-paced lifestyle. However, as the functionality and intelligence of small home appliances diversify, the distinctive features of these products are gradually disappearing. Ensuring that small home appliance products develop intelligence and multifunctionality while maintaining clear product characteristics has also become a key focus for

manufacturers.

E. The Rapid Development of Online Small Appliances

Benefiting from the popularization of the internet, the development of online appliance shopping has gradually become a trend. In the current era of internet proliferation and development, online e-commerce will be a key focus for merchants. Currently, online small appliances are developing rapidly, accounting for 60% of the total sales of appliance e-commerce. This is mainly due to the characteristics of small appliances being compact and aesthetically pleasing, with small size and low difficulty of use, making online sales more feasible. Additionally, installation and transportation are relatively simple. Coupled with the popular marketing strategies of live streaming and social media e-commerce, it not only sells products but also showcases promotional information, leveraging the internet to enhance corporate visibility. Furthermore, appliance manufacturers also provide direct supply and distribution models to boost sales momentum.

(4) Competitive Situation

Due to the low technical entry barriers for small appliance products, there are numerous competing manufacturers. Although the rural appliance policy has raised product specification requirements, as major appliance brands in China seek to enter the high-profit small appliance industry, companies must continuously enhance their product competitive advantages and innovation capabilities, expand product lines, offer diverse product choices, and establish brand value to solidify their position in the industry.

Our company envisions the future development trend of small appliances to be compact, lightweight, energy-efficient, quiet, and stylish. We aim to create product value through design and R&D to achieve differentiation, adding new features that competitors do not have. At the same time, we are actively engaged in R&D and discussions with various technical associations, developing new technologies to lead the launch of new specification products, enhance brand image, and strengthen technological leadership capabilities.

(3) Technology and R&D Status

(1) Technical Level and Research Development of Business Operations

A. Design of Ultra-Quiet, High-Performance Motors

Our company has been engaged in the manufacturing of small appliance products for nearly 25 years, possessing mature technical capabilities. Due to

long-term provision of single motors to Sanyo Electric Company in Japan in the early years, we have undergone rigorous training in the Japanese market. In terms of component material selection, motor winding design, mechanical transmission design, precision manufacturing of components, and motor production processes, we have reached the professional standards required by Japanese companies. The motor components produced are environmentally friendly, quiet, and of high performance, enjoying a good reputation in the industry and market. In recent years, we have continuously innovated, improved quality, and reduced costs, while possessing excellent technical capabilities.

B. Design of Smart Appliance Control Systems

The characteristics of Airmate appliances are comfort, health, and user-friendliness. These advantages are built on smart electronic control. After the first smart control fan was launched in China, Airmate has continued to focus on the development of smart home appliances. It has achieved multi-speed and variable speed control for different environments, pioneering smart wind control types such as plateau wind, sleep wind, and natural wind. It has also realized user-friendly control in aspects such as automatic temperature sensing, timing, and scheduled on/off functions. In addition to infrared control, it has developed high-end technologies such as Bluetooth control and fuzzy control. In 2011, it successfully developed smart control with automatic motor braking, and is currently working on cutting-edge controls such as facial recognition and motion image control. The company's R&D center has a team dedicated to the development of electronic control systems, with many years of experience in smart home appliance control systems. It has excellent integration capabilities for avant-garde technologies in the industry or related fields, and can generally grasp the future development trends of home appliances.

C. Research and Application Implementation System of Aerodynamics

Our company is one of the largest manufacturers of ventilation equipment in China. Due to the strong correlation between our products and aerodynamics, we have developed a series of products: electric fans that generate wind from air movement, exhaust fans that exchange air through wind pressure, warm air fans that heat air, and air purifiers that filter and purify air. The research and application of aerodynamics has been a long-term research topic for our R&D department, and we have accumulated rich design experience, especially in the design of air ducts and air delivery parameters, where we possess unique core technologies. The reputation of

our products for ultra-quiet operation, high air volume, and high wind speed is a result of our long-term research and implementation of aerodynamics.

D. Thermal Materials and Their Application in Home Appliance Systems

Our company's market share in electric heaters ranks among the top three in China, with the core focus on the development and application of electric heating materials. Since launching our first electric heater in 1993, our R&D department has developed thousands of electric heater products, making us one of the brands with the richest thermal source materials in the world. Superconducting iron-chromium wire heating materials, quartz tubes, far-infrared heating tubes, near-infrared heating tubes, stainless steel heating tubes, carbon material heating tubes, halogen electric heating tubes, semiconductor thermoelectric films, electric heating film-type heating films, far-infrared ceramic heat storage plates, negative temperature coefficient (NTC) PTC heating elements, and graphene materials are all fully applied in our electric heater product series, using different thermal materials to meet the demands of various consumer groups and suitable for different usage scenarios.

Our company has also established R&D and technology alliances with well-known academic institutions such as National Cheng Kung University, National Kaohsiung University of Applied Sciences, Fuzhou University of Technology, and Jiujiang University, providing more niches for our R&D work. We develop approximately 200 new products each year, apply for about 50 patents, and the average development cycle for new products is about 120 days (with a new product launched every 2 days). We also have a complete product testing center in the industry to ensure product quality.

(2) Research and Development Personnel and Their Academic Background Unit: Person

| Personnel \ Year | 2023 Year | 2024 Year | 2025 Year As of March 31 |
|--------------------------------------------------|-----------|-----------|-----------------------------|
| Doctor | - | - | - |
| Master | 1 | - | - |
| Bachelor | 108 | 111 | 111 |
| Associate Degree (including the following) | 11 | 7 | 8 |
| Total | 120 | 118 | 119 |

(3) Research and development expenses invested in the last five years each year

Unit: New Taiwan Dollar (thousands)

| Personnel \ Year | 2020year | 2021Year | 2022 | 2023 | 2024Year |
|-----------------------------------|-----------|------------|-----------|-----------|-----------|
| Research and Development Expenses | 107,717 | 119,531 | 109,238 | 135,232 | 179,473 |
| Net Revenue | 9,207,346 | 10,156,591 | 9,220,863 | 8,401,753 | 8,130,776 |
| Revenue Net Ratio (%) | 1.17 | 1.18 | 1.18 | 1.61 | 2.21 |

(4) Successfully Developed Technologies or Products (Last Five Years)

| Year | Main Research and Development Achievements |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2020 Fiscal 1 Year | <ol style="list-style-type: none"> 1. Shoe Cabinet Sterilization Lamp Project Development 2. Development of PTC Electric Heater with High Air Volume 3. Design and Development of Water-Cooled Fan with Cooling Chip Component (Replacing Ice Crystal) 4. Design and Development of Bladeless Fan with Three Air Ducts and Automatically Adjustable Air Outlet Area 5. Design and Development of Inverter Window Air Conditioner 6. Development of Pet Air Conditioner 7. Application of Electrolyzed Water Sterilization Technology 8. Application of Hydrophilic Humidifying Tray Natural Humidification Technology 9. Integrated Electric Heater for Drying Clothes and Heating 10. Superconducting Heating and Cooling Circulation Fan 11. Research on Sterilization Function of Fresh Air Products 12. Research on the Sterilization Function of Bathroom Heater Products 13. Light-Sensitive Touch 14. Development of Internal Winding Motors |
| 2021 Annua l | <ol style="list-style-type: none"> (1) Development of Shoe Cabinet Sterilization Lamp Project (3) Development of High Airflow PTC Electric Heater (4) Design and Development of Water-Cooled Fan with Cooling Chip Component (Replacing Ice Crystals) (5) Design and Development of Bladeless Fan with Three Air Ducts and Automatically Adjustable Air Outlet Area (6) Design and Development of Inverter Window Air Conditioner (7) Development of Pet Air Conditioner (8) Application of Electrolytic Water Sterilization Technology (9) Application of Hydrophilic Humidification Technology (10) Integrated Electric Heater for Drying and Heating (11) Superconducting Heating and Cooling Circulation Fan (12) Research on the Sterilization Function of Fresh Air Products (13) Research on the Sterilization Function of Bathroom Heaters (14) Light-Sensitive Touch (15) Development of Internal Winding Motor (16) Development of Flame Kickboard Series Electric Heaters |
| 2022 Annua l | <ol style="list-style-type: none"> (1) Development of High Airflow PTC Electric Heater (2) Design and development of water-cooled fans with cooling chip |

| Year | Main Research and Development Achievements |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2023 | <p>al components (replacing ice crystals)</p> <p>(3) Design and development of inverter window air conditioners</p> <p>(4) Application of electrolyzed water sterilization technology</p> <p>(5) Application of hydrophilic humidifying tray natural humidification technology</p> <p>(6) Integrated electric heater for drying clothes and heating</p> <p>(7) Superconducting heating and cooling circulation fan</p> <p>(8) Research on the sterilization function of fresh air products</p> <p>(9) Research on the sterilization function of bathroom heater products</p> <p>(10) Light-sensitive touch</p> <p>(11) Development of internal winding motors</p> <p>(12) Flame Kickboard Series Electric Heater Development</p> <p>(13) Flame (Colorful) Humidifier Development</p> <p>(14) Heating Vaporization Humidifier Development</p> <p>(15) Heating Clothes Steamer Development</p> <p>(16) Small Portable Air Conditioner (Compressor) Development</p> <p>(17) Small Split-Type Portable Air Conditioner (Compressor) Development</p> <p>(18) Refrigeration Chip Beer Machine Development</p> <p>(19) Warm Vegetable Board Product Development</p> <p>(20) Smart Sugar Control Cup Development</p> <p>(21) Product Development with Smart Camera</p> |
| Fiscal Year 2023 | <p>(1) Development of High Airflow PTC Electric Heater</p> <p>(2) Inverter Window Air Conditioner Design and Development</p> <p>(3) Integrated Electric Heater for Drying Clothes and Heating</p> <p>(4) Superconducting Heating and Cooling Circulation Fan</p> <p>(5) Light-Sensitive Touch</p> <p>(6) Development of Internal Wound Motors</p> <p>(7) Development of Flame Kickboard Series Electric Heaters</p> <p>(8) Development of Flame (Colorful) Humidifiers</p> <p>(9) Development of Heating Vaporization Humidifiers</p> <p>(10) Development of Heating Clothes Cookers</p> <p>(11) Development of Small Portable Air Conditioners (Compressors)</p> <p>(12) Development of Small Split-Type Portable Air Conditioners (Compressors)</p> <p>(13) Development of Refrigeration Chip Beer Machines</p> <p>(14) Development of Warm Vegetable Board Products</p> <p>(15) Development of Smart Sugar Control Cups</p> <p>(16) Development of smart camera products</p> <p>(17) Development of solar cell application products</p> |
| 2024 Year | <p>(1) Development of High Airflow PTC Electric Heater</p> <p>(2) Design and development of variable frequency window air conditioners</p> <p>(3) Integrated electric heater for drying and heating clothes</p> <p>(4) Superconducting heating and cooling circulation fan</p> <p>(5) Light-sensitive touch</p> <p>(6) Development of flame kickboard series electric heaters</p> <p>(7) Development of flame (colorful) humidifiers</p> <p>(8) Development of heating vaporization humidifiers</p> <p>(9) Development of heating clothes cookers</p> <p>(10) Development of small portable air conditioners (compressor)</p> |

| Year | Main Research and Development Achievements |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | (11) Small portable split air conditioner (compressor) development (12) Development of cooling chip beer machine (13) Development of products with smart cameras (14) Development of solar cell application products |

(Four) Short-term and long-term business development plan

(1) Short-term business development plan

- A. Development and research of wireless steam cleaning machines, floor washing machines, personal health and care products, and pet series products.
- B. Continuous increase in application research of semiconductor cooling chips, radar, batteries, and cooling chip mini refrigerators.
- C. Design and development of high humidification (2.5 liters/hour) humidifiers.
- D. Research and development of new electric heaters (flame mountain, footboard with a closing air outlet; graphene heating element).
- E. Continuous increase in the development and application research of pin structure and high-power internal winding motors.
- F. Voice, video intelligence recognition (offline + online), motion monitoring, gesture recognition, and other new technologies continue to be introduced and applied to various products.

G. Hydrogen Ion Clean Ceiling Fans.

H. Development of products with compressors.

I. Development and research of lightweight, portable heating products and home appliance kitchen and bathroom products.

J. Development and research of composite multifunctional combination products.

K. Development and research of solar-powered fans.

(2) Long-term business development plan

A. Development of personal health, nursing, and cleaning appliances (disinfection, sterilization) series appliances.

B. Medical Product Series.

C. Smart Home Appliances Sensors and Human-Machine Interaction (Voice Control).

D. Various Composite Air Processors (Cooling, Heating, Humidifying).

E. Research on the DIY direction of fresh air products.

F. Development and application research of high cost-performance external rotor DC motors.

G. Development and application research of pet products.

H. Products with Compressors.

II. Analysis of the Market as well as Production and Marketing Situation

(I) Market Analysis

(1) Main Sales Regions of Goods

Unit: New Taiwan Dollar (thousands)

| Year | 2023Year | 2024Annual |
|------|----------|------------|
| | | |

| Sales Regions | Amount | Amount | Amount | Ratio |
|----------------|-----------|--------|-----------|--------|
| China | 5,626,167 | 67.63 | 5,287,042 | 65.87 |
| Northeast Asia | 1,655,882 | 19.90 | 1,601,480 | 19.95 |
| Others | 1,037,597 | 12.47 | 1,138,114 | 14.18 |
| Total | 8,319,646 | 100 | 8,026,636 | 100.00 |

Note: Northeast Asia refers to Japan and South Korea

(2) Market Share

According to the data from the 2024 Annual Report of China's Home Appliance Industry, the national retail sales of China's home appliance market in 2024 is expected to be RMB 907.1 billion, among which small home appliance products cover various categories in daily life. The national retail sales of small home appliances in China for 2024 is estimated to be RMB 105 billion, mainly covering home care small appliances, personal care small appliances, kitchen care small appliances, and health care small appliances. Based on this data, the company's net sales for 2024 are estimated to be NT\$ 8.131 billion, accounting for approximately 1.7% of the entire small home appliance market in China.

(3) Future Supply and Demand Conditions and Growth Potential of the Market

According to the information from Zhongyan Network, with the joint efforts of the entire industry chain, the industry has withstood multiple challenges from a complex and severe international environment. Taking structural upgrades, trend consumption, and service upgrades as opportunities, a new path of stable and high-quality development has been forged, contributing to the surging energy of the home appliance industry to meet people's aspirations for a better life.

Consumption is an important link in the national economy, and home appliances, as mass consumer products, have always been a barometer of consumption. With the onset of 2025, external expectations suggest that although there will not be large-scale growth in the home appliance market this year, certain categories and structural consumption will show a new development momentum. The development prospects and trends of the Chinese home appliance market are as follows:

First, favorable national policies support the industry. The home appliance industry is an important pillar of the national economy and has received comprehensive support from national policies throughout its development history. Policies indicate that the development and production of household appliances that meet national Level 1 or Level 2 energy efficiency standards should be encouraged. In recent years, the country has vigorously promoted green, energy-saving, and environmentally friendly home appliances, driving the transformation of the home appliance industry and product upgrades, and has set higher requirements for home appliance accessory products, which is beneficial for promoting the healthy development of the home appliance accessory industry, such as electromagnetic valves.

Due to the improvement of the living standards of the people, the rise of the middle class, and the rapid growth in the process of transforming basic household appliance needs into quality living demands, the intelligence of various household

appliances has become an important factor for consumers when making purchasing decisions. The prospects for smart appliances and future household appliances are promising.

Secondly, product updates and replacements are generating new market demands. For durable consumer goods like household appliances, most consumers maintain the mindset of using them until they can no longer function or until they are forced to replace them. Generally speaking, household appliances have a certain safe usage lifespan; using them beyond this period not only decreases their performance but also increases safety risks. Regulating the lifespan of household appliances like washing machines for home use will help reduce the incidence of using outdated products, thereby promoting the replacement of household appliances. Additionally, the frequent computation of household appliances, the emergence of high-end and intelligent products, and the introduction of new subsidy policies will shorten the time consumers take to update their appliances, generating new consumer demand for household products and further promoting the development of the household appliance industry.

Thirdly, the diversification of small appliance products. The improvement of residents' purchasing power and the turnover of consumer groups have promoted the upgrade of small appliance consumption, leading to a growing demand for new types of small appliances. On one hand, there is a demand for the replacement of existing small appliances, with purchasing intentions gradually leaning towards higher prices and better quality. On the other hand, innovative functional small appliances are emerging, such as electric stewing pots, electric egg beaters, electric lunch boxes, toasters, yogurt makers, and humidifiers. Consumers are increasingly accepting "home culture," and these multifunctional small appliances meet people's pursuit of quality of life. Combining physical stores to meet the diverse needs of consumers will become a new competitive model for small appliance companies.

Fourthly, the globalization of procurement in the household appliance industry. To fully utilize resources from around the world, seek high-quality and reasonably priced components, reduce overall costs, and enhance core competitiveness, large household appliance companies are gradually implementing a global procurement model. Global procurement breaks regional limitations, allowing companies to access international markets through global procurement platforms and gain more business opportunities. The trend of global procurement creates favorable development opportunities for household appliance companies and encourages them to continuously improve, benefiting the growth of enterprises within the industry.

(4) Competitive Niche

A. Balanced Development of Domestic and Export Markets

In the past two years, due to the inventory accumulation of clients in the export market that has not yet been cleared and the unfavorable market environment, the ratio of domestic to export sales has been approximately 66:34. After a year of inventory reduction and the economic recovery in Europe and the United States, we remain optimistic about returning to a roughly equal ratio of domestic and export sales. In the face of the changing global economic situation, our company has a better ability to adapt and adjust, and resources for domestic and export sales can be shared, reducing product development costs and production expenses.

B. Long-term Close Cooperation with Export Market Clients

Our export clients are all powerful brand merchants or distributors in economically developed countries. In addition to providing excellent quality, stable delivery times, and high-value-added products, our company also collaborates with

clients to develop new products through customized industrial design, flexible scheduling based on market demand, and different model allocation services, maximizing the reduction of overall operating costs for clients and enhancing their competitiveness in the market. Therefore, although our export prices are higher than those of our peers, the comprehensive costs of cooperating with our company are lower, and the supply of goods is more stable and timely, leading to long-term close cooperation with our export clients.

C. Steady and Healthy Growth of Our Own Brand in the Mainland Market

- a. The Airmate brand began entering the mainland market with high-quality seasonal products (fans, electric heaters) and has now extended to air improvement items (humidifiers, air purifiers, and dehumidifiers), cooking appliances (high-speed health juice machines, induction cookers, electric pressure cookers, rice cookers), and ventilation products (exhaust fans, integrated ceilings). In the future, it will expand into the residential appliance sector.
- b. The Airmate brand is positioned in the mid-to-high-end market in China, continuously launching various innovative, fashionable, and energy-saving new products.
- c. Since establishing its own brand in 1997, the company has developed stable partnerships with high-quality distributors (over 50% of whom have collaborated with Airmate for more than five years), sufficient repair channels and locations, and has penetrated over 12,000 terminal markets. It maintains good relationships with offline retail systems such as Suning and Sam's Club, as well as online e-commerce platforms like Taobao, Tmall, JD.com, and Suning.com. In addition to online platforms, the company actively manages special channels such as TV shopping, group purchasing for gifts, OEM, and engineering, aiming to expand brand visibility and market share.
- d. Through long-term media promotion, marketing activities, and word-of-mouth, the company has established a brand image of "fashionable, environmentally friendly, energy-saving, innovative, high-quality, and trustworthy" in the minds of consumers, while maintaining a trustworthy image and friendly relationships with media, industry associations, and peers.

In summary, the company's strong brand image, channel relationships, and distribution team create a highway for Airmate to access the Chinese market. The increase in consumer power in China over the next decade will further penetrate the Airmate brand and products into broader county and town markets. Additionally, the rich experience in operating in the Chinese market will bring more opportunities for Airmate to collaborate with foreign brands.

D. Balanced and Flexible Production

The company primarily produces seasonal products (electric fans and electric heaters) and adjusts production for the Chinese, Japanese, Korean, and European and American markets. Additionally, the company produces year-round products (induction cookers, electric pots, electric pressure cookers, high-speed health juice machines, air purifiers, etc.). Balanced production of seasonal products not only reduces overtime costs and flattens management expenses but also ensures stable production manpower to guarantee quality consistency, reducing training time for new employees and the potential for rework.

Moreover, the company's versatile production equipment and workforce are not limited to fixed product categories and can be adjusted at any time to produce

different specifications and products. Production of electric fans, electric heaters, or other categories can be flexibly adjusted according to market changes, weather variations, and customer demands, maximizing capacity utilization and enhancing efficiency.

E. Excellent Product R&D Capability

The company's R&D team is able to develop market-leading new products every year, which receive positive market feedback. Both in terms of technology and quality, these products hold a leading position in the high-end small appliance market. Additionally, in terms of hardware infrastructure, the company has invested in the establishment of a testing laboratory and has been certified as an advanced technology enterprise and corporate technology center by Shenzhen.

The company provides the latest market information and technical data to both domestic and foreign customers, while the industrial design and R&D departments develop new products that lead market demand. Customers and Airmate jointly bear the development costs and share the development results. The company is willing to take risks in developing new products. Airmate can develop and sell under its own brand in the Chinese market to enhance the confidence of foreign customers or jointly develop with foreign customers to reduce development costs. Advanced foreign technologies, processes, and designs can also be shared through the development of foreign customers for sale in the Chinese market, maintaining Airmate's brand image as fashionable and technologically advanced in China.

F. Simultaneously possessing OBM, ODM, and OEM capabilities

Our company has collaborated with internationally renowned OEM/ODM clients (such as Sharp, TOTO, Samsung, SEB, etc.) for many years. By manufacturing for these international giants, we have simultaneously mastered and improved our own product quality. Additionally, our company has been expanding the domestic market with our own brand for many years. The export volume of OEM products, combined with the sales volume of our own brand, has expanded our product line and scale, thereby reducing costs. This allows us to offer high-quality products at relatively favorable prices to consumers, stabilizing our position in the Chinese small appliance market.

a. OBM

Our company has developed its own brand for over 20 years. According to the website of the World Brand Conference in 2009, our brand value is estimated to be around 1.16 billion RMB among the top 500 enterprises in China. In recent years, we have received numerous domestic awards, indicating that the Airmate brand has gained significant public recognition.

b. ODM/OEM

Our company focuses on high-priced and high-quality products as its main niche, prioritizing the Japanese and Korean markets. Our operating revenue accounts for nearly 60% of export income. Through ODM/OEM, we internalize our quality and operational capabilities, choosing only branded and channel customers for export ODM/OEM markets. We provide high-efficiency, in-depth services to add value for our customers, with a product return rate of less than 0.5%. Additionally, the average time from industrial design to R&D, mold opening, trial production, mass production, and customer distribution is only 4 to 6 months, ensuring that our customers can seize market opportunities with timely product launches.

G. Energy-saving and carbon reduction

Our company has launched a series of low-carbon creative designs in the field of electric fans, introducing ultra-energy-saving fans that utilize innovative three-way DC motor technology. In terms of energy efficiency, we far exceed the national first-level energy efficiency standards. Our company was the first in China to develop several high-tech electric heater products, such as European-style quick heaters, electric film heaters, and composite quick electric heaters. Compared to traditional electric heaters, these products have significant advantages in rapid heating, long-lasting temperature maintenance, energy savings, and safety.

H. Upstream and downstream integration capabilities

Our company uses an SRM system for procurement in collaboration with suppliers, with about 210 suppliers providing JIT, significantly reducing our inventory pressure. Additionally, our domestic sales system employs a CRM system. By simultaneously using both SRM and CRM systems, we closely integrate with upstream and downstream manufacturers and customers, allowing for more effective management of material inventory and payments, thereby enhancing operational efficiency.

(5) Factors and Countermeasures for the Development Prospects: Advantages and Disadvantages

A. Favorable Factors

- a. Rapid development of economic activities in China leads to growth in consumption capacity

The income level of urban households in China has gradually increased since 1995, with the average disposable income of urban households rising from RMB 11,795 in 2006 to RMB 41,314 in 2023. This indicates that the Chinese government is actively promoting the continuous growth of the domestic demand industry. As people's consumption capacity increases, the market for essential goods such as small appliances is bound to expand, thus there is still significant growth potential in the small appliance industry market.

- b. The industry aligns with environmental protection trends and responds to policy developments

With the rising awareness of environmental protection and the trend of gradually increasing energy prices, energy conservation and carbon reduction have become important global issues. The Chinese government has issued various environmental protection laws to improve resource utilization and protect and enhance the environment. At the 2010 China Small Appliance Trade Fair, a green declaration was initiated, advocating that manufacturing companies produce

low-consumption products, encouraging distributors to choose low-consumption products, and promoting low-carbon concepts to consumers. Our company has been committed to incorporating green elements into the design, production, logistics, and sales processes to reduce carbon emissions, striving to become a green small appliance enterprise. We design more durable products, both in appearance and application, so that products do not need to be replaced in a short time due to outdated styles or product wear, thus reducing electronic waste. Additionally, by reducing manufacturing processes, setting up energy-saving machines, and reusing production materials, our years of experience in energy-saving manufacturing can meet the market's green requirements.

c. Boutique appliances align with trend currents

Small appliance products have increasingly adopted smart and boutique routes, indicating that companies are pursuing high profits while also transforming towards higher-end products, catering to modern demands for intelligence and health. High-end products are primarily characterized by two aspects: intelligent and user-friendly functions, and stylish and aesthetically pleasing appearances. High-end small appliances have high added value, with the consumer base mainly consisting of young and middle-aged professionals and white-collar families. Currently, the gross profit margin of traditional black-and-white appliances is about 10% to 25%, while the gross profit margin of small appliances reaches about 30% to 60%, and the gross profit margin of high-end small appliances is even higher. Although the R&D costs are higher, they can be spread over production volume, resulting in a higher gross profit margin.

From the above, it can be seen that the small appliance market is gradually developing towards boutique appliances, which aligns with our company's self-positioning. Our company possesses strong design and R&D capabilities, and our products follow a high-end boutique route. Although the prices are higher, we have gained the trust of customers in this field in the past. As the trend of small appliances shifts towards high-end products, it can not only eliminate smaller manufacturers with lower technology, establishing entry barriers, but also increase our company's sales of boutique appliances. Although major traditional appliance manufacturers in China have begun to enter the small appliance sector, since small appliances are not their strong suit, it will take some time for them to capture the mid-to-high-end market of small appliances. The future trend of the small appliance market remains favorable for our company.

B. Unfavorable Factors and Response Strategies

a. Wage fluctuations

Currently, the manufacturing process of small home appliances still relies on manual labor for stages such as processing and assembly. With the implementation of China's Labor Contract Law, labor costs in China have been rising year by year, leading to an upward trend in the company's production costs.

Response Strategies

The company has invested in the establishment of a factory in Jiujiang, Jiangxi, which officially began mass production in October 2014. In addition to obtaining

lower labor costs, the company is also committed to process improvements and continuously enhancing production processes to increase the automation ratio in manufacturing, thereby improving production efficiency and reducing reliance on manual labor. By enhancing research and design capabilities, optimizing production process design, and providing employee training, the company aims to raise the learning curve, improve personnel efficiency, reduce personnel demand in the process, and increase the added value of products.

b. Raw material price increases

In recent years, the prices of raw materials such as steel, aluminum, and copper, which are necessary for producing home appliances, have been rising annually, and it is expected that this trend will continue in the future, with significant price fluctuations. Additionally, with the recent rise in international oil prices, the costs of plastic components required by the company have also been increasing year by year. Furthermore, if suppliers choose to default when raw material prices rise, the penalties incurred are lower than the price increase, thus increasing the likelihood of suppliers choosing to default and stop shipments.

Response Strategies

To prevent suppliers from defaulting when raw material prices rise and to reduce inventory costs arising from emergency stockpiling, the company actively seeks to collaborate with larger international raw material suppliers, as their supply capabilities are more stable and reputable. Additionally, the company will make price forecasts based on customer demand and raw material supply conditions. When the market price of raw materials is favorable, the company will stock up in advance to mitigate the impact of price fluctuations and will adopt effective measures to diversify supply sources and prepare materials in batches to stabilize production conditions, ensuring that order-taking and shipments are not affected by raw material supply issues. The company will also continuously require suppliers to improve the quality of raw materials and develop alternative new materials through research and design to reduce the risk of rising raw material prices and enhance product added value.

c. Significant exchange rate fluctuations

In recent years, as China's economic growth stabilizes, there has been downward pressure on the renminbi. However, due to ample foreign exchange reserves, the Chinese government can actively control the renminbi exchange rate, although it cannot fully counteract market mechanisms. Therefore, it is estimated that the renminbi will continue to depreciate slowly in the future, but the impact on exchange rate gains for Chinese manufacturers due to exports is limited.

Response Strategies

The company has been dedicated to developing the Chinese market for many years and has achieved remarkable results. As domestic demand in the Chinese market continues to grow, the company will continue to expand its marketing channels in China to reduce the risks associated with exchange rate fluctuations. In addition to conducting transactions in the same currency to minimize exchange losses, the company also strengthens the awareness of financial accounting personnel regarding hedging. They regularly pay attention to news and refer to real-time exchange rate reports from the internet and investment banks to monitor exchange rate fluctuations. Furthermore, when establishing sales contracts with customers, the company will also pay attention to possible adjustments in transaction prices due to exchange rate gains and losses.

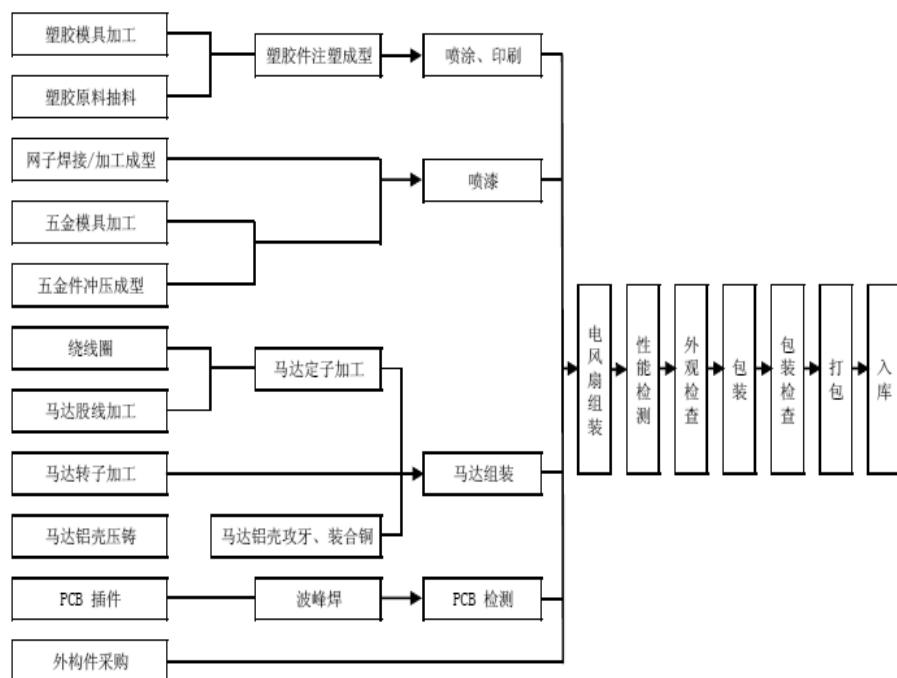
(II) Important uses and production processes of main products

(1) Important uses of main products

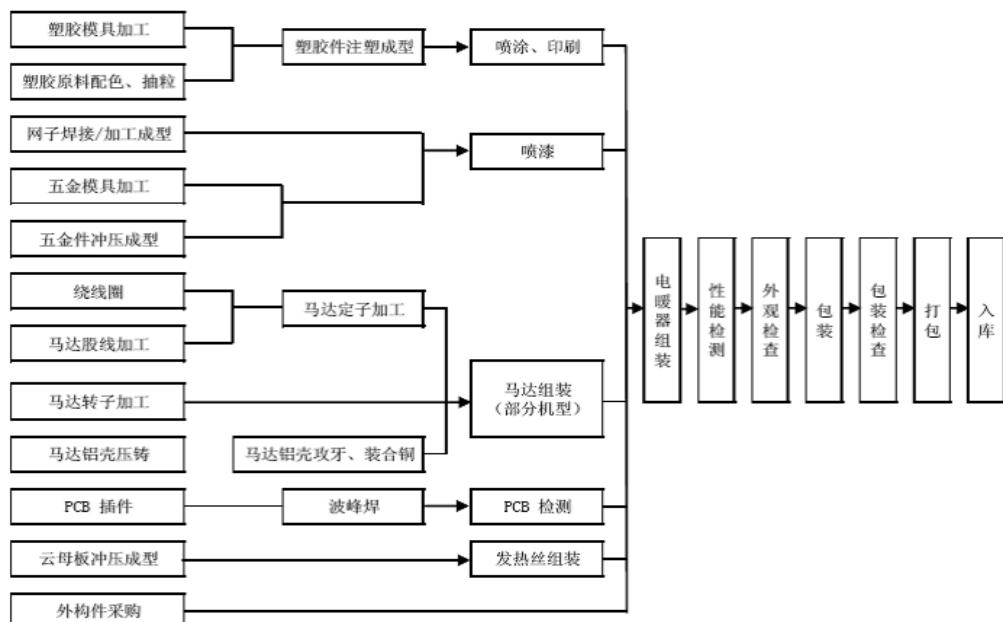
| Main Products | Main Uses |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Electric fan | Used for cooling and relieving heat, circulating air, increasing air humidity, reducing electricity consumption of air conditioning, and saving energy and reducing carbon emissions. |
| Electric heater | Quick heating and therapy. |

(2) Main Product Manufacturing Process

A. Electric Fan



B. Electric Heater



(3) Supply Status of Main Raw Materials

| Main Raw Material Name | Main Supplier | Supply Status |
|------------------------|-------------------------------------------------------------------------------------------------------------|---------------|
| Plastic raw materials | LG Group, CNOOC Shell Petrochemicals Company Limited, Chi Mei Corporation, Sinopec East China Sales Company | Good |
| Copper wire | Zhejiang Hongbo Technology Co., Ltd. | Good |
| Silicon steel sheets | Zhongshan Lijia Electric Co., Ltd., Zhongshan Demanfeng Hardware and Electrical Appliances Co., Ltd. | Good |
| DC motor | Zhongshan Gezhimei Electric Co., Ltd., Meibaiya Trading (Hong Kong) Co., Ltd. | Good |
| PCB board | Foshan Shunde District Perfi Electronics Co., Ltd., Guangdong Ruidi Smart Technology Co., Ltd. | Good |
| Power cord | Shenzhen Yuxin Wire and Cable Co., Ltd., Mingde Wire Co., Ltd. | Good |

(4) Names of customers that accounted for more than 10% of total sales in any of the last two fiscal years and their sales

The amount and ratio, along with an explanation of the reasons for their increase or decrease. However, due to contractual agreements, the names of clients or transaction parties, if they are individuals and not related parties, may be represented by codes.

1. The company has thousands of raw materials, and in order to maintain stable supply and quality, procurement is carried out from more than two suppliers. Therefore, in the past two years, there has been no situation where any supplier accounted for more than ten percent of the total purchases.
2. The company continues to expand its domestic sales market in mainland China, with a relatively dispersed customer base. Therefore, in the past two years, there have been no sales customers accounting for more than ten percent of net sales.

III. Employee Information in the Last Two Years Up to the Printing of the Report

Unit: Person

| Year | 2023Year | 202Annual | May 6, 2025 |
|-----------|----------|-----------|-------------|
| Full-time | 2,038 | 1,900 | 1,943 |
| Dispatch | 334 | 363 | 579 |

| Year | | 2023Year | 202Annual | May 6, 2025 |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| r o f employ e e s | T o t a l | 2,372 | 2,263 | 2,522 |
| A v e r a g e | A g e | 40.15 | 42.18 | 42.23 |
| Average Years of Service | | 10.07 | 10.01 | 10.06 |
| Educationa l Backgroun d Distribution n Ratio (%) | D o c t o r M a s t e r A s s o c i a t e D e g r e e High school Below high s c h o o l | - 0.21 23.02 15.89 60.88 | - 0.27 25.45 17.15 57.13 | - 0.24 22.92 15.34 61.50 |

IV. Environmental Protection Expenditure

In the recent annual report and as of the date of publication, losses incurred due to environmental pollution (including compensation and violations of environmental regulations as a result of environmental protection inspections, which should specify the date of disposition, disposition number, violated regulatory articles, content of the violations, and the content of the disposition), and disclose the estimated amounts that may occur currently and in the future along with corresponding measures. If reasonable estimation is not possible, the facts regarding the inability to make a reasonable estimate should be explained: None.

V. Labor Relations

(1) The company's various welfare measures, further education, training, retirement system and their implementation status, as well as agreements between labor and management and the status of various employee rights protection measures: 1. Employee welfare measures and implementation status. Talent is the most valued asset of the company. We carefully cultivate, cherish, and care for every employee, allowing them

to achieve balanced development in work, life, and leisure. The company also adheres to profit sharing and a sound performance evaluation system to formulate compensation policies, providing a comprehensive welfare system, with principles and examples as follows: (Note: tailored to the needs of employees in different regions).

A. Compliance with local government labor insurance. B. Providing employees with social insurance, housing provident fund, work injury insurance, pension insurance, medical insurance, unemployment insurance, and maternity insurance, etc. C. Granting employees paid annual leave in accordance with relevant laws. D. Providing employees with subsidies for marriage, funeral, celebration, and organizing regular employee trips to promote employee relationships. E. The company provides employee dormitories, implementing graded management; offering clean and hygienic meals, supervised and reviewed by local employees' organizations and unions regarding meal matters.

F. Provide employees with subsidies for marriage, funeral, and celebrations, and organize regular employee trips to promote interpersonal relationships among employees. G. Obtain ISO 45001:2018 Occupational Health and Safety Management System.

H. Promote the prevention and treatment of chronic diseases such as obesity and the three highs (high blood sugar, high blood lipids, high blood pressure). At least once a year, hold lectures aimed at preventing and treating employee obesity and the three highs, advocating healthy eating, and training restaurant chefs to establish knowledge of reasonable dietary practices to prevent the "three highs" (high blood pressure, high blood lipids, high blood sugar).

2. Employee Development and Training: Talent is the most valued source of the company's competitiveness. The company uses continuous education and training to stimulate employees' personal potential,

Enhance employee knowledge, effectively improve cohesion and professionalism, thereby increasing the overall operational performance of the company, achieving

To achieve the company's operational goals, the measures for implementing employee training policies are as follows: A. Employee cultivation and development: The total number of participants in group education and training in 2024 is 38,358, and the total training hours reach 84,567.

Hours, the training course topics include middle management skill enhancement, research and development, human resources administration, business marketing, and finance

Management and general management training content for professional functions.

B. New Employee Training: After new employees report to the company, they are guided by a specialist from the Human Resources Department, in addition to allowing new employees

Employees are familiar with the work environment, which also strengthens their recognition and understanding of the company. Each department has also planned for the onboarding of new personnel.

Foundation training-related courses assist new employees in learning job-related knowledge. This includes company introduction and company organization.

Structure, Employee Handbook, Environmental Knowledge, Quality / Environmental Policies and Company Regulations, Compensation and Benefits, Education and Training

Training on knowledge related to various systems such as training, performance evaluation, production safety and hygiene, 6S, and quality assurance. C. On-the-job training (OJT): The Human Resources Department formulates the training course plan for the next year at the end of each year, which includes

Including internal training courses as well as external training courses; internal training courses can be conducted by internal instructors or hired.

External experts provide training, such as professional skills knowledge and techniques, machine operation, etc. The external training part is commissioned based on demand.

Trained with the assistance of professional institutions. D. Management Training: The company arranges various management talent training for supervisors at all levels based on their characteristics, establishing team cohesion.

Shared vision and operational consensus. E. Online training: The company has set up an online training system on the WeChat office platform, which all employees can access online after registration.

Learning, according to the requirements of the position, offers various categories of courses, divided into management, technical, financial, and information categories.

and quality control, etc. F. Cultivation of reserve cadres: In order to meet the company's demand for talent and continuously improve the overall quality of personnel, to create a team that meets

The company needs business pioneers and professionals who identify with its culture. Collaboration between industry and academia will also be a future support for the company.

Provide sufficient talent reserves for sustainable development.

3. Retirement System and Its Implementation Status

(1) After the announcement of the Labor Pension Act on July 4, 2007, the company has been subject to the Labor Standards Act at that time.

For the current employees, provide the option of continuing to apply the Labor Standards Act for retirement pensions or applicable labor retirement pension regulations.

The choice to continue using the Labor Standards Act's retirement pension provisions, the choice to adopt the Labor Standards Act for years of service before 1996.

The pension regulations stipulate that after 1996, the Labor Pension Act will be adopted. (2) For colleagues subject to the pension regulations of the Labor Standards Act mentioned above, those who meet the requirements of Article 53 of the Labor Standards Act state: "1,

Working for more than fifteen years and over fifty-five years old. Two, working for more than twenty-five years. Three, working for more than ten years and over sixty.

At the age of sixty-five, voluntarily retire, or meet the criteria described in Article 54 of the Labor Standards Act: "1. Reached the age of sixty-five 2. Mental health

Loss of ability to work due to disability or physical impairment, and when forced retirement occurs, according to the standards of Article 55 of the Labor Standards Act:

- 「一、For every full year, two base amounts are granted. For work experience exceeding fifteen years, one base amount is granted for each full year.
- 「二、The maximum total is limited to forty-five base numbers. Those who have not completed half a year will be calculated as half a year; those who have completed half a year will be calculated as one year. According to the provisions of Article 54, Paragraph 1, Item 2, for workers who are forcibly retired and whose mental or physical disabilities are caused by the performance of their duties, an additional twenty percent will be added to the retirement benefits as stipulated in the previous paragraph.

(3) To comply with the Labor Standards Act regarding pensions, the company has allocated the amount in accordance with Article 56 of the Labor Standards Act.

The labor retirement reserve account designated by the Ministry of Labor is for special use only.

(4) Colleagues who joined after July 4, 2007, will be treated in accordance with Article 14 of the Labor Pension Act.

Each month, an amount equivalent to six percent of the employees' salaries will be deposited into each employee's retirement account, provided that the employees meet the labor standards.

Upon voluntary retirement or forced retirement as stipulated by the law, one may withdraw the accumulated pension from the special account either in a lump sum or on a monthly basis.

4. The situation of agreements between labor and various employee rights protection measures

A. Establishing a union: The company manages the establishment of the union in accordance with the regulations of the country where it operates. After the union is established, it will be conducted in accordance with the law.

Hold a meeting and invite investors to promote labor relations, where investor representatives listen to and respond to employees' opinions and needs.

To care about employees' lives, help employees solve difficulties, and involve employees in the formulation of welfare policies and regulations.

So far, union members are willing to fully commit themselves, fully **发挥** their functions, creating a win-win situation for both employees and the company.

Situation. B. Establish a suggestion box: a channel for employee complaints and grievances, managed by dedicated personnel. Encourage employees to express their opinions, as a public Suggestions for the continuous improvement of corporate policies.

5. Employees Code of Conduct and Ethics The company has prepared an employee handbook as a guideline for employees' daily work and professional ethical behavior.

- (2) To specify the losses incurred due to labor disputes in the most recent year and up to the date of the annual report's publication (including violations of the Labor Standards Act as indicated by labor inspections, specifying the date of punishment, punishment number, violated legal provisions, content of the violation, and details of the

punishment), and to disclose the estimated amounts and countermeasures for current and future potential occurrences. If reasonable estimation is not possible, the facts regarding the inability to estimate should be explained: The company's labor relations have always been harmonious, and there have been no losses due to labor disputes in the past two years and up to the date of the public statement's publication.

VI. Information security management

- (1) Information Security Management Strategy and Framework, Information Security Policies, Specific Management Plans, and Resources Invested in Information Security Management:

1. Information Security Management Strategy and Framework: The company has established a "Computer Information Department" to coordinate the formulation and implementation of information security and protection policies across the company. The department reports on information security management effectiveness, related issues, and policy directions at regular management meetings. The "Computer Information Department" reports directly to the General Manager and is functionally divided into "System Operations and Application Development Section," "SOP Promotion Team," and "Information Security Committee," implementing information security management controls for different aspects of data and systems to ensure information security.

2. Information Security Policies

To effectively implement information security management, various policies and measures related to information security management have been established, focusing on equipment management, access control, system protection, network segmentation, complete backups, and other aspects of information security management to reduce security risks and threats. Additionally, systems for data confidentiality and version control have been implemented to ensure that the company's important confidential asset data does not leak. Various information security defense technologies are continuously introduced, and the Information Security Committee regularly supervises and audits to strengthen inspections of the usage status of information-related equipment in all offices, and to educate employees based on current information security case studies to minimize security risks.

3. Risks and Management Measures of Information Technology Security

The company has fully established information security protection measures related to network and computer usage, but cannot guarantee complete avoidance of rapidly changing information security threats. In the face of constantly emerging security risks and attack environments, in addition to front-end early warning protection systems, a data backup system has also been established, and important data is protected through off-site backup methods to prepare for various disaster recovery needs. Regular reviews of information security-related systems and the overall computer usage status across the company are conducted by dedicated personnel to ensure their appropriateness and effectiveness. In terms of data leakage protection, a "Bastion Host" has been introduced as a checkpoint for accessing the internal network to prevent any form of unauthorized access and attempts to steal the company's confidential data. All employees sign confidentiality agreements, and file access is strictly controlled through account permissions to ensure access rights to important data.

Personal computer privileged accounts are restricted in use, and software and systems

are obtained through official channels and must be reviewed and installed by the Information Department before use to reduce potential malicious threats from unknown software and websites.

(2) Losses suffered due to significant information security incidents in the most recent fiscal year and up to the date of the annual report publication, potential impacts (e.g., impacts on operations or goodwill), and corresponding measures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained: None.

VII. Important Contracts

List the supply and sales contracts, technology cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that are still valid and in effect as of the date of the annual report publication, including the parties involved, main content, restrictive clauses, and contract start and end dates.

Important Contracts

| Nature of the Contract | Parties Involved | Contract Start and End Dates | Main Content | Restriction Clause |
|------------------------|---------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Credit Contract | Bank of China Shenzhen Longhua Branch | 2024.10.11 ~ 2025.09.04 | Airmate Electric (Shenzhen) Co., Ltd. applied to the bank for a credit limit of a total of RMB 360 million, including short-term loans for working capital of RMB 60 million, medium and long-term loans (long-term loan rights are limited to overseas use) of RMB 39 million, bank acceptance bill limit of RMB 260 million, and counterparty credit risk limit of RMB 1 million, guaranteed by the buildings and ancillary facilities provided by Shenzhen Airmate, and Airmate Electric (Jiujiang) Co., Ltd. also provides joint guarantee responsibility. | None |

| | | | | |
|-----------------|----------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Credit Contract | Shenzhen Rural Commercial Bank Shiyan Branch | 2024.03.19 ~ 2026.03.19 | Airmate Electric (Shenzhen) Co., Ltd. applied to the bank for a credit limit of a total of RMB 80 million, which can be used for (1) loans (2) bank acceptance bill acceptance (3) other trade financing purposes, guaranteed by the buildings provided by Shenzhen Airmate, and Airmate Electric (Jiujiang) Co., Ltd. also provides joint guarantee responsibility. | None |
|-----------------|----------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|

Chapter V. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

I. Financial Position

Unit: New Taiwan Dollar (thousands)

| Accounting Items | Year | 2024Annual | 2023Year | Differences | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------|-----------|-------------|--------|
| | | | | Amount | % |
| Current Assets | | 5,901,314 | 5,055,598 | 845,716 | 16.73 |
| Real estate, factories, and equipment | | 2,500,048 | 2,521,797 | -21,749 | -0.86 |
| Intangible assets | | 20,055 | 5,802 | 14,253 | 245.66 |
| Other Assets | | 613,566 | 530,404 | 83,162 | 15.68 |
| Total Assets | | 9,034,983 | 8,113,601 | 921,382 | 11.36 |
| Current Liabilities | | 5,812,826 | 4,765,367 | 1,047,459 | 21.98 |
| Non-Current Liabilities | | 275,078 | 263,381 | 11,697 | 4.44 |
| Total Liabilities | | 6,087,904 | 5,028,748 | 1,059,156 | 21.06 |
| Share Capital | | 1,498,217 | 1,528,217 | -30,000 | -1.96 |
| Capital Reserve | | 1,198,630 | 1,217,656 | -19,026 | -1.56 |
| Retained Earnings | | 486,708 | 690,223 | -203,515 | -29.49 |
| Other equity | | -236,476 | -351,243 | 114,767 | 32.67 |
| Treasury stock | | - | - | - | - |
| Non-controlling interests | | - | - | - | - |
| Total shareholders' equity | | 2,947,079 | 3,084,853 | -137,774 | -4.47 |
| Explanation of the differences in the changes of assets, liabilities, and shareholders' equity over the past two years, which are above 20% and amount to NT\$ 90.35 million (approximately 1% of total assets): | | | | | |
| Current liabilities and total liabilities: Mainly due to the increase in accounts payable and notes payable to suppliers that are not yet due; also due to the increase in short-term loans used for operations. | | | | | |
| Other equity: Mainly due to the increase in exchange differences from the translation of financial statements of foreign operating entities for the year 2024, thus increasing compared to the same period last year. | | | | | |

II. Financial Performance

The main reasons for significant changes in operating revenue, operating profit, and pre-tax profit over the past two years, as well as the expected sales volume and its basis, and the potential impact on the company's future financial operations and response plans.

(1) The main reasons for significant changes in operating revenue, operating profit, and pre-tax profit over the past two years.

1. Comparative table of operating results analysis

Unit: New Taiwan Dollar (thousands)

| Accounting Items | Year | Year 2024 | 2023Annual | Differences | |
|-------------------------------------------------------------------------|------|-----------|------------|-------------|-----------|
| | | | | Amount | % |
| Net Operating Revenue | | 8,130,776 | 8,401,753 | -270,977 | -3.23 |
| Operating Costs | | 6,506,439 | 6,574,707 | -68,268 | -1.04 |
| Gross Operating Profit | | 1,624,276 | 1,827,717 | -203,441 | -11.13 |
| Operating Expenses | | 1,838,250 | 1,840,053 | -1,803 | -0.10 |
| Operating Profit | | -213,974 | -12,336 | -201,638 | -1,634.55 |
| Non-operating income and expenses | | 25,278 | 52,078 | -26,800 | -51.46 |
| Net profit before tax | | -188,696 | 39,742 | -228,438 | -574.80 |
| Income Tax Expense | | 29,486 | -13,163 | 42,649 | 324.01 |
| Net profit for the current period | | -159,210 | 26,579 | -185,789 | -699.01 |
| Other comprehensive income for the current period(After-tax net amount) | | 116,309 | -72,789 | 189,098 | 259.79 |
| This period's total comprehensive income | | -42,901 | -46,210 | 3,309 | 7.16 |
| Net profit attributable to the owners of the parent company | | -159,210 | 26,579 | -185,789 | -699.01 |
| Comprehensive income attributable to the owners of the parent company | | -42,901 | -46,210 | 3,309 | 7.16 |

| Accounting Items | Year | Year 2024 | 2023Annual | Differences | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|-------------|---|
| | | | | Amount | % |
| The change in the increase or decrease ratio exceeds 20% and the amount reaches NT\$90.35 million (approximately 1% of total assets), the analysis is as follows: | | | | | |
| 1. | Operating gross profit and operating profit decreased compared to last year: This is mainly because in 2024, although operating revenue declined by 3.23%, the decrease in cost of goods sold and operating expenses was smaller than the decline in revenue, resulting in reduced gross profit and operating profit. Additionally, poor sales performance in the Chinese market and Northeast Asia led to a decline in revenue; operating profit showed a loss, primarily due to the increase in operating expenses, where sales expenses did not decrease despite the decline in domestic brand promotion investments, and the increase in transportation costs due to changes in the operating model, resulting in a decrease in operating profit compared to the same period last year. | | | | |
| 2. | This period's other comprehensive income (after-tax net amount) increased: This is mainly due to the increase in exchange differences arising from the translation of financial statements of foreign operating entities due to exchange rate fluctuations, thus increasing compared to the same period last year. | | | | |
| 3. | Profit before tax, net profit for the current period, and net profit attributable to the owners of the parent company decreased compared to last year: please refer to the explanation in item 1. | | | | |

2. Expected Sales Volume and Its Basis

In 2024, actual sales are expected to decline due to reduced domestic demand in China and unsold inventory in the Northeast Asian market. However, with China's national subsidy policy for electrical appliances in 2025 aimed at stimulating market consumption, along with the recovery phase of the export market environment, the company anticipates a slight increase in sales volume in 2025 compared to last year.

3. Possible Impact on the Company's Future Financial Operations and Response Plan

In 2025, global and domestic economic challenges in China will still pose many tests. In the face of qualitative and quantitative changes in the rapidly consuming domestic market and fierce competition in the small appliance industry, the company will continue to steadily increase the scale of group operations, strengthen operational management of each company, rationally control costs and expenses, and enhance overall synergy. The company will actively explore blue ocean markets and deepen customer service throughout the entire process, closely cooperating and growing with major clients to build a competitive enterprise with core values and sustainable development.

III. Cash Flow

(1) Liquidity Analysis for the Last Two Years

1. Analysis of Changes in Cash Flow for the Most Recent Year

Unit: New Taiwan Dollar (thousands)

| Year | 2024Annual | 2023Year | Differences |
|------|------------|----------|-------------|
| | | | |

| Accounting Items | | | Increase (Decrease) Amount | Increase (Decrease) Percentage % |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------------------------------|----------------------------------------|
| Net Cash Flow from Operating Activities | 355,749 | 616,566 | -260,817 | -42% |
| Net cash flow from investing activities | -436,218 | -396,707 | -39,511 | 10% |
| Net cash flow from financing activities | 168,177 | -420,731 | 588,908 | - 71.44 % |
| Change Analysis: | | | | |
| <ol style="list-style-type: none"> 1. Operating Activities Cash Flow: The main reason is that in 2024, although the company experienced a net profit loss, cash flow management was still adequate, resulting in a relatively good net cash inflow from operating activities. 2. Investing Activities Cash Flow: The main reason is that in 2024, the company's financial management and fixed asset investment expenditures increased compared to the previous year. | | | | |
| Financing Activities Cash Flow: The main reason is that in 2024, the amount of cash dividends distributed by the company decreased compared to last year, and there were no circumstances of redeeming convertible bonds during this period, resulting in an increase in cash inflow from financing activities compared to the previous year. | | | | |

1. Improvement Plan for Insufficient Liquidity: The company does not have any issues with insufficient liquidity.

2. Cash Liquidity Analysis for the Coming Year:

| Beginning Cash Balance (1) | Net cash flow from operating activities for the year (2) | Total cash outflow for the year (3) | | Remaining cash (deficit) amount (1)+(2)-(3) | Deficit amount of cash Remedial measures | |
|----------------------------------|----------------------------------------------------------------|----------------------------------------|-------------------------|------------------------------------------------------|------------------------------------------------|---------------------------|
| | | Investme nt activities | Financing activities | | Investm ent activitie s | Funding activitie s |
| 748,438 | 358,500 | (505,080) | 112,000 | 713,858 | None | None |

1. Analysis of cash flow changes in the coming year:

(1) Operating activities: Mainly refers to the expected net cash inflow generated from the company's operations.

(2) Investing activities: Mainly refers to the expected net cash outflow for the purchase of equipment and molds used for operations.

(3) Financing activities: Mainly refers to the expected net cash inflow generated from increased bank loans.

2. Remedial measures for anticipated cash shortfalls and liquidity analysis: Not applicable.

IV. Impact of Major Capital Expenditures on Corporate Finances and Business for the Most Recent Year

The company's fixed asset purchases for the years 2020 to 2024 amounted to NT\$166,584 thousand, NT\$180,826 thousand, NT\$128,978 thousand, NT\$129,110 thousand, and NT\$84,407 thousand, respectively. This is due to the company's continuous expansion and replacement of production capacity equipment in response to market demand. The comparison table of fixed asset and total asset turnover rates for the years 2020 to 2024 is shown below, indicating that the company has not experienced any adverse effects on its financial operations due to increased capital expenditures.

| Turnover rate | 2020 Fiscal Year | 2021 Annual | 2022 Annual | Fiscal Year 2023 | Fiscal Year 2024 |
|-----------------------------------------------------------|------------------------|-------------|----------------|---------------------|---------------------|
| Real estate, plant, and equipment turnover rate (times) | 2.94 | 3.50 | 3.31 | 3.33 | 3.25 |
| Total asset turnover rate (times) | 1.00 | 1.02 | 1.04 | 1.04 | 0.90 |

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

1. Recent Annual Investment Policy

The management of the company's investment business is based not only on the investment cycle regulations of the internal control system but also on the company's established "Operational Guidelines for Group Enterprises, Specific Companies, and Related Parties in Business and Financial Transactions," "Supervisory Guidelines for Subsidiaries," and "Operational Management Guidelines for Subsidiaries." These guidelines take into account the local legal regulations and actual operating conditions of each invested company, assisting them in establishing appropriate internal control systems. Additionally, in terms of organizational structure, the directors of each invested company are established according to local laws and appointed by the parent company.

The management team of each invested company (those with over 50% shareholding) has the general manager appointed by the parent company, while other managers are authorized to be appointed or recruited by the general manager of the invested company. However, the appointment and dismissal of financial executives must be reported to and approved or appointed by the parent company. Furthermore, the company regularly obtains relevant financial statements, operational reports, and financial statements audited and certified by accountants from each invested company to analyze and evaluate the operational conditions and profitability of the investment business in a timely manner. The company's internal audit unit regularly or irregularly sends personnel to conduct audits of subsidiaries and formulates relevant audit plans and issues audit reports to track the improvement of deficiencies and irregularities in their internal control systems.

2. Main Reasons for Gains or Losses from Recent Annual Investments

| Investment | Recent Annual Investment Gains and Losses | Explanation |
|-----------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Airmate International Holdings Limited | -147,084 | Mainly recognized investment losses from Airmate China International Co., Ltd. and Weian Development Co., Ltd. |
| Airmate China International Limited | -146,933 | Mainly recognized investment losses from Weian Development Co., Ltd. |
| Weyang Development Limited | -201,730 | The main reason is the recognition of the operating profit of Airmate Electric (Jiujiang) Co., Ltd. and the investment loss of Airmate Electric (Shenzhen) Co., Ltd. |
| Airmate Electric (Hong Kong) Co., Ltd. | -70 | It is a wholly-owned subsidiary of Weiang Development Co., Ltd. invested 100% in August 2024, mainly serving as the registered entity for the sales of electrical appliances, generating minor expenses. |
| Airmate Electric (Shenzhen) Limited | -210,776 | The main reason is the unfavorable economic environment in the export market and intense competition, leading to a decline in orders and reduced pricing. The cost of goods sold and expenses did not decrease year-on-year, resulting in an overall operating loss for this period. |
| Zhejiang Airmate Electric Sales Limited | 20 | The main reason is the decline in orders due to market conditions, but the decrease in costs was greater than the sales revenue, resulting in a slightly profitable gross margin compared to the same period last year. |
| Airmate Electric (Jiujiang) Limited | 15,065 | The main reason is the unfavorable economic environment and intense competition in the Chinese market, leading to a significant decrease in orders and reduced pricing. Sales revenue has decreased sharply, while the decline in costs was minimal, resulting in reduced gross margin. Additionally, the company's marketing expenses for its own branded products have increased compared to the same period last year, further eroding profits; however, there was still a slight profit this period. |
| Airmate Technology (Shenzhen) Co., Ltd. | 4,211 | Mainly engaged in the sales of kitchen and household small appliances, with profits for this period. |
| Airmate E-commerce (Shenzhen) Co., Ltd. | -12,682 | Mainly operating an online platform to sell Airmate products. Although the e-commerce gross profit is high, due to the poor market environment, promotional |

| | | |
|---------------------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | marketing activities are highly stimulated, and the channel is being re-planned, resulting in an overall operating loss. |
| Weimou Technology (Foshan) Co., Ltd. | -18,510 | Mainly operating an online platform to sell Airmate products. Due to the re-planning of channels, the operating result is a loss. |
| Xiandao Technology (Foshan) Co., Ltd. | -9 | Mainly operating an online platform to sell Airmate products. Currently planned as a store 主体 , with shipments sold by the Jiujiang company, resulting in only sporadic costs. |

3. Investment plan for the coming year: None.

VI. Analysis of Risk Management for the Most Recent Year up to the Printing Date of the Annual Report

(1) The impact of interest rates, exchange rate fluctuations, and inflation on the company's profits and future response measures

1. Interest Rate

The interest expenses of the company for the years 2024 and 2023 were 34,657 thousand yuan and 35,911 thousand yuan, respectively, accounting for 0.43% and 0.43% of the net operating income for the respective years, with a negligible difference. Therefore, the impact of interest rate fluctuations on the company is minimal. Although the interest rates in the recent monetary market have been gradually rising, they remain at relatively low levels, and the company's borrowing interest rate has not changed significantly. However, if there are significant fluctuations in interest rates in the future, and the company continues to have borrowing needs, the company will not only consider other capital market financing tools to raise funds but will also observe the trend of interest rates and choose to borrow at fixed or floating rates to mitigate the risk of interest rate fluctuations.

2. Exchange Rate

Due to the fact that 66% of our company's sales area in recent years has come from China and is priced in Renminbi, approximately 34% is from other regions.

The main sources are from Europe, America, Japan, and South Korea, primarily priced in US dollars and Japanese yen; while the procurement part is mainly in Renminbi.

Currency valuation, so except for the natural hedging generated by the offset of sales and purchases in Renminbi, the remaining foreign currency exchange rate fluctuations still have an impact.

To mitigate effects, the company not only adopts natural hedging but also considers using forward foreign exchange transactions for hedging. The company's exchange losses for the years 2024 and 2023 were (36,487) thousand yuan and (7,854) thousand yuan, respectively, accounting for 0.45% and 0.09% of the net operating income for the period, indicating a very low impact. Overall, there is no significant foreign exchange risk. However, as the company considers future operational growth, the foreign currency holdings will continue to increase, and domestic fundraising and future dividend distributions to domestic investors will require conversion to US dollars, thus generating risks from fluctuations in the USD to TWD exchange rate. Therefore, the company will

strengthen the management of its foreign exchange positions, and potential measures that the finance department may adopt are as follows: Therefore

- A. Continuously strengthen the concept of foreign exchange hedging for financial personnel, through real-time online exchange rate systems and enhanced connections with financial institutions, to analyze the trends of exchange rate fluctuations as a reference for currency conversion.
- B. To the extent possible, sales revenue in the same currency should cover procurement and related expenses to achieve an automatic hedging effect.
- C. Determine whether to use hedging derivative financial instruments to mitigate exchange rate risks based on the company's operational conditions.

3. Inflation / Deflation

Since the financial tsunami in 2008 and the recent European debt crisis, global economic activity has slowed down. However, under the policies of various governments to stabilize financial market order and maintain price stability, the pressure of inflation has eased in the short term. Looking ahead, our company will continue to maintain close and good interactive relationships with suppliers and customers, flexibly adjust procurement and sales strategies, and pay attention to market price fluctuations to grasp the price changes of upstream materials, thereby reducing the impact of inflation fluctuations on the company's profits. In recent years and as of the date of this annual report's printing, there have been no significant changes in the financial market and prices, which have not had a significant impact on the company's profits.

(II) Policies for engaging in high-risk, high-leverage investments, lending funds to others, providing endorsements and guarantees, and trading in derivative products, as well as the main reasons for profits or losses and future response measures

Our company has always focused on its core business and has not ventured into other high-risk industries. The financial policy is based on a principle of prudence and conservatism, avoiding high-risk, high-leverage investments and transactions. Therefore, the related risks should be limited. Transactions involving lending funds to others, endorsements, guarantees, and trading in derivative products are conducted in accordance with the company's policies and response measures as stipulated in the "Asset Acquisition or Disposal Processing Procedures," "Lending Funds to Others and Endorsement Guarantee Operating Procedures," and "Management Measures for Monitoring Subsidiaries."

As of the date of printing, except for transactions between the company and its subsidiaries, and between subsidiaries, there are no other companies involved in endorsements, guarantees, or lending funds. The aforementioned endorsements and lending transactions are conducted in accordance with relevant operating procedures, and overall, they do not have a significant impact on consolidated profits. Furthermore, our company has always focused on its core business and has not ventured into other high-risk industries, maintaining a financial policy based on prudence and conservatism, avoiding high-risk, high-leverage investments and transactions. Therefore, the related risks should be limited.

(III) Future research and development plans and expected R&D expenses

The future research and development plans will focus on continuously innovating technologies related to small home appliances, actively striving towards energy-saving and smart appliances, and aiming to become a world-leading green solutions company, providing customers with diversified product design applications and technologies. By quickly responding to market trends leading to mature production technologies, we aim to enhance process capabilities, strengthen product functions, and reduce costs, jointly developing products that meet market demands.

Our company's R&D expenses for the years 2024 and 2023 are 179,473 thousand yuan and 135,232 thousand yuan, respectively, accounting for 2.21% and 1.61% of the annual revenue, with a 33% increase in investment compared to the same period last year. In the future, we will continue to invest R&D resources based on product development plans, with a total expected R&D investment of 190 million yuan. In addition to developing new products and core technologies, the R&D team continuously improves and refines its work, also developing new products in line with customer and market demands, becoming a sustainable operating manufacturer.

(4) The impact of important domestic and foreign policies and legal changes on the company's financial operations and corresponding measures

The company's registered country is the Cayman Islands, with its main operating countries being China and Hong Kong; the Cayman Islands primarily engages in financial services as its main economic activity, while China is currently one of the world's major economies. The execution of the company's various businesses is conducted in accordance with important domestic and foreign policies and legal regulations, and the company continuously monitors the development trends of important domestic and foreign policies and legal changes. If there are any changes, the company consults with lawyers, accountants, and other relevant parties, or commissions them to assess and plan corresponding measures, in order to respond promptly to changes in the market environment and take appropriate measures. As of the most recent fiscal year and up to the date of the annual report's publication, the company has not experienced any significant impact on its financial operations due to important policy and legal changes in the Cayman Islands, China, or Hong Kong.

(5) The impact of technological changes (including information security risks) and industry changes on the company's financial operations and corresponding measures

As consumer small appliance products continuously demand improvements in technology and appearance structure, coupled with the global awareness of energy conservation and carbon reduction, the company keeps abreast of market trends and assesses their impact on its operations. The company's important export customers are mostly leading manufacturers of global small appliance products, and both parties currently maintain a close cooperative relationship; the company is also a well-known domestic brand in mainland China.

The Group's Information Security Committee is responsible for reviewing the security policies of each subsidiary, overseeing the operation of the group's security management, and regularly reporting on security management to senior management. The security control structure includes assisting various points and maintaining group security, with each point having its own local security controls, primarily managed by the data center in Shenzhen, which is overseen and managed by the Information Security Committee for the entire group's security control. Security risk management covers various areas, such as data, databases, applications, accessibility, and security.

In light of the current new trends in asset security, such as ransomware, social engineering attacks, and fraudulent websites, we regularly have the Information Security Committee focus on security issues and planning. For this plan, offensive and defensive drills have been conducted for different security scenarios to enhance the resilience of handling personnel, enabling them to detect and complete blocking measures promptly. Additionally, training and courses are frequently conducted, and all users are required to participate.

As of the most recent fiscal year and up to the date of the annual report's publication, the company has not experienced any significant adverse effects on its financial operations due to technological changes (including information security risks) or industry changes.

(6) The impact of changes in corporate image on corporate crisis management and corresponding measures

The company adheres to the management philosophy of "integrity, trust, fairness, and diligence," and has always placed great importance on the corporate image in the locations of its subsidiaries. Since its establishment, the company has continuously and actively strengthened internal management and improved quality management capabilities to build the company's brand image, thereby further increasing customer trust in the company's brand. Therefore, no such crisis has occurred.

(7) Expected benefits, potential risks, and corresponding measures for mergers and acquisitions

The company currently has no plans to acquire other companies as of the most recent fiscal year and up to the date of the public statement's printing.

(8) Expected benefits, potential risks, and response measures for the expansion of the factory

The company currently has no plans to expand its factory as of the most recent fiscal year and the date of the annual report's publication.

(9) Risks and Countermeasures Related to Concentrated Purchases or Sales

1. Procurement

The company has thousands of raw materials, with the main procurement items being plastic raw materials, copper wires, power cables, silicon steel sheets, printed circuit boards (PCBs), paints, weighted plates, and cardboard packaging materials. For the procurement of major raw materials, the principle of sourcing from multiple suppliers is adopted to appropriately disperse procurement risks, ensuring a stable supply of raw materials necessary for production. The procurement and payment procedures are followed in accordance with relevant regulations for inquiries and negotiations. In recent years, and as of the date of the annual report publication, there have been no instances where a single supplier accounted for more than 10% of the total procurement amount. Therefore, overall, there is no risk of excessive concentration in procurement.

2. Sales

The company adopts a sales strategy that combines both domestic and foreign sales, focusing on the domestic market for its own brand products, while primarily engaging in ODM/OEM for exports. Currently, the domestic sales network in China has exceeded 10,000 outlets, covering 31 provinces, autonomous regions, and municipalities. There are currently 200 distributors, and export customers are spread across 89 countries, with nearly 200 clients, most of whom are internationally renowned large enterprises. Additionally, in recent years and up to the date of the annual report's publication, no single customer has accounted for more than 15% of total sales; there is no risk of

excessive concentration of sales customers. However, the company will continue to monitor and assess customer credit risks and respond in a timely manner.

- (10) The impact, risks, and response measures of significant transfers or changes in the shares of directors, supervisors, or major shareholders holding more than ten percent of the shares on the company. In recent years and as of the date of the annual report's publication, there have been no significant transfers of shares by directors or major shareholders holding more than ten percent of the shares.
- (11) The impact, risks, and response measures of changes in management rights on the company

In recent years and as of the date of the annual report's publication, there have been no changes in the company's management rights. However, to strengthen corporate governance, the company has introduced independent directors and an audit committee system to protect the interests of shareholders. On the other hand, apart from the independent directors, most of the other directors and all employees are long-term partners who have been working with the company and agree with its development direction. Therefore, the company has maintained good operational performance in recent years and will continue to adhere to a sound management philosophy and good management practices to create growth in operations and profits, aiming to gain recognition from all shareholders for the management team. Thus, the company's management rights are relatively stable and well-regarded, with no risk of changes in management rights.

- (12) For litigation or non-litigation events, the company and its directors, supervisors, general manager, substantial responsible persons, major shareholders holding more than ten percent of shares, and subsidiaries should disclose any significant litigation, non-litigation, or administrative dispute events that have been adjudicated or are currently pending, which may have a significant impact on the rights and interests of the company's shareholders or the price of its securities. The disclosure should include the facts of the dispute, the amount in question, the date the litigation commenced, the main parties involved, and the status of the case as of the date of the annual report: None

- (13) Other important risks and response measures:

Cybersecurity risks:

The company has established internal control systems for information management operations and personal data protection management to manage network and information security. However, it cannot guarantee that the network and computer systems can completely avoid attacks from third parties. The company has a dedicated information department responsible for reviewing the operational security of information systems, controlling employee usage, setting up daily backups of important data, and promoting relevant information security concepts and correct operating methods.

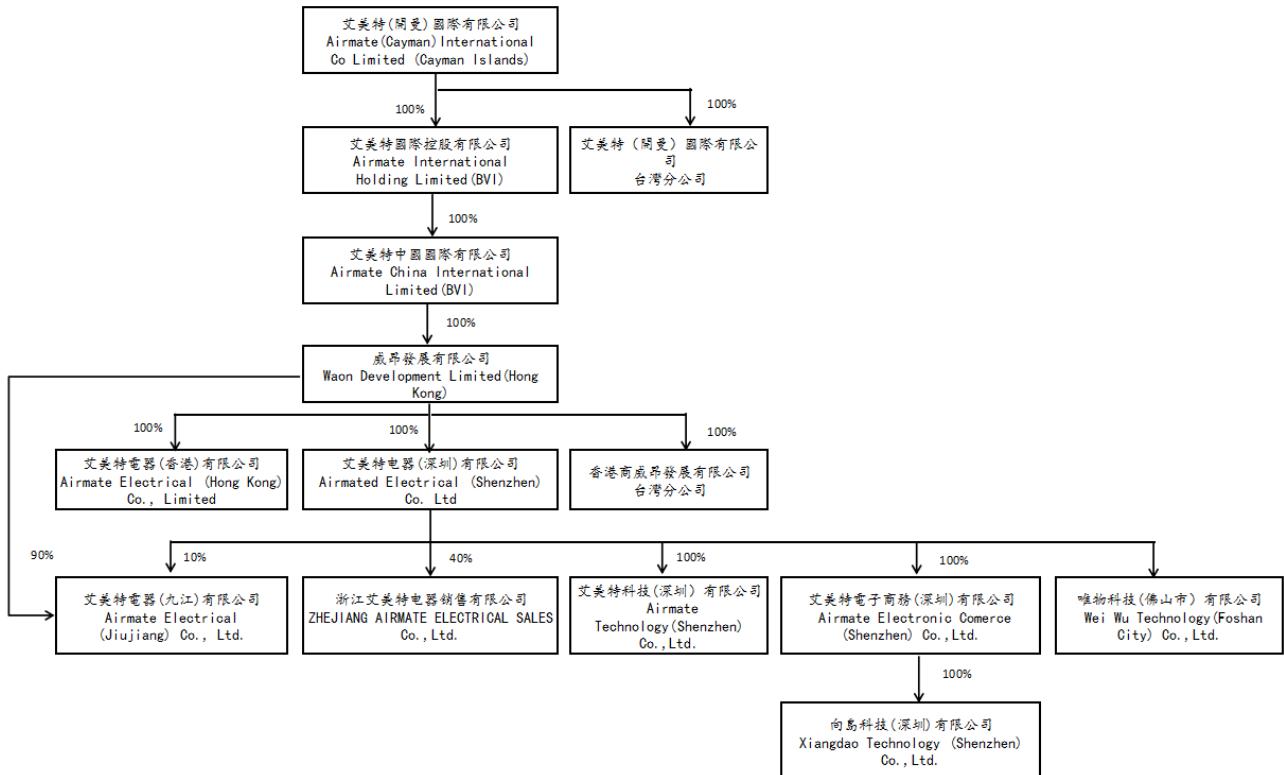
VII. Other important matters: None.

Chapter VI. Special Disclosure

I. Affiliated Companies:

(一) Recent annual consolidated business report according to related parties

1. Organizational chart of related parties



2. Basic information of each related party

As of December 31, 2024; Unit: New Taiwan Dollar (Foreign Currency) Thousand Yuan

| Company Name | Establishment Date | Address | Paid-in Capital | | Main Business Activities |
|------------------------------------------------------|--------------------|---------|-----------------|-----------|--------------------------|
| | | | Curren cy | Amount | |
| Airmate (Cayman) International Limited | 2004.3 | Cayman | NTD | 1,498,217 | Holding Company |
| Airmate (Cayman) International Limited Taiwan Branch | 2017.10 | Taiwan | - | - | Trading Company |
| Airmate International Holdings Limited | 1998.12 | B.V.I | USD | 63,974 | Holding Company |
| Airmate China International Limited | 1997.10 | B.V.I | USD | 69,761 | Holding Company |
| Weyang Development Limited | 1990.10 | H. K. | HKD | 820,298 | Trading Company |
| Weiang Development Co., Ltd. Taiwan Branch | 1998.8 | Taiwan | - | - | Trading Company |
| Airmate Electric (Hong Kong) Co., Ltd. | 2024. | H. K. | HKD | 200 | Trading Company |

| | | | | | |
|-----------------------------------------|---------|-------|-----|--------|----------------------------------------------|
| Airmate Electric (Shenzhen) Limited | 1991.5 | China | USD | 32,000 | Production and sales of household appliances |
| Airmate Electric (Jiujiang) Limited | 2014.1 | China | USD | 72,800 | Production and sales of household appliances |
| Airmate Technology (Shenzhen) Co., Ltd. | 2015.12 | China | RMB | 10,000 | Research and sales of kitchen appliances |
| Airmate E-commerce (Shenzhen) Co., Ltd. | 2020.6 | China | RMB | 10,000 | Sales of household appliances |
| Weimo Technology (Foshan) Co., Ltd. | 2022.6 | China | RMB | 500 | Sales of household appliances |
| Xiandao Technology (Shenzhen) Co., Ltd. | 2023.9 | China | RMB | 500 | Sales of household appliances |

3. It is presumed to have control and related party relationships; there are no relevant shareholder details.

4. Operating Overview of Related Enterprises

Unit: New Taiwan Dollar (thousands)

| Company Name | Capital Amount (Note 1) | Total Assets (Note 1) | Total Liabilities(Note 1) | Net Worth (Note 1) | Operating Revenue (Note 2) | Operating Profit(Note 2) | Current Period Profit and Loss(Note 2) | Earnings Per Share(Yuan) |
|------------------------------------------------------|--------------------------|------------------------|----------------------------|---------------------|----------------------------|---------------------------|-----------------------------------------|----------------------------|
| Airmate (Cayman) International Limited | 1,498,217 | 9,034,983 | 6,087,904 | 2,947,079 | 8,130,776 | -213,974 | -159,210 | -1.05 |
| Airmate (Cayman) International Limited Taiwan Branch | - | 79 | — | 79 | - | -35 | -34 | - |
| Airmate International Holdings Limited | 1,180,144 | 4,297,257 | 880 | 4,296,377 | - | -97 | -147,084 | - |
| Airmate China International Limited | 2,506,536 | 4,298,054 | 848 | 4,297,206 | - | -97 | -146,933 | - |
| Weyang Development Limited | 3,135,129 | 6,520,660 | 2,937,928 | 3,582,732 | 2,724,552 | 127,580 | -200,018 | - |
| Weiangular Development Co., Ltd. Taiwan Branch | - | 3,482 | 8,762 | -5,280 | 8,957 | -1,764 | -1,712 | - |
| Airmate Electric (Hong Kong) Limited | 844 | 772 | - | 772 | - | -70 | -70 | - |
| Airmate Electric (Shenzhen) Limited | 1,049,120 | 4,206,587 | 1,914,195 | 2,292,392 | 1,705,525 | -273,387 | -210,776 | - |
| Airmate Electric (Jiujiang) Limited | 2,386,748 | 7,385,093 | 5,044,033 | 2,341,060 | 6,452,982 | -67,908 | 15,065 | - |
| Ai Mei Technology (Shenzhen) Co., Ltd. | 45,593 | 138,254 | 81,512 | 56,742 | 216,941 | 4,856 | 4,211 | - |
| Amway E-commerce (Shenzhen) Co., Ltd. | 45,593 | 107,070 | 47,825 | 59,245 | 266,021 | -13,396 | -12,682 | - |
| Weimaterial Technology (Foshan) Co., Ltd. | 2,280 | 15,586 | 48,307 | -32,721 | 74,234 | -18,509 | -18,510 | - |
| Xiandao Technology (Shenzhen) Co., Ltd. | 2,280 | 11,101 | 8,837 | 2,264 | 14 | -7 | -9 | - |

Note 1: Related parties are foreign companies, and their foreign currency assets and liabilities are converted into New

Taiwan Dollars at the exchange rate on the date of the financial report. (CNY:HKD= 1.0799; HKD:NTD= 4.2220)
 Note 2: The financial results of the foreign affiliated company are presented in New Taiwan Dollars based on the average exchange rate for the years 2020 and 2024. (CNY:HKD= 1.0837 ;
 HKD:NTD =4.1152)

5. The industries covered by the overall relationship enterprise operations

The main business of the company and its affiliated enterprises is the manufacturing and sales of household appliances. Additionally, a small portion of affiliated enterprises focuses on investment activities. Overall, the collaboration and division of labor among affiliated enterprises rely on mutual support in technology, production capacity, marketing, and services to create maximum synergy.

6. Information on the directors, supervisors, and general manager of each affiliated enterprise

| Company Name | Title | Name or representative | Unit: thousand shares; % | |
|----------------------------------------|-------------|-----------------------------------------------------------------------|--------------------------------|--------------------|
| | | | Shareholding/Investment Amount | |
| | | | Number of Shares | Shareholding Ratio |
| Airmate (Cayman) International Limited | Chairman | Shih, Jui-Pin | 1,102 | 0.7 |
| | Director | Tsai, Cheng-Fu | 4,378 | 2. |
| | Director | Cheng, Li-Ping | 3,447 | 2.30 |
| | Director | Shih Jui-lin | 641 | 0.43 |
| | Director | Huang, Ching-Shu | 1,905,169 | 1.27 |
| | Independent | Lin, Chih-Lung | - | - |
| | Director | Hsu, Shih-Wen | - | - |
| | Independent | Lin Hui-fen | - | - |
| | Director | Yen Min-Jen | - | - |
| | Independent | | | |
| | Director | | | |
| | Independent | | | |
| Airmate International Holdings Limited | Director | Shih, Jui-Pin (Airmate (Cayman) International Limited Representative) | USD 63,974 thousand | 100 |
| | Director | Shih, Jui-Pin (Airmate International Holdings Limited Representative) | USD 69,761 thousand | 100 |
| Weyang Development Limited | Chairman | Shih, Jui-Pin (Airmate China International Limited Representative) | Hong Kong | 100 |
| | Director | Cheng, Li-Ping (Airmate China International Limited Representative) | Dollar820,298 thousand | 100 |
| | Director | Tsai, Cheng-Fu (Airmate China International Limited Representative) | Hong Kong | 100 |
| | Director | Shi Li Xue Zhu (Airmate China International Limited Representative) | Dollar820,298 thousand | 100 |
| | | | Hong Kong | |

| | | | | |
|-----------------------------------------------|------------|---------------------------------------------------------------------------|------------------------------------------------|-----|
| | | | sand Hong Kong Dollar820,298thous and | |
| Weiang Development Co., Ltd. Taiwan Branch | - | - | - | - |
| Airmate Electric (Hong Kong) Limited | Director | Wang Lianying (Representative of Weiang Development Limited) | Hong Kong Dollar200thousand | 100 |
| Airmate Electric (Shenzhen) Limited | Chairman | Shih, Jui-Pin (Representative of Weiang Development Limited) | US Dollar32,000thous | 100 |
| | Director | Tsai, Cheng-Fu (Representative of Weiang Development Limited) | sand 100 | |
| | Director | He Meixiu (Representative of Weiang Development Limited) | US Dollar32,000thous | 100 |
| | Director | Shi Ruilin (Representative of Weiang Development Limited) | sand US Dollar32,000thous | 100 |
| | | Tseng, Chao-Ting (Representative of Weiang Development Limited) | sand US Dollar32,000thous | 100 |
| | | | sand US Dollar32,000thous | 100 |
| Airmate Electric (Jiujiang) Limited | Chairman | Tsai, Cheng-Fu (Representative of Weiang Development Limited) | USD72,800thous and | 100 |
| | Director | Shih, Jui-Pin (Representative of Weiang Development Limited) | USD72,800thous and | 100 |
| | Director | Shirley Shi (Representative of Weiang Development Co., Ltd.) | USD72,800thous and | 100 |
| | Supervisor | Tseng Chao-Ting (Representative of Weiang Development Co., Ltd.) | USD72,800thous and | 100 |
| | | Huang Jing-Tian (Representative of Weiang Development Co., Ltd.) | USD72,800thous and | 100 |
| | | Ho, Mei-Hsiu (Representative of Airmate Electric (Shenzhen) Co., Ltd.) | USD72,800thous and | 100 |
| Airmate Technology (Shenzhen) Co., Ltd. | Executive | Cai Zheng-Fu (Representative of Airmate Electric (Shenzhen) Co., Ltd.) | CNY10,000thousa nd | 100 |
| | Director | Ho, Mei-Hsiu (Representative of Airmate Electric (Shenzhen) Co., Ltd.) | CNY10,000thousa nd | 100 |
| Airmate E-commerce (Shenzhen) Co., Ltd. | Executive | Shih, Jui-Pin (Airmate Electric (Shenzhen) Co., Ltd. Representative) | CNY10,000thousa nd | 100 |
| | Director | Ho, Mei-Hsiu (Representative of Airmate Electric (Shenzhen) Co., Ltd.) | CNY10,000thousa nd | 100 |

| | | | | |
|------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------|
| Weimo Technology (Foshan) Co., Ltd. | Executive Director Supervisor | Zheng Shixing (Airmate Electric (Shenzhen) Co., Ltd. Representative) Lei Yan (Airmate Electric (Shenzhen) Co., Ltd. Representative) | 500,000 RMB 500,000 RMB | 100 100 |
| Xiangdao Technology (Shenzhen) Co., Ltd. | Executive Director Supervisor | Zheng Shixing (Airmate E-commerce (Shenzhen) Co., Ltd. Representative) Lei Yan (Airmate E-commerce (Shenzhen) Co., Ltd. Representative) | 500,000 RMB 500,000 RMB | 100 100 |

(2) Consolidated Financial Statements of Related Enterprises: Please refer to the Public Information Observation Station (URL: <https://mops.twse.com.tw>) / e-book > Financial Reports > 2024 Q4 IFRSs Consolidated Financial Statements.

(3) Consolidated Statement of Related Enterprises: Not applicable.

(4) Relationship Report: Not Applicable.

II. As of the date of publication of the latest annual and annual reports, the status of the handling of private placement securities: None.

III. As of the printing date of the latest annual and annual reports, the subsidiary held or disposed of the Company's shares: None.

VI. Significant differences from our shareholders' equity protection regulations

According to the proposal for the amendment of the company's articles of association approved by the board of directors on April 9, 2025, and under the premise of not violating Cayman law, the company has established specific content to protect the exercise of shareholder rights in accordance with the shareholder equity protection checklist stipulated by the Taiwan Stock Exchange (hereinafter referred to as "Shareholder Equity Protection Matters").

Among them, regarding the relevant powers and duties of the supervisors in the Shareholder Equity Protection Matters, since the company already has independent directors, the provisions regarding supervisors do not apply. In addition, the following matters could not be established in accordance with the important matters of shareholder equity protection due to non-compliance with Cayman law, and the differences are explained as follows:

| Important Matters of Shareholder Equity Protection | Cayman Company Laws and Explanations | Differences in Articles of Association |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The following proposals involving significant shareholder rights must be attended by shareholders representing more than two-thirds of the total issued shares, and must be approved by a majority of the voting rights of the attending shareholders. If the total number of shares held by the attending shareholders is less than the aforementioned amount, attendance by shareholders representing more than half of the total issued shares is sufficient, and approval must be obtained from more than two-thirds of the voting rights of the attending shareholders: 1. The company enters into, changes, or terminates contracts regarding the leasing | The Cayman Islands Companies Law Section 60 stipulates that a "Special Resolution" refers to a resolution passed by voting at a shareholders' meeting. In the case of decision-makers, unless the company's articles of association stipulate a higher number of voting rights, resolutions must be approved by more than two-thirds of the voting rights of shareholders who are entitled to exercise their voting rights at the shareholders' meeting and who personally or through an authorized agent (if the shareholders' meeting allows the use of proxies) exercise their voting rights. | The Cayman Islands Company Law regarding the voting rights requirements for "special resolutions" is, in principle, not lower than the provisions required by our country's Company Law and important matters concerning the protection of shareholder rights. Therefore, the company's articles of association should not have any adverse impact on shareholder rights in this regard. |

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| <p>of all business operations, entrusts management, or jointly operates with others, or transfers all or a major part of its business or assets, or acquires all business or assets from others that have a significant impact on the company's operations.</p> <p>2. Amendment of Articles of Association</p> <p>If the amendment to the articles of association harms the rights of preferred shareholders, it must be resolved by a special meeting of preferred shareholders.</p> <p>4. Distribution of dividends and bonuses in whole or in part by issuing new shares</p> <p>5. Resolution on Dissolution, Merger, or Division</p> | <p>and 24 of the Cayman Islands Companies Law, amendments to the company's articles of association and memorandum of association must be approved by a "special resolution"; according to the Cayman Islands Companies Law Article</p> <p>The resolution to dissolve the company must be passed by a "special resolution" as stipulated in Article 90.</p> <p>According to the Cayman Islands Company Law, matters that require a special resolution must be decided by shareholders in accordance with the articles of association through a "special resolution." Any such matters decided at a lower threshold than that required by the Cayman Islands</p> <p>The resolution made under the voting threshold of "special resolution" as stipulated by the Company Law shall be deemed invalid under Cayman Islands Company Law.</p> | |
| <p>The company transfers shares to employees at a price lower than the average price of actual repurchased shares, which must be approved by more than half of the shareholders present at the most recent shareholders' meeting representing the total number of issued shares.</p> <p>Attendance requires the consent of more than two-thirds of the voting rights of shareholders present, and the following matters must be listed and explained in the agenda of that shareholders' meeting, and cannot be proposed as temporary motions:</p> <p>Proposed:</p> <ol style="list-style-type: none"> 1. The transfer price, discount rate, calculation basis, and reasonableness. 2. The number of shares transferred, the purpose, and reasonableness. 3. The qualification criteria for employees eligible to purchase shares and the number of shares they can subscribe to. <p>Matters affecting shareholder equity: the amount that may be expensed and the dilution effect on the company's earnings per share; explaining the financial burden on the company caused by transferring shares to employees at a price lower than the average price of actual repurchased shares.</p> <p>The total number of shares approved and transferred to employees in previous shareholders' meetings shall not exceed five percent of the total number of issued shares of the company, and the total number of shares subscribed by a single employee shall not exceed five thousandths of the total number of issued shares of the company.</p> <p>Secondly, regarding the provisions on voting rights, the regulations for protecting shareholder interests require</p> | <p>According to Article 37 of the amended Companies Law of the Cayman Islands dated April 27, 2011, a Cayman company may repurchase shares as authorized by its articles of association and resolved by the board of directors.</p> <p>Repurchase or redeem its issued shares, before the cancellation or transfer of its repurchased or redeemed issued shares, shall be regarded as treasury stock.</p> | <p>The Cayman Islands has not made detailed regulations regarding the company's repurchase of treasury stock for transfer to employees. The detailed regulations regarding the transfer of repurchased treasury stock to company employees are specified in the company's articles of association, which should not adversely affect shareholder rights.</p> |

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| that a company holding its own shares shall have no voting rights for those shares. Resolutions of the shareholders' meeting shall not include the number of shares held by shareholders without voting rights in the total number of issued shares. | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|