

AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED
2024 Annual Shareholders' Meeting Agenda
(Translation)

Time: June 18, 2024 (Tues.) 9 am

Address: 4F, No. 2-1, Section 1, Jinan Rd, Taipei (National Taiwan University Alumni Hall)
Conference room

- I.** Call Meeting to Order
- II.** Chairperson's remarks
- III.** Report Items
 - (I) 2023 Business Report
 - (II) Audit Committee's Review Report on the 2023 Business Report and Financial Statements
 - (III) Report on the Distribution of Remuneration for Employees and Directors of 2023
 - (IV) Report on the Distribution of Cash Dividends for the Fiscal Year 2023
 - (V) 'Board Meeting Rules and Regulations' Amendment Proposal
- IV.** Recognized
 - (I) Recognition of the Company's 2023 Annual Business Report and Consolidated Financial Report
 - (II) The Company's 2023 Profit Distribution Plan
- V.** Discussion
 - 'Shareholders Meetings Rules and Regulations' Amendment Proposal
- VI.** Election Matters
 - Election of all Directors of the Company
- VII.** Other Matters
 - Proposal to release the newly elected directors from non-competition restrictions
- VIII.** Extempore motion
- IX.** Adjournment

Notice to Readers:

For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

Report Items

I. 2023 Annual Business Report, submitted for approval.

Description: 2023 Business Report, please refer to pages 11 ~ 20 of this Handbook (Attachment I).

II. Audit Committee's Review Report on the 2023 Financial Statements, submitted for approval.

Description: Audit Committee's 2020 Review Report (Please refer to page 21 of this Handbook (Attachment II)).

III. Report on the Company's 2023 Distribution Status of the employees' and directors' remuneration, submitted for approval.

Description:

1. In accordance with Article 14.5 of the Articles of Association, where there is profit in the year of the Company, 1% ~10% of the profit is to be allocated as remuneration to employees, and no more than 3% allocated as remuneration to directors.
2. Allocation of Employee Compensation and Director Remuneration in accordance with the Company's Articles of Association for the Fiscal Year 2023:

Unit: NT\$

Item	Amount	Ratio in profit
Employees' Compensations	2,091,986	4.92%
Directors' Remuneration	627,595	1.48%
Total	2,719,581	6.40%

Note: The remuneration to employees and Directors were consistent with the estimated expense in 2023.

3. Both the employee remuneration and director remuneration mentioned above are paid in cash.

IV. Report on the distribution of cash dividends for the fiscal year 2023 submitted for recognition.

Description:

1. According to Article 14.5 of the company's bylaws, the Board of Directors is authorized to distribute all or a portion of the dividends and profits through cash payments and report to the shareholders' meeting.
2. Report on the Distribution of Cash Dividends for the Fiscal Year 2023:

Unit: NT\$

Date of Board Resolution	Cash Dividend per Share (NT\$)	Total Amount of Dividend Distribution (NT\$)	Date of Issue
2024/05/08	0.3	45,846,516	To be announced separately

V. Our Company proposes to amend the 'Board Meeting Rules and Regulations' and seeks recognition.

Description: This revision of the 'Board Meeting Procedures' is aimed at improving corporate governance and ensuring the completeness of board meeting procedures, as stated in the Financial Supervisory Commission's letter No. 1120383996 issued on January 11, 2024. Please refer to page 34 (Attachment V) of this Manual.

Recognized

Case 1

Proposed by the Board of Directors

Proposal: Recognition of the Company's 2023 Business Report and Consolidated Financial Statements.

Description:

- I. The Company's consolidated financial report for the year 2023 has been audited by Mr. Guohua Wang and Mr. Jianzhi Wu, accountants at PwC Taiwan. It has been approved by the 15th Audit Committee and the 15th Board of Directors of the fourth term.
- II. The attached are 2023 Business Report (please refer to pages 11 ~ 20 of this Handbook (Attachment I)), CPA Audit Report and Consolidated Financial Statement (please refer to pages 22 ~ 32 of this Handbook (Attachment III)) for recognition.

Resolution:

Case 2

Proposed by the Board of Directors

Proposal: Recognition of the 2023 Earnings Distributions.

Description:

- I. The beginning undistributed earnings for our company at the start of the period totaled NT\$267,533,643. After taking into account the re-measurement amount of the defined benefit plan, which is NT\$137,663, and the net profit after tax for 2023, which is NT\$26,578,653, the distributed earnings amount to NT\$218,650,843. This calculation includes the deduction of the statutory surplus reserve of 10% (NT\$2,671,632) and the special surplus reserve for the conversion of financial statements of overseas operating entities (NT\$72,927,484).
- II. The company intends to distribute a cash dividend of NT\$45,846,516 to shareholders, at a rate of NT\$0.3 per share. The cash dividend will be rounded down to the nearest dollar, and any fractional dividends will be included in the company's other income.
- III. The Chairman has the discretion to adjust the aforementioned matters if there is a change in the number of shares available for distribution by the Company, which affects the number of shares outstanding and results in a change in the dividend distribution ratio to shareholders. The Chairman is also authorized to establish a separate ex-dividend date, payment date, and other related matters.
- IV. Please refer to page 33 of the attached manual for the 2023 Annual Profit Distribution Table (Attachment IV).

Resolution:

Discussion

Case 1

Proposed by the Board of Directors

Proposal: The Amendments to the 'Rules of Procedure of the Shareholders' Meeting' are submitted for discussion.

Description:

- I. In order to comply with the Sustainable Development Action Plan for Listed and OTC Companies issued by the Financial Supervisory Commission on March 28, 2023, we propose revising certain articles of the Shareholders' Meeting Rules.
- II. Please consult page 36 ~ 37 (Attachment VI) of this manual for the updated comparison table.
- III. Submit for resolution.

Resolution:

Election Matters

Case 1

Proposed by the Board of Directors

Proposal: Election of all Directors of the Company.

Description:

- I. In accordance with the provisions of our Company's articles of incorporation, the Board of Directors, consisting of 9 directors (including 4 independent directors), will be re-elected at the shareholders' meeting on June 18, 2024. The term of office of the new Directors shall be three years, from June 18, 2024 to June 17, 2027.
- II. The list of director candidates was reviewed and approved by the Company's Board of Directors on March 15, 2024. The relevant information is provided below:

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
1	51	Shih Jui-Pin	D12130XXXX	Department of Electronics, Affiliated College of Central University, Aichi Prefecture, Japan	Employee of the Commodity Department of YUASA PRIMUS CO., LTD	Directors	None	Not applicable
2	11	Cheng Li-Ping	A10104XXXX	Department of Statistics, Tamkang University	Deputy General Manager of Tung Fu Electric Co., Ltd. Chairman of Board of Directors at Airmate (Cayman) International Co. Limited	Directors	None	Not applicable
3	62	Tsai Cheng-Fu	D10139XXXX	Doctor of Electronic Engineering, Department of Electronic Engineering, National Kaohsiung University of Science and Technology (State-Owned Enterprises Group)	Person in Charge of Zhanwei Limited (Hong Kong)	Directors	None	Not applicable
4	50	Shih Jui-Lin	D12141XXXX	Department of Business Administration, Mount Ida University, USA	Sales Department Specialist at Data Systems Consulting Co., Ltd. and Microtech Co., Ltd.	Directors	None	Not applicable
5	24	Huang Ching-Shu	R12201XXXX	Zuozhen Junior High School	Chairman of Hern Juei Co., Ltd., Chairman of Heng Ta Mold Enterprise Co., Ltd., Chairman of Ecotime Optoelectronic Technology Co., Ltd.	Directors	None	Not applicable
6	None	Lin Chih-Lung	D12082XXXX	Research Institute of Accounting, National Cheng Kung University	CPA Partner at Ever Trust Accounting Firm, Lecturer at the Department of Accounting, National	Independent director	None	No

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
					Cheng Kung University, Director of Nan Guang Chemical Pharmaceutical Co., Ltd., Independent Director of Jiahe Industrial Co., Ltd., Legal Representative and Director of Zhibao Optoelectronics Co., Ltd.			
7	None	Hsu Shih-Wen	D12084XXXX	Department of Law, Fu Jen Catholic University	Director of the Tainan Bar Association, Director of the Puli Christian Hospital Foundation, Executive Director, Director of the Tainan Private Guanghua Senior High School, Consultant of the Tainan City Government Police Bureau Lawyer at Hsu, Anderson & Lee Law Firm and Inspector at Private Kuang Hua Senior High School in Tainan City.	Independent director	None	No
8	None	Lin Hui-fen	A22183XXXX	Doctor of Research Institute of Accounting, National Cheng Kung University	Certified Public Accountant at Weyong International CPAs & Co. Independent Director, Member of the Audit and Compensation Committees, Otsuka Information Technology Co., Ltd. Independent Director, Member of the Audit and Compensation Committees, Lin Horn Technology Co., Ltd. Independent Director, Member of the Audit and Compensation Committees, Joy Industrial Co., Ltd.	Independent director	None	No
9	None	Yen Min-Jen	S12262XXXX	Visiting Professor from Cornell University in the United States Postdoctoral Research at Northwestern University Doctor of Electronic	Professor at National Chengchi University Director of the Center for Digital Empowerment and Sustainable Development at National Chengchi University	Independent director	None	No

Serial Number	Account Number	Name	Personal Identification Card No.	Academic Background	Experiences	Type of Nominees	Representative of government or juridical entity	Served as an Independent Director for Three Consecutive Terms
				Engineering, Department of Electronic Engineering, National Kaohsiung University of Science and Technology	The National Science Council has commissioned the Digital Empowerment and ESG Industry-Academia Alliance for Sustainable Development. United Nations Development Program (UNDP) Consultant for Technology and Economic Policy Academic Chief Expert Consultant at the Asian Productivity Organization (APO) in Japan Mr. Zhang is a Taiwanese business person affiliated with the Mainland Affairs Council. Director of the Industrial Park Assistance Program, Ministry of Economic Affairs Vice President of Research and Development, Chinese Culture University			

III. Submit for Election.

Election results:

Other Matters

Proposed by the Board of Directors

Proposal: To release the newly elected Directors from the non-competition restrictions, please resolve.

Description:

- I. According to Article 209 of the Company Act of the Republic of China, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. If the Directors of the Company invest in or operate other companies with the same or similar business scope as the Company and act as Directors, they shall propose to the Shareholders' Meeting to remove the non-competition restrictions on the new Directors and their legal persons without prejudice to the interests of the Company.
- III. This proposal was passed by the resolution of the Board of Directors on March 15, 2024, and was submitted to the Shareholders' Meeting to agree to the lifting of the non-competition restrictions on newly elected Directors in accordance with the procedures set out in the Articles of Incorporation of the Company. For details on the removal of non-competition restrictions, please refer to page 38 of this Handbook (Details in Attachment VII).
- IV. Submit for resolution.

Resolution:

Extempore motion

Adjournment

I. Business Report**I. Introduction**

The global economy in 2023 continues to face significant constraints due to geopolitical conflicts, inflation, and inadequate physical demand. Additionally, major economic regions are witnessing an uneven recovery in the post-pandemic era, resulting in sluggish consumer spending. The external factors affecting our company can be categorized into two main areas. Firstly, the high inflation has resulted in an expenditure squeeze, which has had a significant impact on the main export markets of Japan and South Korea. As a result, there has been a decline in the overall consumer electronics market. Secondly, the domestic market in mainland China is greatly influenced by uncertain economic prospects, conservative consumer behavior, and excess supply. These factors present various challenges and uncertainties for our company's operations in 2023. However, the entire management team has been working tirelessly to overcome difficulties and improve operational quality. The revenue impact is relatively minor compared to the industry, and the overall operational situation has achieved profitable results. Based on this, the company conducted a review of its performance in 2023. This review included evaluating the product direction in the Chinese market, ensuring self-control of online channel distribution, optimizing and allocating manufacturing bases, implementing cost reduction and efficiency improvement measures, acquiring new foreign customers, and strategically expanding diversified sales channels for end consumers. The company's long-term goal is to prioritize the development of the smart home appliance ecosystem and various related products. We are dedicated to upholding product quality, ensuring stable distribution channels, rebuilding our brand image, and creating sustainable business value by staying true to our original vision.

In 2023, we will focus on two key areas. Firstly, we will further enhance operational efficiency and make flexible adjustments to our manufacturing structure. Secondly, we will consolidate company resources to strengthen the quality and marketing of our products. In addition to promoting the cost-effectiveness and value of our products, we are also redefining our brand and building a strong relationship with the new generation of consumers. Our focus is on introducing home appliances that align with the current consumer landscape and cater to the demand for a high-quality lifestyle. Our objective is to safeguard and enhance the value of our products while solidifying our brand position. We are dedicated to the ongoing implementation of these strategies. In the tumultuous future landscape, by 2024, it will feel like standing on the precipice, endeavoring

to attain favorable operational performance.

The operational overview for the year 2023 and the future outlook for the year 2024 of our company are as follows:

The Company, as the ultimate parent company of the listed group, is primarily responsible for investment holding. It has production bases in Shenzhen, Guangdong Province and Jiujiang, Jiangxi Province, China. In fiscal year 2023, the company generated consolidated revenue of NT\$8.402billion, with a consolidated net profit after tax of NT\$0.27billion and consolidated earnings per share after tax of NT\$0.17. Looking ahead to 2024, our company is dedicated to maintaining stable and prudent management in the face of various macroeconomic and operational challenges. We will focus on improving the operational management and overall synergies of our subsidiaries, strengthening our existing partnerships with high-quality customers, actively exploring new markets and customers in the southern region, and enhancing the value-added services throughout the customer journey. Our goal is to become a high-quality enterprise that embodies our core values of integrity and diligence, and to evolve into a sustainable ESG company.

In light of the company's future development, despite the economic challenges and varying consumer preferences in mainland China, the market continues to prioritize product quality. We anticipate that the company's sales will stabilize and gradually improve, entering a favorable phase. At the same time, we are actively seeking opportunities to enter the market in response to the diverse changes in consumer patterns and demands. Despite the intense competition in the small household appliance market in mainland China and the uncertain situation in the export market caused by inflation and global demand, our company and all subsidiary companies within the group will promptly adapt to market changes. Our primary focus will be on nurturing our existing customer base and expanding our customer cooperation. Additionally, we will explore avenues to attract new high-quality customers. Since its listing, the management team and all employees have been committed to operating diligently, demonstrating a pragmatic attitude, and persisting in the development of core business operations. Our goal is to provide exceptional products that meet market demand in the small home appliance industry, creating a win-win situation for shareholders and company employees, and fulfilling the high expectations of our shareholders. The road ahead is long and filled with challenges, but we are fully committed to the success of our company. We consistently adapt our business strategies to minimize costs and enhance efficiency. The steady cash flow generated by our real estate assets contributes value to the company. Taking all these factors into consideration, we are confident that we will achieve fruitful results in the future. We would like to express our appreciation to our shareholders for their enduring support and genuine dedication.

II. 2023 Business Results

(I) 2023 Business Plan and Implementation Results

Unit: NT\$ thousand

Item	2023 Audit	2022 Audit	Growth Rate
Consolidated operating revenue	8,401,753	9,220,863	-8.88%
Consolidated operating profit	1,827,717	1,444,720	26.51%
Consolidated net profit	-12,336	-242,971	94.92%
Consolidated net non-operating income (expense)	52,078	781,677	-93.34%
Consolidated Income Before Tax	39,742	538,706	-92.62%
Income tax expense	-13,163	-65,509	79.91%
Consolidated total profit and loss	26,579	473,197	-94.38%

(II) Financial revenue and profitability

Year Item		2023	2022
Financial structure	Liabilities to assets ratio (%)	61.98	63.57
Liquidity analysis	Current ratio (%)	106.09	103.35
	Quick ratio (%)	59.48	61.88
Profitability	Return on assets (%)	0.67	5.31
	Return on shareholders' equity (%)	0.84	15.85
	Net profit margin (%)	0.32	5.13
	Earnings per share (NT\$)	0.17	3.25

(III) Yearly research and new technology development status

1. Yearly research and new technology development results

- (1) Development of PTC Electric Heater with Large Air Volume
- (2) Design and development of inverter window air conditioner
- (3) Clothes drying and heating integrated electric heater
- (4) Superconducting cooling and heating loop fan
- (5) Light Touch
- (6) Inner Winding Motor Development
- (7) Development of the Flame Kick Series Electric Heaters
- (8) Development of Flame (Colorful) Humidifier
- (9) Development of a Gasification Humidifier for Heating
- (10) Development of the Electric Rice Cooker
- (11) Development of a Small Portable Air Conditioner (Compressor)
- (12) Development of a Small Split-Type Portable Air Conditioner (Compressor)
- (13) Development of Refrigeration Chip Beer Machine
- (14) Product Development for Warm Vegetable Board
- (15) Development of the Intelligent Sugar Control Cup
- (16) Development of Intelligent Camera Products
- (17) Development of Solar Cell Applications

2. Future research and technology development plans

- (1) Short-term business development plans
 - A. Development and research of wireless steam cleaning machines, floor scrubbers, personal health and care products, and pet product series.
 - B. There is a continuous increase in research on the application of semiconductor cooling chips, radar, batteries, and refrigeration chips in small refrigerators.
 - C. Designing and developing a high-humidity output humidifier that produces 2.5liters per hour.
 - D. Research and development of a new type of electric heater called Flame Mountain, featuring a foot switch and a closable vent, as well as a graphene heating element.

- E. Continue to increase the development and application research of pin structure and high power internal winding motors.
 - F. New technologies, such as offline and online voice and video intelligent recognition, motion monitoring, and gesture recognition, are being consistently applied to a wide range of products.
 - G. Hydroxide ion air-cleaning ceiling fan development.
 - H. Development of compressed air compressor products.
 - I. Development and research of lightweight, portable heating products and household appliances.
 - J. Development and Research of Composite Multifunctional Combination Products
 - K. Development and Research of Solar-Powered Fans.
- (2) Long-term business development plans
- A. Development of a series of home appliances for personal health, care and cleaning (disinfection, sterilization).
 - B. Development of medical product series.
 - C. Research on the application of sensors and voice control in smart home appliances.
 - D. Research on various types of compound air handlers, including cooling, heating, and humidification.
 - E. Development of DIY fresh air products.
 - F. Development and application research of high cost-effective external rotor DC motors.
 - G. Research and Development of Pet Products and Applications.
 - H. Development of compressed air compressor products

III. Operating Plan Overview of the Year

1. To strengthen the development of the Emet brand and establish it as a competitive and core-value small home appliance manufacturer in mainland China, both domestically and internationally. Our goal is to improve the quality and quantity of our products and enhance collaboration between the company, suppliers, and customers, creating a win-win situation for all parties involved.
2. To drive the digitalization and modularization of management across different

companies and group enterprises, it is crucial to enhance the company's product capabilities and consistently explore new products, customers, and markets. Additionally, improving production optimization technology, investing in efficient production lines, and effectively managing costs are essential to ensure a steady stream of operating profits.

3. Emphasize labor-management harmony, maximize profits for employees and shareholders, and fulfill corporate social responsibility.

(II) Sales Volume Forecast and the Basis

The main markets of our subsidiary companies are located in mainland China, Northeast Asia, Southeast Asia, and Europe and America. Therefore, the projected annual sales quantity is primarily based on local industry statistics, feedback from major customers, and assessments of future market supply and demand. In general, we expect the sales volume and amount of the small home appliance industry to stabilize and experience moderate growth compared to 2023.

(III) Significant Sales and Production Policies

1. Export

- The sales of products in Japan, South Korea, Europe and North America have maintained steady growth in the past two quarters. We will actively develop customers in different industries, assist customers to develop new products and continue to cultivate the Southeast Asian market.
- To ensure customer and technical team alignment, we will intensify our investment in the development of flagship products. This includes increasing the number of product developments, enhancing our patent portfolio, and offering patent licensing to customers. These efforts will help us compete for orders and maintain a balanced market share. Additionally, we will focus on the development and sales of non-seasonal products to overcome limitations in sales areas affected by seasonal fluctuations. By doing so, we aim to increase our order volume and reap the associated benefits.
- We comprehensively enhance the export business services including customer service platform channel integration, IDM services, multiple sales with one machine, R&D awards, patent sharing and online sales, etc., to

improve service quality.

- To strengthen our sales channel for overseas customers, we need to consolidate our existing foundation. Additionally, we should establish more cooperation channels on cross-border e-commerce platforms to expand our international market presence. Furthermore, we must continue to promote our own brand products on the international stage.

2. Offline operation in China

- **Team Integration:** Further integrate the team to enhance efficiency and effectively manage the market. Improve the brand's service capabilities to distribution partners and consumers, empowering distributors in the new retail era.
- **Product Precision Focus:** Our focus is on popular products, optimizing costs, aligning with the market, ensuring sales efficiency, and enhancing the integration of production and sales operations. In addition, focus on the dealer and factory inventory turnover rate and amount, reduce the seasonal inventories of dealers and factories, and finally achieve order-oriented production.
- **Product Upgrade:** Despite the current economic downturn in the market, we remain committed to launching a high-end product series that reflects the professionalism of our brand, positions us as industry leaders, and strengthens our brand momentum.
- **Continued cultivation of channels:** The range of channel outlets has continued to grow, with the ongoing construction of over 2,000 Airmate county/city/town image stores. In addition, enhance the consumer experience in 3C and supermarket systems, cooperate with the image investment of malls and the training of sales ability of purchasing guides, and realize the growth in the sales of Airmate's single stores and the proportion of sales of high-end products.
- **Embrace new channels:** Actively embrace new sales channels, offline and online wholesale, social media group buying platforms, JD specialty stores and Tmall Premium, actively expand new sales channels, increase offline visibility, and achieve greater brand exposure and output.

3. Online operation in China

- Multi-platform benign development: For different online consumer groups and sales models on Taobao Tmall, JD Mall, Suning, Vipshop, and live broadcast, we have developed marketable and differentiated product combinations suitable for each platform to meet the needs of different consumers. Emphasize the development of other new sales channels such as Pinduoduo, Yunji, and NetEase Yeation. Establish vertical integration of sales and production to improve brand share across the network and channels. In addition, we are involved in the new type of sales of the secondary e-commerce channel. We target the market through emerging focus private domain traffic channels such as short-form video e-commerce, content e-commerce, information flow e-commerce, etc.
- Taking advantage of the high efficiency and high focus features of online platforms, focus on the markets of clothes dryers, dehumidifiers, ventilation fans, bath barons, foot tubs, steam mops and other niche small home appliances other than electric fans and heaters to increase visibility for the brand's higher sustainable performance growth target.
- The main e-commerce platform stores have transitioned from a distribution model to a direct operation model in the multi-channel store operation model. Over the past two years, the direct operation model has gradually become a channel for brands to directly reach users. This enables direct user feedback, more timely and effective communication, meeting user needs, and improving the pre- and post-sales service experience, thereby enhancing competitiveness. Simultaneously, efforts are being made to maintain existing online selected distribution customer relationships, allowing products to gain a larger market share outside of mainstream stores.
- Marketing Transformation: Fully embrace mobile Internet marketing, use emerging media, deeply interact with young consumers through social media such as live streaming, short video, Weibo, WeChat official accounts, and Xiaohongshu, to achieve a younger brand consumer base and enhance Airmate's visibility and reputation among various consumer groups, and improve the brand's influence.
- Visual system: Comprehensively improve the visual system: In the era of

online marketing, content capabilities are becoming one of the core capabilities of the enterprise. We have established a visual center to unify the visual content system specifications of the brand, export high-quality marketing content, better disseminate the Airmate brand, and improve brand power.

- **Introducing Outdoor Appliances:** Airmate is launching a range of outdoor appliances, including camping air conditioners, folding fans, multifunctional water cups, and other products. Based on the development trends of the Chinese market, we aim to combine outdoor scenes with home appliance supply to create a more relaxed and comfortable outdoor living experience. We anticipate significant demand and market growth in the outdoor appliance market in China.

IV. The Company's future development strategy

Our Company and its subsidiaries will continue to prioritize the development of our core business by creating competitive high-margin products and continuously improving our manufacturing processes. Additionally, we will invest in research and development of new technologies to foster mutually beneficial cooperation with our stakeholders. We are fully committed to maintaining brand strength and customer loyalty while actively responding to, discovering, and meeting the deep-seated needs of our end customers in the market. By promptly adapting to market changes, we gain recognition and orders from new markets, new customers, and new products, solidifying our position as a renowned enterprise in the small home appliance market.

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

(I) Influence of external competition environment

The small home appliance industry operates in a highly competitive environment. Our company and its subsidiaries will continue to utilize our strengths to adapt to the market and improve product differentiation. We will efficiently manage costs and inventory to minimize the impact of external competition.

(II) Influence of legal environment

The Company and affiliated companies have not undergone or faced any loss from country or region where there is influence of legal environment changes in recent years.

(III) Influence of overall operation environment

Currently, our company's subsidiary, which is involved in production and operations, is situated in mainland China. The local small home appliance industry faces intense market competition, and the global economic situation remains uncertain. However, with China's ongoing efforts to strengthen its economy, along with the continuous advancement of new technologies and consumers' demand for high-quality products, the overall outlook remains positive.

Wishing you prosperity and long-lasting success.

Airmate (Cayman) International Co Limited

Chairman of Board: Shih Jui Pin

President: Shih Jui Pin

Account Manager: Ho Mei-Hsiu

Audit Report by Audit Committee

The Audit Committee has approved and the Board of Directors has approved the consolidated financial statements of the Group for the year 2023. Following that, the Board of Directors has appointed PwC as the auditor to conduct the audit and issue an unqualified audit report.

The Audit Committee has the responsibility for overseeing the Company's financial reporting procedures.

The Group's certified public accountant has audited the consolidated financial statements for the year 2023 and has communicated the following matters to the Audit Committee:

1. There was no significant discovery concerning the audit by the CPAs within the planned audit scope and time period.
2. The CPAs have provided the Audit Committee a declaration of independence where the personnel from the accounting firm are in compliance with the independence norms of CPAs code of professional ethics. Relations and other items that may be considered to affect the independence of the CPAs have not been found.
3. The CPAs have communicated with the Audit Committee regarding the key audit matters listed in the audit report.

The Audit Committee agrees and the Board of Directors resolves that the Group's consolidated financial statements for the year 2023, in compliance with applicable laws and regulations, are hereby reported in accordance with Article 14-5 of the Securities and Exchange Act.

Audit Committee Convener: Qi Leiping
March 15, 2024

Attachment III CPA Audit Report and Consolidated Financial Statement

Independent Auditors' Report

(24)CSBZNo. 23003990

To Aimate (Cayman) International Co Limited:

Opinion

We have audited the Consolidated Balance Sheets of Aimate (Cayman) International Co Limited and its subsidiaries (hereinafter referred to as "Aimate Group") as of December 31, 2023 and 2022, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Material Accounting Policies) for the annual period from January 1 to December 31, 2023 and 2022.

In the opinion of the Accountants, the consolidated financial statements are prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations approved and issued by the Financial Supervisory Commission in force, which are sufficient to present the consolidated financial position of the Emmet Group as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated statements of cash flow as of January 1, 2023 and December 31, 2022.

Basis of Audit Opinion

The Certified Public Accountant has carried out the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Our firm is independent of the Aimate (Cayman) International Co Limited and Subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. The Certified Public Accountant believes that sufficient and appropriate evidences for the audit have been obtained as the basis for expressing opinion.

Key Audit Matters

Key audit matters refer to those matters that, in the professional judgment of the Certified Public Accountant, are of the utmost significance for the audit of the 2023 Consolidated Financial Statements of the Aimate Group. These matters have been addressed in the process of our audit on the overall Consolidated Financial Statements, and in forming our opinion thereon. Hence, we will not provide a separate opinion on these matters.

The Key Audit Matters of the 2023 Consolidated Financial Statements of the Aimate Group are as follows:

Impairment assessment of accounts receivable

Description of the Key Audit Matter

For details on the accounting policy for accounts receivable, please refer to Note 4 (10) of the Consolidated Financial Statements. For details on the accounting estimates for impairment losses on accounts receivable and the explanation on the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements. For details on the information on the credit risk of accounts receivable, please refer to Note 12 (2) of the Consolidated Financial Statements.

The Airmate Group makes provision for expected credit losses in accordance with the established policy on accounts receivable allowance for doubtful debts. The valuation method includes the customer's credit risk and historical credit loss experience and a reasonable estimate of the customer's future economic conditions. Since the aforementioned valuation method involves the subjective judgment of the Management, it has a significant impact on the measurement of expected credit losses from accounts receivable. Therefore, the Certified Public Accountant has included the impairment assessment of accounts receivable as one of the Key Audit Matters for the year.

In response to the auditing procedures:

The main corresponding procedures executed by the Certified Public Accountant on the above-mentioned Key Audit Matter are summarized as follows:

1. Based on the understanding on the operation and sales counterparties of the Airmate Group, assess the reasonableness of the policies and procedures on the provision for losses on accounts receivable, including the identification of individual major customers, the differentiation of similar credit risk groups, and objective evidence in the determination of expected credit losses.
2. Understand the design and the effectiveness of implementation of internal control procedures for the credit management of the Airmate Group and the assessment of expected credit losses during the subsistence period of the creditor's rights.
3. Evaluate the reasonableness of Management's assessment of the amounts of individually recognized material expected credit losses and expected credit losses based on similar credit risk groups.
4. Test the collection of accounts receivable after the execution period for expected credit losses that occur only in response to the time value of currency to assess the reasonableness of expected credit losses.

Assessment of allowance for inventory valuation loss

Description of the Key Audit Matter

For details on the accounting policy for inventory valuation, please refer to Note 4 (14) of the Consolidated Financial Statements; for the accounting estimates for inventory valuation and the explanation of the uncertainty of assumptions, please refer to Note 5 of the Consolidated Financial Statements; and for the explanation of important accounting items for inventory, please refer to Note 6, (7) of the Consolidated Financial Statements.

The Airmate Group measures the value of the inventory by the lower of cost and net realizable value. Due to the large number and type of inventory items in the Airmate Group and the fact that the net realizable value used in the individual recognition of obsolescence or damage and its valuation often involves subjective judgment, hence, there is uncertainty in the estimation. Therefore, the Certified Public Accountant has identified the assessment of allowance for inventory valuation loss as one of the key audit matters for the current year.

In response to the auditing procedures:

The main corresponding procedures executed by the Certified Public Accountant on the above-mentioned Key Audit Matter are summarized as follows:

1. Based on the understanding on the nature of the operations and industry of the Aimate Group, assess the reasonableness of the policies and procedures adopted for the allowance for inventory valuation loss, including the degree of inventory depreciation, the reasonableness of the assessment of obsolete and outdated inventory items, and the consistency of accounting estimation methods.
2. Verify that the information in the statement of inventory valuation loss used by the Aimate Group is consistent with its policy; randomly check the individual inventory item numbers to verify the degree of inventory devaluation, and then evaluate the appropriateness of the Aimate Group's allowance for valuation loss.

Responsibilities of the Management and the Governing Body for the Consolidated Financial Statements

The responsibilities of Management are to prepare an appropriately represented Consolidated Financial Report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and standing interpretation recognized and published by the Financial Supervisory Commission, and maintain the necessary internal controls related to the preparation of the Consolidated Financial Statements to ensure that the Consolidated Financial Statements does not contain material misrepresentation due to fraud or error.

In preparing the Consolidated Financial Statements, the Management's responsibilities also include assessing the ability of the Aimate Group to continue operating as a going concern, disclosing related matters, and continuing to adopt the going concern accounting basis, unless the Management intends to liquidate the Aimate Group or cease operations, or there is no practicable alternative other than liquidation or cessation of operation.

The governing bodies of the Aimate Group (including the Audit Committee) are responsible to oversee the financial reporting procedures.

The Certified Public Accountant' Responsibilities in the Audit of the Consolidated Financial Statements

The objective of the audit on the Consolidated Financial Statements is to attain a reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an Audit Report that includes our opinion. Reasonable assurance is a high level of assurance, but the audit work performed in accordance with the Auditing Standards of the Republic of China cannot guarantee that all material misstatements in the Consolidated Financial Statements can be detected. Misstatement may be caused by fraud or error. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could reasonably have influence on the economic decisions made by the users of the Consolidated Financial Statements, they shall be deemed as material.

The Certified Public Accountant has exercised professional judgment and professional skepticism during the audit in accordance with the Auditing Standards of the Republic of China. The Certified Public Accountant will also perform the following duties:

1. The objective is to identify and assess the significant risks of misrepresentation in the consolidated financial statements arising from fraud or errors. We will then develop and implement appropriate strategies to address these risks. Additionally, we will gather sufficient and appropriate audit evidence to support our audit opinion. It is important to note that the risk of significant misrepresentation due to fraud is higher than that resulting from errors, given the potential for collusion, forgery, intentional omissions, false statements, or circumvention of internal controls. Identify and evaluate the risk of material misstatements in the Consolidated Financial Statements due to fraud or error; design and carry out appropriate countermeasures on the evaluated risk; and obtain sufficient and appropriate evidence as the basis for the audit opinion. The risk of not being able to detect a misstatement that is caused by fraud is higher than that caused by mistakes being able to detect a misstatement that is caused by fraud is higher than that caused by mistakes because fraud may involve conspiracy, forgery, intentional omission, false statement or because fraud may involve conspiracy, forgery, intentional omission, false statement or overstepping internal control.
2. Understanding internal control relevant to the audit in order to design audit procedures that are appropriate in that particular circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Aimate Group.
3. Evaluating the appropriateness of the accounting policy adopted by the Management and the reasonableness of the accounting estimates and related disclosures made accordingly.
4. Concluding on the appropriateness of the Management's use of going concern basis of accounting, and determining whether there existed events or circumstances that might cast significant uncertainty over Aimate Group's ability to continue operation as a going concern based on the audit evidence obtained. If the Certified Public Accountant is of the opinion that a material uncertainty exists, the users of the Consolidated Financial Statements should be reminded to pay attention to the relevant disclosures in the Consolidated Financial Statements, or modify the audit opinion when the disclosures are inappropriate. The Certified Public Accountant's conclusions are based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Aimate Group to no longer have the capacity to operate as a going concern.
5. Assessing the overall presentation, structure and content of the Consolidated Financial Statements (including the related Notes) and whether the Consolidated Financial Statements appropriately represented the related transactions and events.
6. Adequate and relevant audit evidence is obtained to express an opinion on the consolidated financial statements of the entities within the group. The auditor is responsible for guiding, supervising, and conducting the group audit engagement, as well as forming the group audit

opinion. Obtaining adequate and appropriate audit evidence of the financial information of the Group's constituent entities so as to express an opinion on the Consolidated Financial Statements. The Certified Public Accountant is responsible for the guidance, supervision, and execution of the audit on the Airmate Group and is responsible for forming audit opinions on the Airmate Group.

The matters communicated with the governing bodies includes the planned scope and timing of the audit, as well as the significant audit findings (including any significant deficiencies in internal control identified during the audit).

The Certified Public Accountant has also provided the governing bodies with a declaration on the independence of the accounting firm's personnel in compliance with the Code of Ethics of Accountants in the Republic of China and has communicated with the governing bodies on all relationships and other matters (including relevant safeguards) that may be deemed to affect the independence of the Certified Public Accountant.

From the matters communicated with the governing bodies, the Certified Public Accountant has determined the Key Audit Matters of the 2023 Consolidated Financial Statements of the Airmate Group. The accountant has stated those items in the audit report unless the law does not allow public disclosure of certain matters, or under extreme rare cases, the accountant decided not to communicate specific matters in the audit report because it can reasonably assume the negative impact of communication is greater than the promoted public interest.

PricewaterhouseCoopers Taiwan

Certified Public Accountant

Guo-Hua, Wang

Wu Jian Zhi

Former Ministry of Finance Securities and Futures Management Committee

Approval number: (87) Taiwan Finance Certificate (VI) No. 68790

Financial Supervisory Commission

Approval number: Financial Supervisory Commission (FSC) No. 1030027246

March 15, 2024

Airgate (Cayman) International Co Limited and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT\$ Thousands

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and Cash Equivalents	6(1)	\$ 671,369	8	\$ 898,784	10
1110	Financial Assets at Fair Value through Profit or Loss - Current	6(2)	-	-	43,956	-
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	438,364	5	263,019	3
1150	Net Amount of Notes Receivable	6(4) and 7	518,044	6	842,396	10
1170	Net Amount of Accounts Receivable	6(4) and 7	977,065	12	919,776	10
1200	Other Receivables	6(5)(6)	22,458	-	137,575	2
130X	Inventories	6(7)	2,156,420	27	2,174,374	25
1410	Advance Payment	6(8)	204,282	3	174,534	2
1479	Other Current Assets - Others		14,882	-	60,468	1
1481	Rights of Pending Returning Products - Current	6(26)	52,714	1	34,280	-
11XX	Total Current Assets		<u>5,055,598</u>	<u>62</u>	<u>5,549,162</u>	<u>63</u>
Non-current Assets						
1517	Financial Assets at Fair Value through Other Comprehensive Income- Non-current	6(9)	2,341	-	-	-
1550	Investments Accounted for Using the Equity Method	6(10)	34,381	1	33,440	-
1600	Property, Plant and Equipment	6(11)(12), 8 and 12 (4)	2,521,797	31	2,787,713	32
1755	Right-of-use Assets	6(12) and 8	195,611	3	203,685	2
1760	Net amount of investment properties	6(12)(13) and 12(4)	8,664	-	9,307	-
1780	Intangible Assets	6(14)	5,802	-	4,195	-
1840	Deferred Income Tax Assets	6(32)	190,699	2	197,543	2
1990	Other Non-current Assets - Others	6(15) and 8	98,708	1	39,810	1
15XX	Total Non-current Assets		<u>3,058,003</u>	<u>38</u>	<u>3,275,693</u>	<u>37</u>
1XXX	Total Assets		<u>\$ 8,113,601</u>	<u>100</u>	<u>\$ 8,824,855</u>	<u>100</u>

(Continued on next page)

Aimata (Cayman) International Co Limited and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT\$ Thousands

	Liabilities and Equities	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current Liabilities					
2100	Short-term loans	6(16) and 8	\$ 549,060	7	\$ 556,523	6
2130	Contract Liabilities - Current	6(26)	309,398	4	365,995	4
2150	Notes Payable	6(17) and 8	1,506,892	19	1,433,202	16
2170	Accounts Payable		1,466,198	18	1,739,558	20
2200	Other Payables	6(18) and 7	770,258	9	814,340	9
2230	Current Income Tax Liabilities		701	-	3,240	-
2250	Provision - Current	6(19)	54,472	1	22,354	-
2320	Long-term Liabilities Due within One Year or One Operating Cycle	6(20) and 8	-	-	353,566	4
2365	Refund Liabilities - Current	6(26)	78,586	1	52,146	1
2399	Other Current Liabilities - Others		29,802	-	28,525	1
21XX	Total Current Liabilities		<u>4,765,367</u>	<u>59</u>	<u>5,369,449</u>	<u>61</u>
	Non-current Liabilities					
2570	Deferred income tax liabilities	6(32)	33,487	-	24,357	-
2640	Net Defined Benefit Liabilities - Non-current	6(21)	39,858	1	36,727	1
2645	Security Deposits Received		120,126	1	105,457	1
2670	Other Non-current Liabilities - Others	6(22)(27)	69,910	1	73,960	1
25XX	Total Non-current Liabilities		<u>263,381</u>	<u>3</u>	<u>240,501</u>	<u>3</u>
2XXX	Total Liabilities		<u>5,028,748</u>	<u>62</u>	<u>5,609,950</u>	<u>64</u>
	Equities Attributable to Owners of Parent Company					
	Share Capital	6(23)				
3110	Common Stock		1,528,217	19	1,455,445	16
	Capital Surplus	6(24)				
3200	Capital Surplus		1,217,656	15	1,228,726	14
	Retained Earnings	6(25)				
3310	Legal Reserve		117,657	1	69,854	1
3320	Special Reserve		278,317	3	261,181	3
3350	Undistributed Earnings		294,249	4	478,016	5
	Other Equities					
3400	Other Equities		(351,243)	(4)	(278,317)	(3)
3XXX	Total Equities		<u>3,084,853</u>	<u>38</u>	<u>3,214,905</u>	<u>36</u>
	Subsequent Events	11				
3X2X	Total Liabilities and Equities		<u>\$ 8,113,601</u>	<u>100</u>	<u>\$ 8,824,855</u>	<u>100</u>

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

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands
(Except earnings per share is NTD)

Items	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating Income	6(12)(26) and 7	\$ 8,401,753	100	\$ 9,220,863	100
5000 Operating Cost	6(7)(12)(13)(21)(30)(31)	(6,574,707)	(78)	(7,777,614)	(85)
5900 Gross Profit		1,827,046	22	1,443,249	15
5910 Unrealized Sales Profit	6(10)	(11,003)	-	(15,667)	-
5920 Realized Sales Profit	6(10)	11,674	-	17,138	-
5950 Net Operating Profit		1,827,717	22	1,444,720	15
Operating Expenses	6(14)(21)(30)(31) and 7				
6100 Selling Expenses		(1,406,426)	(17)	(1,146,692)	(12)
6200 Administrative Expenses		(311,214)	(4)	(416,647)	(5)
6300 Research and Development Expense		(135,232)	(1)	(109,238)	(1)
6450 Expected Credit Gain (Loss)	12(2)	12,819	-	(15,114)	-
6000 Total Operating Expenses		(1,840,053)	(22)	(1,687,691)	(18)
6900 Operating loss		(12,336)	-	(242,971)	(3)
Non-operating Income and Expenses					
7100 Interest Income		18,565	-	23,103	-
7010 Other Incomes	6(12)(22)(27)	72,478	1	73,577	1
7020 Other Gains and Losses	6(20)(28) and 12(4)	(3,896)	-	714,741	8
7050 Finance Costs	6(16)(20)(29)	(35,911)	(1)	(29,890)	1
7060 Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(10)	842	-	146	(1)
7000 Total Non-operating Income and Expenses		52,078	-	781,677	9
7900 Net profit before tax		39,742	-	538,706	6
7950 Income Tax Expense	6(32)	(13,163)	-	(65,509)	(1)
8200 Net Profit of the Current Period		\$ 26,579	-	\$ 473,197	5
Other Comprehensive Income					
Items not Reclassified to Profit or Loss:					
8311 Re-measurements of Defined Benefit Plans	6(21)	\$ 137	-	\$ 4,819	-
Items that may Subsequently be Reclassified to Profit or Loss:					
8361 Exchange Differences from Translation of Financial Statements of Foreign Operating Entities		(72,926)	(1)	(17,136)	-
8300 Other Comprehensive Profit or Loss (Net)		(\$ 72,789)	(1)	(\$ 12,317)	-
8500 Total Comprehensive Income		(\$ 46,210)	(1)	\$ 460,880	5
Net Profit Attributed to:					
8610 Owners of Parent Company		\$ 26,579	-	\$ 473,197	5
Total Comprehensive Income Attributable to:					
8710 Owners of Parent Company		(\$ 46,210)	(1)	\$ 460,880	5
Earning Per Share	6(33)				
9750 Basic		\$ 0.17		\$ 3.10	
9850 Diluted		\$ 0.17		\$ 2.83	

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

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmata (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

Note	Equities Attributable to Owners of Parent Company					Exchange Differences from Translation of Financial Statements of Foreign Operating Entities	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings		
In 2022							
Balance on January 1, 2022	\$ 1,455,445	\$ 1,231,625	\$ 179,70	\$ 261,489	(\$ 110,158)	\$ 261,181	\$ 2,756,924
Net Profit of the Current Period	-	-	-	-	473,197	-	473,197
Other Comprehensive Income of the Current Period	-	-	-	-	4,819	(17,136)	(12,317)
Total Comprehensive Income	-	-	-	-	478,016	(17,136)	460,880
Appropriation and Distribution of 2021 Retained Earnings:							
Reversal of Special Reserve	-	-	-	(308)	308	-	-
Statutory surplus reserve to make up for the deficit	-	-	(109,850)	-	109,850	-	-
Redemption of Convertible Corporate Bonds	-	(2,899)	-	-	-	-	(2,899)
Balance as of December 31, 2022	\$ 1,455,445	\$ 1,228,726	\$ 69,85	\$ 261,181	\$ 478,016	\$ 278,317	\$ 3,214,905
In 2023							
Balance on January 1, 2023	\$ 1,455,445	\$ 1,228,726	\$ 69,85	\$ 261,181	\$ 478,016	\$ 278,317	\$ 3,214,905
Net Profit of the Current Period	-	-	-	-	26,579	-	26,579
Other Comprehensive Income of the Current Period	-	-	-	-	137	(72,926)	(72,789)
Total Comprehensive Income	-	-	-	-	26,716	(72,926)	(46,210)
Appropriation and Distribution of 2022 Retained Earnings:							
Setting Aside Legal Reserve	-	-	47,803	-	(47,803)	-	-
Setting Aside Special Reserve	-	-	-	17,136	(17,136)	-	-
Cash Dividends for Ordinary Shares	6(25)	-	-	-	(72,772)	-	(72,772)
Share Dividend for Ordinary Shares	6(23)(25)	72,772	-	-	(72,772)	-	-
Redemption of Convertible Corporate Bonds	6(20)(24)	(11,070)	-	-	-	-	(11,070)
Balance as of December 31, 2023	\$ 1,528,217	\$ 1,217,656	\$ 117,65	\$ 278,317	\$ 294,249	\$ 351,243	\$ 3,084,853

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

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmata (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

		In 2023	In 2022
<u>Cash Flows from Operating Activities</u>			
Net profit before tax in the current period	\$	39,742	\$ 538,706
Adjustment Items:			
Revenue and Expense Items			
Expected Credit Loss (Gain)	12(2) (	12,819)	15,114
Depreciation Expense	6(11)(12)(13)(30)	358,549	406,859
Amortization Expense	6(14)(30)	1,797	2,745
Interest Expense	6(29)	35,911	29,890
Interest Income	(	18,565) (	23,103)
Share of Profit or Loss of Associates and Joint Ventures Recognized under Equity Method	6(10) (	842) (	146)
Loss (profit) from financial assets measured at fair value through profit or loss	6(28) (	1,580)	4,769
Loss (Gain) on Disposal of Property, Plant and Equipment	6(28) (	16,679)	11,334
Gain on disposal of assets	6(28)	-	(705,571)
Loss (gain) on redemption of corporate convertible bonds	6(20) (	8,838)	1,631
Unrealized Sales Profit	6(10)	11,003	15,667
Realized Sales Profit	6(10) (	11,674) (	17,138)
Unrealized gain on foreign currency exchange	(	9,568) (	843)
Amortization of Long-term Deferred Income	6(27) (	2,874) (	3,268)
Changes in Assets/Liabilities related to Operating Activities			
Net Changes in Assets related to Operating Activities			
Financial Assets at Fair Value through Profit or Loss			
Net Amount of Notes Receivable		45,436 (	44,164)
Net Amount of Accounts Receivable	(	314,956	503,398
Other Receivables	(	57,328)	275,159
Inventories	(	114,043) (	107,535)
Advance Payment	(	18,420)	560,413
Other current assets — other	(	33,292)	89,455
		26,566	11,343
Net Changes in Liabilities related to Operating Activities			
Contract liabilities — current			
Notes Payable	(	52,026)	104,470
Accounts Payable	(	96,937) (	400,569)
Other Payables	(	248,587) (	547,905)
Provision - Current	(	32,837)	265,297
Refund Liabilities - Current	(	32,487) (	6,085)
Other Current Liabilities - Others	(	27,691) (	43,878)
Net Defined Benefit Liabilities - Non-current	(	1,979)	25,367
		3,269	6,830
Cash Inflow Generated from Operations		584,437	968,242
Interest Received		19,087	22,610
Interest Paid	(	30,809) (	32,204)
Income Tax Acquired (Paid)		43,851	(11,666)
Net Cash Inflow from Operating Activities		616,566	946,982

(Continued on next page)

Airmata (Cayman) International Co Limited and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

	In 2023	In 2022
<u>Cash Flows from Investment Activities</u>		
Acquisition of Financial Assets at Amortized Cost	(\$ 1,238,038)	(\$ 1,760,236)
Disposal of Financial Assets at Amortized Cost	1,020,569	1,944,572
Acquisition of Financial Assets at Fair Value through Other Comprehensive Income 6(9)	(2,341)	-
Acquisition of Property, Plant and Equipment 6(34)	(129,110)	(128,978)
Increase in Advance Payments for Equipment	(74,594)	(23,086)
Disposal of Property, Plant, and Equipment	33,855	14,128
Acquisition of Intangible Assets 6(14)	(3,507)	(1,291)
Other Non-current Assets - Other Decrease (Increase)	(3,541)	45,219
Net Cash (Outflow) Inflow from Investment Activities	(396,707)	90,328
<u>Cash Flows from Financing Activities</u>		
Proceeds from Short-term Loans 6(35)	1,729,880	2,385,238
Repayment of Short-term Loans 6(35)	(1,734,278)	(2,634,948)
Repayment of Long-term Loans 6(35)	-	(8,726)
Redemption of Convertible Corporate Bonds 6(20)	(360,202)	(304,530)
Deposit margin increase (decrease) 6(35)	16,641	(7,170)
Other non-current liabilities - other decrease 6(35)	-	(1,852)
Cash Dividends Paid 6(25)	(72,772)	-
Net cash flows used in financing activities	(420,731)	(571,988)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(26,543)	(16,192)
Increase (decrease) in Cash and Cash Equivalents in the Current Period	(227,415)	449,130
Cash and Cash Equivalents at Beginning of the Current Period 6(1)	898,784	449,654
Cash and Cash Equivalents at End of the Current Period 6(1)	\$ 671,369	\$ 898,784

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

Chairman: Shih, Jui-Pin

Manager: Shih, Jui-Pin

Accounting Supervisor: Ho, Mei Hsiu

Airmate (Cayman) International Co Limited

2023 Earnings Distribution Statement

Unit: NT\$

Item	Amount	
Beginning balance		267,533,643
Plus (less) :		
Changes of re-measurement number of defined benefit plan for the period	137,663	
Current tax after-tax profit	26,578,653	
Subtotal		294,249,959
Plus (less) :		
Propose a statutory surplus reserve of 10%.	(2,671,632)	
Special Reserve for Foreign Operations - Exchange of Financial Statements for Overseas Operating Entities	(72,927,484)	
Distributable earnings		218,650,843
Distribution items:		
Shareholder dividend - cash dividend (NT\$ 0.3 per share)	(45,846,516)	
Shareholder Dividend-Stock Dividend (NT\$0 per share)	-	
Undistributed earnings at the end of the period		172,804,327

Attachment V Comparison Table of Amendments and Provisions to the 'Board Meeting Rules and Regulations'

Article No.	Amended articles	Prevalent articles	Description
8	<p>Article 8</p> <p>When the Board of Directors of our company convenes, the finance department should prepare pertinent documents for the attending directors to consult as needed.</p> <p>The Board of Directors will convene and notify the relevant department or subsidiary personnel to attend the meeting and discuss the agenda items. Accountants, lawyers, or other professionals may also be invited to attend meetings and provide explanations, as needed. However, they should vacate their seats during discussions and voting.</p> <p>The chairman of the board will announce the start of the meeting once the designated time has arrived and more than half of the directors are in attendance.</p> <p>It is time for the meeting. If more than half of the directors are absent, the chairman may announce a postponement on the <u>same day</u>. The number of postponements is limited to two. If there are still not enough attendees after two postponements, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, Section 2.</p> <p>The term 'all directors' mentioned in the previous paragraph and Article 16, paragraph 2, clause 2 should be determined based on the current individuals holding the positions.</p>	<p>Article 8</p> <p>When the Board of Directors of our company convenes, the finance department should prepare pertinent documents for the attending directors to consult as needed.</p> <p>The Board of Directors will convene and notify the relevant department or subsidiary personnel to attend the meeting and discuss the agenda items. Accountants, lawyers, or other professionals may also be invited to attend meetings and provide explanations, as needed. However, they should vacate their seats during discussions and voting.</p> <p>The chairman of the board will announce the start of the meeting once the designated time has arrived and more than half of the directors are in attendance. It is time for the meeting. If more than half of the directors are absent, the chairman may announce a postponement on the same day. The number of postponements is limited to two. If there are still not enough attendees after two postponements, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, Section 2. The term 'all directors' mentioned in the previous paragraph and Article 16, paragraph 2, clause 2 should be determined based on the current individuals holding the positions.</p>	<p>I. To prevent any controversy arising from the uncertainty of the duration of board meetings, it is hereby specified that in cases where the number of attendees is insufficient, the chairman has the authority to declare a deadline for rescheduling the meeting, with the restriction that it must be on the same day.</p> <p>II. Except for the fifth item, the first, second, third, fourth, and sixth items have not been revised.</p>

Article No.	Amended articles	Prevalent articles	Description
11	<p>Article 11 The Board of Directors of our company should proceed with the agenda as stated in the meeting notice. However, changes may be made with the consent of a majority of the attending directors.</p> <p>The chairman may not adjourn the meeting without the consent of a majority of the directors in attendance.</p> <p>If the number of directors present at the board meeting does not reach a majority, the chairman shall, upon a proposal by a director in attendance, announce a temporary suspension of the meeting and apply the provisions of Article 8, Section 5.</p> <p><u>If the chairman is unable to preside over or adjourn the board meeting as stipulated in the second clause, the appointment of a proxy shall be governed by the provisions of the third clause of Article 7.</u></p>	<p>Article 11 The Board of Directors of our company should proceed with the agenda as stated in the meeting notice. However, changes may be made with the consent of a majority of the attending directors.</p> <p>The Chairman may not adjourn the meeting without the consent of a majority of the directors in attendance.</p> <p>If the number of Directors present at the board meeting does not reach a majority, the chairman shall, upon a proposal by a director in attendance, announce a temporary suspension of the meeting and apply the provisions of Article 8, Section 5.</p>	<p>I. Items 1 to 3 have not been amended.</p> <p>II. Considering practicality, if the chairman is unable to preside over the Board of Directors' meeting or fails to announce adjournment as required, the fourth item is added to prevent any disruption to the board's operations.</p>

Attachment VI Comparison Table of Amendments and Provisions to the 'Shareholders' Meeting Rules and Regulations'

Article No.	Amended articles	Prevalent articles	Description
3	<p>Article 3</p> <p>The shareholders' meeting of the Company shall be convened by the Board of Directors, unless otherwise stipulated by law. Changes in the manner in which the Shareholders' Meeting of the Company is to be convened shall be decided by the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent. The Company shall prepare the shareholders' meeting notice, power of authorization paper, causes and description data of recognition case, discussion case, appointment or relief of directors in electronic files and send to open information observation station 30 days before the regular shareholders' meeting or 15 days before interim shareholders' meeting. The shareholder meeting manual and supplementary materials should be prepared as electronic files and sent to the Public Information Observation Station no later than 21 days before the regular shareholders' meeting or 15 days before the ad hoc shareholders' meeting. However, if the company's paid-in capital as of the end of the most recent fiscal year exceeds <u>NT\$2 billion</u> or if the total foreign and mainland Chinese shareholding ratio listed in the shareholder register for the most recent fiscal year's regular shareholders' meeting exceeds 30%, the transmission of the aforementioned electronic files should be completed 30 days before the regular shareholders'</p>	<p>Article 3</p> <p>The shareholders' meeting of the Company shall be convened by the Board of Directors, unless otherwise stipulated by law. Changes in the manner in which the Shareholders' Meeting of the Company is to be convened shall be decided by the Board of Directors at the latest before the notice of convening of the Shareholders' Meeting is sent. The Company shall prepare the shareholders' meeting notice, power of authorization paper, causes and description data of recognition case, discussion case, appointment or relief of directors in electronic files and send to open information observation station 30 days before the regular shareholders' meeting or 15 days before interim shareholders' meeting. 21 days prior to the convening of the Annual Shareholders' Meeting or 15 days prior to the convening of the Extraordinary Shareholders' Meeting, prepare electronic files of the procedure manual of the Shareholders' Meeting and the supplementary materials for the meeting and send these files to the Market Observation Post System. However, if the paid-in capital of the Company at the end of the most recent fiscal year exceeds <u>NT\$10 billion</u> or the total shareholding ratio of the foreign capital and Taiwan capital recorded in the register of shareholders of the Annual Shareholders' Meeting convened in the most recent fiscal year exceeds 30%, the aforementioned</p>	<p>In order to provide investors with timely information regarding the resolutions of general meetings of listed and OTC companies, and to encourage shareholders to exercise their right to participate in shareholder meetings, it is proposed to gradually expand the scope of disclosure for listed and OTC companies. This includes the agenda handbook and other relevant information, which will be made available thirty days prior to the general meeting of shareholders. As a result, the third provision is being amended.</p>

Article No.	Amended articles	Prevalent articles	Description
	<p>meeting. 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them to the Company and to the professional stock agency appointed by the Company.</p> <p>Items four to ten: omitted</p>	<p>electronic files shall be sent 30 days prior to the convening of the Annual Shareholders' Meeting. 15 days prior to the convening of the Shareholders' Meeting, prepare and submit to the Shareholders for review at any time, the manual for Shareholders' Meeting proceedings and the supplementary materials for the meeting, and present them to the Company and to the professional stock agency appointed by the Company.</p> <p>Items four to ten: omitted</p>	

Attachment VII Details of the Director Non-Competition Restrictions

Concurrent Positions of the New Director in Other Companies

Name of Director	Concurrent Positions Held
Shih Jui-Pin	Chairman of Airmate International Holding Co.,Ltd Chairman of Airmate China International Co.,Ltd Chairman of Waon Development Ltd Chairman of Waon Development Limited Taiwan Branch (H.K.) Chairman of Airmate Electronic Appliances (Shenzhen) Co., Ltd. Vice Chairman of Airmate Electronic Appliances (Jiujiang) Co., Ltd Managing Director and Legal Representative of Airmate Technological (Shenzhen) Co., Ltd Chairman of Tung Fu Electric Co., Ltd. Representative of Pearl Place Holdings Ltd
Cheng Li-Ping	Director of the Board of Waon Development Ltd
Tsai Cheng-Fu	Director of the Board of Waon Development Ltd Vice Chairman of Airmate Electronic Appliances(Shenzhen)Co., Ltd. Director of the Board of Zhejiang Airmate Electronic Appliances Sales Co., Ltd. Joyful Oasis Ltd. Person in charge Chairman of the Board of Airmate Electronic Appliances (Jiujiang) Co.,Ltd. Managing Director and Legal Representative of Airmate Technological (Shenzhen) Co., Ltd
Shih Jui-Lin	Chairman of Airmate Electronic Appliances (Shenzhen) Co., Ltd. Director of the Board of Airmate Electronic Appliances (Jiujiang)Co., Ltd. Director of Tung Fu Electric Co., Ltd.
Huang Ching-Shu	Chairman of Hern Juei Co., Ltd. Chairman of Heng Ta Mold Enterprise Co., Ltd. Chairman of Ecotime Optoelectronic Technology Co., Ltd.
Lin Chih-Lung	Managing Partner Accountant of Ever Trust Director of the Board of Nang Kuang Pharmaceutical Co., Ltd. Independent Director of the Board of Chia Her Industrial Co., Ltd. Legal Representative and Director of the Board of Topower Co., Ltd.
Hsu Shih-wen	Attorney at Law, Hsu An-Te Law Firm
Lin Hui-fen	Certified Public Accountant at Weyong International CPAs & Co. Independent Director of Otsuka Information Technology Co., Ltd. Independent Director of Lin Horn Technology Co., Ltd. Independent Director of Joy Industrial Co., Ltd.

Name of Director	Concurrent Positions Held
Yen Min-jen	<p>Professor at National Chengchi University</p> <p>Director of the Center for Digital Empowerment and Sustainable Development at National Chengchi University</p> <p>The National Science Council has commissioned the Digital Empowerment and ESG Industry-Academia Alliance for Sustainable Development.</p> <p>United Nations Development Program (UNDP) Consultant for Technology and Economic Policy</p> <p>Academic Chief Expert Consultant at the Asian Productivity Organization (APO) in Japan</p> <p>Mr. Zhang is a Taiwanese business person affiliated with the Mainland Affairs Council.</p> <p>Director of the Industrial Park Assistance Program, Ministry of Economic Affairs</p> <p>Vice President of Research and Development, Chinese Culture University</p>