

# **Airmate (Cayman) International Co Limited Meeting Minutes of 2021 Annual Shareholders' Meeting**

Time: August 5, 2021 (Thurs.) 9 am

Venue: No. 6 on the 6th Floor, No. 51 Hengyang Road, Zhongzheng District, Taipei City  
(Qianzhan Hall, Taipei Financial Park)

Attendance: The total number of shares represented by the attending shareholders and shareholder proxies was 93,446,638 shares, representing 66.56% of the Company's total number of issued shares (after deducting the number of non-voting shares stipulated in Article 179 of the Company Law) of 140,394,074 shares.

Attending directors: Director Shih, Jui-Pin, Independent Director Chen, Ming-Chang,  
Director Chen, Yen-Fu

Present: CPA Chuang, Chun-Wei

Chairman: Director Shih, Jui-Pin

Minutes taken by: He, Mei-Hsiu

Call meeting to order: The master of ceremonies announced that the number of shares represented by shareholders present had met the quorum. The chairperson then called the meeting to order.

I. Chairperson's Speech: (Omitted)

II. Report Items

## Report Items

(Proposed by the Board of Directors)

I. 2020 Annual Business Report, submitted for approval.

Note: Please refer to Annex I of this minutes for the business report of the Company in 2020.

(Proposed by the Board of Directors)

II. Audit Committee's Review Report on the 2020 Financial Statements, submitted for approval.

Note: Please refer to Annex II of this minutes for the audit report of the Audit Committee of the Company in 2020.

(Proposed by the Board of Directors)

III. Report on the Company's 2020 Distribution Status of the employees' and directors' remuneration, submitted for approval.

Note: (I) In accordance with Article 14.5 of the Articles of Association, where there is profit in the year of the Company, 5%-10% of the profit is to be allocated as remuneration to employees, and no more than 3% allocated as remuneration to directors.

(II) The remunerations to employees and Directors in 2020 were allocated according to the provisions of the Company's Articles of Incorporation, and issued in cash upon the resolution of the Board Meeting on March 15, 2021. Please refer to the following table for details.

Unit: NT\$

| Item                    | Amount to be allocated by the Board Meeting | Ratio in profit |
|-------------------------|---------------------------------------------|-----------------|
| Employee's remuneration | 12,036,507                                  | 5%              |
| Directors' remuneration | 4,814,603                                   | 2%              |
| Total                   | 16,851,110                                  | 7%              |

Note: The remuneration to employees and Directors were consistent with the estimated expense in 2020.

(Proposed by the Board of Directors)

IV. Submit Execution Report of Issuance of Fourth Unsecured Convertible Corporate Bonds within the Territory of the Republic of China for Joint Deliberation.

Description:

|                       |                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of bonds         | Fourth Unsecured Convertible Corporate Bonds within the Territory of the Republic of China                                                                                                                                                                                                                                                         |
| Reason for issuance   | Repay Bank Loans and Enrich Working Capital                                                                                                                                                                                                                                                                                                        |
| Issuance amount       | NT\$ 400 million                                                                                                                                                                                                                                                                                                                                   |
| Face interest rate    | 0%                                                                                                                                                                                                                                                                                                                                                 |
| Issuance period       | 3 years. Available from December 10, 2020 to December 10, 2023                                                                                                                                                                                                                                                                                     |
| Issuance situations   | The resolution of the Board Meeting on June 19, 2020 was to handle the fourth unsecured convertible corporate bonds within the territory of the Republic of China; on September 29, 2020, the Company obtained the effective letter of application from FSC No.1090358770, and was listed for buying and selling transaction on December 10, 2020. |
| Conversion situations | As of April 30, 2021, the base date for the suspension of ownership transfer, 49 bonds have been purchased, 309 bonds have been converted, and 3,642 convertible corporate bonds have not been converted into ordinary shares.                                                                                                                     |

(Proposed by the Board of Directors)

V. Amendment to the "Corporate Social Responsibility Best Practice Principles", submitted for approval.

- Notes: (1) for the purpose of fulfilling corporate social responsibility, we would like to refer to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and draft the "Corporate Social Responsibility Best Practice Principles". Please refer to Annex V hereof.
- (2) For the purpose of improving the management of corporate social responsibility, SKFH is advised to establish a dedicated (or part-time) unit composed of the heads of relevant departments to be in charge of proposing and enforcing the Corporate Social Responsibility Policy and to report them to the Board of Directors.
- (3) The Company has prepared a "Corporate Social Responsibility Report" every year with reference to the internationally accepted report preparation guidelines to disclose the situations of promoting corporate social responsibility.

(Proposed by the Board of Directors)

VI. Amendment to the Procedures for Ethical Management and Guidelines for Conduct, submitted for resolution.

Note: In order to strengthen the corporate culture of integrity management, improve the development of the Company and implement the corporate governance, we propose to formulate the Procedures for Ethical Management and Guidelines for Conduct. Please refer to Annex VI hereof.

VII. Submit Treasury Stock Execution Report for Joint Deliberation.

(1) In accordance with Article 28-2 of the *Securities Exchange Act* and the Measures for Share Redemption of TWSE/GTSM-Listed Companies as well as other relevant regulations.

(II) The repurchase situation of the Company's shares is reported as follows:

|                                                                                     |                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Repurchase (Period)                                                                 | Fifth                                                                                                                                                                                                                                                          |
| Objective of repurchase                                                             | To maintain company credit and shareholders' equity                                                                                                                                                                                                            |
| Repurchase period                                                                   | From March 16, 2021<br>to<br>May 15, 2021                                                                                                                                                                                                                      |
| Repurchase price range                                                              | NT\$ 20.00 ~ 30.00                                                                                                                                                                                                                                             |
| Type and number of repurchased shares                                               | 997 thousand common shares                                                                                                                                                                                                                                     |
| Amount of repurchased shares                                                        | NT\$ 27,262,589                                                                                                                                                                                                                                                |
| Average repurchase price of every share                                             | NT\$ 27.34                                                                                                                                                                                                                                                     |
| Reason for incomplete execution                                                     | In order to protect shareholders' rights and interests and take into account the market mechanism, the Company adopts the batch redemption strategy according to the changes of stock prices and trading volume, so the implementation has not been completed. |
| Number of shares eliminated and transferred                                         | -in thousand shares                                                                                                                                                                                                                                            |
| Cumulative number of shares held in the Company                                     | 997 thousand shares                                                                                                                                                                                                                                            |
| Ratio of the accumulated holding of the Company's shares to total shares issued (%) | 0.71%                                                                                                                                                                                                                                                          |

## Recognized

### Propose 1

Proposal raised by the Board of Directors

Proposal: To accept the Company's 2020 Business Report and Consolidated Financial Statements.

Description: I. The 2020 Consolidated financial Statement of the Company had been audited by CPAs Chuang, Chun-Wei and Lu, Kuan-Wen with KPMG, and passed the resolution of the meeting of the 16th session of the 3rd term of Audit Committee and the 16th session of the 3rd term of Board of Directors.

II. Please refer to Annex I hereof for the Business Report for the year 2020, refer to Annex III hereof for the Audit Report and Consolidated Financial Statements.

Resolution: At the time of voting, shareholders present represented 93,446,638 votes. 79,804,883 were in favor of the proposal, 1,418 votes were against the proposal, 0 vote was invalid, and 12,640,337 votes were abstained/withheld, which accounted for 85.14%, 0.00%, 0.00% and 14.59% of the total represented votes, respectively. The original proposal was adopted as originally proposed.

### Propose 2

Proposal raised by the Board of Directors

Proposal: To accept the Company's 2020 Distribution of Earnings.

Description: I. The undistributed earnings of the company at the beginning of the period is NT\$100,696,112, minus the current change of NT\$1,728,420 in the remeasured amount of defined benefit plans and the difference of NT\$3,660,060 between the actual acquisition or disposal of the subsidiary company's equity price and the book value, plus NT\$102,334,225 converted from the revolving special surplus reserve - the translation of the financial statements of a foreign operating agency and the 2020 after-tax net profit of NT\$156,239,275. The surplus available for distribution for the current period is NT\$353,881,132, and after deducting the statutory surplus reserve of NT\$15,085,080, the distributable surplus for the current period is NT\$338,796,052.

- II. This year, it is estimated on the ex-dividend record date that the cash dividend will be NT\$83,752,590 with estimated amount of NT\$0.6 per share, while the stock dividend will be NT\$55,835,060 with estimated amount of NT\$ 0.4 per share. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized by the company as other income. It is proposed the Board of Directors be authorized to determine the record date and the payment date that the cash and stock dividends will be distributed.
- III. If the foregoing matters affect the number of outstanding shares due to factors such as the conversion of the Company's corporate bonds, which lead to changes of dividend payout ratio, it is proposed the Board of Directors is authorized to adjust it.
- IV. Please refer to Annex IV hereof for the Surplus Distribution Statement for the year 2020 and the impact of the free allotment in the past two years and this time on the Company's operating performance, earnings per share and shareholders' return on investment.

Resolution: Shareholders present represented 93,446,638 votes at the time of voting. 79,934,865 votes were in favor of the proposal, 1,418 votes were against the proposal, 0 vote was invalid, and 13,510,335 votes were abstained/withhold, and they accounted for 85.54%, 0.00%, 0.00% and 14.45% of the total represented votes, respectively. The original proposal was accepted based on the voting result.

## Discussion

(Proposed by the Board of Directors)

Proposal: Issue new shares by capital increase from surplus. Please discuss.

Description: I. The Company proposed to contribute NT\$55,835,060 from the distributable earnings in 2020 to increase the share capital and issue 5,583,506 new shares at face value of NT\$10 per share. The newly issued shares with the increased share capital would be allocated in accordance with the Shareholders' Registrar on the record date for stock dividend, i.e. 40 shares for each 1,000 shares. The shareholders can compile fractional share into one share, and register it with the Shareholders' Registrar within five days from the record date for distribution of share dividend. The Company would pay cash instead for such stock dividend (calculated to NTD and rounded down to an integer) for any failure to make the fractional share into one share by shareholders and the chair is to be authorized to offer the shares to specific persons.

II. Rights and obligations of the new shares are the same as those of the original shares.

III. In the future, if the number of outstanding shares is affected by factors such as the conversion of the Company's corporate bonds, cancellation of treasury stock or transfer of employees, which leads to changes of shareholders' allotment ratio, it is proposed the Board of Directors is authorized to adjust it.

IV. Upon the approval of the shareholders' meeting, it is proposed that the Board of Directors is authorized to determine the record date and payment date for issuance of new shares, and other relevant issues.

V. Submitted for resolution.

Resolution: Shareholders present represented 93,446,638 votes at the time of voting. 79,934,865 votes were in favor of the proposal, 1,426 votes were against the proposal, 0 vote was invalid, and 13,510,347 votes were abstained/withhold, and they accounted for 85.54%, 0.00%, 0.00% and 14.45% of the total represented votes, respectively. The original proposal was accepted based on the voting result.

## Election Matters

(Proposed by the Board of Directors)

Proposal: Election of all Directors of the Company.

Explanation:

- I. It is proposed to re-elect 9 Directors (including 3 Independent Directors) at the General Shareholders' Meeting on August 05, 2021 in accordance with the provisions of the Company's Articles of Incorporation. The term of office of the new Directors shall be three years, from August 05, 2021 to August 04, 2024.
- II. The list of Director candidates has been reviewed and approved by the Company's Board of Directors on March 15, 2021. The relevant information is hereby stated as follows:

| 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                                                                   | Director         | 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, AIRMATE (CAYMAN) INTERNATIONAL CO. LIMITED | Director         | None                                                                                       | Not applicable                                                |
| 3             | 62             | Tsai, Cheng-Fu     | D10139XXXX                       | Master of Electronic Engineering, National Kaohsiung University of Science and Technology    | Person in Charge of Zhanwei Limited (Hong Kong)                                                                                 | Director         | None                                                                                       | Not applicable                                                |
| 4             | 47             | Shih Li, Chueh-Chu | D20015XXXX                       | Kuang Hua Senior High School                                                                 | Director of Waon Development Limited (Hong Kong); Director of Tung Fu Electric Co., Limited                                     | Director         | Pearl Place Holdings Limited                                                               | 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                             | Director         | CTBC Bank is entrusted with the custody of the investment account of Tuck Giant Enterprise | Not applicable                                                |

|   |       |                  |            |                                                                                                                |                                                                                                                                                                                                                                                                                                                                                |                      |         |                |
|---|-------|------------------|------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------|----------------|
|   |       |                  |            |                                                                                                                | OPTOELECTRONIC TECHNOLOGY CO., LTD.                                                                                                                                                                                                                                                                                                            |                      | Limited |                |
| 6 | 10330 | Chen, Yen-Fu     | R12190XXXX | Institute of Environmental Policy, National Dong Hua University                                                | Project Manager of Chinghua Engineering Co., Ltd.(CEC), Assistant Sales Manager of Creating Nano Technologies Inc., Sales Representative of Nano Electronics and Micro System Technologies Inc., Assistant to the Ministry of Education Environmental Protection Group                                                                         | Director             | None    | Not applicable |
| 7 | None  | Chi, Lai-Ping    | A11035XXXX | Bachelor of Economics, Columbia University and Master of International Relations, University of Chicago, USA   | Senior Vice President and President of Greater China Region at Sony Life Insurance Co., Limited; Managing Director of Zhongmei Liantai Metropolis Life Insurance Co., Limited; Chairman of the Board of MetLife Limited and Metropolitan Life Insurance Company of Hong Kong Limited; General Manager of MetLife Taiwan Insurance Co., Limited | Independent Director | None    | Yes (Note 1)   |
| 8 | None  | Chen, Ming-Chang | Q10108XXXX | Ph.D. of Graduate Institute of Business Administration, National Chengchi University, National Business Doctor | Chairman of China Taiwanese Investment Management Association, General Manager of China Productivity Center, Director of Graduate Institute of Business Administration, National Chung Hsing University, Deputy Director of Small and Medium Enterprises Administration, Ministry of Economy Affairs, Director, Economic                       | Independent Director | None    | Yes (Note 2)   |

|   |      |                |            |                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |      |    |
|---|------|----------------|------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------|----|
|   |      |                |            |                                                                  | Division, Mainland Affairs Council                                                                                                                                                                                                                                                                                                                                                                                       |                      |      |    |
| 9 | None | Lin, Chih-Lung | D12082XXXX | Research Institute of Accounting, National Cheng Kung University | Lecturer of the Accounting Department of National Cheng Kung University<br>Director of the Board of Nang Kuang Pharmaceutical Co., Ltd, Independent<br>Director of the Board of TEKHO MARINE BIOTECH CO., LTD., Director of NCKU Financial Strategies Research Foundation, Independent<br>Director of the Board of CHIA HER INDUSTRIAL CO., LTD., Legal Representative and<br>Director of the Board of TOPOWER CO., LTD. | Independent Director | None | No |

Note 1: Mr. Chi, Lai-Ping can provide important advice to the company because of his rich experience in industrial economy, finance and risk management. Although he has been re-elected as an independent director of the company for three consecutive terms, the company still needs to rely on his expertise to make it more effective. In addition to the duties of an independent director, he can still exert his expertise and provide supervision and professional advice to the board of directors. Therefore, the company elects and nominate him to continue to serve as an independent director of the company.

Note 2: Mr. Chen, Ming-Chang can provide important advice to the company because of his rich experience in industrial economy and finance. Although he has been re-elected as an independent director of the company for three consecutive terms, the company still needs to rely on his expertise to perform his duties as an independent director. He can still exert his expertise and provide supervision and professional advice to the board of directors. Therefore, the company elects and nominates him to continue to serve as an independent director of the company.

### 3. Submit for Election.

Election results:

| Category | Account number/ID card number | Account name   | Share of votes |
|----------|-------------------------------|----------------|----------------|
| Director | 51                            | Shih Jui-Pin   | 320,128,676    |
| Director | 62                            | Tsai, Cheng-Fu | 114,195,033    |
| Director | 10330                         | Chen, Yen-Fu   | 103,810,843    |

|                         |            |                                                                                                                                                          |            |
|-------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Director                | 11         | Cheng, Li-Ping                                                                                                                                           | 82,099,020 |
| Director                | 44         | Pearl Place Holdings<br>Limited<br>Representative: Shih<br>Li, Chueh-Chu                                                                                 | 71,797,893 |
| Director                | 15555      | CTBC Bank is<br>entrusted with the<br>custody of the<br>investment account of<br>Tuck Giant Enterprise<br>Limited<br>Representative:<br>Huang, Ching-Shu | 71,547,249 |
| Independent<br>Director | A11035**** | Chi, Lai-Ping                                                                                                                                            | 13,880,188 |
| Independent<br>Director | Q10108**** | Chen, Ming-Chang                                                                                                                                         | 12,047,014 |
| Independent<br>Director | D12082**** | Lin, Chih-Lung                                                                                                                                           | 6,724,649  |

## Other Matters

(Proposed by the Board of Directors)

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

Explanation:

1. 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.
2. 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.
3. The proposal was adopted by the Board of Directors on March 15, 2021, and was filed with the Shareholders' Meeting to approve the lifting of the non-competition restrictions on newly elected directors in accordance with the procedures set out in the articles of association of the Company. For details of the lifting of the non-competition restrictions, please refer to Annex VII hereof.
4. Submit for resolution.

Resolution: Shareholders present represented 93,446,638 votes at the time of voting. 79,903,839 votes were in favor of the proposal, 4,900 votes were against the proposal, 0 vote was invalid, and 13,537,899 votes were abstained/withhold, and they accounted for 85.50%, 0.00%, 0.00% and 14.48% of the total represented votes, respectively. The original proposal was accepted based on the voting result.

## Extempore motion

## Adjournment

## **Attachment I Operating Report**

### **Chapter 1 Letter to Shareholders**

#### **I. Foreword**

At the beginning of 2020, the world economy was affected by the COVID-19 epidemic with ups and downs, geopolitical risks intensified, and the Sino-US trade war was still not resolved due to the continued strategic confrontation between the two sides after the U.S. election. As the global trade, consumption and economic situation were experiencing the biggest recession in a century, although mainland China had been the first to recover from the epidemic and had been the only major economy to achieve growth, the severe external environment had posed a severe challenge to the Company's operations throughout the year. Fortunately, with the concerted efforts of the management and all the employees, the Company still achieved the goal of making a profit for the year. Looking into Company's operating performance in the past year, we found that our products' lines already horizontally extending in China market, these products focusing precisely the channel and aiming firmly to the target. Besides, the development of foreign customers and the fermentation of new markets have made the benefits emerged to post profits. In addition to integrating into the development of smart home appliances in accordance with long-term goals, we have innovated the third-foot target product line as well as channels' breadth and depth. We focus on improving quality, deepen our brand power, and create the value of Company.

Last year, on one hand, continuing adjusting the fine operation structure, deepening the integration of resources, and strengthening Company's core manufacturing product capabilities. On the other hand, improving production efficiency while eliminating invalid production costs and enhancing product price competitiveness. It also strengthened the product strength and market power and actively took the lead in the development of home appliances that meet the demand gap of consumers who are eager to enhance a better life in order to increase the added value of products and enjoy brand premiums. It is believed that with the launch of new products, the breadth of new customers, the improvement of channels, and the deepening of the brand strategies. the Company can expect a good performance in 2021 in the post-epidemic era.

The following is a report on the Company's operation status for 2020 and future outlook for 2021:

The Company is the ultimate parent company of the listed Group, mainly responsible for investment holding, with the production bases in Shenzhen, Guangdong Province and Jiujiang, Jiangxi Province in mainland China. Its consolidated revenue for 2020 is NT\$9,207 million, the consolidated net profit after tax is NT\$156 million, and the consolidated net profit per share after tax of NT\$1.12. Looking forward to 2021, there are still many economic challenges in the world and mainland China. In the face of the qualitative and quantitative changes in the consumer

market and the intense competition in the small home appliance industry, the Company will continue to steadily expand the scale of its operations, strengthen the operational management of each company and the overall synergies, actively explore the market and deepen the whole process of customer service, and work closely with major customers and grow together, to build a core value-centered business that is competitive and sustainable.

Looking forward to the Company's future development, as mainland China has been completely out of poverty, the average national income has exceeded US\$10,000 and is growing year by year, consumers' demand for the comfort, functions and personalization of small home appliances has been increasing their requirements for the quality. We see this as an opportunity for the Company in the face of the fierce crossover and diversified competition in the development of the small home appliance market in mainland China, as well as the changed and shifted product demand in the domestic and export markets due to the epidemic. The Company and its reinvested subsidiaries will continue to prioritize responding to market needs, and will continue to cultivate its existing customer base, expand the scope of customers and develop more new heterogeneous customers; since the IPO, the management team and all employees have been working with the spirit of honesty, integrity, and diligence and the self-motivation requirement of pursuing perfection, and showing a positive and pragmatic attitude, to strengthen the operation of main business, provide the small home appliance industry with optimized products that are market-leading and meet the needs of the market, and create the greatest benefits for all shareholders and employees of the company. And we have remained true to our original aspiration to fulfill our corporate social responsibility, so as to repay our shareholders for their great expectations and care, and express our gratitude to all shareholders for their continuous support.

## II. 2020 Business Results

### (I) 2020 Business Plan and Implementation Results

Unit: NT\$ thousand

| Item                           | 2020 Audit | 2019 Audit | Growth Rate |
|--------------------------------|------------|------------|-------------|
| Consolidated operating revenue | 9,207,346  | 10,142,781 | -9.22%      |
| Consolidated operating profit  | 1,570,488  | 1,972,712  | -20.39%     |
| Consolidated net               | 220,906    | 289,876    | -23.79%     |

|                                                 |         |         |         |
|-------------------------------------------------|---------|---------|---------|
| profit                                          |         |         |         |
| Consolidated net non-operating income (expense) | 2,973   | 32,948  | -90.98% |
| Consolidated Income Before Tax                  | 223,879 | 322,824 | -30.65% |
| Income tax expense                              | 67,640  | 65,665  | 3.01%   |
| Consolidated total profit and loss              | 156,239 | 257,159 | -39.24% |

(II) Financial income & expenditures and profitability

| Item                |                                    | Year | 2020   | 2019   |
|---------------------|------------------------------------|------|--------|--------|
| Financial Structure | Liabilities to assets ratio (%)    |      | 66.08  | 66.19  |
|                     |                                    |      |        |        |
| Liquidity analysis  | Current ratio (%)                  |      | 118.25 | 104.29 |
|                     | Quick ratio (%)                    |      | 71.41  | 61.01  |
| Profitability       | Return on assets (%)               |      | 2.12   | 3.78   |
|                     | Return on shareholders' equity (%) |      | 5.10   | 9.23   |
|                     | Net profit margin (%)              |      | 1.70   | 2.48   |
|                     | Earnings per share (NT\$)          |      | 1.12   | 2.05   |

### (III) Annual research and technological developments

#### 1. Annual research and technological development results

- (1) Shoe Cabinet with Germicidal Lamp Project Development
- (3) Development of PTC Electric Heater with Large Air Volume
- (4) Design and Development of Water-cooled Fans with Cooling Chip Components (instead of ice crystals)
- (5) Design and development of a bladeless fan with three air channels that can automatically swing to adjust the air outlet area
- (6) Design and development of inverter window air conditioner
- (7) Pet air conditioner development
- (8) Application of electrolyzed water sterilization technology
- (9) Application of Natural Humidification Technology of Hydrophilic Humidification Pan
- (10) Clothes drying and heating integrated electric heater
- (11) Superconducting cooling and heating loop fan
- (12) Research on the Sterilization Function of Fresh Air Products
- (13) Research on the Sterilization Function of Yuba Products
- (14) Light Touch
- (15) Inner Winding Motor Development

#### 2. Future research and new technology development plan

##### (1) Short-term business development plan

- A. Development and research of wireless steam cleaning sweeper.
- B. Continue to increase the application research of semiconductor refrigeration film, radar and battery.
- C. Design and development of humidifier with large humidification capacity (2.5 liters/hour).
- D. Research and development of new-type electric heaters (flaming mountain, footline with closeable air outlet; graphene heating element).
- E. Continue to increase the development and application research of pin structure and high-power internal winding motors.
- F. continue to introduce and apply new technologies such as voice recognition (offline + online), motion monitoring, gesture recognition, etc. to various products.
- G. Hydroxide ion air-cleaning ceiling fan development.

##### (2) Long-term business development plans

- A. Development of household appliances for cleanliness and health (antimicrobial and sterilization).
- B. Development of medical product series.
- C. The Company plans to research on the application of smart home appliance sensors and human-computer interaction (voice control).
- D. Research on various composite air processors (cooling, heating, humidifying).
- E. Development of DIY fresh air products.
- F. Development and application research of high cost-effective external rotor DC motors.

## **II. Operating plan overview of the year**

1. Focusing on strengthening the brand development of Airmate, becoming a leading small home appliance company with competitiveness and core values in domestic and foreign sales in Mainland China, ensuring quality and quantity advantages, and strengthening the win-win cooperation with suppliers and customers.
2. Continue to promote the localization and indigenization of talents in each company, establish a group enterprise management model, commit to the company's product strength and continue to develop new products, new customers and new markets, improve production optimization technology, continue to invest in efficient production lines and reasonably manage and control expenses and costs, to make the company's operations aggregating profits.
3. Attach importance to the integration of labor and management, create maximum profits for employees and shareholders, and fulfill corporate social responsibilities.

### **(II) Expected sales quantity and basis**

The main markets of the company's reinvested subsidiaries are located in mainland China, Northeast Asia, Southeast Asia, and Europe and the United States. Therefore, the estimated annual sales volume is mainly based on local industry-related statistical data, major customer information feedback and judgments on future market supply and demand. In summary, the sales of the small home appliance business will experience a steady and significant growth in volume and amount compared to 2020.

### **(III) Important production and sales policies**

1. Export sales

- Product sales in the Japanese and Korean markets and European and American markets maintained are steady growing in two quarters, actively developing customers in different industries, assisting customers in developing new products to tap the Southeast Asian market.
- Focus on key customers and keep in touch with the technical team, deepen the development and technical adhesion, we increase the number of product development (enhance the patent layout, patent licensing customers), in order to win orders.
- 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.

## 2. Offline operation in China

- Team Integration: The national offline teams are divided into two regions, south and north, with 2 large regional directors established. We have increased operation support centers, promoted data-based operations, and conduct more accurate and efficient management close to the market, and enhance the brand's service power to distributor partners and consumers in the new retail era.
- Accurate focus on products: focus on hot products, reduce SKUs, fit the market, ensure sales efficiency, and improve the integration of production and sales operations. At the same time, focus on the inventory turnover rate and amount of dealers and factories, reduce the inventory of dealers and factories at the end of seasons, and finally realize order-based production.
- Continue to cultivate the channels: develop and expand the breadth of channel outlets, and continue to built more than 2,000 Airmate County/township image stores. In addition, strengthen the consumer experience of 3C and supermarket systems, and cooperate with the stores to invest in image building and train shopping guides to enhance their marketing capacities, to achieve the increase in Airmate's single store retail sales 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.
- By leveraging the high efficiency and focus of the online platform, the company focused on investing in clothes dryers, dehumidifiers, ventilators, bath heaters, foot baths, steam mops, and other niche small household appliances markets other than electric fans and heaters, in order to increase the product lines for the brand to achieve higher sustainable growth.
- 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.

#### **IV. Future development strategies**

The company and its reinvested subsidiaries will continue to focus on the development in the industry, develop competitive high-margin products, continuously improve and develop new technologies, and pursue win-win cooperation with relevant stakeholders. The company is fully committed to the maintenance of brand power and customer loyalty, while actively responding to, exploring, and satisfying the deep needs of end customers in the market, and gaining recognition and orders from new markets, new customers, and new products through immediate response to market changes, thereby forming a flagship brand in the small home appliance market.

#### **V. Influence of external competition environment, legal environment and overall operation environment**

##### **(I) Impact from external competitive environment**

The small home appliance industry is in a fiercely competitive environment. The company and its subsidiaries will continue to exert their existing advantages to stay close to the market and strengthen product differentiation, and reasonably manage

expenses and costs, to reduce the impact of the external competitive environment.

(II) Impact 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) Impact of the overall business environment

At present, the production and operation of the company's reinvested subsidiaries are in mainland China. Although the overall environment of the local small home appliance industry is fiercely competitive, as mainland China has fully entered the middle-income process, its economic development and per capita income have greatly increased, and its consumption power is growing,. And thanks to the increasing pursuit of product quality and high responsiveness to new products and applications, it is expected to continue to grow steadily in the future.

Respectfully, Peace and Joy, Long Blessings

Airmate (Cayman) International Co Limited

Chairman of Board: Shih, Jui Pin

General Manager: Lin, Yung-Chang

Account Manager: Ho, Mei-Hsiu

## Attachment II Audit Report by Audit Committee

### 審計委員會同意報告書

本審計委員會同意並經董事會決議本集團民國 109 年度合併財務報表，嗣經董事會委任安侯建業聯合會計師事務所查核完竣，並出具標準式無保留意見查核報告。

本審計委員會負有監督本集團財務報導流程之責任。

簽證會計師簽證本集團 109 年度合併財務報表，與本審計委員會溝通下列事項：

- 1、簽證會計師所規劃之查核範圍及時間，尚無重大查核發現。
- 2、簽證會計師向本審計委員會提供該等會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，尚未發現其他有可能被認為會影響會計師獨立性之關係及其他事項。
- 3、簽證會計師與本審計委員會就關鍵查核事項溝通中，決定未有須於查核報告中溝通之關鍵查核事項。

本審計委員會同意並經董事會決議之本集團 109 年度合併財務報表，均符合相關法令規定，爰依公司法 219 條之規定報告如上。

敬請 鑒核

此致

艾美特（開曼）國際有限公司 110 年股東常會

審計委員會召集人：范欽華



110 年 3 月 15 日

## Attachment III CPA Audit Report and Consolidated Financial Statement



安侯建業聯合會計師事務所

KPMG

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### 會計師查核報告

艾美特(開曼)國際有限公司董事會 公鑒：

#### 查核意見

艾美特(開曼)國際有限公司及其子公司(以下簡稱艾美特集團)西元二〇二〇年及二〇一九年十二月三十一日之合併資產負債表，暨西元二〇二〇年及二〇一九年一月一日至十二月三十一日之合併綜合損益表、合併權益變動表及合併現金流量表，以及合併財務報告附註(包括重大會計政策彙總)，業經本會計師查核竣事。

依本會計師之意見，上開合併財務報告在所有重大方面係依照證券發行人財務報告編製準則暨經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達艾美特集團西元二〇二〇年及二〇一九年十二月三十一日之合併財務狀況，與西元二〇二〇年及二〇一九年一月一日至十二月三十一日之合併財務績效與合併現金流量。

#### 查核意見之基礎

本會計師西元二〇二〇年度合併財務報告係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作；西元二〇一九年度合併財務報告係依照會計師查核簽證財務報表規則、金管證審字第1090360805號函及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核合併財務報告之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與艾美特(開曼)國際有限公司及其子公司保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。



## 關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對艾美特集團西元二〇二〇年度合併財務報告之查核最為重要之事項。該等事項已於查核合併財務報告整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。本會計師判斷應溝通在查核報告上之關鍵查核事項如下：

### 一、收入認列

有關收入認列之會計政策請詳合併財務報告附註四(十五)客戶合約之收入；收入及預期退貨評估之說明，請詳合併財務報告附註六(十一)待退回產品權利、附註六(十三)退款負債及附註六(廿二)客戶合約之收入。

關鍵查核事項之說明：

艾美特集團主要從事銷售家用電器，營業收入係財務報告之重要項目之一，且為報告使用者或收受者關切之事項。因此，收入認列為本會計師執行艾美特集團財務報告查核重要的評估事項之一。

因應之查核程序：

本會計師對上述關鍵查核事項之主要查核程序包括評估收入認列之會計政策係依相關公報規定辦理，並已適當揭露收入資訊；測試銷貨及收款作業循環之相關人工控制；檢視該集團重要子公司與客戶之銷售合約及條款，進行重要客戶異動及按產品別收入變化分析性覆核；選定資產負債表日前後一段時間之銷售交易核對相關內部及外部資料，評估銷貨收入涵蓋於適當期間；取得該集團管理當局設算之應計銷貨退回及折讓金額並與有關內部及外部資料核對，以評估相關參數與主要假設之合理性；並檢視以前年度應計銷貨退回及折讓金額估計之合理性，以評估管理當局設算之應計銷貨退回及折讓金額是否有重大異常；瞭解期後是否有重大銷貨退回及折讓。

### 二、應收票據及應收帳款及減損評估

有關應收帳款減損評估之會計政策請詳合併財務報告附註四(七)金融工具；應收帳款之備抵損失之會計估計及假設不確定性之說明，請詳合併財務報告附註五(一)；應收票據及應收帳款減損評估情形，請詳合併財務報告附註六(三)。

關鍵查核事項之說明：

艾美特集團係依據所訂定之應收帳款備抵呆帳政策提列預期信用損失，其依客戶信用風險及歷史信用損失經驗及對客戶未來經濟狀況之合理預期估列。因此，應收票據及應收帳款減損評估之測試為本會計師執行合併財務報告查核重要的評估事項之一。

因應之查核程序：

本會計師對上述關鍵查核事項之主要查核程序包括瞭解艾美特集團有關應收票據及帳款備抵減損損失提列政策之合理性是否依相關公報規定辦理；執行抽樣程序以檢查應收帳款帳齡表的正確性、分析各期應收帳款帳齡之變化情形；抽樣執行發函詢證，並且測試應收帳款期後收款狀況，以評估備抵減損損失及提列金額之合理性。

### 三、存貨評價

有關存貨之會計政策請詳合併財務報告附註四(八)；存貨評價之會計估計及假設不確定性之說明，請詳合併財務報告附註五(二)；存貨重要會計項目說明，請詳合併財務報告附註六(五)。

關鍵查核事項之說明：

存貨係以成本與淨變現價值孰低衡量。由於艾美特集團存貨主係為電風扇及電暖器等家用電器，其產品特性受天氣變化影響，導致庫存可能滯銷，為使存貨去化而降價出售，致可能產生存貨之成本高於淨變現價值之風險。因此，存貨評價為本會計師執行艾美特集團財務報告查核重要的評估事項之一。

因應之查核程序：

本會計師瞭解艾美特集團存貨跌價損失提列政策，並評估其存貨評價是否已按既定之會計政策執行，包括執行抽樣程序以檢查存貨庫齡的正確性、分析存貨庫齡變化情形；檢視管理當局過去對存貨跌價備抵損失提列之合理性，並與本期估列之存貨備抵跌價損失之方法及假設作比較，以評估本期存貨備抵跌價損失之估列方法及假設是否允當。檢視存貨期後銷售狀況，以評估存貨備抵跌價損失評價估計之合理性。

#### 管理階層與治理單位對合併財務報告之責任

管理階層之責任係依照證券發行人財務報告編製準則暨經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製允當表達之合併財務報告，且維持與合併財務報表編製有關之必要內部控制，以確保合併財務報告未存有導因於舞弊或錯誤之重大不實表達。

於編製合併財務報告時，管理階層之責任包括評估艾美特集團繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算艾美特集團或停止營業，或除清算或停業外別無實際可行之其他方案。

艾美特集團之治理單位(含審計委員會)負有監督財務報導流程之責任。

### 會計師查核合併財務報告之責任

本會計師查核合併財務報告之目的，係對合併財務報告整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出合併財務報告存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響合併財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

- 1.辨認並評估合併財務報告導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
  - 2.對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對艾美特集團內部控制之有效性表示意見。
  - 3.評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
  - 4.依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使艾美特集團繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒合併財務報告使用者注意合併財務報告之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致艾美特集團不再具有繼續經營之能力。
  - 5.評估合併財務報告(包括相關附註)之整體表達、結構及內容，以及合併財務報表是否允當表達相關交易及事件。
  - 6.對於集團內組成個體之財務資訊取得足夠及適切之查核證據，以對合併財務報告表示意見。
- 本會計師負責集團查核案件之指導、監督及執行，並負責形成集團查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現(包括於查核過程中所辨認之內部控制顯著缺失)。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項(包括相關防護措施)。



本會計師從與治理單位溝通之事項中，決定對艾美特集團西元二〇二〇年度合併財務報告查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

安侯建業聯合會計師事務所

會計師：

莊鈞維



呂觀文



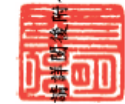
證券主管機關：金管證審字第1040010193號  
核准簽證文號：金管證六字第0940100754號  
西元二〇二一年三月十五日

單位：新台幣千元

|                       | 2020.12.31                       |              | 2019.12.31 |              |      | 2020.12.31             |                                  | 2019.12.31 |    |
|-----------------------|----------------------------------|--------------|------------|--------------|------|------------------------|----------------------------------|------------|----|
|                       | 金額                               | %            | 金額         | %            |      | 金額                     | %                                | 金額         | %  |
| 資 產                   |                                  |              |            |              |      |                        |                                  |            |    |
| 流動資產：                 |                                  |              |            |              |      |                        |                                  |            |    |
| 1100                  | 現金及約當現金(附註六(一))                  | \$ 443,712   | 5          | 412,939      | 5    | 2100                   | 短期借款(附註六(十二)及八)                  | \$ 315,302 | 4  |
| 1110                  | 透過損益按公允價值衡量之金融資產—流動(附註六(二))      | 72,010       | 1          | 1,807        | -    | 2120                   | 透過損益按公允價值衡量之金融負債—流動(附註六(二)(十六))  | 178        | -  |
| 1150                  | 應收票據淨額(附註六(三))                   | 614,541      | 7          | 509,234      | 6    | 2130                   | 合約負債—流動(附註六(廿二))                 | 309,422    | 3  |
| 1170                  | 應收帳款淨額(附註六(三))                   | 1,551,137    | 17         | 1,155,585    | 13   | 2150                   | 應付票據(附註六(十三)、八)                  | 1,774,409  | 19 |
| 1180                  | 應收票據及帳款—關係人淨額(附註六(三)及七)          | 17,820       | -          | 88,997       | 1    | 2170                   | 應付帳款                             | 1,251,435  | 14 |
| 130x                  | 存貨(附註六(五))                       | 2,127,184    | 23         | 2,074,493    | 23   | 2200                   | 其他應付款(附註六(十三))                   | 666,090    | 7  |
| 1470                  | 其他流動資產(附註六(三)(四)(十一)及八)          | 535,089      | 6          | 753,239      | 8    | 2220                   | 其他應付款項—關係人(附註七)                  | 3,452      | -  |
| 1481                  | 待退回產品權利—流動(附註六(十一))              | 104,021      | 1          | 70,955       | 1    | 2230                   | 本期所得稅負債                          | 117,788    | 1  |
|                       | 流動資產合計                           | 5,465,514    | 60         | 5,067,249    | 57   | 2250                   | 負債準備—流動(附註六(十四))                 | 42,265     | -  |
| 非流動資產：                |                                  |              |            |              |      |                        |                                  |            |    |
| 1510                  | 透過損益按公允價值衡量之金融資產—非流動(附註六(二)(十六)) | 150          | -          | 330          | -    | 2300                   | 其他流動負債(附註六(十三))                  | 141,676    | 2  |
| 1550                  | 採用權益法之投資(附註六(六))                 | 27,258       | -          | 25,228       | -    | 2321                   | 一年或一營業週期內到期或執行賣回權公司債(附註六(二)(十六)) | -          | -  |
| 1600                  | 不動產、廠房及設備(附註六(八)、八及十二(三))        | 3,135,215    | 34         | 1,886,835    | 21   | 2322                   | 一年或一營業週期內到期長期借款(附註六(十五))         | -          | -  |
| 1755                  | 使用權資產(附註六(九))                    | 210,874      | 2          | 1,595,241    | 18   |                        | 流動負債合計                           | 4,622,017  | 50 |
| 1780                  | 無形資產(附註六(十))                     | 7,749        | -          | 11,697       | -    |                        | 非流動負債：                           | -          | -  |
| 1840                  | 遞延所得稅資產(附註六(十八))                 | 177,912      | 2          | 166,125      | 2    | 2530                   | 應付公司債(附註六(十六))                   | 679,997    | 7  |
| 1900                  | 其他非流動資產(附註六(十一)及八)               | 228,670      | 2          | 148,311      | 2    | 2640                   | 淨確定福利負債—非流動(附註六(十七))             | 32,625     | 1  |
|                       | 非流動資產合計                          | 3,787,828    | 40         | 3,833,767    | 43   | 2645                   | 存入保證金                            | 111,485    | 1  |
|                       |                                  |              |            |              | 2600 | 其他非流動負債(附註六(十三)及十二(三)) | 668,302                          | 7          |    |
| 負債總計                  |                                  |              |            |              |      |                        |                                  |            |    |
|                       |                                  |              |            |              |      | 非流動負債合計                | 1,492,409                        | 16         |    |
|                       |                                  |              |            |              |      | 負債總計                   | 6,114,426                        | 66         |    |
| 歸屬於母公司業主之權益(附註六(十九))： |                                  |              |            |              |      |                        |                                  |            |    |
|                       | 普通股股本                            | 3110         |            |              | 3110 | 普通股股本                  | 1,395,876                        | 15         |    |
|                       | 資本公積                             | 3200         |            |              | 3200 | 資本公積                   | 1,224,541                        | 13         |    |
|                       | 保留盈餘                             | 3300         |            |              | 3300 | 保留盈餘                   | 779,988                          | 9          |    |
|                       | 其他權益                             | 3400         |            |              | 3400 | 其他權益                   | (261,489)                        | (3)        |    |
|                       | 歸屬於母公司業主之權益合計                    |              |            |              |      | 歸屬於母公司業主之權益合計          | 3,138,916                        | 34         |    |
|                       | 非控制權益(附註六(七))                    | 36xx         |            |              |      | 非控制權益(附註六(七))          | -                                | -          |    |
|                       | 負債及權益總計                          | \$ 9,253,342 | 100        | \$ 8,901,016 | 100  |                        | 3,138,916                        | 34         |    |
|                       |                                  |              |            |              |      |                        | \$ 9,253,342                     | 100        |    |



董事長：史瑞斌



經理人：林永昌

(結算日後附合併財務報告附註)

會計主管：何美秀



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For and on behalf of  
ARMATE (CAYMAN) INTERNATIONAL CO LIMITED  
艾美特(開曼)國際有限公司

西元二〇二〇年及二〇一九年十二月三十一日  
Authorized Signature(s)

單位:新台幣千元

|      |                              | 2020年度       |     | 2019年度     |     |
|------|------------------------------|--------------|-----|------------|-----|
|      |                              | 金額           | %   | 金額         | %   |
| 4000 | 營業收入(附註六(廿二)及七)              | \$ 9,207,346 | 100 | 10,142,781 | 100 |
| 5000 | 營業成本(附註六(五)及七)               | 7,641,207    | 83  | 8,166,237  | 81  |
|      | 營業毛利                         | 1,566,139    | 17  | 1,976,544  | 19  |
| 5910 | 減:未實現銷貨損益                    | 8,936        | -   | 13,868     | -   |
| 5920 | 加:已實現銷貨損益                    | 13,285       | -   | 10,036     | -   |
|      | 已實現營業毛利                      | 1,570,488    | 17  | 1,972,712  | 19  |
|      | 營業費用:                        |              |     |            |     |
| 6100 | 推銷費用(附註六(十七)及七)              | 897,510      | 10  | 1,090,678  | 11  |
| 6200 | 管理費用(附註六(十七))                | 342,834      | 4   | 429,444    | 4   |
| 6300 | 研究發展費用                       | 107,717      | 1   | 146,226    | 1   |
| 6450 | 預期信用減損損失(附註六(三))             | 1,521        | -   | 16,488     | -   |
|      | 營業費用合計                       | 1,349,582    | 15  | 1,682,836  | 16  |
|      | 營業利益                         | 220,906      | 2   | 289,876    | 3   |
|      | 營業外收入及支出:                    |              |     |            |     |
| 7100 | 利息收入(附註六(廿四))                | 34,079       | -   | 30,962     | -   |
| 7010 | 其他收入(附註六(廿四))                | 70,495       | 1   | 66,395     | 1   |
| 7020 | 其他利益及損失(附註六(廿四))             | (56,119)     | -   | 11,633     | -   |
| 7050 | 財務成本(附註六(廿四))                | (42,740)     | -   | (76,047)   | (1) |
| 7060 | 採用權益法認列之關聯企業及合資損益之份額(附註六(六)) | (2,742)      | -   | 5          | -   |
|      | 營業外收入及支出合計                   | 2,973        | 1   | 32,948     | -   |
| 7900 | 稅前淨利                         | 223,879      | 3   | 322,824    | 3   |
| 7950 | 減:所得稅費用(附註六(十八))             | 67,640       | 1   | 65,665     | 1   |
|      | 本期淨利                         | 156,239      | 2   | 257,159    | 2   |
| 8300 | 其他綜合損益:                      |              |     |            |     |
| 8310 | 不重分類至損益之項目                   |              |     |            |     |
| 8311 | 確定福利計畫之再衡量數(附註六(十七))         | (1,728)      | -   | 12,233     | -   |
| 8349 | 減:與不重分類之項目相關之所得稅             | -            | -   | -          | -   |
|      |                              | (1,728)      | -   | 12,233     | -   |
| 8360 | 後續可能重分類至損益之項目                |              |     |            |     |
| 8361 | 國外營運機構財務報表換算之兌換差額(附註六(十九))   | 102,334      | 1   | (150,305)  | (1) |
| 8399 | 減:與可能重分類之項目相關之所得稅            | -            | -   | -          | -   |
|      | 後續可能重分類至損益之項目合計              | 102,334      | 1   | (150,305)  | (1) |
| 8300 | 本期其他綜合損益                     | 100,606      | 1   | (138,072)  | (1) |
|      | 本期綜合損益總額                     | \$ 256,845   | 3   | \$ 119,087 | 1   |
|      | 淨利歸屬於:                       |              |     |            |     |
| 8610 | 母公司業主                        | \$ 156,239   | 2   | 251,919    | 2   |
| 8620 | 非控制權益                        | -            | -   | 5,240      | -   |
|      | 本期淨利                         | \$ 156,239   | 2   | \$ 257,159 | 2   |
|      | 綜合損益總額歸屬於:                   |              |     |            |     |
| 8710 | 母公司業主                        | \$ 256,845   | 3   | 114,461    | 1   |
| 8720 | 非控制權益                        | -            | -   | 4,626      | -   |
|      | 本期綜合損益總額                     | \$ 256,845   | 3   | \$ 119,087 | 1   |
|      | 每股盈餘(附註六(廿一)):               |              |     |            |     |
| 9750 | 基本每股盈餘(單位:新台幣元)              | \$ 1.12      |     | 2.01       |     |
| 9850 | 稀釋每股盈餘(單位:新台幣元)              | \$ 1.11      |     | 1.97       |     |

董事長:史瑞斌



(請詳閱後附合併財務報告附註)  
經理人:林永昌



會計主管:何美秀



余仲林 敬啟

Authorized Signature(s) 三月三十一日及二〇一九年

五洲大藥房有限公司謹啟

經理人：林永昌

蔡其何：監生和合

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For and on behalf of  
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED  
艾美特(開曼)國際有限公司及子公司

.....合併現金流量表.....  
Authorized Signature(s)

西元二〇二〇年及二〇一九年一月一日至十二月三十一日

單位:新台幣千元

|                            | 2020年度     | 2019年度    |
|----------------------------|------------|-----------|
| 營業活動之現金流量：                 |            |           |
| 本期稅前淨利                     | \$ 223,879 | 322,824   |
| 調整項目：                      |            |           |
| 收益費損項目：                    |            |           |
| 預期信用減損損失                   | 1,521      | 16,488    |
| 折舊費用                       | 340,639    | 424,109   |
| 攤銷費用                       | 5,663      | 9,155     |
| 利息費用                       | 42,740     | 87,882    |
| 利息收入                       | (34,079)   | (42,797)  |
| 採用權益法認列之關聯企業及合資損失(利益)之份額   | 2,742      | (5)       |
| 透過損益按公允價值衡量金融資產及負債之淨損失(利益) | 554        | (9,976)   |
| 處分及報廢不動產、廠房及設備損失           | 7,663      | 4,131     |
| 不動產、廠房及設備轉列費用數             | 33,149     | 51,215    |
| 未實現銷貨利益                    | 8,936      | 13,868    |
| 已實現銷貨利益                    | (13,285)   | (10,036)  |
| 未實現外幣兌換損失(利益)              | 3,170      | (2,316)   |
| 贖回公司債利益                    | (10,959)   | -         |
| 其他收入                       | (3,222)    | (2,117)   |
| 收益費損項目                     | 385,232    | 539,601   |
| 與營業活動相關之資產及負債變動數：          |            |           |
| 與營業活動相關之資產淨變動：             |            |           |
| 強制透過損益按公允價值衡量之金融資產(增加)減少   | (70,519)   | 128,911   |
| 應收票據增加                     | (105,307)  | (26,942)  |
| 應收帳款增加                     | (413,415)  | (28,242)  |
| 應收帳款一關係人減少                 | 71,177     | 12,450    |
| 存貨(增加)減少                   | (52,691)   | 56,121    |
| 其他流動資產增加                   | (36,762)   | (67,173)  |
| 與營業活動相關之資產淨變動              | (607,517)  | 75,125    |
| 與營業活動相關之負債淨變動：             |            |           |
| 應付票據增加                     | 166,334    | 430,589   |
| 應付帳款增加                     | 122,993    | 214,982   |
| 其他應付款增加                    | 4,049      | 159,192   |
| 其他應付款一關係人(減少)增加            | (6,234)    | 3,366     |
| 負債準備增加                     | 21,709     | 13,685    |
| 合約負債增加(減少)                 | 88,451     | (145,056) |
| 其他流動負債增加                   | 44,405     | 19,223    |
| 淨確定福利負債增加                  | 2,180      | 2,100     |
| 與營業活動相關之負債淨變動              | 443,887    | 698,081   |
| 與營業活動相關之資產及負債淨變動數          | (163,630)  | 773,206   |
| 調整項目                       | 221,602    | 1,312,807 |

董事長：史瑞斌



經理人：林永昌

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會計主管：何美秀



For and on behalf of  
AIRMATE (CAYMAN) INTERNATIONAL CO LIMITED  
艾美特(開曼)國際有限公司及子公司

.....合併現金流量表(續).....  
Authorized Signature(s)

西元二〇二〇年及二〇一九年一月一日至十二月三十一日

單位:新台幣千元

|                  | 2020年度      | 2019年度      |
|------------------|-------------|-------------|
| 營運產生之現金          | 445,481     | 1,635,631   |
| 收取之利息            | 34,079      | 42,797      |
| 支付之利息            | (45,360)    | (83,773)    |
| 支付之所得稅           | (42,535)    | (138,063)   |
| 營業活動之淨現金流入       | 391,665     | 1,456,592   |
| 投資活動之現金流量：       |             |             |
| 取得不動產、廠房及設備      | (166,584)   | (247,465)   |
| 處分不動產、廠房及設備      | 54,553      | 15,729      |
| 取得無形資產           | (1,627)     | -           |
| 取得使用權資產          | (84,008)    | (773,395)   |
| 其他金融資產減少(增加)     | 151,551     | (249,957)   |
| 其他非流動資產(增加)減少    | (10,064)    | 1,913       |
| 投資活動之淨現金流出       | (56,179)    | (1,253,175) |
| 籌資活動之現金流量：       |             |             |
| 短期借款增加           | 1,770,858   | 1,172,824   |
| 短期借款減少           | (1,993,948) | (1,882,259) |
| 發行公司債            | 396,572     | 295,780     |
| 償還公司債            | (443,200)   | -           |
| 償還長期借款           | (42,730)    | (45,295)    |
| 存入保證金增加          | 15,517      | 13,500      |
| 其他非流動負債增加(減少)    | 45,874      | (13,201)    |
| 發放現金股利           | (109,480)   | -           |
| 現金增資             | -           | 318,805     |
| 員工執行認股權          | -           | 6,164       |
| 員工購買庫藏股          | -           | 33,051      |
| 取得子公司股權          | (18,948)    | -           |
| 非控制權益變動          | -           | (614)       |
| 籌資活動之淨現金流出       | (379,485)   | (101,245)   |
| 匯率變動之影響          | 74,772      | (107,001)   |
| 本期現金及約當現金增加(減少)數 | 30,773      | (4,829)     |
| 期初現金及約當現金餘額      | 412,939     | 417,768     |
| 期末現金及約當現金餘額      | \$ 443,712  | 412,939     |

董事長：史瑞斌



(請詳閱後附合併財務報告附註)

經理人：林永昌



會計主管：何美秀



# Attachment IV Earnings Distribution Table

Airmate (Cayman) International Co Limited  
2020 Earnings Distribution Statement

Unit: NT\$ thousand

| Item                                                                                                                              | Amount       |                    |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------|
| <b>Undistributed earnings at the end of the period</b>                                                                            |              | <b>100,696,112</b> |
| Plus (less):                                                                                                                      |              |                    |
| Changes of re-measurement number of defined benefit plan for the period                                                           | (1,728,420)  |                    |
| Difference between the price received from acquisition or disposal of interest in subsidiaries and book value                     | (3,660,060)  |                    |
| Conversion from the revolving special surplus reserve - the translation of the financial statements of a foreign operating agency | 102,334,225  |                    |
| Current tax after-tax profit                                                                                                      | 156,239,275  |                    |
| <b>Distributable earnings</b>                                                                                                     |              | <b>353,881,132</b> |
| Plus (less):                                                                                                                      |              |                    |
| Recognition of legal reserve                                                                                                      | (15,085,080) |                    |
| Distribution items:                                                                                                               |              |                    |
| Shareholder dividend - cash dividend (NT\$ 0.6 per share)                                                                         | (83,752,590) |                    |
| Shareholder Dividend-Stock Dividend (NT\$0.4 per share)                                                                           | (55,835,060) |                    |
| <b>Undistributed earnings at the end of the period</b>                                                                            |              | <b>199,208,402</b> |

Impact of Stock Dividends Issuance by the resolution of the shareholders on the Company's business performance and earnings per share:

Unit: except the cash dividends per share in NT \$, the rest is in NT \$1000

| Item                                       |                                                                                        | Year                        | 2019        | 2020<br>(Forecast) |
|--------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------|-------------|--------------------|
| Beginning paid-up capital                  |                                                                                        |                             | 1,228,436   | 1,368,506          |
| Allotment and dividend of the current year | Cash dividend per share (Note 1)                                                       |                             | 0.8         | 0.6                |
|                                            | Allotment per share for recapitalization of earnings (Note 1)                          |                             | 0.02 shares | 0.04 shares        |
|                                            | Allotment per share for recapitalization of capital reserve                            |                             | 0           | 0                  |
| Changes in business performance            | Operating Profit                                                                       |                             | (Note II)   | (Note II)          |
|                                            | Increase (decrease) rate of operating profit compared with the same period last year   |                             |             |                    |
|                                            | Profit after tax                                                                       |                             |             |                    |
|                                            | Increase (decrease) rate of profit after tax compared with the same period last year   |                             |             |                    |
|                                            | Earnings per share                                                                     |                             |             |                    |
|                                            | Increase (decrease) rate of earnings per share compared with the same period last year |                             |             |                    |
|                                            | Earnings per share                                                                     |                             |             |                    |
|                                            | Increase (decrease) rate of earnings per share compared with the same period last year |                             |             |                    |
| Proposed earnings per                      | Average annual return on investment (average annual PE ratio)                          |                             |             |                    |
|                                            | If completely changing                                                                 | Proposed earnings per share |             |                    |

|                    |                                                                                                           |                                              |  |  |
|--------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------|--|--|
| share and PE ratio | recapitalization of surplus to cash dividend                                                              | Proposed average annual return on investment |  |  |
|                    | If without recapitalization of capital reserve                                                            | Proposed earnings per share                  |  |  |
|                    |                                                                                                           | Proposed average annual return on investment |  |  |
|                    | If without recapitalization of capital reserve and changing recapitalization of surplus to cash dividends | Proposed earnings per 2 shares               |  |  |
|                    |                                                                                                           | Proposed average annual return on investment |  |  |

Note 1: The calculation is based only on the forecast approved by the Board of Directors and has not been resolved by the shareholders' meeting.

Note 2: The financial forecast is not disclosed and there is no need to disclose the forecast information.

## **Attachment V: New Amendments to the "Corporate Social Responsibility Best Practice Principles"**

### **Airmate (Cayman) International Co Limited Corporate Social Responsibility Best Practice Principles**

#### **Chapter I General Provisions**

##### **Article 1**

In order to fulfill its corporate social responsibility and promote the balance and sustainable development of economy, society, and environment, the company has formulated the Principles in compliance with the practice principles of the Corporate Social Responsibility for Listed Companies formulated by the competent authorities of the Republic of China, without violating the applicable laws of the Cayman Islands, in order to manage its economic, environmental, social risks and impacts.

##### **Article 2**

The Principles applies to the entire operations of the Company and its group companies. The Principles encourages the Company to actively fulfill its corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

##### **Article 3**

The Company fulfills its corporate social responsibility and pays attention to the rights and interests of stakeholders. While pursuing sustainable development and profit, the Company values topics pertaining to the environment, society, and corporate governance and incorporates them into its management approaches and operating activities.

The Company shall, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations and formulate relevant risk management policies or strategies.

#### Article 4

The company's practice of corporate social responsibility should be based on the following principles:

1. Implement and promote corporate governance.
2. Develop a sustainable environment.
3. Maintain social welfare.
4. Strengthen the disclosure of corporate social responsibility information.

#### Article 5

The Company shall abide by the laws and regulations, as well as the contract signed with the competent authority of Taiwan and related regulations, and shall consider the development trend of corporate social responsibility at home and abroad, the Company itself and the overall operating activities of its group companies to formulate the corporate social responsibility policies, systems or related management policies and specific promotion plans, which shall be approved by the Board of Directors and submitted to the shareholders' meeting.

When a shareholder proposes a motion involving corporate social responsibility, the Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.

### Chapter II Implementation of Corporate Governance

#### Article 6

The Company shall follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and related ethical standards, so as to enhance corporate governance.

#### Article 7

The directors of the Company shall perform the duty of care of a good manager to urge the Company to carry out its social responsibility, review the effectiveness of its implementation and make continuous improvement to ensure the implementation of corporate social responsibility policies.

The Board of Directors shall, during the Company's implementation of the corporate social responsibility, fully take into account the interests of stakeholders as follows:

- I. The Company has incorporated CSR into its business activities and developmental activities.
- II. Proposed CSR mission (or vision and value) and proposed a Declaration of Corporate Social Responsibility.
- III. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The Board of Directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the Board of Directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

#### Article 8

In order to improve the management of corporate social responsibility, the Company shall establish a full-time (part-time) unit to promote corporate social responsibility, which shall be responsible for proposing and implementing corporate social responsibility policies, systems or related management policies and specific promotion plans, and report to the Board of Directors regularly.

The Company shall formulate reasonable remuneration policies, to ensure that remuneration planning can be in line with the organizational strategic goals and stakeholders' interests.

#### Article 9

The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

#### Article 10

The Company shall comply with relevant laws and regulations and observe the following guidelines to maintain a fair competition environment:

- I. Avoid engaging in acts that violate unfair competition.
- II. Realistically fulfill tax responsibilities.
- III. Act against corruption and bribery and build an appropriate management system.
- IV. Corporate donations that conform to internal processing procedures.

#### Article 11

The Company shall regularly conduct corporate ethics education and training for directors and employees, and promote the matters mentioned in the preceding paragraph, and combine it with the employee performance appraisal system, so as to establish a clear and effective reward and punishment system.

### Chapter III Development of A Sustainable Environment

#### Article 12

The Company shall comply with relevant environmental laws and regulations and relevant international standards and norms, appropriately protect the natural environment, and shall be committed to the goal of environmental sustainability in the implementation of business activities.

#### Article 13

The Company shall be committed to improving the efficiency of the use of various resources, and the use of recycled materials with low impact on the environmental load, so as to achieve the sustainable use of the earth's resources.

#### Article 14

The Company should establish an appropriate environmental management system based on its industrial characteristics. The Company's environmental management system should include the following items:

- I. Collect and evaluate sufficient and immediate data on the effects of operating activities on the natural environment.
- II. Establish measurable goals and regularly review the continuity and relevance of these goals.
- III. Adopting enforcement measures, such as concrete plans or action plans, and examining the results of performance on a regular basis.

#### Article 15

The Company shall appoint a dedicated environmental management unit or team of personnel to establish, execute, and maintain environmental management system and specific action plans,

and shall offer the management and employees environmental education classes.

#### Article 16

The Company should consider the impact on ecological benefits, promote and educate consumers on the concept of sustainable consumption, and engage in R&D, production and service activities in accordance with the following principles to reduce the impact of Company operations on the natural environment:

- I. Reduce the resource and energy consumption of products and services.
- II. Reducing emission of pollutants, toxins and waste, and disposing of waste properly.
- III. Improving recyclability and reusability of raw materials or products.
- IV. Maximizing the sustainability of renewable resources.
- V. Enhancing the durability of products.
- VI. Improving the efficiency of products and services.

#### Article 17

In order to improve the efficiency of water use, the company should properly and sustainably use water resources and formulate relevant management measures.

The Company shall avoid pollution of water, air and land during operation; If unavoidable, it shall make the best possible efforts to minimize adverse effects on human health and the environment, adopt the best possible pollution prevention and control technologies, and take into account the cost effectiveness and technical and financial feasibility.

#### Article 18

The Company shall pay attention to the impact of climate change on its business activities, and formulate strategies for energy saving and carbon reduction and greenhouse gas reduction based on the operation status and the results of greenhouse gas inventory, and incorporate the acquisition of carbon rights into the Company's carbon reduction strategy plan, and promote the strategy accordingly, so as to reduce the impact of the Company's operations on the natural environment.

### Chapter IV Maintaining Social Welfare

#### Article 19

The Company shall abide by relevant labor laws and regulations, protect the legitimate rights and interests of employees, and respect the internationally recognized principles of basic labor force's human rights, and shall not commit violations against the fundamental labor rights. The Company's human resources policy should respect basic labor human rights protection principles and establish appropriate management methods and procedures.

The company shall provide an effective and appropriate complaint mechanism for situations that endanger labor rights and interests to ensure that the complaint process is equal and transparent. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

#### Article 20

This Company shall provide employees with information so that they understand the rights they enjoy under the labor laws of the Company's operating country.

#### Article 21

The Company shall provide employees with a safe and healthy working environment, including providing necessary health and first aid facilities, and shall endeavor to reduce the hazards to employee safety and health to prevent occupational disasters.

The Company shall organize training on safety and health for employees on a regular basis.

#### Article 22

The Company shall create a good environment for the career development of employees and establish effective career development training programs.

#### Article 23

This company shall establish a regular employee communication channel so employees can receive information and express opinions on the company's operation and management activities and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees, and employee representatives.

The company shall notify employees of operational changes that may have a significant impact on employees in a reasonable manner.

#### Article 24

The Company shall take responsibility for its products and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

#### Article 25

The Company shall ensure product and service quality based on government regulations and industry related specifications.

The product or service marketing and advertising conducted by this company shall follow relevant government laws and international guidelines, and shall not engage in deceptive, misleading, or fraudulent behavior that damages consumers' trust or consumers' rights and interests.

#### Article 26

The Company shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints and shall comply with laws and regulations for respecting consumers' rights of privacy and protect personal information provided by consumers.

#### Article 27

The Company is advised to assess the impact its procurement has on society as well as the environment of the community that it is purchasing from, and shall cooperate with suppliers to jointly implement the corporate social responsibility.

The Company shall formulate a supplier management policy that requires suppliers to follow relevant regulations on issues, including environmental protection, occupational safety and health, or human rights of labor. Prior to business dealings, the Company shall assess whether its suppliers have a record of causing an impact on the environment and society and shall avoid transactions with enterprises whose CSR policies are in conflict with its ones.

When the Company signs a contract with its main supplier, the content should include the terms of compliance with the corporate social responsibility policies of both parties, and if the supplier violates the policy and has a significant impact on the environment and society of the source community, the contract may be terminated or cancelled at any time.

#### Article 28

The Company shall evaluate and manage the impact of the Company's operations on the community and employ appropriate manpower to enhance community recognition.

This company shall use commercial activities, donations, corporate volunteer services, or other free professional services to participate in community development and community education of public organizations, charity group, and local government organizations, and to promote community development.

### Chapter V Strengthen the Disclosure of Corporate Social Responsibility Information

#### Article 29

This company shall follow relevant regulations and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies in handling information disclosure, and shall adequately disclose important and reliable CSR related information to increase information transparency. This company shall disclose the following CSR related information:

- I. Any CSR policy, system, guideline and action plan approved by the Board of Directors.
- II. The risks and the impact on the corporate operations and financial conditions arising from exercising corporate governance, fostering a sustainable environment, and preserving social public welfare.
- III. The Company's goals, actions and performance toward corporate social responsibility.
- IV. The main stakeholders and their concerns.
- V. Suppliers are required to disclose information on the management and performance of major environmental and social issues.
- VI. Other corporate social responsibility related information.

#### Article 30

The Company shall adopt widely recognized international standards or guidelines when producing a CSR report to disclose the status of its implementation of the CSR policy. It shall also obtain a third-party assurance or verification of the report to enhance the reliability of the information in the report. The reports are advised to include:

- I. The Company's CSR policies, systems, guidelines and action plans.
- II. The main stakeholders and their concerns.
- III. Review of the Company's progress with respect to corporate governance and contributions to environmental sustainability, public welfare and the economy.
- IV. Directions and goals for future improvements.

### Chapter VI Supplementary Provisions

#### Article 31

The company shall keep notice of domestic and international CSR system development and changes in corporate environment at all times to facilitate review and improvement of the company's established CSR system and improve CSR results.

#### Article 32

The Principles shall be delivered to the Audit Committee for discussion and submitted to the Board of Directors for approval before implementation. It shall also be submitted to the shareholders' meeting. The same shall apply to any revision.

## **Attachment VI New amendments to the “Procedures for Ethical Management and Guidelines for Conduct”**

### **Article 1 Purpose**

This Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Company and its business groups and organizations operate, with a view to providing all personnel of this Company with clear directions for the performance of their duties.

### **Article 2 Scope of Application**

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Company, any incorporated foundation in which this Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Company.

### **Article 3 Applicable Objects**

For the purposes of these Procedures and Guidelines, the term "the Company's personnel" refers to any managerial officer, employee, mandataries or person having substantial control, of the Company or its group enterprises and organizations. Any provision, promise, request, or acceptance of improper benefits by any of the Company's personnel through a third party will be presumed to be an act by the Company's personnel.

### **Article 4 Unethical conduct**

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

## Article 5 Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

## Article 6 Responsible Unit

The Company shall designate the Audit Department for the specialized unit (hereinafter referred to as the specialized unit of the Company) to handle the revision, execution, interpretation, consulting service and notification content registration and file construction of this operating procedure and behavior guide, and supervise the implementation and shall regularly report to the Board of Directors.

- 6.1 Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- 6.2 Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
- 6.3 Promoting and coordinating awareness and educational activities with respect to ethics policy.
- 6.4 Developing a whistle-blowing system and ensuring its operating effectiveness.
- 6.5 Assist the Board of Directors and management to check and evaluate whether the preventive measures established by honest business are operating effectively, and regularly evaluate and comply with relevant business processes and prepare reports.

## Article 7 Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- 7.1 Based on business needs, offering and accepting bribes in accordance with local courtesies, customs, and habits during domestic/foreign visits, guest-hosting, and promoting business and communication.
- 7.2 Normal social events attended or held and inviting others based on social etiquette, business purposes, or improving relationships.

- 7.3 Inviting guests or being invited to participate in specific business activities or factory tours due to business needs. Fees and payment methods for such activities shall be clearly stated before the event, including the number of participants, level of accommodation, and duration, etc. 7.4 Attendance at folk festivals that are open to and invite the attendance of the general public.
- 7.5 Rewards, emergency assistance, condolence payments, or honorariums of the management.
- 7.6 Other conduct that complies with the rules of the Company.

#### Article 8 Procedures for Handling the Acceptance of Improper Benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of this Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

- a) If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- b) If there is a relationship of interest between the party offering or promising the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the dedicated unit. When the benefit cannot be returned, the personnel shall refer the matter to the responsible unit within three days after accepting the benefit for further action

The aforementioned job stake refers to any one of the following:

- a) When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- b) When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- c) Other circumstances in which a decision regarding Merry's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The dedicated unit of the Company shall, depending on the nature and value of the first benefit, propose a return, payment acceptance, confiscation, donation to charity or other appropriate recommendations, and report to the General Manager or the top competent supervisor of each branch/plant area for approval before implementation.

#### Article 9 Prohibition of Facilitation Payments and Handling Procedures

The Company shall not offer or promise to offer any bribery.

Personnel of the Company who provide or promise bribes because of threats or intimidation shall record the process and report to their direct supervisor as well as notify the Company's dedicated unit.

The Company's dedicated unit shall handle the matter immediately when a report of the aforementioned items is received. The dedicated unit shall discuss the event to lower the risk of recurrence. In a case involving alleged illegality, the dedicated unit shall also immediately report to the relevant judicial agency.

#### Article 10 Procedures for handling charitable donations or sponsorships

The charitable donation or sponsorship provided by the Company shall be handled in accordance with the following matters, and reported to the General Manager or the top manager of each branch/plant area for approval, and a notification shall be given to the Company's dedicated unit. When the amount is NT\$1 million or more, the donation or sponsorship shall be provided only after it has been submitted for adoption in accordance with the provisions of the approval authority:

10.1 Shall comply with the local laws of the operating site.

10.2 A written record of the decision shall be made.

10.3 Charitable donations shall be made to charitable organizations and may not be used as disguised bribes.

10.4 Considering what can be gained in exchange for sponsorship must be clearly defined and reasonable. The recipient of sponsorship cannot be a business partner or person with interests in the Company.

10.5 After the donation or sponsorship has been granted, it must be confirmed that the funds are used in accordance with the intended purpose.

#### Article 11 Recusal

If in the course of conducting company business, any personnel of this Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

#### Article 12 Special unit in charge of confidentiality regime and its responsibilities

The Company shall set up a legal office charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

The personnel of this Company should strictly abide by the relevant operating regulations of the Company's commercial secrets and must not disclose the Company's commercial secrets that they know to others and must not inquire or collect Company commercial secrets that are not related to their duties.

#### Article 13 Prohibition Against Divulging Commercial Secrets

This Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### Article 14 Prohibition against Insider Trading

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all the guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

#### Article 15 Confidentiality Agreement

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Such personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such

information without the prior consent of the Company.

**Article 16    Announcement of policy of ethical management to outside parties**

The Company shall disclose its integrity management policy in internal regulations, Annual Reports, company websites or other publications, and announce it at product launch conferences, legal person briefings and other external events in a timely manner to enable suppliers, customers, or other business-related organizations and personnel to clearly understand its integrity management philosophy and norms.

**Article 17    Ethical management evaluation prior to development of commercial relationships**

Before the Company establishes a business relationship with others, it should first evaluate the legality of its agents, suppliers, customers or other business dealings, as well as their ethical management policies, and ascertain whether they have a record of involvement in unethical conduct in order to ensure that they conduct business in a fair and transparent manner and do not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

17.1 The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.

17.2 Whether the enterprise has adopted an ethical management policy, and the status of its implementation.

17.3 Whether enterprise's business operations are located in a country with a high risk of corruption.

17.4 Whether the business operated by the enterprise is in an industry with a high risk of bribery.

17.5 The long-term business condition and degree of goodwill of the enterprise.

17.6 Consultation with the enterprise's business partners on their opinion of the enterprise.

17.7 Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

**Article 18    Statement of ethical management policy to counterparties in commercial dealings**

While conducting businesses, the Company's personnel shall clarify the Company's ethical management policy and other related regulations to the transaction partner.

Company personnel shall clearly refuse to directly or indirectly offer, promise to offer, request, or accept any forms of improper benefits.

#### Article 19 Avoidance of commercial dealings with unethical operators

The Company's personnel shall avoid businesses with agents, suppliers, customers, or other entities who engage in unethical conduct. Any existing business shall be stopped and the entities shall be listed on the banned list to implement the Company's ethical management policy.

#### Article 20 Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

- 20.1 When each party is aware of the violation of the prohibition of acceptance of commissions, rebates or other improper contract benefits, they shall promptly inform other parties of their identity, offer, promise, demand or acceptance, amount or other improper interests, and provide relevant evidence and cooperate with other parties' investigations. If there has been resultant damage to either party, the party may claim from the other party twenty percent of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.
- 20.2 Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- 20.3 Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

#### Article 21 Handling of Unethical Conduct by Personnel of the Company

The Company encourages internal and external personnel to report dishonest behavior or misconduct, and according to the severity of the reported violations, and a reward shall be given to the reporting person in accordance with the Employee Handbook. If internal personnel make false reports or malicious accusations, they shall be subject to disciplinary sanctions. In severe cases, the person can be dismissed.

This Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports (the QR code is shown below, as is the company website).

The informant can report by name or unnamed, and the following information should be provided when making a report:

- a) The informed party's name or other information sufficient to distinguish its

identifying features.

- b) Specific facts available for investigation.

The relevant personnel of the Company handling whistle-blowing shall make a written statement that the identity of whistleblowers and the content of their whistle-blowing shall be kept confidential. The Company also promises to protect whistleblowers from improper disposal due to their whistle-blowing, and the Company's dedicated unit will handle it in accordance with the following procedures:

- a) Reporting matters involving general employees should be reported to the department head. Reporting matters involving Directors or senior executive should be reported to Independent Directors.
- b) b) The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
- c) If a person being informed of is confirmed to have indeed violated the applicable laws and regulations, or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company may institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- d) Documentation of case acceptance, investigation processes and investigation results shall be retained for 5 years and may be retained electronically. In the event of a suit in respect of the whistle-blowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- e) With respect to a confirmed information, Merry shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.



Article 22 Actions upon event of unethical conduct by others towards the Company

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall notify the governmental anti-corruption agency.

Article 23 Establishment of Rewards and Punishments, Appeal Systems and Disciplinary Sanctions

The Company shall organize an internal promotion every year and arrange for the Chairman, General Manager or senior management like Directors, employees and appointed to convey the importance of integrity.

The Company should incorporate integrity management into employee performance appraisal and human resources policies and establish clear and effective rewards, punishments and appeal systems.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

Article 24 Implementation

These Procedures and Guidelines of Conduct shall be implemented after being passed as a board resolution by the Audit Committee and the Board of Directors, and shall be reported at the shareholder's meeting; the same is true for amendments.

## Attachment VII: Details of the Lifting of the Non-competition Prohibitions

| Name of Director   | Concurrent Positions Held                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shih Jui-Pin       | Chairman of Airmate International Holding Co.,Ltd<br>Chairman of Airmate China International Co.,Ltd<br>Chairman of Waon Development Ltd<br>Chairman of WAON DEVELOPMENT LIMITED TAIWAN BRANCH (H.K.)<br>Chairman of Airmate Electronic Appliances (Shenzhen) Co.,Ltd.<br>Vice Chairman of Airmate Electronic Appliances (Jiujiang) Co.,Ltd<br>Chairman of TUNG FU ELECTRIC CO., LTD.<br>Representative of Pearl Place Holdings Ltd                                   |
| Cheng, Li-Ping     | Director of the Board of Waon Development Ltd<br>Director of the Board of Airmate Electronic Appliances (Jiujiang) Co.,Ltd.                                                                                                                                                                                                                                                                                                                                           |
| Tsai, Cheng-Fu     | Director of the Board of Waon Development Ltd<br>Vice Chairman of Airmate Electronic Appliances (Shenzhen) Co.,Ltd.<br>Director of the Board of Zhejiang Airmate Electronic Appliances Sales Co.,Ltd.<br>Person in Charge of Joyful Oasis Ltd.<br>Chairman of the Board of Airmate Electronic Appliances (Jiujiang) Co.,Ltd.<br>Managing Director and Legal Representative of Airmate Technological (Shenzhen) Co.,Ltd                                                |
| Shih Li, Chueh-Chu | Director of the Board of Waon Development Ltd<br>Director of TUNG FU ELECTRIC CO., LTD.                                                                                                                                                                                                                                                                                                                                                                               |
| Huang, Ching-Shu   | Chairman of HERN JUEI CO., LTD.<br>Chairman of HENG TA MOLD ENTERPRISE CO., LTD.                                                                                                                                                                                                                                                                                                                                                                                      |
| Chen, Yen-Fu       | Sales Assistant Manager, Li Pai Yi Co., Limited                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Chi, Lai-Ping      | Chairman of HMC Asia Limited<br>Independent Director of the Board of Taishin Securities Co., Ltd                                                                                                                                                                                                                                                                                                                                                                      |
| Chen, Ming-Chang   | President of Management Institute in Taipei<br>Lecture Professor of Nanhua University<br>Adjunct Professor of Taipei University<br>Straits Exchange Foundation Advisor<br>Independent Director of Shane Global Holding Inc.                                                                                                                                                                                                                                           |
| Lin, Chih-Lung     | Partner CPA, President of EVER TRUST CPAs<br>Lecturer of the Accounting Department of National Cheng Kung University<br>Director of the Board of Nang Kuang Pharmaceutical Co., Ltd.<br>Independent Director of the Board of TEKHO MARINE BIOTECH CO., LTD.<br>Director of NCKU Financial Strategies Research Foundation<br>Independent Director of the Board of CHIA HER INDUSTRIAL CO., LTD.<br>Legal Representative and Director of the Board of TOPOWER CO., LTD. |