

**Airtac International Group
and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024
and 2023 and
Independent Auditors' Review Report**

Note: The translation version is intended for reference only. If any inconsistency exists between the Chinese and English versions, the Chinese version shall govern.

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Airtac International Group

Introduction

We have reviewed the accompanying consolidated balance sheets of Airtac International Group and its subsidiaries (collectively, the “Company”) as of September 30, 2024 and 2023 the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months then ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Bo-Ren Weng and Li-Feng Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 7,659,901	13	\$ 9,191,705	16	\$ 8,171,066	14
Financial assets at fair value through profit or loss - current (Note 7)	-	-	-	-	28,251	-
Financial assets at amortized cost - current (Notes 8 and 30)	142,499	-	872,509	2	28,586	-
Notes receivable (Note 9)	3,538,715	6	2,953,117	5	4,780,360	8
Trade receivables (Notes 9 and 29)	6,877,753	12	6,932,598	12	7,353,747	13
Other receivables	36,058	-	33,920	-	28,511	-
Current tax assets (Note 4)	18,641	-	14,585	-	12,162	-
Inventories (Note 10)	6,939,986	12	6,528,334	11	6,579,761	11
Other current assets (Note 15)	310,341	1	286,736	-	289,468	1
Total current assets	25,523,894	44	26,813,504	46	27,271,912	47
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Note 8)	923,633	2	432,884	1	-	-
Property, plant and equipment (Notes 12 and 30)	29,212,477	50	28,559,818	49	28,942,763	49
Right-of-use assets (Note 13)	1,003,374	2	964,476	2	995,195	2
Investment properties (Note 14)	90,288	-	76,095	-	61,486	-
Other intangible assets	30,036	-	35,411	-	32,280	-
Deferred tax assets (Notes 4 and 23)	201,244	-	316,201	1	326,309	-
Other non-current assets (Note 15)	1,071,431	2	850,376	1	993,670	2
Total non-current assets	32,532,483	56	31,235,261	54	31,351,703	53
TOTAL	\$ 58,056,377	100	\$ 58,048,765	100	\$ 58,623,615	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 16)	\$ 4,075,144	7	\$ 11,370,798	20	\$ 10,097,071	17
Short-term bills payable (Note 16)	-	-	-	-	100,000	-
Contract liabilities - current (Note 21)	49,583	-	66,885	-	60,451	-
Notes payable (Note 17)	148,503	-	159,464	-	164,849	-
Trade payables (Note 17)	1,105,210	2	958,453	2	974,184	2
Lease liability - current (Note 13)	73,424	-	61,032	-	62,347	-
Other payables (Note 18)	4,851,461	8	1,564,102	3	4,155,200	7
Current tax liabilities (Note 4)	334,035	1	364,847	1	375,762	1
Current portion of long-term loans (Notes 16 and 30)	-	-	2,701	-	1,907	-
Other current liabilities (Note 18)	294,097	1	264,125	-	326,079	1
Total current liabilities	10,931,457	19	14,812,407	26	16,317,850	28
NON-CURRENT LIABILITIES						
Long-term loans (Notes 16 and 30)	-	-	10,004	-	10,798	-
Deferred tax liabilities (Notes 4 and 23)	386,901	1	507,524	1	567,586	1
Lease liabilities (Note 13)	93,470	-	87,835	-	99,496	-
Other non-current liabilities (Note 18)	32,792	-	34,616	-	36,425	-
Total non-current liabilities	513,163	1	639,979	1	714,305	1
Total liabilities	11,444,620	20	15,452,386	27	17,032,155	29
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Share capital	2,000,000	3	2,000,000	3	2,000,000	4
Capital surplus	14,846,145	26	14,846,145	25	14,846,145	25
Retained earnings	29,493,282	51	27,145,170	47	25,442,907	43
Other equity	265,803	-	(1,401,822)	(2)	(704,555)	(1)
Total equity attributable to owners of the Company	46,605,230	80	42,589,493	73	41,584,497	71
NON-CONTROLLING INTERESTS	6,527	-	6,886	-	6,963	-
Total equity	46,611,757	80	42,596,379	73	41,591,460	71
TOTAL	\$ 58,056,377	100	\$ 58,048,765	100	\$ 58,623,615	100

The accompanying notes are an integral part of the consolidated financial statements.

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 21 and 34)	\$ 7,380,792	100	\$ 7,563,830	100	\$ 23,014,319	100	\$ 22,471,562	100
OPERATING COSTS								
Cost of goods sold (Notes 10 and 22)	<u>3,961,586</u>	<u>54</u>	<u>4,056,162</u>	<u>54</u>	<u>12,210,607</u>	<u>53</u>	<u>12,178,297</u>	<u>54</u>
GROSS PROFIT	<u>3,419,206</u>	<u>46</u>	<u>3,507,668</u>	<u>46</u>	<u>10,803,712</u>	<u>47</u>	<u>10,293,265</u>	<u>46</u>
OPERATING EXPENSES								
(Note 22)								
Selling and marketing expenses	772,104	10	742,976	10	2,265,731	10	2,150,962	9
General and administrative expenses	307,507	4	296,593	4	877,870	4	825,490	4
Research and development expenses	266,003	4	244,154	3	755,405	3	636,829	3
Expected credit loss (gain)	<u>4,306</u>	<u>-</u>	<u>5,283</u>	<u>-</u>	<u>25,278</u>	<u>-</u>	<u>(12,788)</u>	<u>-</u>
Total operating expenses	<u>1,349,920</u>	<u>18</u>	<u>1,289,006</u>	<u>17</u>	<u>3,924,284</u>	<u>17</u>	<u>3,600,493</u>	<u>16</u>
PROFIT FROM OPERATIONS	<u>2,069,286</u>	<u>28</u>	<u>2,218,662</u>	<u>29</u>	<u>6,879,428</u>	<u>30</u>	<u>6,692,772</u>	<u>30</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Other income	40,762	-	31,697	1	133,378	1	77,743	-
Other gains and losses	95,243	1	274,445	4	469,501	2	85,269	-
Finance costs	<u>(26,200)</u>	<u>-</u>	<u>(50,051)</u>	<u>(1)</u>	<u>(104,376)</u>	<u>(1)</u>	<u>(137,667)</u>	<u>-</u>
Total non-operating income and expenses	<u>109,805</u>	<u>1</u>	<u>256,091</u>	<u>4</u>	<u>498,503</u>	<u>2</u>	<u>25,345</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,179,091	29	2,474,753	33	7,377,931	32	6,718,117	30
INCOME TAX EXPENSE (Notes 4 and 23)	<u>446,833</u>	<u>6</u>	<u>535,242</u>	<u>7</u>	<u>1,555,591</u>	<u>6</u>	<u>1,451,967</u>	<u>6</u>
NET PROFIT FOR THE PERIOD	<u>1,732,258</u>	<u>23</u>	<u>1,939,511</u>	<u>26</u>	<u>5,822,340</u>	<u>26</u>	<u>5,266,150</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Exchange differences arising on translation to the presentation currency	842,371	12	1,296,277	17	2,028,573	9	82,933	-
Items that may be reclassified subsequently to profit or loss:								

(Continued)

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange differences on translating foreign operations	(142,973)	(2)	(242,461)	(3)	(360,995)	(2)	(3)	-
Other comprehensive income for the period, net of income tax	699,398	10	1,053,816	14	1,667,578	7	82,930	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,431,656</u>	<u>33</u>	<u>\$ 2,993,327</u>	<u>40</u>	<u>\$ 7,489,918</u>	<u>33</u>	<u>\$ 5,349,080</u>	<u>24</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 1,732,370	23	\$ 1,939,625	26	\$ 5,822,652	25	\$ 5,266,445	23
Non-controlling interests	(112)	-	(114)	-	(312)	-	(295)	-
	<u>\$ 1,732,258</u>	<u>23</u>	<u>\$ 1,939,511</u>	<u>26</u>	<u>\$ 5,822,340</u>	<u>25</u>	<u>\$ 5,266,150</u>	<u>23</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owner of the Company	\$ 2,431,788	33	\$ 2,993,472	40	\$ 7,490,277	33	\$ 5,349,378	24
Non-controlling interests	(132)	-	(145)	-	(359)	-	(298)	-
	<u>\$ 2,431,656</u>	<u>33</u>	<u>\$ 2,993,327</u>	<u>40</u>	<u>\$ 7,489,918</u>	<u>33</u>	<u>\$ 5,349,080</u>	<u>24</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 8.66</u>		<u>\$ 9.70</u>		<u>\$ 29.11</u>		<u>\$ 26.33</u>	
Diluted	<u>\$ 8.66</u>		<u>\$ 9.70</u>		<u>\$ 29.10</u>		<u>\$ 26.33</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
						Other Equity		Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translating Foreign Operations	Remeasurement of Defined Benefits Plans			
	Share Capital		Capital Surplus (Note 20)	Retained Earnings	Unappropriated Earnings					
	Shares (In Thousands)	Ordinary Shares		Special Reserve						
BALANCE AT JANUARY 1, 2023	200,000	\$ 2,000,000	\$ 14,846,145	\$ -	\$ 22,867,172	\$ (793,750)	\$ 6,262	\$ 38,925,829	\$ 7,261	\$ 38,933,090
Appropriation of 2022 earnings										
Special reserve	-	-	-	32,712	(32,712)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(2,690,710)	-	-	(2,690,710)	-	(2,690,710)
Net profit for the nine months ended September 30, 2023	-	-	-	-	5,266,445	-	-	5,266,445	(295)	5,266,150
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	82,933	-	82,933	(3)	82,930
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	5,266,445	82,933	-	5,349,378	(298)	5,349,080
BALANCE AT SEPTEMBER 30, 2023	200,000	\$ 2,000,000	\$ 14,846,145	\$ 32,712	\$ 25,410,195	\$ (710,817)	\$ 6,262	\$ 41,584,497	\$ 6,963	\$ 41,591,460
BALANCE AT JANUARY 1, 2024	200,000	\$ 2,000,000	\$ 14,846,145	\$ 32,712	\$ 27,112,458	\$ (1,408,084)	\$ 6,262	\$ 42,589,493	\$ 6,886	\$ 42,596,379
Appropriation of 2023 earnings										
Cash dividends distributed by the Company	-	-	-	-	(3,474,540)	-	-	(3,474,540)	-	(3,474,540)
Net profit for the nine months ended September 30, 2024	-	-	-	-	5,822,652	-	-	5,822,652	(312)	5,822,340
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	1,667,625	-	1,667,625	(47)	1,667,578
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	5,822,652	1,667,625	-	7,490,277	(359)	7,489,918
BALANCE AT SEPTEMBER 30, 2024	200,000	\$ 2,000,000	\$ 14,846,145	\$ 32,712	\$ 29,460,570	\$ 259,541	\$ 6,262	\$ 46,605,230	\$ 6,527	\$ 46,611,757

The accompanying notes are an integral part of the consolidated financial statements.

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,377,931	\$ 6,718,117
Adjustments for:		
Depreciation expenses	1,897,013	1,780,472
Amortization expenses	10,831	13,165
Expected credit loss (gain)	25,278	(12,788)
Net gain on financial assets at fair value through profit or loss	-	(11,659)
Finance costs	104,376	137,667
Interest income	(133,378)	(77,743)
Loss on disposal of property, plant and equipment	87,253	114,197
Loss on disposal of investment properties	2,506	-
Write-down of inventories	28,534	9,142
Net gain on foreign currency exchange	24	8,733
Loss on amendment of lease agreement	(266)	(55)
Changes in operating assets and liabilities:		
Increase in notes receivables	(443,230)	(1,829,169)
(Increase) decrease in trade receivables	336,339	(1,213,487)
Increase in other receivables	(15,091)	(1,520)
(Increase) decrease in inventories	(140,341)	677,626
(Increase) decrease in other current assets	(10,429)	34,166
Decrease in contract liabilities	(19,972)	(17,845)
Decrease in notes payables	(17,862)	(41,029)
Increase (decrease) in trade payables	101,924	(112,655)
Increase (decrease) in other payables	(215,321)	29,863
Increase (decrease) in deferred revenue	(3,332)	36,251
Increase (decrease) in other current liabilities	17,688	(1,057)
Cash generated from operations	8,990,475	6,240,392
Interest received	116,040	68,916
Interest paid	(113,986)	(139,425)
Income tax paid	(1,623,107)	(1,461,913)
Net cash generated from operating activities	<u>7,369,422</u>	<u>4,707,970</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets measured at amortized cost	(3,087,746)	(505,322)
Proceeds on sale of financial assets at amortized cost	3,412,940	727,822
Proceeds from sale of financial assets at fair value through profit or loss	-	13,602
Payments for property, plant and equipment	(1,965,622)	(1,922,616)
Proceeds from disposal of property, plant and equipment	235,800	36,595
Increase in refundable deposits	(10,606)	(10,737)
Decrease in refundable deposits	15,710	8,690
Acquisitions of intangible assets	(4,193)	(3,635)

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AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2024	2023
Acquisitions of right-of-use assets	-	(49,492)
Proceeds from sale of investment properties	38,997	-
Increase in prepayments for equipment	<u>(184,790)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,549,510)</u>	<u>(1,705,093)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	(7,346,324)	(681,640)
Repayment of short-term bills payables	-	(400,000)
Proceeds from long-term loans	-	12,705
Repayment of long-term loans	(12,705)	-
Repayment of the principal portion of lease liability	<u>(60,555)</u>	<u>(67,403)</u>
Net cash used in financing activities	<u>(7,419,584)</u>	<u>(1,136,338)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>67,868</u>	<u>(40,924)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,531,804)	1,825,615
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,191,705</u>	<u>6,345,451</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 7,659,901</u>	<u>\$ 8,171,066</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(Reviewed, Not Audited)

1. GENERAL

Airtac International Group (the “Company,” the Company and its subsidiaries are collectively referred to as the “Group”) was incorporated on September 16, 2009 in British Cayman Islands under reorganization mainly for the purpose of applying for listing on Taiwan Stock Exchange (“TWSE”). Admire Fame International Limited (“Admire Fame”), the Company’s parent company decided on December 23, 2009 with the approval of the shareholders to convert all stocks of Admire Fame to the stocks of the Company at the ratio of 1:1 (referred to as “stock swap” hereunder), and decided to dissolve and liquidate Admire Fame in 2010. Following the stock swap and reorganization, the Company becomes the holding company of a group of enterprises and engages in investment. The main businesses of other companies under the Group are set out in Note 11.

The Company’s stocks were listed on TWSE in December 2010.

The functional currency of the Company is RMB. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s stocks are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and issued on November 8, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the FSC.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17—Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11, Table 2 and Table 8 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1. Classification of current and non-current assets and liabilities

Current assets include:

- (1) Assets held primarily for the purpose of trading;
- (2) Assets expected to be realized within 12 months after the reporting period; and
- (3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- (1) Liabilities held primarily for the purpose of trading;
- (2) Liabilities due to be settled within 12 months after the reporting period; and
- (3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

(1) Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

(2) Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 828	\$ 640	\$ 865
Check accounts	34,762	51,277	56,876
Demand deposits	3,517,661	4,368,442	2,266,648
Cash equivalent (investments with original maturities of less than 3 months)			
Time deposits	4,106,650	4,771,346	5,846,677
	<u>\$ 7,659,901</u>	<u>\$ 9,191,705</u>	<u>\$ 8,171,066</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
— Foreign exchange forward contracts	\$ -	\$ -	\$ 28,251

At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

September 30, 2023:

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	RMB /NTD	2023.10.06	RMB 220,000/ NTD 943,558

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturity of more than 3 month	\$ 6,781	\$ 6,382	\$ 6,511
Restricted bank deposits	-	-	22,075
Structured deposits	135,718	866,127	-
	<u>\$ 142,499</u>	<u>\$ 872,509</u>	<u>\$ 28,586</u>
<u>Non-current</u>			
Time deposits with original maturity of more than 3 month	<u>\$ 923,633</u>	<u>\$ 432,884</u>	<u>\$ -</u>

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Notes receivable - operating	\$ 3,561,915	\$ 2,975,886	\$ 4,802,810
Less: Allowance for impairment loss	(23,200)	(22,769)	(22,450)
	<u>\$ 3,538,715</u>	<u>\$ 2,953,117</u>	<u>\$ 4,780,360</u>

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 6,979,502	\$ 7,005,083	\$ 7,415,087
Less: Allowance for impairment loss	(<u>101,749</u>)	(<u>72,485</u>)	(<u>61,340</u>)
	<u>\$ 6,877,753</u>	<u>\$ 6,932,598</u>	<u>\$ 7,353,747</u>

The average credit period of sales of goods was 30 to 180 days. No interest was charged on trade receivables. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2024

	Not Past Due	Less than 90 days	91 to 180 days	181 to 365 days	366 to 547 days	548 to 730 days	Over 731 days	Total
Expected credit loss rate	0.05%	1.63%	33.27%	50.44%	95.05%	98.83%	100%	
Gross carrying amount	\$ 9,788,263	\$ 556,022	\$ 75,666	\$ 71,666	\$ 5,289	\$ 11,549	\$ 32,962	\$ 10,541,417
Loss allowance (Lifetime ECL)	(<u>5,148</u>)	(<u>9,075</u>)	(<u>25,172</u>)	(<u>36,151</u>)	(<u>5,027</u>)	(<u>11,414</u>)	(<u>32,962</u>)	(<u>124,949</u>)
Amortized cost	<u>\$ 9,783,115</u>	<u>\$ 546,947</u>	<u>\$ 50,494</u>	<u>\$ 35,515</u>	<u>\$ 262</u>	<u>\$ 135</u>	<u>\$ 130</u>	<u>\$ 10,416,468</u>

December 31, 2023

	Not Past Due	Less than 90 days	91 to 180 days	181 to 365 days	366 to 547 days	548 to 730 days	Over 731 days	Total
Expected credit loss rate	0.18%	3.61%	52.33%	74.85%	86.93%	89.81%	100%	
Gross carrying amount	\$ 9,343,633	\$ 564,372	\$ 22,413	\$ 12,813	\$ 2,671	\$ 4,159	\$ 30,908	\$ 9,980,969
Loss allowance (Lifetime ECL)	(<u>16,572</u>)	(<u>20,398</u>)	(<u>11,729</u>)	(<u>9,590</u>)	(<u>2,322</u>)	(<u>3,735</u>)	(<u>30,908</u>)	(<u>95,254</u>)
Amortized cost	<u>\$ 9,327,061</u>	<u>\$ 543,974</u>	<u>\$ 10,684</u>	<u>\$ 3,223</u>	<u>\$ 349</u>	<u>\$ 424</u>	<u>\$ 130</u>	<u>\$ 9,885,715</u>

September 30, 2023

	Not Past Due	Less than 90 days	91 to 180 days	181 to 365 days	366 to 547 days	548 to 730 days	Over 731 days	Total
Expected credit loss rate	0.15%	3.65%	50.81%	73.09%	86.93%	89.81%	100%	
Gross carrying amount	\$ 11,749,619	\$ 405,469	\$ 19,564	\$ 4,810	\$ 1,653	\$ 4,280	\$ 32,502	\$ 12,217,897
Loss allowance (Lifetime ECL)	(17,734)	(14,817)	(9,941)	(3,515)	(1,437)	(3,844)	(32,502)	(83,790)
Amortized cost	<u>\$ 11,731,885</u>	<u>\$ 390,652</u>	<u>\$ 9,623</u>	<u>\$ 1,295</u>	<u>\$ 216</u>	<u>\$ 436</u>	<u>\$ —</u>	<u>\$ 12,134,107</u>

The movements of the loss allowance of note receivables were as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 22,769	\$ 22,587
Less: Net remeasurement of loss allowance	(573)	(171)
Effects of foreign currency exchange differences	1,004	34
Balance at September 30	<u>\$ 23,200</u>	<u>\$ 22,450</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Nine months Ended September 30	
	2024	2023
Balance at January 1	\$ 72,485	\$ 72,972
Add: Amounts recovered	-	659
Add: Net remeasurement of loss allowance	25,851	-
Less: Impairment losses reversed	-	(12,617)
Less: Amounts written off	(33)	-
Effects of foreign currency exchange differences	3,446	326
Balance at September 30	<u>\$ 101,749</u>	<u>\$ 61,340</u>

10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 2,530,276	\$ 2,486,844	\$ 1,801,295
Finished goods	2,664,595	2,212,975	2,636,441
Work in progress	<u>1,745,115</u>	<u>1,828,515</u>	<u>2,142,025</u>
	<u>\$ 6,939,986</u>	<u>\$ 6,528,334</u>	<u>\$ 6,579,761</u>

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2024 and 2023 were \$3,961,586 thousand, \$4,056,162 thousand, \$12,210,607 thousand and \$12,178,297 thousand, respectively. The cost of goods sold included inventory write-downs for the three months and nine months ended September 30, 2024 and 2023 were \$11,166 thousand, \$4,942 thousand, \$28,534 thousand and \$9,142 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

Name of investing company	Name of subsidiary	% of Ownership		
		September 30, 2024	December 31, 2023	September 30, 2023
Airtac International Group	AIRTAC TRADING (HONG KONG) LIMITED	100	100	100
	AIRTAC INDUSTRIAL (HONG KONG) LIMITED	100	100	100
	INSTANT REACH INTERNATIONAL LIMITED	100	100	100
	AIRTAC HOLDING (SINGAPORE) PTE. LTD.	100	100	100
AIRTAC INDUSTRIAL (HONG KONG) LIMITED	Ningbo Airtac Automatic Industrial Co., Ltd.	100	100	100
	Guangdong Airtac Automatic Industrial Co., Ltd.	100	100	100
	Airtac (China) Co., Ltd.	100	100	100
	Airtac (Jiangsu) Automatic Co., Ltd.	100	100	100
INSTANT REACH INTERNATIONAL LIMITED	ATC (ITALIA) S.R.L.	100	100	100
	Airtac Enterprise Co., Ltd.	69.44	69.44	69.44
AIRTAC HOLDING (SINGAPORE) PTE. LTD.	AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD.	100	100	100
	Airtac Co., Ltd.	100	100	100
	AIRTAC USA CORPORATION	100	100	100
AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD.	AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD.	100	100	100
	AIRTAC INDUSTRIAL CO., LTD.	100	100	100
Airtac (China) Co., Ltd.	Guangdong Airtac Intelligent Equipment Co., Ltd.	100	100	100
	Airtac (Tianjin) Intelligent Technology Co., Ltd.	100	100	100
	Airtac (Fujian) Intelligent Equipment Co., Ltd.	100	100	100
	Airtac (Shandong) Automatic Industrial Co., Ltd.(Note)	100	100	100

12. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024	December 31, 2023	September 30, 2023
Assets used by the Group	\$29,212,477	\$28,506,284	\$28,887,680
Assets leased under operating leases	-	53,534	55,083
	<u>\$29,212,477</u>	<u>\$28,559,818</u>	<u>\$28,942,763</u>

(1) Assets used by the Group

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office facilities and other equipment	Property in construction	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 890,359	\$ 14,861,914	\$ 19,465,762	\$ 454,423	\$ 2,463,011	\$ 913,858	\$ 39,049,327
Additions	-	39,175	600,068	82,288	283,434	931,772	1,936,737
Disposals	-	(395,424)	(271,421)	(61,534)	(194,567)	-	(922,946)
Reclassification	-	1,139,992	-	-	-	(1,139,992)	-
Effects of foreign currency exchange differences	-	440,873	697,017	19,759	98,460	37,636	1,293,745
Balance at September 30, 2024	<u>\$ 890,359</u>	<u>\$ 16,086,530</u>	<u>\$ 20,491,426</u>	<u>\$ 494,936</u>	<u>\$ 2,650,338</u>	<u>\$ 743,274</u>	<u>\$ 41,356,863</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ 2,348,769	\$ 6,457,356	\$ 309,892	\$ 1,427,026	\$ -	\$ 10,543,043
Depreciation expense	-	266,931	1,212,863	40,894	297,055	-	1,817,743
Disposals	-	(207,294)	(159,656)	(49,073)	(183,870)	-	(599,893)
Effects of foreign currency exchange differences	-	77,200	235,601	12,910	57,782	-	383,493
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 2,485,606</u>	<u>\$ 7,746,164</u>	<u>\$ 314,623</u>	<u>\$ 1,597,993</u>	<u>\$ -</u>	<u>\$ 12,144,386</u>
Carrying amounts at September 30, 2024	<u>\$ 890,359</u>	<u>\$ 13,600,924</u>	<u>\$ 12,745,262</u>	<u>\$ 180,313</u>	<u>\$ 1,052,345</u>	<u>\$ 743,274</u>	<u>\$ 29,212,477</u>
Carrying amounts at December 31, 2023 and January 1, 2024	<u>\$ 890,359</u>	<u>\$ 12,513,145</u>	<u>\$ 13,008,406</u>	<u>\$ 144,531</u>	<u>\$ 1,035,985</u>	<u>\$ 913,858</u>	<u>\$ 28,506,284</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 890,359	\$ 13,066,344	\$ 18,820,395	\$ 388,781	\$ 2,190,625	\$ 2,308,055	\$ 37,664,559
Additions	-	43,551	393,040	77,533	271,355	1,178,208	1,963,687
Disposals	-	(53)	(474,419)	(26,693)	(106,498)	-	(607,663)
Reclassification	-	1,899,648	635,721	24,669	109,242	(2,669,280)	-
Effects of foreign currency exchange differences	-	30,537	25,738	748	(8,005)	(3,427)	45,591
Balance at September 30, 2023	<u>\$ 890,359</u>	<u>\$ 15,040,027</u>	<u>\$ 19,400,475</u>	<u>\$ 465,038</u>	<u>\$ 2,456,719</u>	<u>\$ 813,556</u>	<u>\$ 39,066,174</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ 2,112,182	\$ 5,326,308	\$ 251,276	\$ 1,240,025	\$ -	\$ 8,929,791
Depreciation expense	-	244,196	1,157,955	35,966	261,837	-	1,699,954
Disposals	-	(53)	(326,233)	(25,794)	(104,791)	-	(456,871)
Effects of foreign currency exchange differences	-	11,242	7,606	(1,497)	(11,731)	-	5,620
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 2,367,567</u>	<u>\$ 6,165,636</u>	<u>\$ 259,951</u>	<u>\$ 1,385,340</u>	<u>\$ -</u>	<u>\$ 10,178,494</u>
Carrying amounts at September 30, 2023	<u>\$ 890,359</u>	<u>\$ 12,672,460</u>	<u>\$ 13,234,839</u>	<u>\$ 205,087</u>	<u>\$ 1,071,379</u>	<u>\$ 813,556</u>	<u>\$ 28,887,680</u>

No impairment assessment was performed for the nine months ended September 30, 2024 and 2023 as there was no indication of impairment.

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Buildings and structures	
Main Buildings	40-50 years
Engineering systems	10-20 years
Machinery and equipment	5-20 years
Transportation equipment	5 years
Office equipment and other equipment	3-15 years

Refer to Note 30 for the carrying amount of property, plant and equipment pledged by the Group to secure bank loans.

(2) Assets leased under operating leases

	Buildings
<u>Cost</u>	
Balance at January 1, 2024	\$ 72,806
Transfers to investment properties	(74,754)
Effect of foreign currency exchange differences	1,948
Balance at September 30, 2024	<u>\$ -</u>

	<u>Buildings</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 19,272
Depreciation expenses	745
Transfers to investment properties	(20,533)
Effect of foreign currency exchange differences	<u>516</u>
Balance at September 30, 2024	<u>\$ -</u>
Carrying amounts at September 30 , 2024	<u>\$ -</u>
Carrying amounts at December 31, 2023 and January 1, 2024	<u>\$ 53,534</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 118,209
Transfers to investment properties	(43,901)
Effect of foreign currency exchange differences	(<u>22</u>)
Balance at September 30, 2023	<u>\$ 74,286</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 23,802
Depreciation expenses	1,834
Transfers to investment properties	(6,448)
Effect of foreign currency exchange differences	<u>15</u>
Balance at September 30, 2023	<u>\$ 19,203</u>
Carrying amounts at September 30 , 2023	<u>\$ 55,083</u>

Operating leases relate to leases of buildings with lease terms between 1 to 10 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ -	\$ 1,838	\$ 608
Year 2	-	1,717	355
Year 3	-	1,088	-
Year 4	-	1,142	-
Year 5	-	1,199	-
Year 5 onwards	<u>-</u>	<u>2,126</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 9,110</u>	<u>\$ 1,563</u>

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings
Main Buildings

40 years

13. LEASE AGREEMENT

(1) Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Land	\$ 834,557	\$ 812,924	\$ 831,431
Buildings	<u>168,817</u>	<u>151,552</u>	<u>163,764</u>
	<u>\$1,003,374</u>	<u>\$ 964,476</u>	<u>\$ 995,195</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30
	2024	2023	2024
Additions to right-of-use assets			<u>\$ 82,665</u>
Depreciation of right-of-use assets			<u>\$ 89,297</u>
Land	\$ 5,071	\$ 4,654	\$ 14,922
Buildings	<u>21,368</u>	<u>20,727</u>	<u>61,732</u>
	<u>\$ 26,439</u>	<u>\$ 25,381</u>	<u>\$ 76,654</u>

(2) Lease Liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carry amount			
Current	<u>\$ 73,424</u>	<u>\$ 61,032</u>	<u>\$ 62,347</u>
Non-current	<u>\$ 93,470</u>	<u>\$ 87,835</u>	<u>\$ 99,496</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	1.73%~4.35%	1.73%~4.35%	1.79%~4.35%

(3) Material terms of right-of-use assets

The Company lease lands and buildings mainly for the use of offices, staff dormitories and logistic centers with lease terms of 1 to 7 years for the nine months ended September 30, 2024. The prepayments for leases is applicable to the land use right located in Mainland China with lease terms of 50 years. The Company does not have purchase options to acquire the leasehold buildings at the end of the lease terms.

(4) Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 7,115</u>	<u>\$ 11,651</u>	<u>\$ 28,041</u>	<u>\$ 22,461</u>
Total cash outflow for leases			<u>\$ 80,155</u>	<u>\$ 158,059</u>

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Lease commitments	<u>\$ 5,032</u>	<u>\$ 28,222</u>	<u>\$ 33,665</u>

14. INVESTMENT PROPERTIES

	<u>Buildings</u>
<u>Cost</u>	
Balance at January 1, 2024	\$ 90,958
Transfers from operating lease of leased properties	74,754
Disposals	(50,160)
Effect of foreign currency exchange differences	4,207
Balance at September 30, 2024	<u>\$ 119,759</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2024	\$ 14,863
Transfers from operating lease of leased properties	20,533
Depreciation expenses	1,871
Disposals	(8,657)
Effect of foreign currency exchange differences	861
Balance at September 30, 2024	<u>\$ 29,471</u>
Carrying amount at September 30, 2024	<u>\$ 90,288</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 76,095</u>
	<u>Buildings</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 27,060
Transfers from assets used by the Group	43,901
Effect of foreign currency exchange differences	251
Balance at September 30, 2023	<u>\$ 71,212</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2023	\$ 2,368
Transfers from assets used by the Group	6,448
Depreciation expenses	870
Effect of foreign currency exchange differences	40
Balance at September 30, 2023	<u>\$ 9,726</u>
Carrying amount at September 30, 2023	<u>\$ 61,486</u>

The lease terms of the investment properties are between 2 and 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 1,677	\$ 4,252	\$ 3,829
Year 2	1,737	3,951	3,658
Year 3	1,194	2,138	1,444
Year 4	1,013	2,176	1,217
Year 5	-	1,136	730
	<u>\$ 5,621</u>	<u>\$ 13,653</u>	<u>\$ 10,878</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	40 years
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The management of the Company used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value as appraised was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair values	<u>\$ 139,070</u>	<u>\$ 162,046</u>	<u>\$ 25,356</u>

15. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Prepayments	\$ 119,144	\$ 103,698	\$ 108,076
Prepaid expenses	144,776	140,205	157,764
Excess VAT paid	44,926	37,269	21,701
Others	1,495	5,564	1,927
	<u>\$ 310,341</u>	<u>\$ 286,736</u>	<u>\$ 289,468</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 1,047,272	\$ 821,917	\$ 965,509
Refundable deposits	17,202	21,502	21,204
Net defined benefit assets	6,957	6,957	6,957
	<u>\$ 1,071,431</u>	<u>\$ 850,376</u>	<u>\$ 993,670</u>

16. LOANS

(1) Short-term loans

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured loans</u>			
Line of credit loans	<u>\$ 4,075,144</u>	<u>\$ 11,370,798</u>	<u>\$ 10,097,071</u>

The range of interest rate on bank loans were 1.70%-1.72%, 1.66%-5.82%, and 1.68%-5.60% per annum as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.

(2) Short-term bills payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>

Outstanding short-term bills payable were as follows:

September 30, 2023

Promissory Institutions	Nominal amount	Discount amount	Discount amount
<u>Commercial paper</u>			
TaChing Bills	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

- a. The payables of the commercial paper have not been discounted, because the effect was not material.
- b. The range of interest rate on short-term bills was 1.778% per annum as of September 30, 2023.

(3) Long-term loans

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured loans</u>			
Bank Loan	\$ -	\$ 12,705	\$ 12,705
Deduct: Current portion	<u>-</u>	<u>(2,701)</u>	<u>(1,907)</u>
Long-term loans	<u>\$ -</u>	<u>\$ 10,004</u>	<u>\$ 10,798</u>

During the year ended December 31, 2023, the Group acquired new bank borrowing facilities in the amounts of \$12,705 thousand, with a fixed interest rate of 1.73% and will be repayable in the next 5 years. It has been repaid in 2024.

Refer to Note 30 for the information relating to the Group's assets pledged as collateral bank loans.

17. NOTES PAYABLE AND TRADE PAYABLES

The Group's average credit terms of purchasing goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within pre-agreed credit terms.

18. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Other payables			
Payables for dividends	\$ 3,474,540	\$ -	\$ 2,690,710
Salaries and bonus	1,094,206	1,178,722	1,061,366
Payables for purchase of equipment	97,044	120,970	138,873
Others	<u>185,671</u>	<u>264,410</u>	<u>264,251</u>
	<u>\$ 4,851,461</u>	<u>\$ 1,564,102</u>	<u>\$ 4,155,200</u>
Other current liabilities			
Other taxes	\$ 266,804	\$ 237,175	\$ 302,723
Others	<u>27,293</u>	<u>26,950</u>	<u>23,356</u>
	<u>\$ 294,097</u>	<u>\$ 264,125</u>	<u>\$ 326,079</u>
<u>Non-current</u>			
Other current liabilities			
Deferred revenue	<u>\$ 32,792</u>	<u>\$ 34,616</u>	<u>\$ 36,425</u>

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Airtac Enterprise Co. Ltd. of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiary in China and Italy are members of a state-managed retirement benefit plan operated by the government of China and Italy. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by Airtac Enterprise Co. Ltd. of the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the nine months before retirement. Airtac Enterprise Co. Ltd. contribute amounts to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one

appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

20. EQUITY

a. Share capital

Ordinary shares

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Numbers of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares issued	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 14,099,953	\$ 14,099,953	\$ 14,099,953
Organization Reconstruction	704,640	704,640	704,640
Donations	<u>41,552</u>	<u>41,552</u>	<u>41,552</u>
	<u>\$ 14,846,145</u>	<u>\$ 14,846,145</u>	<u>\$ 14,846,145</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, the Company may, by a resolution adopted by a majority of the Directors who represent two-thirds or more of the total number of Directors in a board meeting, distribute to the Members, in the form of cash, all or a portion of its dividends and bonuses and/or legal reserve and capital reserve derived from issuance of new shares at a premium or from gifts received by the Company, and shall subsequently report such distribution to a shareholders’ meeting.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of

previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. At least 50% of the balance of net income less accumulated deficit, legal reserve and special reserve should be appropriated as dividends. The cash dividends should be at least 10% of total dividends declared.

For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, please refer to employees' compensation and remuneration of directors and supervisors in Note 22 f.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC on April 6, 2012 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items.

	2023	2022
Special reserve	\$ -	\$ 32,712
Cash dividends	<u>\$ 3,474,540</u>	<u>\$ 2,690,710</u>
Cash dividends per share (NT\$)	\$ 17.37	\$ 13.44

The above 2023 and 2022 appropriations for cash dividends had been resolved by the Company's board of directors on March 11, 2024 and March 8, 2023, respectively. The other proposed appropriations for 2022 was resolved by the shareholders in their meeting to be held on June 20, 2023.

The above 2023 appropriations for cash dividends had been resolved by the Company's board of directors on March 11, 2024 and the report of such distribution was submitted to the shareholder's meeting on May 30, 2023. The board of directors had resolved to issue cash dividends from capital surplus of RMB \$796,000 thousand (NT\$3,474,540 thousand), RMB \$3.98 (NT\$17.37) per share. The exchange rate for the actual cash dividend is based on the amount of the cash dividend converted from the exchange rate of RMB to NT\$ by the stock agency.

The above 2022 appropriations for cash dividends had been resolved by the Company's board of directors on March 8, 2023 and the report of such distribution was submitted to the shareholder's meeting on June 20, 2023. The board of directors had resolved to issue cash dividends from capital surplus of RMB \$610,000 thousand (NT\$2,690,710 thousand), RMB \$3.05 (NT\$13.44) per share. The actual amount converted and paid in New Taiwan Dollars were NT\$2,687,810 thousand, 13.44 per share.

d. Other equity items

Exchange differences on translating foreign operations

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	(\$1,408,084)	(\$ 793,750)
Exchange differences on translating foreign operations	(360,647)	(6,576)
Exchange differences on translating to presentation currency	<u>2,028,272</u>	<u>89,509</u>
Balance at September 30	<u>\$ 259,541</u>	<u>(\$ 710,817)</u>

The relating exchange differences arising from the net assets of the Group's foreign operations which are translated from the functional currency to expression currency (i.e. NTD) are recognized in exchange differences on translating foreign operations of other comprehensive income.

21. REVENUE

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 7,380,792</u>	<u>\$ 7,563,830</u>	<u>\$23,014,319</u>	<u>\$22,471,562</u>

a. Contract information

Revenue from sale of goods

The Group sells pneumatic control components to the wholesale market and directly to customers both through its own retail outlets. Volume discount is offered to wholesaler whose purchase exceeds a specific threshold. The amount of discount and related revenue are estimated using the most likely amount. All other goods are sold at respective fixed amounts as agreed in the contracts.

b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Note receivables and trade receivables (Note 9)	<u>\$10,416,468</u>	<u>\$ 9,885,715</u>	<u>\$12,134,107</u>	<u>\$ 9,049,809</u>
Contract liabilities-current Sale of goods	<u>\$ 49,583</u>	<u>\$ 66,885</u>	<u>\$ 60,451</u>	<u>\$ 78,256</u>

c. Disaggregation of revenue

Refer to Note 34 for information about the disaggregation of revenue.

22. NET PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS

Net income from continuing operations includes:

a. Interest income

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 31,312	\$ 30,882	\$ 101,366	\$ 75,360
Financial assets at amortized cost	9,450	815	32,012	2,383
	<u>\$ 40,762</u>	<u>\$ 31,697</u>	<u>\$ 133,378</u>	<u>\$ 77,743</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Gain on disposal of financial assets				
Financial assets designated as at FVTPL	\$ -	\$ 31,898	\$ -	\$ 11,659
Net foreign exchange gains	96,450	251,665	325,863	35,015
Government grants	42,182	4,382	219,928	142,686
Gain on disposal of property, plant and equipment	(47,227)	(17,279)	(87,253)	(114,197)
Loss on disposal of investment properties	-	-	(2,506)	-
Others	3,838	3,749	13,469	10,106
	<u>\$ 95,243</u>	<u>\$ 274,445</u>	<u>\$ 469,501</u>	<u>\$ 85,269</u>

c. Financial costs

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 25,161	\$ 48,929	\$ 134,343	\$ 134,092
Interest on lease liability	1,039	1,122	3,033	3,575
	<u>\$ 26,200</u>	<u>\$ 50,051</u>	<u>\$ 104,376</u>	<u>\$ 137,667</u>

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
An analysis of deprecation by function				
Operating costs	\$ 524,762	\$ 482,217	\$ 1,533,407	\$ 1,424,389
Operating expenses	124,270	121,141	363,606	356,083
	<u>\$ 649,032</u>	<u>\$ 603,358</u>	<u>\$ 1,897,013</u>	<u>\$ 1,780,472</u>
An analysis of amortization by function				
Operating costs	\$ 214	\$ 204	\$ 702	\$ 753
Operating expenses	2,892	4,029	10,129	12,412
	<u>\$ 3,106</u>	<u>\$ 4,233</u>	<u>\$ 10,831</u>	<u>\$ 13,165</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 89,478	\$ 74,063	\$ 258,948	\$ 221,678
Other employee benefits	<u>1,671,978</u>	<u>1,593,742</u>	<u>5,026,490</u>	<u>4,742,342</u>
Total employee benefits expense	<u>\$ 1,761,456</u>	<u>\$ 1,667,805</u>	<u>\$ 5,285,438</u>	<u>\$ 4,964,020</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 984,689	\$ 895,149	\$ 3,023,019	\$ 2,778,455
Operating expenses	<u>776,767</u>	<u>772,656</u>	<u>2,262,419</u>	<u>2,185,565</u>
	<u>\$ 1,761,456</u>	<u>\$ 1,667,805</u>	<u>\$ 5,285,438</u>	<u>\$ 4,964,020</u>

f. Employees' compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. For the three months and nine months ended September 30, 2024 and 2023, the employees' compensation and the remuneration of directors and supervisors were as follows:

Accrual rate

	For the Nine months Ended September 30	
	2024	2023
Employees' compensation	1.0%	1.0%

Amount

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	<u>\$ 21,828</u>	<u>\$ 24,758</u>	<u>\$ 74,418</u>	<u>\$ 67,539</u>

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate. The employees' compensation and remuneration to directors and supervisors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on March 11, 2024 and March 8, 2023, respectively, were as follows:

Amount

	Cash	
	For the Year Ended December 31	
	2023	2022
Employees' compensation	\$ 89,861	\$ 79,063

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the bonus to employees, directors and supervisors approved in shareholders' meetings is available on the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 122,327	\$ 53,442	\$ 384,504	\$ 78,563
Foreign exchange losses	(25,877)	198,223	(58,641)	(43,548)
Net losses (gains)	<u>\$ 96,450</u>	<u>\$ 251,665</u>	<u>\$ 325,863</u>	<u>\$ 35,015</u>

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follow:

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 339,044	\$ 364,644	\$ 1,162,238	\$ 1,131,970
Adjustments for prior periods	(1,295)	1,822	(957)	(19,474)
	<u>337,749</u>	<u>366,466</u>	<u>1,161,281</u>	<u>1,112,496</u>
Deferred tax				
In respect of the current period	109,084	168,776	394,310	339,471
Income tax expense recognized in profit or loss	<u>\$ 446,833</u>	<u>\$ 535,242</u>	<u>\$ 1,555,591</u>	<u>\$ 1,451,967</u>

b. Income tax assessments

The income tax returns of the Company and subsidiaries, except the Company and Instant Reach International Limited are exempted from income tax, Airtac International Group Taiwan Branch, and Airtac Enterprise Co., Ltd. have been examined and cleared by the ROC tax authority through 2022. The other subsidiaries have also filed business income tax returns by the deadlines set by the local governments.

24. EARNINGS PER SHARE

The weighted average number of shares outstanding used for the earnings per share computation were as follows:

Net profit for the period

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Profit for the period attributable to owners of the Company	<u>\$ 1,732,370</u>	<u>\$ 1,939,625</u>	<u>\$ 5,822,652</u>	<u>\$ 5,266,445</u>
Earnings used in the computation of basic earnings per share	<u>\$ 1,732,370</u>	<u>\$ 1,939,625</u>	<u>\$ 5,822,652</u>	<u>\$ 5,266,445</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,732,370</u>	<u>\$ 1,939,625</u>	<u>\$ 5,822,652</u>	<u>\$ 5,266,445</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the Three Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	200,000	200,000	200,000	200,000
Effect of dilutive potential ordinary shares:				
Employees' compensation	<u>24</u>	<u>26</u>	<u>106</u>	<u>87</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>200,024</u>	<u>200,026</u>	<u>200,106</u>	<u>200,087</u>

If the Company offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

25. GOVERNMENT GRANTS

The government grants indicate the governmental subsidies received by subsidiaries in Mainland China from the local finance bureau.

26. CASH FLOW INFORMATION

1. Non-Cash Transactions

The Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statement of cash flows during the period of the nine months ended September 30, 2024 and 2023.

- a. The Group acquired property, plant and equipment with an aggregate fair value of \$1,963,737 thousand during the period of the nine months ended September 30, 2024. Other payables decrease \$28,885 thousand in total. The cash paid of the Group for acquisition of property, plant and equipment was \$1,965,622 thousand (see the Note 12).

- b. The Group acquired property, plant and equipment with an aggregate fair value of \$1,963,687 thousand during the period of the nine months ended September 30, 2023. Other non-current assets decrease \$85,243 thousand in total. Other payables decrease \$44,172 thousand in total. The cash paid of the Group for acquisition of property, plant and equipment was \$1,922,616 thousand (see the Note 12).

2. Reconciliation of liabilities arising from financing activities

For the period of the nine months ended September 30, 2024

	Balance as of January 1, 2024	Cash Flow	Non-cash changes			Balance as of September 30, 2024
			New Leases	Adjustments	Foreign Exchange Movement	
Short-term loans	\$ 11,370,798	(\$ 7,346,324)	\$ -	\$ -	\$ 50,670	\$ 4,075,144
Long-term loans	12,705	(12,705)	-	-	-	-
Lease liabilities	148,867	(60,555)	82,665	(10,346)	6,263	166,894
	<u>\$ 11,532,370</u>	<u>(7,419,584)</u>	<u>\$ 82,665</u>	<u>(\$ 10,346)</u>	<u>\$ 56,933</u>	<u>\$ 4,242,038</u>

For the period of the nine months ended September 30, 2023

	Balance as of January 1, 2023	Cash Flow	Non-cash changes			Balance as of September 30, 2023
			New Leases	Adjustments	Foreign Exchange Movement	
Short-term loans	\$ 10,781,921	(\$ 681,640)	\$ -	\$ -	(\$ 3,210)	\$ 10,097,071
Short-term bill payable	500,000	(400,000)	-	-	-	100,000
Long-term loans	-	12,705	-	-	-	12,705
Lease liabilities	188,496	(67,403)	39,805	(2,104)	3,049	161,843
	<u>\$ 11,470,417</u>	<u>(\$ 1,136,338)</u>	<u>\$ 39,805</u>	<u>(\$ 2,104)</u>	<u>(\$ 161)</u>	<u>\$ 10,371,619</u>

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt borrowings offset by cash and cash equivalents and equity of the Group comprising issued capital, reserves, retained earnings, other equity and non-controlling interests.

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a semi-annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and liabilities not measured at fair value are close to the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

(1) Fair value hierarchy

September 30, 2024 and December 31, 2023: None.

September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Foreign exchange forward contracts	\$ -	\$ 28,251	\$ -	\$ 28,251

There were no transfers between the level 1 and level 2 during the period of the nine months ended September 30, 2024 and 2023.

(2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Derivatives - foreign exchange forward contracts	<u>Discounted cash flow</u> Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Designated as at FVTPL	\$ -	\$ -	\$ 28,251
Financial assets at amortized cost (Note 1)	19,195,761	20,438,235	20,383,474
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	9,086,112	12,886,800	14,442,643

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, and notes receivable and trade receivables. Those reclassified to held-for-sale disposal groups are also included.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, short-term bills payable, trade and other payables, and bonds issued. Those reclassified to held-for-sale disposal groups are also included.

d. Financial risk management objectives and policies

The Group's main financial instruments include debt investments, notes and trade receivables, other receivables, short-term bills payable, notes and trade payables, other payables and loans. The finance department of the Group provides service to business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see Note (1) below) and interest rates (see Note (2) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

(1) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the currency USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the USD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the functional currency strengthen 1% against the USD. For a 1% weakening of the functional currency against the USD, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	For the Nine Months Ended September 30	1 For the Nine Months Ended September 30
	2024	2023
Profit and losses	\$ 6,278	\$ 4,568

This was mainly attributable to the exposure outstanding on USD receivables and payables, which were not hedged at the end of the reporting period.

(2) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow loans at both fixed and floating interest rates. To manage this risk, the Group maintains an appropriate mix of fixed and floating rate borrowings. The Group periodically evaluates hedging activities, view it with interest and consistent with the established risk appetite, using hedging strategies to ensure the most cost-effective.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value risk			
-Financial assets	\$ 5,172,782	\$ 6,076,739	\$ 5,853,188
-Financial liabilities	4,075,144	11,383,503	10,209,776
Cash flow risk			
-Financial assets	3,517,661	4,368,442	2,288,723

Sensitiveness analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher or lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would increase or decrease by \$26,382 thousand and \$17,165 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are audited and approved by the risk management committee annually.

The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 1% of gross monetary assets at any time during the nine months ended September 30, 2024 and 2023.

The Group's concentration of credit risk by geographical locations was mainly in Mainland China, which accounted for 93.63%, 94.37%, and 94.43% of the total trade receivables as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3. Liquidity

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group had available unutilized short-term bank loan facilities set out in (2) below.

(1) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks

choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

September 30, 2024

	On Demand or Less than 3 Month	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,533,590	\$ 3,571,584	\$ -	\$ -
Lease liabilities	15,997	60,506	95,425	-
Fixed interest rate liabilities	3,511,792	573,960	-	-
	<u>\$ 6,061,379</u>	<u>\$ 4,206,050</u>	<u>\$ 95,425</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 3 Month	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,561,049	\$ 120,970	\$ -	\$ -
Lease liabilities	12,757	51,299	89,756	-
Fixed interest rate liabilities	9,681,829	1,700,048	10,270	-
	<u>\$ 12,255,635</u>	<u>\$ 1,872,317</u>	<u>\$ 100,026</u>	<u>\$ -</u>

September 30, 2023

	On Demand or Less than 3 Month	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,464,649	\$ 2,829,583	\$ -	\$ -
Lease liabilities	13,794	51,861	101,848	-
Fixed interest rate liabilities	9,639,159	567,077	10,798	-
	<u>\$ 12,117,602</u>	<u>\$ 3,448,521</u>	<u>\$ 112,646</u>	<u>\$ -</u>

(2) Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans (re-examined annually)			
-Amounts used	\$ 4,075,144	\$ 11,383,503	\$ 10,209,776
-Amounts unused	<u>20,597,361</u>	<u>12,206,180</u>	<u>13,591,635</u>
	<u>\$ 24,672,505</u>	<u>\$ 23,589,683</u>	<u>\$ 23,801,411</u>

e. Transfers of financial assets

During the nine months ended September 30, 2024 and 2023, the Group transferred a portion of its commercial acceptance bills in mainland China with an aggregate carrying amount of \$1,643,764 and \$124,710 thousand to some of its suppliers in order to settle the trade payables. According to the contract, if these commercial acceptance bills are not paid at maturity, suppliers have the right to request that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these commercial acceptance bills, it continues to recognize the full carrying amounts of these commercial acceptance bills.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of these commercial acceptance bills that have been transferred but not derecognized was \$317,294 thousand, \$145,972 thousand and \$6,754 thousand respectively.

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of September 30, 2024, December 31, 2023 and September 30, 2023, the face amounts of these unsettled bills receivable were \$575,555 thousand, \$352,933 thousand and \$117,956 thousand. The unsettled bills receivable will be due in 12 months after September 30, 2023, December 31, 2022 and September 30, 2022. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the nine months ended September 30, 2024 and 2023, the Group did not recognize any gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the current year or cumulatively.

The Group discounted trade receivables in mainland China to banks for cash proceeds. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of September 30, 2024, December 31, 2023 and September 30, 2023 and, the face amounts of these unsettled bills receivable were \$769,408 thousand, \$1,514,796 thousand and \$0 thousand. The unsettled bills receivable will be due in 12 months after September 30, 2024, December 31, 2023 and September 30, 2023. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the nine months ended September 30, 2024 and 2023, the Group recognized financial cost of \$11,437 and \$16 thousand upon the transfer of the banker's acceptance bills. No gains

or losses were recognized from the continuing involvement, both during the current year or cumulatively.

29. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, revenue and expenses between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(1) Name and relation

Name	Relation
Behealthy Electronic Technology Co., Ltd.	Substantive related parties (the responsible person of the party is the director of the Group)

(2) Operating transaction

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales	Substantive related parties	\$ 10	\$ 32	\$ 87	\$ 96

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties.

(3) The trade receivables from related parties on the date of balance sheet were as follows:

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade Receivables	Substantive related parties	\$ 4	\$ 4	\$ 7

No expense was recognized for the nine months ended September 30, 2024 and 2023 for allowance for impaired trade receivables with respect to the amounts owed by related parties.

(4) Compensation of key management personnel

The compensation to directors and other key management personnel were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$67,254	\$36,080	\$161,270	\$118,310

The compensation to directors and other key management personnel were determined by the Remuneration Committee of Airtac in accordance with the individual performance and the market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank loans and the electricity tariff guarantee:

	September 30, 2024	December 31, 2023	September 30, 2023
Pledge deposits (classified as financial assets at amortized cost)	\$ 6,781	\$ 6,382	\$ 6,511
Restricted bank deposits (classified as financial assets at amortized cost)	-	-	22,075
Land	890,359	890,359	890,359
Machinery and Equipment	4,768,942	4,812,744	4,832,859
Buildings, net	<u>1,054,841</u>	<u>1,204,176</u>	<u>1,255,915</u>
	<u>\$ 6,720,923</u>	<u>\$ 6,913,661</u>	<u>\$ 7,007,719</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Significant commitments

- 1) As of September 30, 2024, December 31, 2023 and September 30, 2023, unused letters of credit for leasing of buildings amounted to \$2,377 thousand, \$4,137 thousand and \$4,144 thousand, respectively.
- 2) Unrecognized commitments were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	<u>\$ 947,945</u>	<u>\$ 1,660,559</u>	<u>\$ 1,354,705</u>

32. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

September 30, 2024

	Foreign currency	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD	\$ 14,380	7.01 (USD : RMB)	\$ 455,753
USD	10,067	31.70 (USD : NTD)	319,082
RMB	824,359	4.52 (RMB : NTD)	3,728,575
EUR	5,092	7.82 (EUR : RMB)	180,148

Financial liabilitiesMonetary items

USD	4,531	7.01 (USD : RMB)	143,606
USD	107	31.70 (USD : NTD)	3,383
RMB	62,995	4.52 (RMB : NTD)	284,926
EUR	740	7.82 (EUR : RMB)	26,190

December 31, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 14,856	7.08 (USD : RMB)	\$ 455,303
USD	7,309	30.65 (USD : NTD)	223,990
RMB	1,855,179	4.33 (RMB : NTD)	8,027,360
EUR	8,294	7.85 (EUR : RMB)	281,817

Financial liabilitiesMonetary items

USD	5,457	7.08 (USD : RMB)	167,233
USD	1,086	30.65 (USD : NTD)	33,291
RMB	38,404	4.33 (EUR : RMB)	166,176
EUR	3,515	7.85 (EUR : RMB)	119,451

September 30, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 15,821	7.18 (USD : RMB)	\$ 501,522
USD	5,104	31.70 (USD : NTD)	161,795
RMB	1,875,948	4.42 (RMB : NTD)	8,282,313
EUR	9,249	7.68 (EUR : RMB)	313,641

Financial liabilitiesMonetary items

USD	5,420	7.18 (USD : RMB)	171,803
USD	1,096	31.70 (USD : NTD)	34,743
RMB	16,111	4.42 (RMB : NTD)	71,130
EUR	3,350	7.68 (EUR : RMB)	113,598

For the three months and nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$96,450 thousand, \$251,665 thousand, \$325,863 thousand and \$35,015 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency

transactions and functional currencies of the group entities.

33. DISCLOSED ITEMS

(1) Information about significant transactions and (2) investees:

1. Loans provided to other parties (Table 1)
2. Endorsements/guarantees given to other parties (None)
3. Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities) (Table 3)
4. Purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital. (Table 4)
5. Acquisition of real estate at costs of at least NT \$300 million or 20% of the paid-in capital (Table 5)
6. Disposal of real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
7. Purchases or sales with related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
9. Derivative transactions (Note 7)
10. Intercompany relationships and significant intercompany transactions (Table 9)

(2) Information for investees (Table 2)

(3) Information for investments in Mainland China

1. Information for any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Tables 1 and 9)

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements/guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and the total of current interest with respect to loans provided.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- (4) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 10)

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

Pneumatic components- direct sales
- distributors

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Revenues		Profit Before Tax	
	For the Nine Months Ended		For the Nine months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Pneumatic components				
-Direct sales	\$ 15,611,090	\$ 16,108,553	\$ 5,262,243	\$ 5,389,405
-Distributors	<u>7,403,229</u>	<u>6,363,009</u>	<u>2,495,055</u>	<u>2,128,857</u>
Total amounts of continuing operations	<u>\$ 23,014,319</u>	<u>\$ 22,471,562</u>	7,757,298	7,518,262
Interest income			133,378	77,743

	Revenues		Profit Before Tax	
	For the Nine Months Ended September 30		For the Nine months Ended September 30	
	2024	2023	2024	2023
Loss on disposal of property, plant and equipment			(87,253)	(114,197)
Loss on disposal of investment properties			(2,506)	-
Net exchange gains			325,863	35,015
Net gain arising on financial assets designated as at FVTPL			-	11,659
HQ admin. cost and directors' salaries			(644,473)	(672,698)
Finance costs			(104,376)	(137,667)
Profit before income tax from continuing operations			<u>\$ 7,377,931</u>	<u>\$ 6,718,117</u>

The segment revenues were accounted for the transactions with external customers. No inter-segment sales occurred for the nine months ended September 30, 2024 and 2023.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gain or loss on disposal of financial instruments, exchange gain or loss, valuation gain or loss on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Segment assets</u>			
Pneumatic components			
-Direct sales	\$ 39,556,636	\$ 40,788,974	\$ 41,784,547
-Distributors	<u>18,279,856</u>	<u>16,929,005</u>	<u>16,500,597</u>
Total segment total assets	57,836,492	57,717,979	58,285,144
Unallocated assets	<u>219,885</u>	<u>330,786</u>	<u>338,471</u>
Consolidated total assets	<u>\$ 58,056,377</u>	<u>\$ 58,048,765</u>	<u>\$ 58,623,615</u>

For the purpose of monitoring segment performance and allocating resources between segments:

All assets were allocated to reportable segments other than interests in associates accounted for using the equity method, other financial assets, and current and deferred tax assets. Goodwill was allocated to reportable segments. Assets used jointly by reportable segments were allocated on the basis of the revenues earned by individual reportable segments.

TABLE 1

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

LOANS PROVIDED TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies, Unless Specified Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note1)	Ending Balance (Note1)	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Airtac International Group	ATC (ITALIA) S.R.L	Other receivables	Yes	EUR 9,000 (NTD 318,418)	EUR 6,000 (NTD 212,279)	EUR 4,400 (NTD 155,671)	-	Short-term financing needs	\$ -	Revolving fund	\$ -	-	-	\$ 18,642,092	\$ 18,642,092	Note 2
	Airtac International Group	Ningbo Airtac Automatic Industrial Co., Ltd	Other receivables	Yes	USD 20,000 (NTD 633,890)	USD 10,000 (NTD 316,945)	USD - (NTD -)	-	Short-term financing needs	-	Revolving fund	-	-	-	18,642,092	18,642,092	Note 2
	Airtac International Group	AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD.	Other receivables	Yes	USD 1,000 (NTD 31,695)	USD - (NTD -)	USD - (NTD -)	-	Short-term financing needs	-	Revolving fund	-	-	-	18,642,092	18,642,092	Note 2
	Airtac International Group	Airtac Co., Ltd	Other receivables	Yes	USD 9,000 (NTD 285,251)	USD 9,000 (NTD 285,251)	USD 5,333 (NTD 169,018)	-	Short-term financing needs	-	Revolving fund	-	-	-	18,642,092	18,642,092	Note 2
	Airtac International Group	AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD.	Other receivables	Yes	USD 5,000 (NTD 158,473)	USD 3,500 (NTD 110,931)	USD 1,600 (NTD 50,711)	-	Short-term financing needs	-	Revolving fund	-	-	-	18,642,092	18,642,092	Note 2
	Airtac International Group	AIRTAC USA CORPORATION	Other receivables	Yes	USD 17,000 (NTD 538,807)	USD 11,000 (NTD 348,640)	USD 9,250 (NTD 293,174)	-	Short-term financing needs	-	Revolving fund	-	-	-	18,642,092	18,642,092	Note 2
1	Airtac Enterprise Co., Ltd.	Airtac International Group Taiwan Branch	Other receivables	Yes	NTD 10,000	NTD 10,000	USD 10,000	-	Short-term financing needs	-	Revolving fund	-	-	-	10,004	10,004	Note 3

Note 1: Conversion to NTD used the spot exchange rate on September 30, 2024, that is, 1USD=31.6945 NTD, 1EUR=35.3798 NTD.

Note 2: According to Company’s Loans to Others Procedure, the limits on loans provided to other parties is 40% of the Group’s net worth at the end of the period.

Note 3: According to Company’s Loans to Others Procedure, the limits on loans provided to other parties is 40% of Airtac Enterprise Co., Ltd.’s net worth at the end of the period.

TABLE 2

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

**INFORMATION FOR INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies, Unless Specified Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		September 30, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2024 (Note1)	December 31, 2023 (Note1)	Shares	%	Carrying Amount			
Airtac International Group	AIRTAC INDUSTRIAL (HONG KONG) LIMITED	Hong Kong	General investment	USD 87,500 RMB 537,500 (NTD 5,204,381)	USD 87,500 RMB 537,500 (NTD 5,204,381)	167,426,238	100	\$ 37,378,137	\$ 5,330,770	\$ 5,330,770	2
	AIRTAC TRADING (HONG KONG) LIMITED	Hong Kong	General investment	USD - (NTD -)	USD - (NTD -)	7,000,000	100	2,413	(9)	(9)	2
	INSTANT REACH INTERNATIONAL LIMITED	British Virgin Island	General investment	USD 2,283 EUR 1,000 RMB 17,500 (NTD 183,541)	USD 2,283 EUR 1,000 RMB 17,500 (NTD 186,892)	1	100	107,942	(14,028)	(14,028)	2
	AIRTAC HOLDING (SINGAPORE) PTE. LTD.	Singapore	General investment	USD 12,000 (NTD 380,334)	USD 17,000 (NTD 538,807)	12,000,000	100	(128,761)	(39,688)	(39,688)	2
INSTANT REACH INTERNATIONAL LIMITED	Airtac Enterprise Co., Ltd.	Taiwan	Processing, sales and import/export of machines and components	NTD 54,581	NTD 54,581	69,435	69.44	18,484	(1,020)	-	4
	ATC (ITALIA) S.R.L	Italy	Production and sales of pneumatic and hydraulic control components	EUR 4,000 (NTD 141,519)	EUR 4,000 (NTD 141,519)	4,000,000	100	63,598	(13,235)	-	4
AIRTAC HOLDING (SINGAPORE) PTE. LTD.	AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD.	Singapore	Production and sales of pneumatic control components and accessories	USD 7,500 (NTD 237,709)	USD 12,500 (NTD 396,181)	7,500,000	100	172,423	5,700	-	4
	Airtac Co., Ltd.	Japan	Production and sales of pneumatic control components and accessories	JPY 98,000 (NTD 21,766)	JPY 98,000 (NTD 21,766)	2,000	100	(102,555)	(12,100)	-	4
	AIRTAC USA CORPORATION	USA	Production and sales of pneumatic control components and accessories	USD 3,000 (NTD 95,084)	USD 3,000 (NTD 95,084)	3,000	100	(207,804)	(34,802)	-	4
AIRTAC INTERNATIONAL (SINGAPORE) PTE. LTD.	AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD.	Malaysia	Production and sales of pneumatic control components and accessories	MYR 1,000 (NTD 7,432)	MYR 1,000 (NTD 7,432)	1,000,000	100	(6,287)	16,494	-	4
	AIRTAC INDUSTRIAL CO., LTD.	Thailand	Production and sales of pneumatic control components and accessories	THB 100,000 (NTD 98,890)	THB 100,000 (NTD 98,890)	1,000,000	100	144,727	9,858	-	4

Note 1 : Conversion to NTD used the spot exchange rate on September 30, 2024, that is, 1 USD=31.6945 NTD, 1 EUR=35.3798 NTD, 1 JPY=0.2221 NTD, 1 RMB= 4.5230 NTD, 1 MYR=7.4324 NTD, 1THB=0.9889 NTD.

Note 2 : The amount was eliminated upon consolidation.

Note 3 : Please refer to Table 8 for information on investment in mainland China.

Note 4: The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

TABLE 3

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	SEPTEMBER 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Ningbo Airtac Automatic Industrial Co., Ltd.	Negotiable Certificates of Deposit	-	Financial assets at amortized cost - noncurrent	-	\$ 460,615 (RMB 101,838)	-	\$ 460,615 (RMB 101,838)	1
Guangdong Airtac Automatic Industrial Co., Ltd.	Structured deposits	-	Financial assets at amortized cost - current	-	\$ 135,718 (RMB 30,006)	-	\$ 135,718 (RMB 30,006)	1
Airtac (China) Co., Ltd.	Negotiable Certificates of Deposit	-	Financial assets at amortized cost - noncurrent	-	\$ 463,018 (RMB 102,370)	-	\$ 463,018 (RMB 102,370)	1

Note1 : Conversion to NTD used the spot exchange rate on September 30, 2024, that is, 1 RMB=4.5230 NTD.

TABLE 4

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note 1)		Acquisition (Note 1)		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Ningbo Airtac Automatic Industrial Co., Ltd.	Structured deposits	Financial assets at amortized cost - current	Fubon Bank (China)	-	-	\$ 679,066 (RMB 150,136)	-	\$ - (RMB -)	-	\$ 679,576 (RMB 150,249)	\$ 678,450 (RMB 150,000)	\$ 1,126 (RMB 249)	-	\$ - (RMB -)
Ningbo Airtac Automatic Industrial Co., Ltd.	Negotiable Certificate of Deposit	Financial assets at amortized cost - current	Fubon Bank (China)	-	-	\$ - (RMB -)	-	\$ 452,300 (RMB 100,000)	-	\$ - (RMB -)	\$ - (RMB -)	\$ - (RMB -)	-	\$ 460,615 (RMB 101,838)
Guangdong Airtac Automatic Industrial Co., Ltd.	Structured deposits	Financial assets at amortized cost - current	Fubon Bank (China)	-	-	\$ - (RMB -)	-	\$ 1,469,975 (RMB 325,000)	-	\$ 1,340,106 (RMB 296,287)	\$ 1,334,285 (RMB 295,000)	\$ 5,821 (RMB 1,2872)	-	\$ 135,718 (RMB 30,006)
Airtac (China) Co., Ltd.	Structured deposits	Financial assets at amortized cost - current	Fubon Bank (China)	-	-	\$ 226,294 (RMB 50,032)	-	\$ 1,221,210 (RMB 270,000)	-	\$ 1,454,868 (RMB 321,660)	\$ 1,447,360 (RMB 320,000)	\$ 7,508 (RMB 1,660)	-	\$ - (RMB -)

Note1 : Conversion to NTD used the spot exchange rate on September 30, 2024, that is, 1 RMB=4.5230 NTD.

TABLE 5

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

ACQUISITION OF REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Acquiring company	Title of property	Transaction date or occurrence date	Transaction amount	Payment	Counterparty	Relationship	Where the counterparty is a related party, the previous transfer information				Pricing reference and basis	Purpose of acquisition and use	Other agreements
							Owner	Relationship with issuer	Date of transfer	Amount			
Ningbo Airtac Automatic Industrial Co., Ltd.	Plant	2020.09.08-2024.09.30	\$3,344,588	\$2,746,902	Self-building	-	-	-	-	\$ -	N/A	Manufacturing purpose	-
Airtac (Shandong) Automatic Industrial Co., Ltd.	Research base and logistics centers	2024.05.06-2024.09.30	471,329	442,975	Self-building	-	-	-	-	-	N/A	Office and logistics purpose	-

TABLE 6

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

**PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Purchaser (Seller)	Counterparty	Relationship	Transaction				Non-arm's Length Transaction and Reasons		Notes/Trade Payables/ Receivable		Note
			Purchase (Sale)	Amount	% of Total	Payment Term	Unit Price (Note)	Payment Terms (Note)	Balance	% to Total	
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (China) Co., Ltd.	The same parent company	Sales	\$ 4,413,565	23	T/T 60 days	\$ -	-	\$1,338,865	20	
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac International Group	The parent company	Sales	377,720	2	T/T 60 days	-	-	265,482	4	
Ningbo Airtac Automatic Industrial Co., Ltd.	Guangdong Airtac Automatic Industrial Co., Ltd.	The same parent company	Sales	423,846	2	T/T 60 days	-	-	101,001	2	
Ningbo Airtac Automatic Industrial Co., Ltd.	Guangdong Airtac Intelligent Equipment Co., Ltd.	The same parent company	Sales	5,439,074	29	T/T 60 days	-	-	2,645,597	40	
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (Fujian) Intelligent Equipment Co., Ltd.	The same parent company	Sales	576,357	3	T/T 60 days	-	-	141,847	2	
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (Jiangsu) Automatic Co., Ltd.	The same parent company	Sales	5,376,188	28	T/T 60 days	-	-	983,334	15	
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (Shandong) Automatic Co., Ltd.	The same parent company	Sales	1,912,740	10	T/T 60 days	-	-	865,495	13	
Ningbo Airtac Automatic Industrial Co., Ltd.	ATC (ITALIA) S.R.L.	The same parent company	Sales	156,189	1	T/T 60 days	-	-	90,866	1	
Ningbo Airtac Automatic Industrial Co., Ltd.	AIRTAC USA CORPORATION	The same parent company	Sales	102,575	1	T/T 60 days	-	-	49,039	1	
Guangdong Airtac Automatic Industrial Co., Ltd.	Guangdong Airtac Intelligent Equipment Co., Ltd.	The same parent company	Sales	932,594	33	T/T 180 days	-	-	294,356	17	
Guangdong Airtac Automatic Industrial Co., Ltd.	Ningbo Airtac Automatic Industrial Co., Ltd.	The same parent company	Sales	1,774,353	63	T/T 180 days	-	-	1,376,319	79	
Airtac International Group	Ningbo Airtac Automatic Industrial Co., Ltd.	Subsidiary	Sales	2,547,573	80	T/T 180 days	-	-	794,588	79	
Guangdong Airtac Intelligent Equipment Co., Ltd.	Airtac (China) Co., Ltd.	The parent company	Sales	783,861	11	T/T 60 days	-	-	304,824	14	

Note: The sales prices and payment terms to related parties were not significantly different from those of sales to the third parties.

TABLE 7

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name	Related Party	Relationship	Ending Balance	Turnover rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Ningbo Airtac Automatic Industrial Co., Ltd.	Guangdong Airtac Automatic Industrial Co., Ltd.	The same parent company	\$ 101,001	6	\$ -	-	\$ 52,752	\$ -
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (China) Co., Ltd.	The same parent company	1,338,865	5	-	-	638,268	-
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac International Group	The parent company	265,482	3	-	-	265,482	-
Ningbo Airtac Automatic Industrial Co., Ltd.	Guangdong Airtac Intelligent Equipment Co., Ltd.	The same parent company	2,645,597	3	-	-	832,417	-
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (Jiangsu) Automatic Co., Ltd.	The same parent company	983,334	11	-	-	574,091	-
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (Shandong) Automatic Co., Ltd.	The same parent company	865,495	5	-	-	238,416	-
Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac (Fujian) Intelligent Equipment Co., Ltd.	The same parent company	141,847	7	-	-	81,296	-
Guangdong Airtac Automatic Industrial Co., Ltd.	Guangdong Airtac Intelligent Equipment Co., Ltd.	The same parent company	294,356	3	-	-	135,817	-
Guangdong Airtac Automatic Industrial Co., Ltd.	Ningbo Airtac Automatic Industrial Co., Ltd.	The same parent company	1,376,319	2	-	-	496,974	-
Airtac International Group	Ningbo Airtac Automatic Industrial Co., Ltd.	Subsidiary	794,588	3	-	-	565,282	-
Guangdong Airtac Intelligent Equipment Co., Ltd.	Airtac (China) Co., Ltd.	The parent company	304,824	4	-	-	44,836	-
Airtac International Group	ATC (ITALIA) S.R.L	Subsidiary	155,671	Note 1	-	-	-	-
Airtac International Group	AIRTAC USA CORPORATION	Subsidiary	293,174	Note 1	-	-	-	-
Airtac International Group	Airtac Co., Ltd.	Subsidiary	169,018	Note 1	-	-	-	-

Note 1: The financial statement account is other receivables. Therefore, there is no turnover rate.

TABLE 8

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

**INFORMATION FOR INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Investee Company Name	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Investment Outflow from Taiwan as of January 1, 2024	Investment Flow for the Period		Accumulated Investment Outflow from Taiwan as of September 30, 2024	Net income of Investee Company	% of Ownership – Direct or Indirect investment	Investment Gain (Loss) Recognized for the Period (Note 2)	Carrying Amount as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024	Note
					Outflow	Inflow							
Ningbo Airtac Automatic Industrial Co., Ltd	Production of pneumatic control components and auxiliary components	USD 52,000 RMB 785,500 (NTD 5,200,931)	N/A	N/A	\$ -	\$ -	N/A	\$ 4,014,306	100	\$ 3,962,588	\$ 28,376,383	N/A	
Guangdong Airtac Automatic Industrial Co., Ltd	Production of pneumatic control components and auxiliary components	USD 6,000 (NTD 190,167)	N/A	N/A	-	-	N/A	749,140	100	747,296	3,298,767	N/A	
Airtac (China) Co., Ltd.	Wholesale and agency of pneumatic components, tools and equipment, and related support services	USD 18,000 RMB 126,000 (NTD 1,140,399)	N/A	N/A	-	-	N/A	633,398	100	633,398	4,213,272	N/A	
Airtac (Jiangsu) Automatic Co., Ltd.	Wholesale and agency of pneumatic components, tools and equipment, and related support services	USD 1,500 RMB 77,346 (NTD 397,378)	N/A	N/A	-	-	N/A	236,474	100	236,474	1,651,795	N/A	
Guangdong Airtac Intelligent Equipment Co., Ltd..	Wholesale and agency of pneumatic components, tools and equipment, and related support services	RMB 10,000 (NTD 45,230)	N/A	N/A	-	-	N/A	273,031	100	273,031	345,874	N/A	
Airtac (Tianjin) Intelligent Technology Co., Ltd.	Wholesale and agency of pneumatic components, tools and equipment, and related support services	RMB 10,000 (NTD 45,230)	N/A	N/A	-	-	N/A	5,620	100	5,620	73,513	N/A	
Airtac (Fujian) Intelligent Equipment Co., Ltd.	Wholesale and agency of pneumatic components, tools and equipment, and related support services	RMB 10,000 (NTD 45,230)	N/A	N/A	-	-	N/A	45,296	100	45,296	113,932	N/A	
Airtac (Shandong) Automatic Co., Ltd.	Wholesale and agency of pneumatic components, tools and equipment, and related support services	RMB 30,000 (NTD 135,690)	N/A	N/A	-	-	N/A	65,734	100	65,734	203,296	N/A	

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
N/A	N/A	N/A

Note 1: The ways to invest in companies in Mainland China are classified into three types below. Mark the type of investment:

1. Direct investment in China.
2. Investment in China through a company registered in the third region.
3. Other ways.

Note 2: The amount was calculated based on financial statements audited by a multinational accounting firm having a cooperative relationship with an accounting firm in Taiwan.

Note 3: Conversion to NTD used the spot exchange rate on September 30, 2024, that is, 1 USD=31.6945 NTD, 1 RMB=4.5230 NTD.

TABLE 9

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counter Party	Nature of Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets
0	Airtac International Group	Ningbo Airtac Automatic Industrial Co., Ltd.	1	Trade receivables	\$ 794,588	General terms and conditions	1%
		Ningbo Airtac Automatic Industrial Co., Ltd.	1	Sales revenue	2,547,573	General terms and conditions	11%
		Guangdong Airtac Automatic Industrial Co., Ltd.	1	Sales revenue	42,730	General terms and conditions	-
		ATC (ITALIA) S.R.L	1	Sales revenue	11,502	General terms and conditions	-
		ATC (ITALIA) S.R.L	1	Other receivable	155,671	General terms and conditions	-
		AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD.	1	Other receivable	50,711	General terms and conditions	-
		AIRTAC USA CORPORATION	1	Other receivable	293,174	General terms and conditions	1%
		Airtac Co., Ltd.	1	Other receivable	169,018	General terms and conditions	-
1	Ningbo Airtac Automatic Industrial Co., Ltd.	Airtac International Group	2	Trade receivables	265,482	General terms and conditions	-
		Airtac International Group	2	Sales revenue	377,720	General terms and conditions	2%
		Airtac (China) Co., Ltd	3	Trade receivables	1,338,865	General terms and conditions	2%
		Airtac (China) Co., Ltd	3	Sales revenue	4,413,565	General terms and conditions	19%
		Guangdong Airtac Automatic Industrial Co., Ltd.	3	Trade receivables	101,001	General terms and conditions	-
		Guangdong Airtac Automatic Industrial Co., Ltd.	3	Sales revenue	423,846	General terms and conditions	2%
		Airtac (Jiangsu) Automatic Co., Ltd.	3	Trade receivables	983,334	General terms and conditions	2%
		Airtac (Jiangsu) Automatic Co., Ltd.	3	Sales revenue	5,376,188	General terms and conditions	23%
		Guangdong Airtac Intelligent Equipment Co., Ltd.	3	Trade receivables	2,645,597	General terms and conditions	5%
		Guangdong Airtac Intelligent Equipment Co., Ltd.	3	Sales revenue	5,439,074	General terms and conditions	24%
		Airtac (Tianjin) Intelligent Technology Co., Ltd.	3	Trade receivables	12,520	General terms and conditions	-
		Airtac (Tianjin) Intelligent Technology Co., Ltd.	3	Sales revenue	59,823	General terms and conditions	-
		Airtac (Fujian) Intelligent Equipment Co., Ltd.	3	Trade receivables	141,847	General terms and conditions	-
		Airtac (Fujian) Intelligent Equipment Co., Ltd.	3	Sales revenue	576,357	General terms and conditions	3%
		Airtac (Shandong) Automatic Co., Ltd.	3	Trade receivables	865,495	General terms and conditions	1%
		Airtac (Shandong) Automatic Co., Ltd.	3	Sales revenue	1,912,740	General terms and conditions	8%
		ATC (ITALIA) S.R.L	3	Trade receivables	90,866	General terms and conditions	-

No.	Company Name	Counter Party	Nature of Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Consolidated Sales or Assets
2	Guangdong Airtac Automatic Industrial Co., Ltd	ATC (ITALIA) S.R.L	3	Sales revenue	156,189	General terms and conditions	1%
		AIRTAC USA CORPORATION	3	Trade receivables	49,039	General terms and conditions	-
		AIRTAC USA CORPORATION	3	Sales revenue	102,575	General terms and conditions	-
		Airtac Co., Ltd.	3	Trade receivables	12,619	General terms and conditions	-
		Airtac Co., Ltd.	3	Sales revenue	21,052	General terms and conditions	-
		AIRTAC INDUSTRIAL CO., LTD.	3	Trade receivables	20,583	General terms and conditions	-
		AIRTAC INDUSTRIAL CO., LTD.	3	Sales revenue	55,089	General terms and conditions	-
		AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD.	3	Trade receivables	18,235	General terms and conditions	-
		AIRTAC INDUSTRIAL (MALAYSIA) SDN. BHD.	3	Sales revenue	38,582	General terms and conditions	-
		Airtac International Group	2	Trade receivables	12,130	General terms and conditions	-
		Airtac International Group	2	Sales revenue	34,889	General terms and conditions	-
		Ningbo Airtac Automatic Industrial Co., Ltd	3	Trade receivables	1,376,319	General terms and conditions	2%
		Ningbo Airtac Automatic Industrial Co., Ltd	3	Sales revenue	1,774,353	General terms and conditions	8%
		Guangdong Airtac Intelligent Equipment Co., Ltd.	3	Trade receivables	294,356	General terms and conditions	1%
		Guangdong Airtac Intelligent Equipment Co., Ltd.	3	Sales revenue	932,594	General terms and conditions	4%
		ATC (ITALIA) S.R.L	3	Trade receivables	15,259	General terms and conditions	-
		ATC (ITALIA) S.R.L	3	Sales revenue	28,328	General terms and conditions	-
		AIRTAC USA CORPORATION	3	Trade receivables	43,099	General terms and conditions	-
		AIRTAC USA CORPORATION	3	Sales revenue	47,656	General terms and conditions	-
3	Airtac (China) Co., Ltd.	Ningbo Airtac Automatic Industrial Co., Ltd.	3	Sales revenue	14,727	General terms and conditions	-
4	Guangdong Airtac Intelligent Equipment Co., Ltd.	Airtac (China) Co., Ltd.	3	Trade receivables	304,824	General terms and conditions	1%
		Airtac (China) Co., Ltd.	3	Sales revenue	783,861	General terms and conditions	3%
5	Airtac (Tianjin) Intelligent Technology Co., Ltd.	Airtac (China) Co., Ltd.	3	Other receivables	28,837	General terms and conditions	-
6	Airtac Enterprise Co., Ltd.	Airtac International Group	2	Other receivables	10,000	General terms and conditions	-
7	Airtac Co., Ltd.	Ningbo Airtac Automatic Industrial Co., Ltd.	3	Sales revenue	12,078	General terms and conditions	-

Note : No 1.Represents the transactions from parent company to subsidiary.

No 2. Represents the transactions from subsidiary to parent company.

No 3.Represents the transactions from subsidiary to subsidiary.

AIRTAC INTERNATIONAL GROUP AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS**
September 30, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Ding Kan Investment Ltd.	26,326,227	13.16%
YHZ Ltd.	10,828,142	5.41%
Express Brilliant Ltd.	10,350,000	5.17%

Note: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation . In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.