

(In Thousands of New Taiwan Dollars)

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

| <u>Name</u> | <u>Relation</u> |
|---|---|
| Behealthy Electronic Technology Co., Ltd. | Substantive related parties (the responsible person of the party is the director of the Group) |

(2) Operating transaction

| | <u>For the Three Months Ended June 30</u> | | <u>For the Six Months Ended June 30</u> | |
|--|---|---------------|---|---------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| <u>Sales of goods</u> | | | | |
| Other related parties (the responsible person of the party is the director of the Group) | \$ <u>87</u> | \$ <u>137</u> | \$ <u>195</u> | \$ <u>219</u> |

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

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

| | <u>June 30, 2018</u> | <u>December 31, 2017</u> | <u>June 30, 2017</u> |
|--|----------------------|------------------------------|----------------------|
| <u>Trade Receivables</u> | | | |
| Other related parties (the responsible person of the party is the director of the Group) | \$ <u>75</u> | \$ <u>-</u> | \$ <u>-</u> |

No expense was recognized for the six months ended June 30, 2017 and 2016 for allowance for impaired trade receivables with respect to the amounts owed by related parties.

(3) Compensation of key management personnel

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

| | <u>For the Three months ended June 30</u> | | <u>For the Six Months Ended June 30</u> | |
|------------------------------|---|------------------|---|------------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Short-term employee benefits | \$ <u>37,876</u> | \$ <u>40,005</u> | \$ <u>57,694</u> | \$ <u>72,446</u> |

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.