

English Translation of Financial Statements and a Report Originally Issued in Chinese

**Ticker: 4939**

**ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REVIEW REPORT OF INDEPENDENT AUDITORS  
AS OF SEPTEMBER 30, 2023 AND 2022  
AND FOR THE NINE-MONTH PERIODS THEN ENDED**

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*The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.*

English Translation of Financial Statements and a Report Originally Issued in Chinese

**Consolidated Financial Statements  
Index**

Item	Page
1. Cover sheet	1
2. Index	2
3. Independent Auditors' Review Report	3-4
4. Consolidated balance sheets	5-6
5. Consolidated statements of comprehensive incomes	7
6. Consolidated statements of changes in equity	8
7. Consolidated statements of cash flows	9
8. Footnotes to the consolidated financial statements	
(1) History and organization	10
(2) Date and procedures of authorization of financial statements for issue	10
(3) Newly issued or revised standards and interpretations	10-13
(4) Summary of material accounting policies	14-16
(5) Significant accounting judgments, estimates and assumptions	16-17
(6) Contents of significant accounts	17-42
(7) Related party transactions	43
(8) Assets pledged as collateral	43
(9) Significant contingencies and unrecognized contract commitments	43
(10) Losses due to major disasters	44
(11) Significant subsequent events	44
(12) Others	44-55
(13) Additional disclosures	
1. Information on significant transactions	55-56
2. Information on investees	56-57
3. Information on investments in Mainland China	58-61
4. Information on major shareholders	61
(14) Segment information	61

English Translation of Financial Statements and a Report Originally Issued in Chinese

**REVIEW REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors and Shareholders of  
Asia Electronic Material Co., Ltd.

**Introduction**

We have reviewed the accompanying consolidated balance sheets of Asia Electronic Material Co., Ltd. (the “Company”) and its subsidiaries as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in equity and cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

**Scope of Review**

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2023 and 2022, and their consolidated financial performance for the three-month and nine-month periods then ended and cash flows for the nine-month periods ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Chen, Kuo-Shuai

/s/Lin, Cheng-Wei

Ernst & Young  
November 7<sup>th</sup>, 2023  
Taipei, Taiwan,  
Republic of China

### Notice to Readers

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

*Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

As of September 30, 2023, December 31, 2022 and September 30, 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	398,260	13.92	\$736,046	25.60	\$535,521	18.22
1150	Notes receivable, net	6(2)	223,355	7.80	128,901	4.48	196,004	6.67
1170	Accounts receivable, net	6(3)	665,619	23.26	566,745	19.72	616,335	20.96
1200	Other receivables		33,054	1.16	28,677	1.00	33,752	1.15
130x	Inventories	6(4)	369,614	12.91	243,652	8.48	390,220	13.27
1410	Prepayments		18,377	0.64	21,372	0.74	24,981	0.85
1470	Other current assets		2,004	0.07	1,907	0.07	1,972	0.07
11xx	Total current assets		1,710,283	59.76	1,727,300	60.09	1,798,785	61.19
	Non-current assets							
1517	Financial asset at fair value through OCI	6(5)	149,039	5.21	153,769	5.35	128,523	4.37
1600	Property, plant and equipment, net	6(6)	834,533	29.16	827,367	28.78	850,920	28.94
1755	Right-of-use assets	6(16)	115,446	4.03	115,800	4.03	112,985	3.84
1780	Intangible assets	6(7)	10,823	0.38	11,844	0.41	12,422	0.42
1840	Deferred income tax assets	4, 6(20)	22,133	0.77	25,008	0.87	22,525	0.77
1900	Other non-current assets	6(8)	19,843	0.69	13,649	0.47	13,711	0.47
15xx	Total non-current assets		1,151,817	40.24	1,147,437	39.91	1,141,086	38.81
1xxx	Total Assets		\$2,862,100	100.00	\$2,874,737	100.00	\$2,939,871	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

As of September 30, 2023, December 31, 2022 and September 30, 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(9)	\$589,307	20.59	\$748,325	26.03	\$753,096	25.62
2130	Contract liabilities	6(14)	-	-	8	-	8	-
2150	Notes payable		64,610	2.26	4,386	0.15	32,349	1.10
2170	Accounts payable		207,929	7.26	122,932	4.28	148,409	5.04
2200	Other payables		44,544	1.56	58,048	2.02	54,770	1.86
2230	Current income tax liabilities	4, 6(20)	10,922	0.38	9,278	0.32	16,121	0.55
2280	Lease liabilities	6(16)	3,186	0.11	3,086	0.11	1,638	0.06
2300	Other current liabilities		380	0.01	318	0.01	335	0.01
2322	Current portion of long-term loans	6(11)	-	-	100,000	3.48	100,000	3.40
21xx	Total current liabilities		920,878	32.17	1,046,381	36.40	1,106,726	37.64
	Non-current liabilities							
2540	Long-term loans	6(11)	100,000	3.50	-	-	-	-
2570	Deferred income tax liabilities	4, 6(20)	214,922	7.51	218,995	7.62	209,869	7.14
2580	Lease liabilities	6(16)	3,251	0.11	4,032	0.14	344	0.01
2630	Long-term deferred revenue	6(10)	59,609	2.08	61,609	2.14	61,675	2.10
25xx	Total non-current liabilities		377,782	13.20	284,636	9.90	271,888	9.25
2xxx	Total liabilities		1,298,660	45.37	1,331,017	46.30	1,378,614	46.89
31xx	Equity attributable to shareholders of the parent							
3100	Capital							
3110	Common stock	6(13)	982,009	34.31	982,009	34.16	982,009	33.40
3200	Capital surplus		192,899	6.74	192,899	6.71	192,899	6.56
3300	Retained earnings							
3310	Legal reserve		68,473	2.39	65,032	2.26	65,032	2.21
3320	Special reserve		41,956	1.47	41,956	1.46	41,956	1.43
3350	Unappropriated earnings		225,924	7.90	237,713	8.27	245,027	8.34
	Total Retained earnings		336,353	11.76	344,701	11.99	352,015	11.98
3400	Other components of equity		52,179	1.82	24,111	0.84	34,334	1.17
3xxx	Total equity		1,563,440	54.63	1,543,720	53.70	1,561,257	53.11
	Total liabilities and equity		\$2,862,100	100.00	\$2,874,737	100.00	\$2,939,871	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three-month and nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended September 30,				For the nine-month period ended September 30,			
			2023		2022		2023		2022	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(14)	\$447,110	100.00	\$445,327	100.00	\$1,126,939	100.00	\$1,273,465	100.00
5000	Operating costs		(342,318)	(76.56)	(347,692)	(78.08)	(871,345)	(77.32)	(989,717)	(77.72)
5900	Gross profit		104,792	23.44	97,635	21.92	255,594	22.68	283,748	22.28
6000	Operating expenses									
6100	Sales and marketing		(24,103)	(5.39)	(19,614)	(4.40)	(60,473)	(5.37)	(62,900)	(4.94)
6200	General and administrative		(26,939)	(6.03)	(22,342)	(5.02)	(72,984)	(6.48)	(74,947)	(5.89)
6300	Research and development		(23,118)	(5.17)	(16,136)	(3.62)	(58,509)	(5.19)	(46,812)	(3.67)
6450	Expected credit gains (losses)	6(15)	(253)	(0.06)	2,014	0.45	(266)	(0.02)	2,273	0.18
	Total operating expenses		(74,413)	(16.65)	(56,078)	(12.59)	(192,232)	(17.06)	(182,386)	(14.32)
6900	Operating income		30,379	6.79	41,557	9.33	63,362	5.62	101,362	7.96
7000	Non-operating incomes and expenses	6(18)								
7010	Other incomes		3,279	0.73	2,085	0.47	8,302	0.74	4,701	0.37
7020	Other gains or losses		14,915	3.34	(28,437)	(6.38)	(3,279)	(0.29)	(40,048)	(3.14)
7050	Finance costs		(8,901)	(1.99)	(5,376)	(1.21)	(22,839)	(2.03)	(11,940)	(0.94)
	Total non-operating incomes and expenses		9,293	2.08	(31,728)	(7.12)	(17,816)	(1.58)	(47,287)	(3.71)
7900	Income (loss) before tax		39,672	8.87	9,829	2.21	45,546	4.04	54,075	4.25
7950	Income tax benefit(expense)	4, 6(20)	(10,092)	(2.26)	(1,523)	(0.34)	(12,050)	(1.07)	(12,346)	(0.97)
8200	Net income (losses)		29,580	6.61	8,306	1.87	33,496	2.97	41,729	3.28
8300	Other comprehensive income (loss)	6(19)								
8310	Item that not be reclassified to profit or loss									
8316	Unrealized gains (losses) on equity instrument investment at fair value through other comprehensive income		2,433	0.55	-	-	5,729	0.51	-	-
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		68,646	15.35	20,993	4.71	34,540	3.06	57,773	4.54
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		(13,729)	(3.07)	(4,199)	(0.94)	(6,908)	(0.61)	(11,555)	(0.91)
	Total other comprehensive income, net of tax		57,350	12.83	16,794	3.77	33,361	2.96	46,218	3.63
8500	Total comprehensive income		\$86,930	19.44	\$25,100	5.64	\$66,857	5.93	\$87,947	6.91
9750	Earnings per share-basic (in NTD)	6(21)	\$0.30		\$0.08		\$0.34		\$0.42	
9850	Earnings per share-diluted (in NTD)		\$0.30		\$0.08		\$0.34		\$0.42	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent							
		Common Stock	Capital Surplus	Retained Earnings			Others		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
		3110	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2022	\$982,009	\$192,899	\$47,723	\$41,956	\$358,088	\$(76,317)	\$64,433	\$1,610,791
	Appropriation and distribution of 2021 earnings								
B1	Legal reserve			17,309		(17,309)			-
B5	Cash dividends-common shares					(137,481)			(137,481)
D1	Net income for the nine-month period ended September 30, 2022					41,729			41,729
D3	Other comprehensive income (loss), for the nine-month period ended September 30, 2022						46,218		46,218
D5	Total comprehensive income (loss)	-	-	-	-	41,729	46,218	-	87,947
Z1	Balance as of September 30, 2022	<u>\$982,009</u>	<u>\$192,899</u>	<u>\$65,032</u>	<u>\$41,956</u>	<u>\$245,027</u>	<u>\$(30,099)</u>	<u>\$64,433</u>	<u>\$1,561,257</u>
A1	Balance as of January 1, 2023	\$982,009	\$192,899	\$65,032	\$41,956	\$237,713	\$(49,942)	\$74,053	\$1,543,720
	Appropriation and distribution of 2022 earnings								
B1	Legal reserve			3,441		(3,441)			-
B5	Cash dividends-common shares					(47,137)			(47,137)
D1	Net income for the nine-month period ended September 30, 2023					33,496			33,496
D3	Other comprehensive income (loss), for the nine-month period ended September 30, 2023						27,632	5,729	33,361
D5	Total comprehensive income (loss)	-	-	-	-	33,496	27,632	5,729	66,857
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income					5,293		(5,293)	-
Z1	Balance as of September 30, 2023	<u>\$982,009</u>	<u>\$192,899</u>	<u>\$68,473</u>	<u>\$41,956</u>	<u>\$225,924</u>	<u>\$(22,310)</u>	<u>\$74,489</u>	<u>\$1,563,440</u>

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



English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the nine-month periods ended September 30,		Code	Items	For the nine-month periods ended September 30,	
		2023	2022			2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$45,546	\$54,075	B00020	Disposal of financial assets at fair value through	13,070	-
A20000	Adjustments:				other comprehensive income		
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(49,122)	(134,848)
A20100	Depreciation (including right-of-use assets)	47,313	47,687	B02800	Proceeds from disposal of property, plant and equipment	1,087	80
A20200	Amortization	1,220	1,230	B03800	Decrease (increase) in refundable deposits	(15)	95
A20300	Expected credit losses (gain on recovery)	266	(2,273)	B09900	Acquisition of assets related to government grants	-	962
A20900	Interest expense	22,839	11,940	BBBB	Net cash provided by (used in) investing activities	(34,980)	(133,711)
A21200	Interest income	(2,256)	(1,980)				
A22500	Loss on disposal of property, plant and equipment	247	322	CCCC	Cash flows from financing activities:		
A29900	Gain on government grants	(3,120)	(485)	C00100	Increase in (repayment of) short-term loans	(159,018)	32,700
A29900	Gain on lease modification	(17)	-	C01600	Increase in long-term loans	100,000	-
A30000	Changes in operating assets and liabilities:			C01700	Repayment of long-term loans	(100,000)	-
A31130	Decrease (increase) in notes receivable	(94,454)	(13,751)	C04020	Cash payments for the principal portion of the lease liabilities	(3,060)	(3,088)
A31140	Decrease (increase) in notes receivable - related parties	-	34,903	C04500	Cash dividends	(47,137)	(137,481)
A31150	Decrease (increase) in accounts receivable	(99,245)	75,514	CCCC	Net cash provided by (used in) financing activities	(209,215)	(107,869)
A31160	Decrease (increase) in accounts receivable - related parties	-	54,907				
A31180	Decrease (increase) in other receivables	(4,377)	11,659				
A31200	Decrease (increase) in inventories	(125,962)	(151,089)	DDDD	Effect of exchange rate changes on cash and cash equivalents	14,617	28,854
A31220	Decrease (increase) in prepayments	(2,336)	10,253				
A31240	Decrease (increase) in other current assets	(97)	(253)	EEEE	Net increase (decrease) in cash and cash equivalents	(337,786)	(168,495)
A32125	Increase (decrease) in contract liabilities	(8)	-	E00100	Cash and cash equivalents at beginning of period	736,046	704,016
A32130	Increase (decrease) in notes payable	60,224	(13,038)	E00200	Cash and cash equivalents at end of period	\$398,260	\$535,521
A32150	Increase (decrease) in accounts payable	84,997	8,832				
A32180	Increase (decrease) in other payables	(5,410)	(57,614)				
A32230	Increase (decrease) in other current liabilities	62	19				
A33000	Cash generated from (used in) operations	(74,568)	70,858				
A33100	Interest received	2,256	1,980				
A33300	Interest paid	(22,675)	(12,293)				
A33500	Income tax paid	(13,221)	(16,314)				
AAAA	Net cash provided by (used in) operating activities	(108,208)	44,231				

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

Asia Electronic Material Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements  
For the nine-month periods ended September 30, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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1. HISTORY AND ORGANIZATION

Asia Electronic Material Co., Ltd. (“the Company”) was established on July 7, 2003. Its main business activities include the manufacture of various electronic products and the sale of electronic materials. The Company’s stocks have been governmentally approved on September 28, 2011 to be listed and traded in Taipei Exchange starting September 19, 2011. The registered business premise and main operation address is at 4th Floor, No. 18, Lane 676, Jhonghua Rd. Jhubei City, HsinChu County 302, Taiwan (R.O.C).

2. DATE AND PROCEDURE OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the nine-month periods ended September 30, 2023 and 2022 were authorized for issue by the Board of Directors on November 7th, 2023.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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(2) Standards or interpretations issued, revised or amended, by IASB which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024. by FSC. Group assesses all standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

- (a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The remaining new or amended standards and interpretations have no material impact on the Group.

#### 4.SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

##### (1)Statement of compliance

The consolidated financial statements of the Group for the nine-month periods ended September 30, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

Except the following 4(3) ~ 4(4), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. For more details, please refer to Note 4 of the Company’s consolidated financial statements for the year ended December 31, 2022.

##### (2)Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

##### (3)Basis of consolidation

The same principles of consolidation have been applied in the Company’s consolidated financial statements as those applied in the Company’s consolidated financial statements for the year ended December 31, 2022. For the principles of consolidation, please refer to Note 4(3) of the Company’s consolidated financial statements for the year ended December 31, 2022.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%) As of		
			Sep 30, 2023	Dec 31, 2022	Sep 30, 2022
The Company	BESTTRADE CO., LTD.	Electronic materials trading and business which relates to import and export	100%	100%	100%
The Company	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Investing activities	100%	100%	100%
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	AMMON TEC. INVESTMENT CORP.	Investing activities	100%	100%	100%
AMMON TEC. INVESTMENT CORP.	KUNSHAN APLUS TEC. CORPORATION	Manufacturing and selling electronic materials	100%	100%	100%
AMMON TEC. INVESTMENT CORP.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Manufacturing and selling electronic materials	100% (Note 1)	100% (Note 1)	100% (Note 1)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

Note 1: In order to expand the market in China and develop the local supply chain, the company's Board of Directors' meetings resolved to invest in a new electronic functional material project in the eastern area of Jiangsu Dongtai Economic Development Zone on April 27, 2018. The company invested in the AMMON TEC. INVESTMENT CORP., a subsidiary of ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD., remitted the investment amount of RMB30,000 thousand, RMB20,000 thousand and RMB20,000 thousand in 2018, 2019, 2021, respectively through the surplus distribution and reinvestment of KUNSHAN APLUS TEC. CORPORATION for a total of RMB70,000 thousand, and acquired 100% equity of DONGTAI APLUS TECHNOLOGY CO., LTD. Waited for the partnership formed by employees to remit its investment, AMMON TEC. INVESTMENT CORP. will hold 85% of the equity of DONGTAI APLUS TECHNOLOGY CO., LTD, and a partnership company composed of employees will hold 15%. As of the financial report date, this investment project is still in progress.

(4)Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, "Income Tax." The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5.SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the nine-month period ended September 30, 2023 as those applied in the Group's consolidated financial statements for the year ended December 31, 2022. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company's consolidated financial statements for the year ended December 31, 2022.

## 6. CONTENTS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Cash and petty cash	\$159	\$370	\$677
Checkings and savings	398,101	735,676	534,844
Total	<u>\$398,260</u>	<u>\$736,046</u>	<u>\$535,521</u>

### (2) Notes receivable, net

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Notes receivable - from operation	\$ 223,355	\$128,901	\$196,004
Less: loss allowance	-	-	-
Total	<u>\$223,355</u>	<u>\$128,901</u>	<u>\$196,004</u>

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6 (15) for more details on loss allowance and Note 12 for details on credit risk.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

(3) Accounts receivable, net

A. Accounts receivable, net

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Accounts receivable, gross	\$671,162	\$571,917	\$632,005
Less: loss allowance	(5,543)	(5,172)	(15,670)
Total accounts receivable, net	<u>\$665,619</u>	<u>\$566,745</u>	<u>\$616,335</u>

B. Accounts receivable were not pledged.

C. Accounts receivable are generally on 60-180 days terms. The total carrying amount is NT\$671,162 thousand, NT\$571,917 thousand and NT\$632,005 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. Please refer to Note 6 (15) for more details on loss allowance of accounts receivable for the nine-month periods ended September 30, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

D. The Group entered into factoring agreements with banks. Accounts receivable from selected customers are transferred to banks without recourse. In addition to transferring the contractual rights of receivable cash flow, the Group does not need to bear the credit risk of unrecoverable receivables (except for commercial disputes) according to the contract, and meets the conditions for the derecognition of financial assets. As of September 30, 2023, December 31, 2022 and September 30, 2022, details of the agreed credit limits and accounts receivable transferred were as follows:

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial Institution	Accounts receivable derecognized	Advance received	Interest rate	Collateral	Credit limit
<u>09/30/2023</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD153</u>	<u>USD130</u>	0.946	<u>USD 90</u>	<u>USD 200</u>
Shin Kong Bank	<u>USD918</u>	<u>USD -</u>	Negotiation	<u>None</u>	<u>USD 2,700</u>
<u>12/31/2022</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 91</u>	<u>USD 77</u>	0.946	<u>USD 90</u>	<u>USD 2,200</u>
Shin Kong Bank	<u>USD 1,340</u>	<u>USD 463</u>	Negotiation	<u>None</u>	<u>USD 4,700</u>
<u>09/30/2022</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 133</u>	<u>USD 113</u>	0.946	<u>USD 90</u>	<u>USD 2,200</u>
Shin Kong Bank	<u>USD 1,847</u>	<u>USD 880</u>	Negotiation	<u>None</u>	<u>USD 4,700</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Inventory

A. Details of inventory:

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Raw material	\$ 187,917	\$138,273	\$217,915
Work in process	33,355	11,317	11,169
Finished goods	148,342	94,062	161,136
Total	<u>\$369,614</u>	<u>\$243,652</u>	<u>\$390,220</u>

B. For cost of inventories recognized in expenses amounted to NT\$871,345 thousand, NT\$989,717 thousand, NT\$342,318 thousand and NT\$347,692 thousand for the nine - month and three -month periods ended September 30, 2023 and 2022, respectively. The following items were also included in cost:

Item	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
(Gain) Loss from inventory market decline	<u>\$(1,453)</u>	<u>\$5,378</u>	<u>\$(12,437)</u>	<u>\$11,435</u>

For the nine-month periods and three-month periods ended 30 September, 2023, the Group recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were sold.

C. The inventories were not pledged.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Financial assets at fair value through other comprehensive income

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Equity instrument investments measured at fair value through other comprehensive income:			
Unlisted companies stocks	\$137,856	\$135,245	\$128,523
Listed companies stocks	11,183	18,524	-
Total	<u>\$149,039</u>	<u>\$153,769</u>	<u>\$128,523</u>
Non-current	<u>\$149,039</u>	<u>\$153,769</u>	<u>\$128,523</u>

The Group classified part of financial assets as financial assets at fair value through other comprehensive income. No financial asset at fair value through other comprehensive income was pledged as collateral.

(6) Property, plant and equipment

(1) Owner occupied property, plant and equipment

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Lease assets and leasehold improvements	Other equipment	Construction in progress and equipment awaiting inspection	Total
<u>Cost:</u>								
As of 1/1/2023	\$131,441	\$883,489	\$6,983	\$15,248	\$6,498	\$72,938	\$335,808	\$1,452,405
Addition	1,714	6,464	2,157	574	252	1,013	23,038	35,212
Disposals	-	(1,316)	(1,760)	(1,138)	(1,088)	-	(965)	(6,267)
Transfer	-	5,532	-	502	-	1,587	(7,621)	-
Effect of EX rate	2,575	17,328	144	220	-	1,238	6,985	28,490
As of 9/30/2023	<u>\$135,730</u>	<u>\$911,497</u>	<u>\$7,524</u>	<u>\$15,406</u>	<u>\$5,662</u>	<u>\$76,776</u>	<u>\$357,245</u>	<u>\$1,509,840</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Lease assets and leasehold improvements	Other equipment	Construction in progress and equipment awaiting inspection	Total
As of 1/1/2022	\$103,712	\$836,505	\$6,741	\$14,471	\$6,498	\$67,618	\$284,827	\$1,320,372
Addition	927	21,406	137	1,458	-	1,691	88,744	114,363
Disposals	-	(3,995)	-	(38)	-	(1,211)	-	(5,244)
Transfer	24,997	15,806	-	(1,215)	-	3,891	(43,479)	-
Effect of EX rate	3,342	25,501	204	317	-	1,688	9,237	40,289
As of 9/30/2022	<u>\$132,978</u>	<u>\$895,223</u>	<u>\$7,082</u>	<u>\$14,993</u>	<u>\$6,498</u>	<u>\$73,677</u>	<u>\$339,329</u>	<u>\$1,469,780</u>

Depreciation and impairment:

As of 1/1/2023	\$33,426	\$538,358	\$5,016	\$11,589	\$6,498	\$30,151	\$-	\$625,038
Depreciation	2,994	33,786	591	846	31	4,420	-	42,668
Disposal	-	(1,172)	(1,584)	(1,089)	(1,088)	-	-	(4,933)
Effect of EX rate	712	11,131	75	159	-	457	-	12,534
As of 9/30/2023	<u>\$37,132</u>	<u>\$582,103</u>	<u>\$4,098</u>	<u>\$11,505</u>	<u>\$5,441</u>	<u>\$35,028</u>	<u>\$-</u>	<u>\$657,307</u>

As of 1/1/2022	\$29,235	\$488,553	\$4,032	\$10,510	\$6,408	\$25,348	\$-	\$564,086
Depreciation	2,686	34,341	690	800	90	4,369	-	42,976
Disposal	-	(3,595)	-	(36)	-	(1,211)	-	(4,842)
Effect of EX rate	902	14,970	127	216	-	425	-	16,640
As of 9/30/2022	<u>\$32,823</u>	<u>\$534,269</u>	<u>\$4,849</u>	<u>\$11,490</u>	<u>\$6,498</u>	<u>\$28,931</u>	<u>\$-</u>	<u>\$618,860</u>

Net carrying amount:

As of 9/30/2023	<u>\$98,598</u>	<u>\$329,394</u>	<u>\$3,426</u>	<u>\$3,901</u>	<u>\$221</u>	<u>\$41,748</u>	<u>\$357,245</u>	<u>\$834,533</u>
As of 12/31/2022	<u>\$98,015</u>	<u>\$345,131</u>	<u>\$1,967</u>	<u>\$3,659</u>	<u>\$-</u>	<u>\$42,787</u>	<u>\$335,808</u>	<u>\$827,367</u>
As of 9/30/2022	<u>\$100,155</u>	<u>\$360,954</u>	<u>\$2,233</u>	<u>\$3,503</u>	<u>\$-</u>	<u>\$44,746</u>	<u>\$339,329</u>	<u>\$850,920</u>

Property, plant and equipment were not pledged.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Intangible assets

	Computer software	Technology licensing	Total
<u>Cost:</u>			
As of January 1, 2023	\$15,311	\$1,000	\$16,311
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
Effect of EX rate	296	-	296
As of September 30, 2023	<u>\$15,607</u>	<u>\$1,000</u>	<u>\$16,607</u>
As of January 1, 2022	\$15,075	\$1,000	\$16,075
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
Effect of EX rate	453	-	453
As of September 30, 2022	<u>\$15,528</u>	<u>\$1,000</u>	<u>\$16,528</u>
<u>Amortization and impairment:</u>			
As of January 1, 2023	\$3,700	\$767	\$4,467
Amortization	1,145	75	1,220
Derecognized upon retirement	-	-	-
Effect of EX rate	97	-	97
As of September 30, 2023	<u>\$4,942</u>	<u>\$842</u>	<u>\$5,784</u>
As of January 1, 2022	\$2,135	\$667	\$2,802
Amortization	1,155	75	1,230
Derecognized upon retirement	-	-	-
Effect of EX rate	74	-	74
As of September 30, 2022	<u>\$3,364</u>	<u>\$742</u>	<u>\$4,106</u>
<u>Carrying amount, net:</u>			
As of September 30, 2023	<u>\$10,665</u>	<u>\$158</u>	<u>\$10,823</u>
As of December 31, 2022	<u>\$11,611</u>	<u>\$233</u>	<u>\$11,844</u>
As of September 30, 2022	<u>\$12,164</u>	<u>\$258</u>	<u>\$12,422</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
General and administrative	\$379	\$385	\$1,145	\$1,155
Research and development	25	25	75	75
Total	<u>\$404</u>	<u>\$410</u>	<u>\$1,220</u>	<u>\$1,230</u>

(8)Other non-current assets

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Prepayment for equipment	\$18,861	\$12,682	\$12,512
Refundable deposits	982	967	1,199
Total	<u>\$19,843</u>	<u>\$13,649</u>	<u>\$13,711</u>

(9)Short-term loans

A.Details of Short-term loans

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Unsecured bank loans	<u>\$589,307</u>	<u>\$748,325</u>	<u>\$753,096</u>
Interest interval (%)	1.93%~6.5%	1.14%~5.65%	1.28%~4.32%

B.As of September 30, 2023, December 31, 2022 and September 30, 2022, the line of unused short-term loans credit for the Group amounted to NT\$1,418,936 thousand, NT\$852,415 thousand and NT\$1,013,578 thousand, respectively.



English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(10) Deferred revenue

Government grants

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Beginning balance	\$61,609	\$59,409	\$59,409
Received during the period	-	1,920	962
Released to the statement of comprehensive income	(3,120)	(646)	(485)
Effect of EX rate	1,120	926	1,789
Ending Balance	<u>\$59,609</u>	<u>\$61,609</u>	<u>\$61,675</u>
Non-current deferred revenue - government grants related to assets	<u>\$59,609</u>	<u>\$61,609</u>	<u>\$61,675</u>

Government grants have been received for the purchase of certain items of property, plant and equipment. The grants is related to assets, which is recognized as deferred income and recognized as income in installments over the expected useful life of the relevant assets.

(11) Long-term loans

Details of long-term loans were as follows:

Lenders	As of 09/30/2023	Interest Rate(%)	Repayment
Agricultural Bank of Taiwan-Mid-term credit loan	\$100,000	Index rate plus 0.63%	Payment of interest monthly, and repayment of principal when due.
Less: current portion	-		
Total	<u>\$100,000</u>		

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Lenders	As of 12/31/2022	Interest Rate(%)	Repayment
Agricultural Bank of Taiwan- Mid-term credit loan	\$100,000	Index rate plus 0.523%	Payment of interest monthly, and repayment of principal when due.
Less: current portion	(100,000)		
Total	\$-		

Lenders	As of 09/30/2022	Interest Rate(%)	Repayment
Agricultural Bank of Taiwan- Mid-term credit loan	\$100,000	Index rate plus 0.523%	Payment of interest monthly, and repayment of principal when due.
Less: current portion	(100,000)		
Total	\$-		

(12) Post-employment benefits plans

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended September 30, 2023 and 2022 were NT\$262 thousand and NT\$248 thousand, respectively, while for the nine-month periods ended September 30, 2023 and 2022 were NT\$772 thousand and NT\$743 thousand, respectively.

(13) Equities

(a) Common stock

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's authorized capital were both NT\$1,500,000 thousand. The Company's paid-in capital was NT\$982,009 thousand, each share at par value of NT\$10 divided into 98,200,868 shares.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

(b) Capital surplus

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Additional paid-in capital	\$133,912	\$133,912	\$133,912
Employee stock option	32,665	32,665	32,665
Share options-convertible bonds	13,843	13,843	13,843
Others	12,479	12,479	12,479
Total	<u>\$192,899</u>	<u>\$192,899</u>	<u>\$192,899</u>

According to the Taiwan Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company up to a certain percentage of paid-in capital. The said capital surplus could be distributed in cash to its shareholders in proportion to the number of shares being held by each of them.

(c) Appropriation of earnings and dividend policies

a. Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

b. Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

As of September 30, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS reduced to NT\$41,956 thousand accordingly.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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c. Earning distribution

(1) Earning distribution

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

(2) Dividend policies

For long-term finance planning requirements and to meet the shareholders' demand for cash, the Company's dividend policy aims for steadiness and balancing. Shareholder extra dividend each year cannot be less than 10% and more than 90% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

- (3) The appropriations of earnings for 2022 and 2021 were approved through the shareholders' meetings held on May 24, 2023 and May 17, 2022, respectively. The details of the distributions are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (in NT\$)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Legal reserve	\$3,441	\$17,309		
Cash dividend	47,137	137,481	\$0.48	\$1.40
Total	<u>\$50,578</u>	<u>\$154,790</u>		

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Please refer to Note 6(17) for details on employees' compensation and remuneration to directors and supervisors.

(14) Operating revenue

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Revenue from contracts with customers				
Sale of goods	<u>\$447,110</u>	<u>\$445,327</u>	<u>\$1,126,939</u>	<u>\$1,273,465</u>

Analysis of revenue from contracts with customers during the three-month and the nine-month periods ended September 30, 2023 and 2022 are as follows:

A. Disaggregation of revenue

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Sale of FPC	<u>\$447,110</u>	<u>\$445,327</u>	<u>\$1,126,939</u>	<u>\$1,273,465</u>
Timing of revenue recognition:				
At a point in time	<u>\$447,110</u>	<u>\$445,327</u>	<u>\$1,126,939</u>	<u>\$1,273,465</u>

B. Contract balances

a. Contract liabilities – current

	As of			
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022	1 Jan. 2022
Sales of goods	<u>\$-</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>

The Group's contract liabilities balance decreased in the nine-month period ended 30 September, 2023. The Company has fulfilled its contractual obligations, and all related revenue has been recognized.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Transaction price allocated to unsatisfied performance obligations: None.

D. Assets recognized from cost to fulfil a contract: None.

(15) Expected credit (gains) losses

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Operating expenses – Expected credit losses/(gains)				
Notes receivable	\$-	\$-	\$-	\$-
Accounts receivable	253	(2,014)	266	(2,273)
Total	<u>\$253</u>	<u>\$(2,014)</u>	<u>\$266</u>	<u>\$(2,273)</u>

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its accounts receivable (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of September 30, 2023, December 31, 2022 and September 30, 2022 are as follows:

The Group considers the grouping of accounts receivable by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

As of September 30, 2023

	Not past due	Past due								
		Within 90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-240 days	241-270 days	Over 271 days	Total
Gross carrying amount	\$838,775	\$50,650	\$104	\$-	\$-	\$-	\$-	\$-	\$4,988	\$894,517
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(550)	(5)	-	-	-	-	-	(4,988)	(5,543)
Subtotal	<u>\$ 838,775</u>	<u>\$ 50,100</u>	<u>\$ 99</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ 888,974</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2022

	Not past due (Note)	Past due								Total
		Within 90	91-120	121-150	151-180	181-210	211-240	241-270	Over 271	
		days	days	days	days	days	days	days	days	
Gross carrying amount	\$675,490	\$20,382	\$53	\$-	\$-	\$-	\$-	\$-	\$4,893	\$700,818
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(276)	(3)	-	-	-	-	-	(4,893)	(5,172)
Subtotal	\$675,490	\$20,106	\$50	\$-	\$-	\$-	\$-	\$-	\$-	\$695,646

As of September 30, 2022

	Not past due (Note)	Past due								Total
		Within 90	91-120	121-150	151-180	181-210	211-240	241-270	Over 271	
		days	days	days	days	days	days	days	days	
Gross carrying amount	\$787,285	\$25,148	\$237	\$-	\$-	\$-	\$-	\$-	\$15,339	\$828,009
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(320)	(11)	-	-	-	-	-	(15,339)	(15,670)
Subtotal	\$787,285	\$ 24,828	\$ 226	\$-	\$-	\$-	\$-	\$-	\$-	\$812,339

Note: All the Group's notes receivable were not past due.

The movement in the provision for impairment of accounts receivable for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	<u>Accounts receivable</u>
Beginning balance as of January 1, 2023	\$5,172
Addition/ (reversal) for the current period	266
Write off	-
Effect of EX rate	105
Ending balance as of September 30, 2023	<u>\$5,543</u>



English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	<u>Accounts receivable</u>
Beginning balance as of January 1, 2022	\$17,453
Addition/ (reversal) for the current period	(2,273)
Write off	(13)
Effect of EX rate	503
Ending balance as of September 30, 2022	<u><u>\$15,670</u></u>

(16) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment and other equipment. These lease have terms of between 3 to 50 years. The Group may not allowed to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

a. Amounts recognized in the balance sheets

(a) Right-of-use assets

Net carrying amount of right-of-use assets

	<u>As of</u>		
	<u>30 Sep. 2023</u>	<u>31 Dec. 2022</u>	<u>30 Sep. 2022</u>
Land	\$109,004	\$108,758	\$110,916
Buildings	5,705	5,558	673
Transportation equipment	54	292	377
Other equipment	683	1,192	1,019
Total	<u><u>\$115,446</u></u>	<u><u>\$115,800</u></u>	<u><u>\$112,985</u></u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Lease liabilities

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Lease liabilities	\$6,437	\$7,118	\$1,982
Current	\$3,186	\$3,086	\$1,638
Non-current	3,251	4,032	344
Total	\$6,437	\$7,118	\$1,982

Please refer to Note 6(18) (c) for the interest on lease liabilities recognized for the three-month and nine-month periods ended September 30, 2023 and 2022, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of September 30, 2023, December 31, 2022 and September 30, 2022.

b. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Land	\$602	\$610	\$1,815	\$1,829
Buildings	642	572	1,929	1,735
Transportation equipment	79	93	238	435
Other equipment	136	248	663	712
Total	\$1,459	\$1,523	\$4,645	\$4,711

c. Income and costs relating to leasing activities

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
The expenses relating to short-term leases	\$135	\$365	\$442	\$599

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

d. Cash outflow relating to leasing activities

During the nine-month periods ended September 30, 2023 and 2022, the Group's total cash outflows for leases amounting to NT\$3,502 thousand and NT\$3,687 thousand, respectively.

(17) Summary statement of employee benefits, depreciation and amortization by function is as follows:

	For the three-month period ended September 30,					
	2023			2022		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit						
Salaries	\$17,575	\$24,423	\$41,998	\$17,969	\$19,701	\$37,670
Labor and health insurance	-	497	497	-	457	457
Pension	-	262	262	-	248	248
Other employee benefit	2,681	2,960	5,641	2,538	2,168	4,706
Depreciation	13,027	2,515	15,542	13,313	2,708	16,021
Amortization	-	404	404	-	410	410

	For the nine-month period ended September 30,					
	2023			2022		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit						
Salaries	\$50,530	\$61,326	\$111,856	\$53,801	\$62,556	\$116,357
Labor and health insurance	-	1,603	1,603	-	2,041	2,041
Pension	-	772	772	-	743	743
Other employee benefit	7,110	7,662	14,772	7,123	6,288	13,411
Depreciation	39,365	7,948	47,313	39,245	8,442	47,687
Amortization	-	1,220	1,220	-	1,230	1,230

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

According to the resolution, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TPEX.

The Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the nine-month periods ended September 30, 2023 and 2022 to be not lower than 10% and not higher than 5% of profit of the current period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month periods ended September 30, 2023 amounted to NT\$4,320 thousand and NT\$1,269 thousand, respectively, and, for the nine-month periods ended September 30, 2023 amounted to NT\$4,791 thousand and NT\$1,437 thousand, respectively; while employees' compensation and remuneration to directors and supervisors for the three-month period ended September 30, 2022, amounted to NT\$1,193 thousand and NT\$358 thousand, respectively, and, for the nine-month period ended September 30, 2022, NT\$6,127 thousand and NT\$1,838 thousand, respectively. The employees' compensation and remuneration to directors and supervisors were recognized as salaries.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$6,119 thousand and NT\$1,836 thousand, respectively, in a meeting held on February 23, 2023. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$25,701 thousand and NT\$7,710 thousand, respectively, in a meeting held on February 25, 2022. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

(18) Non-operating incomes and expenses

A. Other incomes

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Interest income				
Financial assets measured at amortized cost	\$440	\$639	\$2,256	\$1,980
Others income—others	2,839	1,446	6,046	2,721
Total	<u>\$3,279</u>	<u>\$2,085</u>	<u>\$8,302</u>	<u>\$4,701</u>

B. Other gains and losses

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Gains/(losses) on disposal of property, plant and equipment	\$(1)	\$(322)	\$(247)	\$(322)
Foreign exchange gains (loss), net	15,039	(28,069)	(2,838)	(38,274)
Lease modification gains	9	-	17	-
Others expenses	(132)	(46)	(211)	(1,452)
Total	<u>\$14,915</u>	<u>\$(28,437)</u>	<u>\$(3,279)</u>	<u>\$(40,048)</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Finance costs

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Interest on bank loans	\$8,853	\$5,356	\$22,675	\$11,860
Interest on lease liabilities	48	20	164	80
Total	<u>\$8,901</u>	<u>\$5,376</u>	<u>\$22,839</u>	<u>\$11,940</u>

(19) Components of other comprehensive income

For the three-month periods ended September 30, 2023

	Arising during the period	Reclassification during the period	Other comprehensive income	Income tax benefit (expense)	OCI, net of tax
Not reclassified to profit or loss:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$2,433	\$-	\$2,433	\$-	\$2,433
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	68,646	-	68,646	(13,729)	54,917
Total OCI	<u>\$71,079</u>	<u>\$-</u>	<u>\$71,079</u>	<u>\$(13,729)</u>	<u>\$57,350</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the three-month periods ended September 30, 2022

	Arising during the period	Reclassification during the period	Other comprehensive income	Income tax benefit (expense)	OCI, net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$20,993	\$-	\$20,993	\$(4,199)	\$16,794

For the nine-month periods ended September 30, 2023

	Arising during the period	Reclassification during the period	Other comprehensive income	Income tax benefit (expense)	OCI, net of tax
Not reclassified to profit or loss:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$5,729	\$-	\$5,729	\$-	\$5,729
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	34,540	-	34,540	(6,908)	27,632
Total OCI	\$40,269	\$-	\$40,269	\$(6,908)	\$33,361

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the nine-month periods ended September 30, 2022

	Arising during the period	Reclassification during the period	Other comprehensive income	Income tax benefit (expense)	OCI, net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$57,773	\$-	\$57,773	\$(11,555)	\$46,218

(20)Income tax

A.The major components of income tax expense (benefit) are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Current income tax expense (income):				
Current income tax expense	\$4,715	\$4,403	\$8,779	\$17,411
Adjustments in respect of current income tax of prior periods	28	(1)	11,357	(2,418)
Deferred tax expense (income):				
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	5,349	(2,879)	(8,086)	(2,647)
Total income tax expense	\$10,092	\$1,523	\$12,050	\$12,346



English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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Income tax relating to components of other comprehensive income

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Deferred tax expense (income):				
Share of other comprehensive income of subsidiaries accounted for under equity method	\$13,729	\$4,199	\$6,908	\$11,555

The assessment of income tax returns

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2021

(21)Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
(a)Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$29,580</u>	<u>\$8,306</u>	<u>\$33,496</u>	<u>\$41,729</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>98,201</u>	<u>98,201</u>	<u>98,201</u>	<u>98,201</u>
Basic earnings per share (NT\$)	<u>\$0.30</u>	<u>\$0.08</u>	<u>\$0.34</u>	<u>\$0.42</u>
(b)Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$29,580</u>	<u>\$8,306</u>	<u>\$33,496</u>	<u>\$41,729</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>98,201</u>	<u>98,201</u>	<u>98,201</u>	<u>98,201</u>
Effect of dilution:				
Employee bonus — stock (in thousands)	<u>293</u>	<u>29</u>	<u>447</u>	<u>638</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>98,494</u>	<u>98,230</u>	<u>98,648</u>	<u>98,839</u>
Diluted earnings per share (NT\$)	<u>\$0.30</u>	<u>\$0.08</u>	<u>\$0.34</u>	<u>\$0.42</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

**7. RELATED PARTY TRANSACTIONS**

(1) Deal with related parties as of the end of the reporting period:

None.

(2) Significant transactions with the related parties

Salaries and rewards to key management of the group

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Short-term employee benefits	\$2,994	\$2,674	\$9,117	\$8,650
Post-employment benefits	48	47	146	142
Total	<u>\$3,042</u>	<u>\$2,721</u>	<u>\$9,263</u>	<u>\$8,792</u>

**8. ASSETS PLEDGED AS SECURITY**

None.

**9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS**

(1) The Group's unused letters of credit (LC) as of September 30, 2023 are as follows:

Currency	LC Amount (in thousand)	Security (in thousand)
USD	USD30,739	\$-
JPY	JPY197	\$-

(2) Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of September 30, 2023 are as follows(in thousands):

Nature of Contract	Contract Amount	Amount Paid	Outstanding Balance
Construction contracts	<u>RMB 83,591</u>	<u>RMB 82,526</u>	<u>RMB 1,065</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

10. SIGNIFICANT DISASTERS LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Financial assets at fair value through OCI	\$ 149,039	\$153,769	\$128,523
Financial assets measured at amortized cost			
Cash and cash equivalent (exclude cash on hand)	398,101	735,676	534,844
Notes receivable, net	223,355	128,901	196,004
Accounts receivable, net	665,619	566,745	616,335
Other receivables	33,054	28,677	33,752
Subtotal	1,320,129	1,459,999	1,380,935
Total	<u>\$1,469,168</u>	<u>\$1,613,768</u>	<u>\$1,509,458</u>

Financial liabilities

	As of		
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2022
Financial liabilities measured at amortized cost:			
Short-term loans	\$589,307	\$748,325	\$753,096
Accounts payable and other payables	317,083	185,366	235,528
Long-term loans (including current portion with maturity less than 1 year)	100,000	100,000	100,000
Lease liabilities	6,437	7,118	1,982
Total	<u>\$1,012,827</u>	<u>\$1,040,809</u>	<u>\$1,090,606</u>

(2) Objectives and policies of financial risk management

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on its policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprise currency risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to foreign currency risk relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign operations.

The Group has certain foreign currency receivables denominated in the same foreign currency as certain foreign currency payables, therefore natural hedge is achieved. Thus, hedge account is not adopted.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit/loss and equity is performed on significant monetary items denominated in foreign currencies as of the reporting period - end. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency US dollars and foreign currency RMB dollars. The information of the sensitivity analysis is as follows:

If NTD dollars appreciates/depreciates against US dollars by 1%, the net income (loss) for the nine-month periods ended September 30, 2023 and 2022 would increased/decreased by NT\$1,769 thousand and NT\$4,411 thousand, respectively.

If NTD dollars appreciates/depreciates against RMB dollars by 1%, the net income (loss) for the nine-month periods ended September 30, 2023 and 2022 would decreased/increased by NT\$9,678 thousand and NT\$10,711 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and loans with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the nine-month periods ended September 30, 2023 and 2022 would decrease/increase by NT\$216 thousand and NT\$162 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$112 thousand on the equity attributable to the Group for the nine-month periods ended September 30, 2023.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 1.

#### (4)Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and financing activities (primarily for bank deposits and other financial instruments).

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Group's internal credit ratings. The Group also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of September 30, 2023, December 31, 2022 and September 30, 2022, receivables from the top ten customers were accounted for 55.19%, 55.17% and 59.00% of the Group's total accounts receivable, respectively. The concentration of credit risk is relatively not significant for the remaining receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, there is no significant credit risk for these counter parties.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5)Liquidity risk management

The Group maintains financial flexibility through the use of cash and cash equivalents, bank loans, convertibal bonds, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<u>As of September 30, 2023</u>					
Loans	\$599,783	\$101,483	\$-	\$-	\$701,266
Payables	317,083	-	-	-	317,083
Lease liabilities	3,203	2,851	566	-	6,620
<u>As of December 31, 2022</u>					
Loans	\$855,915	\$-	\$-	\$-	\$855,915
Payables	185,366	-	-	-	185,366
Lease liabilities	3,220	2,216	1,897	-	7,333
<u>As of September 30, 2022</u>					
Loans	\$862,728	\$-	\$-	\$-	\$862,728
Payables	235,528	-	-	-	235,528
Lease liabilities	1,675	345	-	-	2,020



English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the nine-month periods ended September 30, 2023:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As of January 1, 2023	\$748,325	\$100,000	\$7,118	\$855,443
Cash flows	(159,018)	-	(3,060)	(162,078)
Lease range changes	-	-	2,151	2,151
Interests on lease liabilities	-	-	164	164
Currency rate change	-	-	64	64
As of September 30, 2023	<u>\$589,307</u>	<u>\$100,000</u>	<u>\$6,437</u>	<u>\$695,744</u>

Movement schedule of liabilities for the nine-month periods ended September 30, 2022:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As of January 1, 2022	\$720,396	\$100,000	\$4,599	\$824,995
Cash flows	32,700	-	(3,088)	29,612
Lease range changes	-	-	307	307
Interests on lease liabilities	-	-	80	80
Currency rate change	-	-	84	84
As of September 30, 2022	<u>\$753,096</u>	<u>\$100,000</u>	<u>\$1,982</u>	<u>\$855,078</u>

(7) Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

- (a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturity terms.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for Fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Equity instrument measured at fair value through OCI	<u>\$11,183</u>	<u>\$-</u>	<u>\$137,856</u>	<u>\$149,039</u>

As of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Equity instrument measured at fair value through OCI	<u>\$18,524</u>	<u>\$-</u>	<u>\$135,245</u>	<u>\$153,769</u>

As of September 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Equity instrument measured at fair value through OCI	<u>\$-</u>	<u>\$-</u>	<u>\$128,523</u>	<u>\$128,523</u>

Transfers between Level 1 and Level 2 during the period

For the nine-month periods ended September 30, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value hierarchy.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	<u>At fair value through OCI</u>
Beginning balances as of January 1, 2023	\$135,245
Currency rate change	<u>2,611</u>
Ending balances as of September 30, 2023	<u>\$137,856</u>

  

	<u>At fair value through OCI</u>
Beginning balances as of January 1, 2022	\$124,774
Currency rate change	<u>3,749</u>
Ending balances as of September 30, 2022	<u>\$128,523</u>

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below:

	<u>As of September 30,</u>		
	<u>2023</u>		
	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>NTD</u>
<u>Financial assets</u>			
Monetary items:			
USD	<u>\$6,446</u>	32.27	<u>\$208,000</u>
RMB	<u>\$238,748</u>	4.49	<u>\$1,073,067</u>
<u>Financial liabilities</u>			
Monetary items:			
USD	<u>\$11,955</u>	32.27	<u>\$385,779</u>
RMB	<u>\$22,358</u>	4.49	<u>\$100,491</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31,			
2022			
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$7,940	30.71	\$243,840
RMB	\$244,058	4.41	\$1,076,158
<u>Financial liabilities</u>			
Monetary items:			
USD	\$17,567	30.71	\$539,469
RMB	\$19,357	4.41	\$85,352
As of September 30,			
2022			
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$7,114	31.75	\$225,863
RMB	\$257,425	4.47	\$1,151,194
<u>Financial liabilities</u>			
Monetary items:			
USD	\$21,076	31.75	\$669,177
RMB	\$16,721	4.47	\$74,776

Foreign exchange gain/loss on monetary financial assets and liabilities is shown as below.

Foreign currency resulting in exchange gain or loss	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
USD	\$12,499	\$(28,098)	\$(3,068)	\$(37,203)
Others	2,540	29	230	(1,071)
Total	\$15,039	\$(28,069)	\$(2,838)	\$(38,274)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(10)Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13.ADDITIONAL DISCLOSURES

(1)Information on significant transactions

A.Financing provided to others: None.

B.Endorsement/Guarantee provided to others: None.

C.Marketable securities held as of September 30, 2023 (excluding investments in subsidiaries, associates and joint equity): Please refer to attachment 1.

D.Individual securities acquired or disposed of with accumulated amount of at least NT\$ 300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

E.Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

F.Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

G.Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 2.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

H.Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of September 30, 2023: Please refer to attachment 3.

I.Derivative instrument transactions: None.

J.Inter Group relationships and significant inter Group transactions for the nine-month period ended September 30, 2023: Please refer to attachment 9.

(2)Information on investees

A.Investees over whom the Group exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 4.

B.Investees over which the Group exercises control shall be disclosed of information under Note 13(1):

a.Financing provided to others: Please refer to attachment 5.

b.Endorsement/Guarantee provided to others: None.

c.Marketable securities held as at September 30, 2023 (excluding investments in subsidiaries, associates and joint equity): Please refer to attachment 6.

d.Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month periods ended September 30, 2023: None.

e.Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

f.Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

g.Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 7.



English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

h.Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as at September 30, 2023: Please refer to attachment 8.

i.Derivative instrument transactions: None.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
**ASIA ELECTRONIC MATERIAL CO., LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2023	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment	Share of Profit/Loss	Carrying Amount as of September 30, 2023	Accumulated Inward Remittance of Earnings as of September 30, 2023	Accumulated Outflow of Investment from Taiwan to Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
KUNSHAN APLUS TEC. CORPORATION	Production of FPC and protective film	\$587,534	(Note 1)	\$587,534	\$-	\$-	\$587,534	\$30,654	100%	\$30,654 (Note 2 and Note 3)	\$,1339,742 (Note 2)	\$-	\$587,534	\$587,534	\$938,064

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2023	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment	Share of Profit/Loss	Carrying Amount as of September 30, 2023	Accumulated Inward Remittance of Earnings as of September 30, 2023	Accumulated Outflow of Investment from Taiwan to Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
DONGTAI APLUS TECHNOLOGY CO., LTD.	Production of multilayer flexible boards, copper foil substrates, and development of materials for electronics	\$310,047	(Note 1 and Note 4)	\$-	\$-	\$-	\$-	\$(21,647)	100%	\$(21,647) (Note 2 and Note 3)	\$262,657 (Note 2)	\$-	\$-	\$310,047	

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

Note 1: Reinvest in mainland China through a third-region company.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheets date.

Note 3: Gain/loss on investment is recognized based on the financial statements which were audited by the independent auditors of the parent company in Taiwan.

Note 4: The Company remitted the investment amount of RMB30,000 thousand, RMB20,000 thousand and RMB20,000 thousand in 2018, 2019, 2021, respectively through the surplus distribution and reinvestment of KUNSHAN APLUS TEC. CORPORATION for a total of RMB70,000 thousand.

Note 5: Transactions are eliminated upon preparation of consolidated financial statements.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

---

B. Purchase and balances of related accounts payable as of September 30, 2023: Please refer to attachment 9.

C. Sale and balance of related accounts receivable as at September 30, 2023: Please refer to attachment 9.

D. Property transaction amounts and resulting gain or loss: None.

E. Ending balance of endorsements/guarantees or collateral provided and the purposes: None.

F. Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: Please refer to attachment 5.

G. Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered:

(1) For the nine-month period ended September 30, 2023, the Company purchased materials for KUNSHAN APLUS TEC. CORPORATION was NT\$111,950 thousand.

(2) For the nine-month period ended September 30, 2023, the balance of other receivables amounted to NT\$4,409 thousand. The other receivables resulted from KUNSHAN APLUS TEC. CORPORATION collected on delivery to the Company.

(4) Information on major shareholders

As of September 30, 2023, the Company has no shareholders holding more than 5% of the shares.

#### 14. SEGMENT INFORMATION

The major operating revenues of the Group come from selling contact lenses. The chief operating decision maker reviewed the overall operating results to make decision about resources to be allocated to and evaluated the overall performance.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of September 30, 2023

Attachment 1

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Issuer (Note 2)	Financial Statement Account	As of September 30, 2023				Note (Note 4)
				Shares / Units	Carrying Amount (Note 3)	Shareholding %	Fair Value	
Asia Electronic Material Co., Ltd.	Market stock:  Ventec International Group Co., Ltd.	-	Equity at fair value through OCI instrument investment - non current	116,000	<u>\$11,183</u>	0.16	<u>\$11,183</u>	None

Note 1: The marketable securities mentioned in attachment refer to stocks, bonds, beneficiary certificates and securities derived from above mentioned items within in the scope of IFRS9 Financial Instruments.

Note 2: If issuer of marketable securities is not related party, don't fill in this field.

Note 3: Financial Instruments measured by fair value, please fill in the book value after the adjustment of the valuation deduct the accumulated impairments amount in the column; not measured by fair value, please fill in the original acquisition cost or amortized cost deduct the accumulated impairment amount in the column.

Note 4: If there are securities have provided guarantees, pledged loans, or other restricted users according to the agreement, the number and the amount of shares provided with guarantees or pledges, and the restricted use conditions should be indicated in the column.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Related Party Transactions with Purchases or Sales Amount of at least NT\$100 Million or 20% of the Paid-in Capital

For the nine-month period ended September 30, 2023

Attachment 2

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Sale	\$517,212	60.04%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing , relative parties are 150 days after next monthly closing.	\$206,553	43.72%	Note2
				(Note1)					(Accounts receivable)		
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Purchase	\$(236,404)	30.58%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing , relative parties are 150 days after next monthly closing.	\$(163,624)	46.97%	Note2
									(Accounts payable)		

Note1: The amount has already been deducted from the holding company purchasing materials amount of KUNSHAN APLUS TEC. CORPORATION for 111,950 thousand dollars.

Note2: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties of at least NT\$100 Million or 20% of the Paid-in Capital

As of September 30, 2023

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Accounts receivable	4.02	\$-	-	\$69,299	\$-
			\$206,553					
			(Note)					
			Other receivables					
Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	\$4,409	0.77	\$-	-	\$-	\$-
			\$175,578					
			(Note)					

Note: Transactions are eliminated when preparing the consolidated financial statements.



English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Investees over Whom the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of September 30, 2023

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee(Note)	Note
				As of September 30, 2023	As of December 31, 2022	Shares	%	Carrying Value (Note)			
Asia Electronic Material Co., Ltd.	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Samoa	Investing activities	\$587,534	\$587,534	18,265,100	100.00%	\$1,602,053	\$9,007	\$9,007	Subsidiary
Asia Electronic Material Co., Ltd.	BESTTRADE CO., LTD.	Samoa	Electronic materials trading and business which relates to import and export	97,471	97,471	2,950,000	100.00%	86,056	(2,865)	(2,865)	Subsidiary
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	AMMON TEC. INVESTMENT CORP.	British Virgin Islands	Investing activities	556,382 (USD 18,260)	556,382 (USD 18,260)	18,260,000	100.00%	1,602,134 (USD49,648)	9,007 (USD291 )	9,007 (USD291 )	Subsidiary

Note : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Financing provided to others

For the nine-month period ended September 30, 2023

Attachment 5

(In Thousands of New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to(purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter- party (Note 3)	Limit of total financing amount (Note 3)
													Item	Value		
1	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Other receivables -related parties	Yes	\$269,674	\$269,674	\$179,783	-	2	\$-	Business turnover	\$-	-	\$-	\$535,897	\$535,897

Note 1: Asia Electronic Material Co., Ltd. and subsidiaries are coded as follows:

1. Asia Electronic Material Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of financing is coded as follows:

1. Need for operating is coded "1".
2. Need for short term financing is coded "2".

Note 3: Limit of total financing amount shall not exceed 40% of the lender's net assets of value, which audited by CPA in current period, as of September 30, 2023.

Limited and reason of financing amount for individual counter-party is seted as follows: 31, 2023.

1. Limit of total financing amount which need for operating shall not exceed transaction amount between two parties in prior year and current year.
2. Limit of total financing amount need for short term financing not exceed 40% of the lender's net assets of value, which audited by CPA in recent period. The financing amount refers to the cumulative balance of the company's short-term financing funds.
3. The total financing amount shall not exceed 100% of The Company's net assets of value, which audited by CPA in recent period, is limited between foreign subsidiaries which held directly or indirectly for 100% voting shares by The Company.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of September 30, 2023

Attachment 6

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of September 30, 2023				Guarantee, Pledge or Other Restricted Conditions		
				Shares/Units	Carrying Amount	%	Fair Value	Shares	Carrying Amount	Note
KUNSHAN APLUS TEC. CORPORATION	Market stock: Leader-tech Electronics (Shenzhen) Co., Ltd.	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	1,538,747	<u>\$72,203</u>	2.36%	<u>\$72,203</u>	-	<u>\$-</u>	
KUNSHAN APLUS TEC. CORPORATION	Market stock: Shenzhen Xin Shanghe Electronics Ltd.	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	3,021,312	<u>\$29,216</u>	2.36%	<u>\$29,216</u>	-	<u>\$-</u>	
KUNSHAN APLUS TEC. CORPORATION	Market stock: Shenzhen Xin Shangrong Electronics Ltd.	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	23,638	<u>\$36,437</u>	2.36%	<u>\$36,437</u>	-	<u>\$-</u>	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Related Party Transactions with Purchase or Sales Amount of at least NT\$ 100 Million or 20% of the Paid-in Capital

For the nine-month period ended September 30, 2023

Attachment 7

(In Thousands of RMB Dollars)

Purchase/ Sale Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Sale	<u>RMB 53,778</u>	22.16%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB 36,405</u>	15.24%	Note
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Purchase	<u>RMB (143,159)</u>	72.11%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB (45,962)</u>	52.83%	Note
KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Purchase	<u>RMB (22,849)</u>	11.51%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB (8,534)</u>	9.83%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties of at least NT\$100 Million or 20% of the Paid-in Capital

As of September 30, 2023

Attachment 8

(In Thousands of RMB Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note)	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Accounts receivable RMB 42,760	0.49	RMB -	-	RMB -	RMB -
			Other receivables RMB 40,000					
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Accounts receivable RMB 36,405	1.52	RMB -	-	RMB -	RMB -

Note1: Transactions are eliminated when preparing the consolidated financial statements.

## ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Intercompany Relationships and Significant Intercompany Transactions for the nine-month period ended September 30, 2023

Attachment 9

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	<u>2023.01.01~2023.09.30</u>						
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Sales	\$517,212	150 days after next monthly closing	45.90%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Purchase	236,404	150 days after next monthly closing	20.98%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Accounts receivable	206,553	150 days after next monthly closing	7.22%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Other receivables	4,409	150 days after next monthly closing	0.15%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Accounts payable	163,624	150 days after next monthly closing	5.72%
0	Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	1	Sales	80,809	150 days after next monthly closing	7.17%
0	Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	1	Accounts receivable	175,578	150 days after next monthly closing	6.13%
0	Asia Electronic Material Co., Ltd.	BESTTRADE CO., LTD.	1	Other receivables	75,883	150 days after next monthly closing	2.65%
0	Asia Electronic Material Co., Ltd.	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	1	Other receivables	83	150 days after next monthly closing	-%
0	Asia Electronic Material Co., Ltd.	AMMON TEC INVESTMENT CORP.	1	Other receivables	258	150 days after next monthly closing	0.01%
1	BESTTRADE CO., LTD.	KUNSHAN APLUS TEC. CORPORATION	3	Accounts receivable	83,181	150 days after next monthly closing	2.91%
1	BESTTRADE CO., LTD.	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Other receivables	76,279	150 days after next monthly closing	2.67%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Sales	65,973	150 days after next monthly closing	5.85%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Purchase	100,381	150 days after next monthly closing	8.91%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Accounts receivable	192,187	150 days after next monthly closing	6.71%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Other receivables	179,783	150 days after next monthly closing	6.28%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Accounts payable	39,832	150 days after next monthly closing	1.39%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items;

and based on interim accumulated amount to consolidated net revenue for income statement items.