

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 MARCH 31, 2024 AND 2023  
AND FOR THE THREE-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

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**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 March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2024 and 2023, 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 March 31, 2024 and 2023, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2024 and 2023, 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  
May 7<sup>th</sup>, 2024  
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 March 31, 2024, December 31, 2023 and March 31, 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of March 31, 2024		As of December 31, 2023		As of March 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$508,668	17.94	\$448,996	16.98	\$619,026	21.43
1150	Notes receivable, net	6(2)	222,303	7.84	167,014	6.32	239,723	8.30
1170	Accounts receivable, net	6(3)	627,725	22.13	659,738	24.95	469,238	16.25
1200	Other receivables		17,543	0.62	27,071	1.02	24,658	0.85
130x	Inventories	6(4)	270,132	9.52	206,691	7.82	346,014	11.98
1410	Prepayments		28,350	1.00	19,198	0.73	26,531	0.92
1470	Other current assets		1,987	0.07	1,907	0.07	1,891	0.07
11xx	Total current assets		1,676,708	59.12	1,530,615	57.89	1,727,081	59.80
	Non-current assets							
1517	Financial assets at fair value through OCI	6(5)	151,280	5.34	145,727	5.51	156,848	5.43
1600	Property, plant and equipment, net	6(6)	821,203	28.96	795,144	30.08	836,348	28.96
1755	Right-of-use assets	6(16)	113,982	4.02	110,405	4.18	116,792	4.04
1780	Intangible assets	6(7)	10,027	0.35	10,044	0.38	11,492	0.40
1840	Deferred income tax assets	4, 6(20)	23,458	0.83	31,524	1.19	23,528	0.82
1900	Other non-current assets	6(8)	39,236	1.38	20,320	0.77	15,866	0.55
15xx	Total non-current assets		1,159,186	40.88	1,113,164	42.11	1,160,874	40.20
1xxx	Total Assets		\$2,835,894	100.00	\$2,643,779	100.00	\$2,887,955	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 March 31, 2024, December 31, 2023 and March 31, 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2024		As of December 31, 2023		As of March 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(9)	\$605,975	21.37	\$533,067	20.16	\$629,765	21.81
2130	Contract liabilities	6(14)	-	-	-	-	8	-
2150	Notes payable		53,355	1.88	27,153	1.03	28,979	1.00
2170	Accounts payable		160,154	5.65	118,929	4.50	240,369	8.33
2200	Other payables		33,943	1.20	58,999	2.23	32,103	1.11
2230	Current income tax liabilities	4, 6(20)	12,588	0.44	12,279	0.47	21,495	0.75
2280	Lease liabilities	6(16)	3,420	0.12	3,143	0.12	3,293	0.11
2300	Other current liabilities		241	0.01	287	0.01	319	0.01
2322	Current portion of long-term loans	6(11)	-	-	-	-	100,000	3.46
21xx	Total current liabilities		869,676	30.67	753,857	28.52	1,056,331	36.58
	Non-current liabilities							
2540	Long-term loans	6(11)	100,000	3.53	100,000	3.78	-	-
2570	Deferred income tax liabilities	4, 6(20)	222,068	7.83	212,881	8.05	207,955	7.20
2580	Lease liabilities	6(16)	2,538	0.09	2,829	0.11	4,819	0.16
2630	Long-term deferred revenue	6(10)	56,781	2.00	56,037	2.12	61,751	2.14
25xx	Total non-current liabilities		381,387	13.45	371,747	14.06	274,525	9.50
2xxx	Total liabilities		1,251,063	44.12	1,125,604	42.58	1,330,856	46.08
31xx	Equity attributable to shareholders of the parent	6(13)						
3100	Capital							
3110	Common stock		982,009	34.63	982,009	37.14	982,009	34.01
3200	Capital surplus		192,899	6.80	192,899	7.30	192,899	6.68
3300	Retained earnings							
3310	Legal reserve		68,474	2.41	68,474	2.59	65,032	2.25
3320	Special reserve		41,956	1.48	41,956	1.59	41,956	1.45
3350	Unappropriated earnings		241,816	8.53	228,749	8.65	243,076	8.42
	Total Retained earnings		352,246	12.42	339,179	12.83	350,064	12.12
3400	Other components of equity		57,677	2.03	4,088	0.15	32,127	1.11
3xxx	Total equity		1,584,831	55.88	1,518,175	57.42	1,557,099	53.92
	Total liabilities and equity		\$2,835,894	100.00	\$2,643,779	100.00	\$2,887,955	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 periods ended March 31, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended March 31,			
			2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	6(14)	\$356,955	100.00	\$314,931	100.00
5000	Operating costs	6(4)	(275,245)	(77.11)	(244,855)	(77.75)
5900	Gross profit		81,710	22.89	70,076	22.25
6000	Operating expenses					
6100	Sales and marketing		(19,683)	(5.51)	(17,761)	(5.64)
6200	General and administrative		(27,624)	(7.74)	(22,625)	(7.18)
6300	Research and development		(19,091)	(5.35)	(18,728)	(5.95)
6450	Expected credit gains (losses)	6(15)	(1,920)	(0.54)	31	0.01
	Total operating expenses		(68,318)	(19.14)	(59,083)	(18.76)
6900	Operating income		13,392	3.75	10,993	3.49
7000	Non-operating incomes and expenses	6(18)				
7010	Other incomes		2,156	0.60	1,503	0.47
7020	Other gains or losses		10,300	2.89	5,631	1.79
7050	Finance costs		(7,006)	(1.96)	(10,340)	(3.28)
	Total non-operating incomes and expenses		5,450	1.53	(3,206)	(1.02)
7900	Profit (loss) from continuing operations before tax		18,842	5.28	7,787	2.47
7950	Income tax expense	4, 6(20)	(5,775)	(1.62)	(2,424)	(0.77)
8200	Net income		13,067	3.66	5,363	1.70
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		93	0.03	2,411	0.77
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		66,870	18.73	7,006	2.22
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		(13,374)	(3.75)	(1,401)	(0.44)
	Total other comprehensive income, net of tax		53,589	15.01	8,016	2.55
8500	Total comprehensive income		\$66,656	18.67	\$13,379	4.25
9750	Earnings per share-basic (in NTD)	6(21)	\$0.13		\$0.05	
9850	Earnings per share-diluted (in NTD)		\$0.13		\$0.05	

(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 three-month periods ended March 31, 2024 and 2023

(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, 2023	\$982,009	\$192,899	\$65,032	\$41,956	\$237,713	\$(49,942)	\$74,053	\$1,543,720
D1	Net income for the three-month period ended March 31, 2023					5,363			5,363
D3	Other comprehensive income (loss), for the three-month period ended March 31, 2023						5,605	2,411	8,016
D5	Total comprehensive income (loss)	-	-	-	-	5,363	5,605	2,411	13,379
Z1	Balance as of March 31, 2023	\$982,009	\$192,899	\$65,032	\$41,956	\$243,076	\$(44,337)	\$76,464	\$1,557,099
A1	Balance as of January 1, 2024	\$982,009	\$192,899	\$68,474	\$41,956	\$228,749	\$(71,265)	\$75,353	\$1,518,175
D1	Net income for the three-month period ended March 31, 2024					13,067			13,067
D3	Other comprehensive income (loss), for the three-month period ended March 31, 2024						53,496	93	53,589
D5	Total comprehensive income (loss)	-	-	-	-	13,067	53,496	93	66,656
Z1	Balance as of March 31, 2024	\$982,009	\$192,899	\$68,474	\$41,956	\$241,816	\$(17,769)	\$75,446	\$1,584,831

(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 three-month periods ended March 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31,		Code	Items	For the three-month periods ended March 31,	
		2024	2023			2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$18,842	\$7,787	B02700	Acquisition of property, plant and equipment	(26,683)	(28,818)
A20000	Adjustments:			B02800	Proceeds from disposal of property, plant and equipment	949	13
A20010	Profit or loss not effecting cash flows:			B03800	Decrease (increase) in refundable deposits	(29)	(16)
A20100	Depreciation (including right-of-use assets)	15,787	16,040	BBBB	Net cash provided by (used in) investing activities	(25,763)	(28,821)
A20200	Amortization	405	411				
A20300	Expected credit losses (gain on recovery)	1,920	(31)				
A20900	Interest expense	7,006	10,340	CCCC	Cash flows from financing activities:		
A21200	Interest income	(385)	(507)	C00100	Increase in (repayment of) short-term loans	72,908	(118,560)
A22500	Loss on disposal of property, plant and equipment	69	62	C04020	Cash payments for the principal portion of the lease liabilities	(938)	(1,115)
A29900	Gain on government grants	(1,472)	(162)	CCCC	Net cash provided by (used in) financing activities	71,970	(119,675)
A29900	Gain on lease modification	-	(8)				
A30000	Changes in operating assets and liabilities:						
A31130	Decrease (increase) in notes receivable	(55,289)	(110,822)	DDDD	Effect of exchange rate changes on cash and cash equivalents	25,871	1,864
A31150	Decrease (increase) in accounts receivable	29,807	97,513	EEEE	Net increase (decrease) in cash and cash equivalents	59,672	(117,020)
A31180	Decrease (increase) in other receivables	9,528	4,019	E00100	Cash and cash equivalents at beginning of period	448,996	736,046
A31200	Decrease (increase) in inventories	(63,441)	(102,362)	E00200	Cash and cash equivalents at end of period	\$508,668	\$619,026
A31220	Decrease (increase) in prepayments	(9,152)	(5,301)				
A31240	Decrease (increase) in other current assets	(80)	16				
A32130	Increase (decrease) in notes payable	26,202	24,593				
A32150	Increase (decrease) in accounts payable	41,225	117,437				
A32180	Increase (decrease) in other payables	(25,056)	(20,165)				
A32230	Increase (decrease) in other current liabilities	(46)	1				
A33000	Cash generated from (used in) operations	(4,130)	38,861				
A33100	Interest received	385	507				
A33300	Interest paid	(6,963)	(8,760)				
A33500	Income tax paid	(1,698)	(996)				
AAAA	Net cash provided by (used in) operating activities	(12,406)	29,612				

(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 three-month periods ended March 31, 2024 and 2023 (Reviewed but unaudited)  
(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 June 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 three-month periods ended March 31, 2024 and 2023 were authorized for issue by the Board of Directors on May 7th, 2024.

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, 2024. The adoption of these new standards and amendments had no material impact on the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“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
d	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027

(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 January 1, 2023 (from the original effective date of January 1, 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 January 1, 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.

(d)IFRS 18 “Presentation and Disclosure in Financial Statements”

The main changes in the new standard are as below:

(1)Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2)Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3)Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1,2027.

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 Group assesses all standards and interpretations have no material impact on the Group.

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

##### (1)Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2024 and 2023 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, 2023. For more details, please refer to Note 4 of the Company’s consolidated financial statements for the year ended December 31, 2023.

##### (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, 2023. For the principles of consolidation, please refer to Note 4(3) of the Company’s consolidated financial statements for the year ended December 31, 2023.

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		
			Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
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)

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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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

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

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. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the three-month period ended March 31, 2024 as those applied in the Company's consolidated financial statements for the year ended December 31, 2023. 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, 2023.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Cash and petty cash	\$455	\$439	\$877
Checkings and savings	508,213	448,557	618,149
Total	<u>\$508,668</u>	<u>\$448,996</u>	<u>\$619,026</u>

(2) Notes receivable, net

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Notes receivable - from operation	\$222,303	\$167,014	\$239,723
Less: loss allowance	-	-	-
Total	<u>\$222,303</u>	<u>\$167,014</u>	<u>\$239,723</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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(3) Accounts receivable

A. Accounts receivable, net

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Accounts receivable, gross	\$635,605	\$665,412	\$474,404
Less: loss allowance	(7,880)	(5,674)	(5,166)
Total accounts receivable, net	<u>\$627,725</u>	<u>\$659,738</u>	<u>\$469,238</u>

B. Accounts receivable were not pledged.

C. Accounts receivable are generally on 60-180 days terms. The total carrying amount is NT\$635,605 thousand, NT\$665,412 thousand and NT\$474,404 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively. Please refer to Note 6 (15) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

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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 March 31, 2024, December 31, 2023 and March 31, 2023, details of the agreed credit limits and accounts receivable transferred were as follows:

Financial Institution	Accounts receivable derecognized	Advance received	Interest rate	Collateral	Credit limit
<u>03/31/2024</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 110</u>	<u>USD 94</u>	0.946	<u>USD 90</u>	<u>USD 200</u>
Shin Kong Bank	<u>USD 474</u>	<u>USD -</u>	Negotiation	<u>None</u>	<u>USD 2,000</u>
<u>12/31/2023</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 180</u>	<u>USD 153</u>	0.946	<u>USD 90</u>	<u>USD 200</u>
Shin Kong Bank	<u>USD 750</u>	<u>USD -</u>	Negotiation	<u>None</u>	<u>USD 2,700</u>
<u>03/31/2023</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 120</u>	<u>USD 102</u>	0.946	<u>USD 90</u>	<u>USD 200</u>
Shin Kong Bank	<u>USD 973</u>	<u>USD 245</u>	Negotiation	<u>None</u>	<u>USD 2,700</u>

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(4)Inventory

A.Details of inventory:

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Raw material	\$77,034	\$96,866	\$174,200
Work in process	41,831	9,719	30,852
Finished goods	151,267	100,106	140,962
Total	<u>\$270,132</u>	<u>\$206,691</u>	<u>\$346,014</u>

B. For the three-month periods ended March 31, 2024 and 2023, the Group recognized NT\$275,245 thousand and NT\$244,855 thousand under the caption of costs of sale, respectively. The following items were also included in cost:

Item	For the three-month period ended March 31,	
	2024	2023
(Gain) loss from inventory market decline	<u>\$(2,789)</u>	<u>\$(2,872)</u>

For the three-month periods ended March 31, 2024 and 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.

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

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Equity instrument investments measured at fair value through other comprehensive income:			
Unlisted companies stocks	\$43,443	\$41,758	\$42,682
Listed companies stocks	6,939	6,939	14,717
Subtotal	50,382	48,697	57,399
Valuation adjustment	100,898	97,030	99,449
Total	<u>\$151,280</u>	<u>\$145,727</u>	<u>\$156,848</u>
Non-current	<u>\$151,280</u>	<u>\$145,727</u>	<u>\$156,848</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
Cost:								
As of 1/1/2024	\$131,254	\$881,077	\$7,257	\$14,803	\$5,662	\$74,640	\$345,937	\$1,460,630
Addition	243	536	-	20	-	3,995	4,324	9,118
Disposals	-	(645)	-	(118)	-	-	(949)	(1,712)
Effect of EX rate	5,306	35,615	293	439	-	2,644	14,450	58,747
As of 3/31/2024	<u>\$136,803</u>	<u>\$916,583</u>	<u>\$7,550</u>	<u>\$15,144</u>	<u>\$5,662</u>	<u>\$81,279</u>	<u>\$363,762</u>	<u>\$1,526,783</u>

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					Lease assets		Construction in	
		Machinery and	Transportation	Office	and leasehold	Other	progress and	
	Buildings	equipment	equipment	equipment	improvements	equipment	awaiting	Total
							inspection	
As of 1/1/2023	\$131,441	\$883,489	\$6,983	\$15,248	\$6,498	\$72,938	\$335,808	\$1,452,405
Addition	-	2,064	-	63	162	-	17,083	19,372
Disposals	-	(190)	-	(1,090)	(1,088)	-	-	(2,368)
Effect of EX rate	649	4,369	35	56	-	302	1,661	7,072
As of 3/31/2023	\$132,090	\$889,732	\$7,018	\$14,277	\$5,572	\$73,240	\$354,552	\$1,476,481

Depreciation and impairment:

As of 1/1/2024	\$36,840	\$572,141	\$4,137	\$11,200	\$5,453	\$35,715	\$-	\$665,486
Depreciation	1,035	11,241	186	232	12	1,579	-	14,285
Disposals	-	(581)	-	(113)	-	-	-	(694)
Effect of EX rate	1,519	23,462	173	326	-	1,023	-	26,503
As of 3/31/2024	\$39,394	\$606,263	\$4,496	\$11,645	\$5,465	\$38,317	\$-	\$705,580

As of 1/1/2023	\$33,426	\$538,358	\$5,016	\$11,589	\$6,498	\$30,151	\$-	\$625,038
Depreciation	1,008	11,392	237	312	10	1,479	-	14,438
Disposals	-	(159)	-	(1,046)	(1,088)	-	-	(2,293)
Effect of EX rate	163	2,633	25	40	-	89	-	2,950
As of 3/31/2023	\$34,597	\$552,224	\$5,278	\$10,895	\$5,420	\$31,719	\$-	\$640,133

Net carrying amount:

As of 3/31/2024	\$97,409	\$310,320	\$3,054	\$3,499	\$197	\$42,962	\$363,762	\$821,203
As of 12/31/2023	\$94,414	\$308,936	\$3,120	\$3,603	\$209	\$38,925	\$345,937	\$795,144
As of 3/31/2023	\$97,493	\$337,508	\$1,740	\$3,382	\$152	\$41,521	\$354,552	\$836,348

Property, plant and equipment were not pledged.

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(7)Intangible assets

	Computer software	Technology licensing	Total
<u>Cost:</u>			
As of January 1, 2024	\$15,054	\$1,000	\$16,054
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
Effect of EX rate	607	-	607
As of March 31, 2024	<u>\$15,661</u>	<u>\$1,000</u>	<u>\$16,661</u>
As of January 1, 2023	\$15,311	\$1,000	\$16,311
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
Effect of EX rate	76	-	76
As of March 31, 2023	<u>\$15,387</u>	<u>\$1,000</u>	<u>\$16,387</u>
<u>Amortization and impairment:</u>			
As of January 1, 2024	\$5,143	\$867	\$6,010
Amortization	380	25	405
Derecognized upon retirement	-	-	-
Effect of EX rate	219	-	219
As of March 31, 2024	<u>\$5,742</u>	<u>\$892</u>	<u>\$6,634</u>
As of January 1, 2023	\$3,700	\$767	\$4,467
Amortization	386	25	411
Derecognized upon retirement	-	-	-
Effect of EX rate	17	-	17
As of March 31, 2023	<u>\$4,103</u>	<u>\$792</u>	<u>\$4,895</u>
<u>Carrying amount, net:</u>			
As of March 31, 2024	<u>\$9,919</u>	<u>\$108</u>	<u>\$10,027</u>
As of December 31, 2023	<u>\$9,911</u>	<u>\$133</u>	<u>\$10,044</u>
As of March 31, 2023	<u>\$11,284</u>	<u>\$208</u>	<u>\$11,492</u>

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Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period ended March 31,	
	2024	2023
General and administrative	\$380	\$386
Research and development	25	25
Total	\$405	\$411

(8) Other non-current assets

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Prepayment for equipment	\$38,254	\$19,367	\$14,883
Refundable deposits	982	953	983
Total	\$39,236	\$20,320	\$15,866

(9) Short-term loans

A. Details of Short-term loans

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Unsecured bank loans	\$605,975	\$533,067	\$629,765
Interest interval (%)	1.98%~6.5%	1.98%~6.5%	1.14%~5.65%

B. As of March 31, 2024, December 31, 2023 and March 31, 2023, the line of unused short-term loans credit for the Group amounted to NT\$1,372,475 thousand, NT\$1,415,054 thousand and NT\$1,186,846 thousand, respectively.

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## (10) Deferred revenue

## Government grants

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Beginning balance	\$56,037	\$61,609	\$61,609
Received during the period	-	-	-
Released to the statement of comprehensive income	(1,472)	(5,244)	(162)
Effect of EX rate	2,216	(328)	304
Ending Balance	<u>\$56,781</u>	<u>\$56,037</u>	<u>\$61,751</u>
Non-current deferred revenue - government grants related to assets	<u>\$56,781</u>	<u>\$56,037</u>	<u>\$61,751</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 03/31/2024	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>		

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Lenders	As of 12/31/2023	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	\$100,000		

  

Lenders	As of 03/31/2023	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 March 31, 2024 and 2023 were NT\$266 thousand and NT\$251 thousand, respectively.

(13)Equities

(a) Common stock

As of March 31, 2024, December 31, 2023 and March 31, 2023, 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.

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(b) Capital surplus

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
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	\$192,899	\$192,899	\$192,899

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

Following the adoption of T-IFRS, the FSC on 6 April 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, 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 an equal amount of special reserve. Following a company's adoption of the IFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, 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 in the preceding point, 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.

As of March 31, 2024 and 2023, special reserve set aside for the first-time adoption of T-IFRS reduced to NT\$41,956 thousand accordingly.

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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.

- (d) The appropriations of earnings for the Year 2023 and 2022 were approved through the Board of Directors' meetings and shareholders' meetings held on February 27, 2024 and May 24, 2023, respectively. The details of the distributions are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (in NT\$)</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Legal reserve	\$4,161	\$3,442		
Cash dividend	49,100	47,136	\$0.50	\$0.48
Total	<u>\$53,261</u>	<u>\$50,578</u>		

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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 March 31,	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$356,955	\$314,931

Analysis of revenue from contracts with customers during the three-month periods ended March 31, 2024 and 2023 are as follows:

A. Disaggregation of revenue

	For the three-month period ended March 31,	
	2024	2023
Sale of FPC	\$356,955	\$314,931
The timing for revenue recognition:		
At a point in time	\$356,955	\$314,931

B. Contract balances

a. Contract liabilities – current

	As of			
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023	1 Jan. 2023
Sales of goods	\$-	\$-	\$8	\$8

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

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

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(15) Expected credit (gains) losses

	For the three-month period ended March 31,	
	2024	2023
Operating expenses – Expected credit losses/(gains)		
Notes receivable	\$-	\$-
Accounts receivable	1,920	(31)
Total	<u>\$1,920</u>	<u>\$(31)</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 March 31, 2024, December 31, 2023 and March 31, 2023 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 March 31, 2024

	Not past due	Past due								Total
		Within 90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-240 days	241-270 days	Over 271 days	
	(Note)									
Gross carrying amount	\$801,241	\$39,317	\$181	\$936	\$4,641	\$6,931	\$475	\$144	\$4,042	\$857,908
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(466)	(9)	(94)	(928)	(2,079)	(190)	(72)	(4,042)	(7,880)
Subtotal	<u>\$801,241</u>	<u>\$38,851</u>	<u>\$172</u>	<u>\$842</u>	<u>\$3,713</u>	<u>\$4,852</u>	<u>\$285</u>	<u>\$72</u>	<u>\$-</u>	<u>\$850,028</u>

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As of December 31, 2023

	Not past due  (Note)	Past due								Total
		Within 90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-240 days	241-270 days	Over 271 days	
Gross carrying amount	\$784,836	\$35,421	\$6,662	\$457	\$138	\$101	\$-	\$-	\$4,811	\$832,426
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(427)	(333)	(45)	(28)	(30)	-	-	(4,811)	(5,674)
Subtotal	\$784,836	\$34,994	\$6,329	\$412	\$110	\$71	\$-	\$-	\$-	\$826,752

As of March 31, 2023

	Not past due  (Note)	Past due								Total
		Within 90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-240 days	241-270 days	Over 271 days	
Gross carrying amount	\$691,520	\$17,690	\$-	\$-	\$-	\$-	\$-	\$-	\$4,917	\$714,127
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(249)	-	-	-	-	-	-	(4,917)	(5,166)
Subtotal	\$691,520	\$17,441	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$708,961

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

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The movement in the provision for impairment of accounts receivable for the three-month periods ended March 31, 2024 and 2023 are as follows:

	<u>Accounts receivable</u>
Beginning balance as of January 1, 2024	\$5,674
Addition/ (reversal) for the current period	1,920
Effect of EX rate	286
Ending balance as of March 31, 2024	<u>\$7,880</u>
Beginning balance as of January 1, 2023	\$5,172
Addition/ (reversal) for the current period	(31)
Effect of EX rate	25
Ending balance as of March 31, 2023	<u>\$5,166</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.

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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

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Land	\$108,143	\$104,543	\$108,686
Buildings	4,413	4,978	6,960
Transportation equipment	385	425	213
Other equipment	1,041	459	933
Total	<u>\$113,982</u>	<u>\$110,405</u>	<u>\$116,792</u>

(b) Lease liabilities

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Lease liabilities	<u>\$5,958</u>	<u>\$5,972</u>	<u>\$8,112</u>
Current	\$3,420	\$3,143	\$3,293
Non-current	2,538	2,829	4,819
Total	<u>\$5,958</u>	<u>\$5,972</u>	<u>\$8,112</u>

Please refer to Note 6(18) (c) for the interest on lease liabilities recognized for the three-month periods ended March 31, 2024 and 2023, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of March 31, 2024, December 31, 2023 and March 31, 2023.

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b. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	For the three-month period ended March 31,	
	2024	2023
Land	\$601	\$611
Buildings	642	646
Transportation equipment	56	80
Other equipment	203	265
Total	\$1,502	\$1,602

c. Income and costs relating to leasing activities

	For the three-month period ended March 31,	
	2024	2023
The expenses relating to short-term leases	\$118	\$154

d. Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2024 and 2023, the Group's total cash outflows for leases amounting to NT\$1,056 thousand and NT\$1,269 thousand, respectively.

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

	For the three-month period ended March 31,					
	2024			2023		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit						
Salaries	\$18,552	\$21,694	\$40,246	\$16,000	\$19,269	\$35,269
Labor and health insurance	-	698	698	-	640	640
Pension	-	266	266	-	251	251
Other employee benefit	2,488	4,066	6,554	2,213	2,242	4,455
Depreciation	13,278	2,509	15,787	13,273	2,767	16,040
Amortization	-	405	405	-	411	411

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 TWSE.

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The Company estimated the amounts of the employees' compensation and remuneration to directors for the three-month periods ended March 31, 2024 and 2023 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 for the three-month periods ended March 31, 2024 amounted to NT\$1,878 thousand and NT\$563 thousand, respectively, and, for the three-month periods ended March 31, 2023 amounted to NT\$771 thousand and NT\$231 thousand, respectively. The employees' compensation and remuneration to directors 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\$5,197 thousand and NT\$1,559 thousand, respectively, in a meeting held on February 27, 2024. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2023.

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 for the year ended December 31, 2022.

(18) Non-operating incomes and expenses

A. Other incomes

	For the three-month period ended March 31,	
	2024	2023
Interest income		
Financial assets measured at amortized cost	\$385	\$507
Other income — others	1,771	996
Total	<u>\$2,156</u>	<u>\$1,503</u>

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B. Other gains and losses

	For the three-month period ended March 31,	
	2024	2023
Gain (loss) from disposal of property, plant and equipment	\$(69)	\$(62)
Foreign exchange gain (loss), net	10,414	5,731
Lease modification gains	-	8
Other expenses	(45)	(46)
Total	<u>\$10,300</u>	<u>\$5,631</u>

C. Finance costs

	For the three-month period ended March 31,	
	2024	2023
Interest on bank loans	\$6,963	\$10,279
Interest on lease liabilities	43	61
Total	<u>\$7,006</u>	<u>\$10,340</u>

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(19) Components of other comprehensive income

For the three-month periods ended March 31, 2024

	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	\$93	\$-	\$93	\$-	\$93
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	66,870	-	66,870	(13,374)	53,496
Total OCI	\$66,963	\$-	\$66,963	\$(13,374)	\$53,589

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For the three-month periods ended March 31, 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	\$2,411	\$-	\$2,411	\$-	\$2,411
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	7,006	-	7,006	(1,401)	5,605
Total OCI	\$9,417	\$-	\$9,417	\$(1,401)	\$8,016

(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 March 31,	
	2024	2023
Current income tax expense (benefit):		
Current income tax expense	\$1,888	\$2,592
Adjustments in respect of current income tax of prior periods	-	10,788
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	3,267	(10,956)
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	620	-
Total income tax expense	<u>\$5,775</u>	<u>\$2,424</u>

Income tax relating to components of other comprehensive income

	For the three-month period ended March 31,	
	2024	2023
Deferred income tax expense (income):		
Share of other comprehensive income of subsidiaries accounted for under equity method	<u>\$13,374</u>	<u>\$1,401</u>

The assessment of income tax returns

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

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(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.

	For the three-month period ended March 31,	
	2024	2023
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$13,067	\$5,363
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	98,201	98,201
Basic earnings per share (NT\$)	\$0.13	\$0.05
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$13,067	\$5,363
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	98,201	98,201
Effect of dilution:		
Employee compensation — stock (in thousands)	220	268
Weighted average number of ordinary shares outstanding after dilution (in thousands)	98,421	98,469
Diluted earnings per share (NT\$)	\$0.13	\$0.05

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.

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 March 31,	
	2024	2023
Short-term employee benefits	\$3,576	\$2,988
Post-employment benefits	49	48
Total	<u>\$3,625</u>	<u>\$3,036</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 March 31, 2024 are as follows:

Currency	LC Amount (in thousand)	Security (in thousand)
USD	USD 134	\$-
JPY	JPY 47,813	\$-
NTD	NTD 1,918	\$-

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- (2) Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of March 31, 2024 are as follows: (In Thousands of RMB Dollars)

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

10. SIGNIFICANT DISASTERS LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

- (1) Categories of financial instruments

Financial assets

	<u>As of</u>		
	<u>31 Mar. 2024</u>	<u>31 Dec. 2023</u>	<u>31 Mar. 2023</u>
Financial assets at fair value through OCI	\$151,280	\$145,727	\$156,848
Financial assets measured at amortized cost			
Cash and cash equivalent (exclude cash on hand)	508,213	448,557	618,149
Notes receivable, net	222,303	167,014	239,723
Accounts receivable, net	627,725	659,738	469,238
Other receivables	17,543	27,071	24,658
Subtotal	<u>1,375,784</u>	<u>1,302,380</u>	<u>1,351,768</u>
Total	<u>\$1,527,064</u>	<u>\$1,448,107</u>	<u>\$1,508,616</u>

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Financial liabilities

	As of		
	31 Mar. 2024	31 Dec. 2023	31 Mar. 2023
Financial liabilities measured at amortized cost:			
Short-term loans	\$605,975	\$533,067	\$629,765
Accounts payable and other payables	247,452	205,081	301,451
Long-term loans (including current portion with maturity less than 1 year)	100,000	100,000	100,000
Lease liabilities	5,958	5,972	8,112
Total	<u>\$959,385</u>	<u>\$844,120</u>	<u>\$1,039,328</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.

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 three-month periods ended March 31, 2024 and 2023 would increased/decreased by NT\$265 thousand and NT\$2,637 thousand, respectively.

If NTD dollars appreciates/depreciates against RMB dollars by 1%, the net income(loss) for the three-month periods ended March 31, 2024 and 2023 would decreased/increased by NT\$7,400 thousand and NT\$9,004 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 rates 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 three-month periods ended March 31, 2024 and 2023 would decrease/increase by NT\$123 thousand and NT\$62 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.

The equity securities are the investments of listed stocks stated as equity instruments measured at fair value through other comprehensive income. For the three-month periods ended March 31, 2024 and 2023, a rise/fall of 1% of the equity securities will cause the equity of the Company to increase/decrease by NT\$106 thousand and NT\$209 thousand, respectively.

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 3.

(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 March 31, 2024, December 31, 2023 and March 31, 2023, receivables from the top ten customers were accounted for 61.14%, 59.99% and 54.24% 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.

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.

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Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<u>As of March 31, 2024</u>					
Loans	\$611,088	\$101,483	\$-	\$-	\$712,571
Payables	247,452	-	-	-	247,452
Lease liabilities	3,542	2,419	149	-	6,110
<u>As of December 31, 2023</u>					
Loans	\$543,088	\$102,040	\$-	\$-	\$645,128
Payables	205,081	-	-	-	205,081
Lease liabilities	3,263	2,863	-	-	6,126
<u>As of March 31, 2023</u>					
Loans	\$737,641	\$-	\$-	\$-	\$737,641
Payables	301,451	-	-	-	301,451
Lease liabilities	3,515	2,919	1,961	-	8,395

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the three-month periods ended March 31, 2024:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As of January 1, 2024	\$533,067	\$100,000	\$5,972	\$639,039
Cash flows	72,908	-	(938)	71,970
Lease range changes	-	-	750	750
Interests on lease liabilities	-	-	43	43
Currency rate change	-	-	131	131
As of March 31, 2024	\$605,975	\$100,000	\$5,958	\$711,933

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Movement schedule of liabilities for the three-month periods ended March 31, 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	(118,560)	-	(1,115)	(119,675)
Lease range changes	-	-	2,038	2,038
Interests on lease liabilities	-	-	61	61
Currency rate change	-	-	10	10
As of March 31, 2023	\$629,765	\$100,000	\$8,112	\$737,877

(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) 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).

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(c) 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.)

(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

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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.

(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 March 31, 2024

	<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>\$10,556</u>	<u>\$-</u>	<u>\$140,724</u>	<u>\$151,280</u>

As of December 31, 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>\$10,463</u>	<u>\$-</u>	<u>\$135,264</u>	<u>\$145,727</u>

As of March 31, 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>\$20,935</u>	<u>\$-</u>	<u>\$135,913</u>	<u>\$156,848</u>

ASIA ELECTRONIC MATERIAL CO., LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Transfers between Level 1 and Level 2 during the period

For the three-month periods ended March 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value hierarchy.

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

	At fair value through OCI
Beginning balances as of January 1, 2024	\$135,264
Currency rate change	5,460
Ending balances as of March 31, 2024	\$140,724
	At fair value through OCI
Beginning balances as of January 1, 2023	\$135,245
Currency rate change	668
Ending balances as of March 31, 2023	\$135,913

(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: (In thousand)

	As of March 31,		
	2024		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	\$7,021	32.00	\$224,666
RMB	\$250,141	4.51	\$1,128,189
Financial liabilities			
Monetary items:			
USD	\$7,854	32.00	\$251,340
RMB	\$85,243	4.51	\$384,462

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	As of December 31,		
	2023		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	\$5,957	30.705	\$182,896
RMB	\$250,215	4.335	\$1,084,735
Financial liabilities			
Monetary items:			
USD	\$9,774	30.705	\$300,123
RMB	\$47,495	4.335	\$205,903
As of March 31,			
2023			
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	\$9,097	30.45	\$276,994
RMB	\$233,517	4.43	\$1,034,764
Financial liabilities			
Monetary items:			
USD	\$17,800	30.45	\$542,004
RMB	\$29,317	4.43	\$129,910

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 March 31,	
	2024	2023
USD	\$7,560	\$4,572
Others	2,854	1,159
Total	\$10,414	\$5,731

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 at March 31, 2024 (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 three-month period ended March 31, 2024: 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 three-month period ended March 31, 2024: 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 three-month period ended March 31, 2024: 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 three-month period ended March 31, 2024: Please refer to attachment 2.

H.Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of March 31, 2024: Please refer to attachment 3.

I.Derivative instrument transactions: None.

J.Inter Group relationships and significant inter Group transactions for the three-month period ended March 31, 2024: 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 March 31, 2024 (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 three-month periods ended March 31, 2024: 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 three-month period ended March 31, 2024: 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 three-month period ended March 31, 2024: 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 three-month period ended March 31, 2024: Please refer to attachment 7.

h.Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as at March 31, 2024: Please refer to attachment 8.

i.Derivative instrument transactions: None.

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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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024	Accumulated Outflow of Investment from Taiwan to Mainland China as of March 31, 2024	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	\$11,322	100%	\$11,322 (Note 2 and Note 3)	\$1,379,358 (Note 2)	\$-	\$587,534	\$587,534	\$950,899

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(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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment	Share of Profit/Loss	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024	Accumulated Outflow of Investment from Taiwan to Mainland China as of March 31, 2024	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)	\$-	\$-	\$-	\$-	\$1,558	100%	\$1,558 (Note 2 and Note 3)	\$257,794 (Note 2)	\$-	\$-	\$310,047	

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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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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.

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

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 March 31, 2024: Please refer to attachment 9.

C. Sale and balance of related accounts receivable as at March 31, 2024: 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 three-month period ended March 31, 2024, the Company purchased materials for KUNSHAN APLUS TEC. CORPORATION was NT\$23,982 thousand.

(2) For the three-month period ended March 31, 2024, the balance of other receivables amounted to NT\$4,425 thousand. The other receivables resulted from KUNSHAN APLUS TEC. CORPORATION collected on delivery to the Company.

(4) Information on major shareholders

Share	Number of shares	Shareholding
Major shareholder	held (shares)	ratio
E Ink Holdings Inc.	9,765,000	9.94%

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.

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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

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

As of March 31, 2024

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 March 31, 2024				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	\$6,939	0.16	<u>\$10,556</u>	None
			Add: Valuation adjustments		<u>3,617</u>			
			Total		<u>\$10,556</u>			

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.

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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 three-month period ended March 31, 2024

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	<u>\$150,326</u> (Note1)	58.63%	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>\$115,979</u> (Accounts receivable)	28.42%	Note 2

Note1: The amount has already been deducted from the holding company purchasing materials amount of KUNSHAN APLUS TEC. CORPORATION for 23,982 thousand dollars.

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

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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 March 31, 2024

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	5.07	\$-		\$92,472	\$-
			\$115,979					
			(Note)					
			Other receivables					
Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	\$4,425	0.81	\$-		\$-	\$-
			(Note)					
			Accounts receivable					
			\$213,451					
Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	(Note)	0.81				

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

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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 March 31, 2024

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of March 31, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee (Note)	Note
				As of March 31, 2024	As of December 31, 2023	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%	\$1,636,807	\$12,880	\$12,880	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%	84,989	(1,562)	(1,562)	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%	1,636,888 (USD 51,153)	12,880 (USD 410)	12,880 (USD 410)	Subsidiary

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

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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Financing provided to others

For the three-month period ended March 31, 2024

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	\$270,612	\$270,612	\$157,857 (Note 4)	-	2	\$-	Business turnover	\$-	-	\$-	\$551,743	\$551,743

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 March 31, 2024.

Limited and reason of financing amount for individual counter-party is seted as follows: 31, 2024.

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.

Note 4: Transactions are eliminated when preparing the consolidated financial statements.

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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

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

As of March 31, 2024

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 March 31, 2024				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>\$72,246</u>	2.36%	<u>\$72,246</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>\$36,714</u>	2.36%	<u>\$36,714</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>\$31,764</u>	2.36%	<u>\$31,764</u>	-	<u>\$-</u>	

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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 three-month period ended March 31, 2024

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	Purchase	<u>RMB 39,659</u>	66.78%	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 (25,721)</u>	35.59%	Note

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

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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 March 31, 2024

Attachment 8

(In Thousands of RMB Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	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 43,081	0.31	RMB -	-	RMB -	RMB -
			Other receivables RMB 35,000	-				
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Accounts receivable RMB 45,099	1.26	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 three-month period ended March 31, 2024

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)
	2024.01.01~2024.03.31						
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Sales	\$150,326	150 days after next monthly closing	42.11%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Purchase	58,384	150 days after next monthly closing	16.36%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Accounts receivable	115,979	150 days after next monthly closing	4.09%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Other receivables	4,425	150 days after next monthly closing	0.16%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Accounts payable	203,407	150 days after next monthly closing	7.17%
0	Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	1	Sales	38,367	150 days after next monthly closing	10.75%
0	Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	1	Accounts receivable	213,451	150 days after next monthly closing	7.53%
0	Asia Electronic Material Co., Ltd.	BESTTRADE CO., LTD.	1	Other receivables	74,275	150 days after next monthly closing	2.62%
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	82,561	150 days after next monthly closing	2.91%
1	BESTTRADE CO., LTD.	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Other receivables	74,613	150 days after next monthly closing	2.63%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Sales	14,136	150 days after next monthly closing	3.96%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Purchase	31,214	150 days after next monthly closing	8.74%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Accounts receivable	194,302	150 days after next monthly closing	6.85%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Other receivables	157,857	150 days after next monthly closing	5.57%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Accounts payable	70,614	150 days after next monthly closing	2.49%

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.