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

Ticker: 4939

ASIA ELECTRONIC MATERIAL CO., LTD.
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2022 AND 2021
AND FOR THE YEARS THEN ENDED

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The reader is advised that these parent-company-only 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

Parent-company-only financial statements

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Building a better working world

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English Translation of an Audit Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying parent-company-only balance sheets of Asia Electronic Material Co., Ltd. (the "Company") as of December 31, 2022 and 2021, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together referred as "the parent-company-only financial statements").

In our opinion, the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2022 and 2021, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2022.

These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Asia Electronic Material Co., Ltd. recognized NT$1,116,365 thousand as revenue for the year ended December 31, 2022. Since the sales locations including Taiwan, China and other countries and the sales conditions for major customers are varied. It is necessary for the Company to judge and determine the performance obligations of a sales order or a contract and the timing of its satisfaction. There are significant risks in the timing and amount of revenue recognition. Therefore, we determined the matter to be a key audit matter. Our audit procedures include, but not limit to, assessing the appropriateness of the accounting policy for revenue recognition, evaluating and testing the effectiveness of relevant internal controls relating to the timing of revenue recognition, performing test of details on selected samples, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing and performance obligation for revenue recognition, performing analytical review procedures on monthly sale and performing cutoff testing for a period before and after the balance sheet date, etc. We also considered the appropriateness of the related disclosures of sales. Please refer to Notes 4 and Note 6 in notes to the parent-company-only financial statements.

Impairment of accounts receivable

As of December 31, 2022, The Company's gross accounts receivable and loss allowance amounted to NT$332,669 thousand and NT$(72) thousand, respectively. The net accounts receivable represented 13.89% of the parent-company-only assets and was significant to the Company's parent-compant-only financial statements. The amount of loss allowance against accounts receivable is measured at an amount equal to lifetime expected credit losses. The measurement process needs to group the underlying accounts receivable appropriately and judge the application of related assumptions, including proper aging intervals and expected credit loss ratio for each aging interval, to be judged and analyzed. Due to the measurement of expected credit losses involves judgement, analysis and estimation and it has significant impact on carrying value of net accounts receivable, we therefore determined the matter to be a key audit matter. Our audit procedures therefore include, but not limit to, analyzing the appropriateness of the methodology for grouping of accounts receivable, confirming whether the customers with significantly different loss patterns (i.e. similar risk characteristics) are appropriately grouped (i.e. by historical experiences, etc.); testing the provision matrix adopted by the Company, including evaluation on reasonableness of determining aging intervals, and examining the correctness of original document for basic information; reviewing of accounts receivable subsequent collection for evaluating its recoverability, etc. We also considered the appropriateness of the related disclosures of accounts receivable. Please refer to Notes 5 and Note 6 in notes to the parent-company-only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EY 安永
Building a better working world

/s/Chen, Kuo-Shuai

/s/Hong, Mao-Yi

Ernst & Young
February 23th, 2023
Taipei, Taiwan,
Republic of China

Notice to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only 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 audit such parent-company-only financial statements are those applied in the Republic of China on Taiwan.

Accordingly, the accompanying parent-company-only 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 Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

Parent-Company-Only Balance Sheets

As of December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2022.12.31		2021.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$256,182	10.70	$82,188	3.36
1150	Notes receivable, net	4, 6(3), 6(16)	1,515	0.06	1,492	0.06
1170	Accounts receivable, net	4, 6(4), 6(16)	91,951	3.84	101,195	4.13
1180	Accounts receivable - related parties, net	4, 6(4), 6(16), 7	239,131	9.99	463,390	18.91
1200	Other receivables		27,445	1.15	44,208	1.80
1210	Other receivables - related parties	7	86,231	3.60	88,971	3.63
130X	Inventories	4, 6(5)	8,601	0.36	6,638	0.27
1410	Prepayments		1,253	0.05	4,437	0.18
11XX	Total current assets		712,309	29.75	792,519	32.34
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(2)	18,524	0.77	-	-
1550	Investment accounted for under equity method	4, 6(6)	1,647,428	68.80	1,634,163	66.69
1600	Property, plant and equipment, net	4, 6(7)	955	0.04	1,126	0.05
1755	Right-of-use assets	4, 6(17)	4,332	0.18	1,410	0.06
1780	Intangible assets	4, 6(8)	233	0.01	333	0.01
1840	Deferred income tax assets	4, 6(21)	9,899	0.41	17,291	0.71
1900	Other non-current assets	6(9)	887	0.04	3,371	0.14
15XX	Total non-current assets		1,682,258	70.25	1,657,694	67.66
1XXX	Total Assets		$2,394,567	100.00	$2,450,213	100.00

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
ASIA ELECTRONIC MATERIAL CO., LTD.
Parent-Company-Only Balance Sheets (Continued)
As of December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2022.12.31		2021.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	$174,000	7.27	$177,035	7.23
2131	Contract liability	4, 6(15)	8	-	8	-
2150	Notes payable		4,386	0.18	45,387	1.85
2170	Accounts payable		58,216	2.43	55,294	2.26
2180	Accounts payable - related parties	7	254,759	10.64	188,828	7.71
2200	Other payables		14,435	0.60	46,116	1.88
2280	Lease liabilities	4, 6(17)	1,413	0.06	1,349	0.06
2230	Current income tax liabilities	4, 6(21)	9,199	0.38	1,805	0.07
2300	Other current liabilities		318	0.01	316	0.01
2320	Current portion of long-term loans	6(11)	100,000	4.18	-	-
21XX	Total current liabilities		616,734	25.75	516,138	21.07
	Non-current liabilities					
2540	Long-term loans	6(11)	-	-	100,000	4.08
2570	Deferred income tax liabilities	4, 6(21)	204,934	8.56	198,087	8.08
2580	Lease liabilities	4, 6(17)	2,902	0.12	19	-
2600	Other non-current liabilities	4, 6(12)	26,277	1.10	25,178	1.03
25XX	Total non-current liabilities		234,113	9.78	323,284	13.19
2XXX	Total liabilities		850,847	35.53	839,422	34.26
3100	Capital	6(14)				
3110	Common stock		982,009	41.01	982,009	40.08
3200	Capital surplus	6(14)	192,899	8.06	192,899	7.87
3300	Retained earnings	6(14)				
3310	Legal reserve		65,032	2.71	47,723	1.95
3320	Special reserve		41,956	1.75	41,956	1.71
3350	Unappropriated earnings		237,713	9.93	358,088	14.62
	Total retained earnings		344,701	14.39	447,767	18.28
3400	Other components of equity		24,111	1.01	(11,884)	(0.49)
3XXX	Total equity		1,543,720	64.47	1,610,791	65.74
	Total liabilities and equity		$2,394,567	100.00	$2,450,213	100.00

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
ASIA ELECTRONIC MATERIAL CO., LTD.
Parent-Company-Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating revenues	4, 6(15), 7	$1,116,365	100.00	$1,203,537	100.00
5000	Operating costs	6(5), 7	(1,005,940)	(90.11)	(1,070,955)	(88.98)
5900	Gross profit		110,425	9.89	132,582	11.02
5910	Unrealized gross profit (loss) from sales		(1,183)	(0.10)	(806)	(0.07)
	Gross profit from operations		109,242	9.79	131,776	10.95
6000	Operating expenses	6(18)				
6100	Sales and marketing		(13,375)	(1.20)	(18,211)	(1.51)
6200	General and administrative		(36,288)	(3.25)	(51,962)	(4.32)
6300	Research and development		(15,971)	(1.43)	(21,346)	(1.77)
	Total operating expenses		(65,634)	(5.88)	(91,519)	(7.60)
6900	Operating income		43,608	3.91	40,257	3.35
7000	Non-operating income and expenses	4, 6(19)				
7010	Other income		676	0.06	178	0.01
7020	Other gains and losses		41,230	3.69	(24,344)	(2.02)
7050	Finance costs		(5,310)	(0.48)	(3,848)	(0.32)
7070	Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(6)	(26,970)	(2.41)	211,354	17.56
	Total non-operating income and expenses		9,626	0.86	183,340	15.23
7900	Profit (loss) from continuing operations before tax		53,234	4.77	223,597	18.58
7950	Income tax expense	4, 6(21)	(18,819)	(1.69)	(50,506)	(4.20)
8000	Profit (loss) from continuing operations		34,415	3.08	173,091	14.38
8300	Other comprehensive income (loss)	6(20)				
8310	Items that not be reclassified subsequently to profit or loss					
8316	Unrealized gains (losses) from equity instrument investment at fair value through other comprehensive income		3,807	0.34	-	-
8336	Unrealized gains (losses) from equity instrument investment measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		7,266	0.65	(5,886)	(0.46)
8349	Income tax related to non-reclassified items		(1,453)	(0.13)	1,117	0.09
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		32,969	2.95	(9,743)	(0.81)
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		(6,594)	(0.59)	1,949	0.16
	Total other comprehensive income, net of tax		35,995	3.22	(12,263)	(1.02)
8500	Total comprehensive income		$70,410	6.30	$160,828	13.36
	Earnings per share (in NT$)	6(22)				
9750	Earnings per share - basic					
9710	Profit from continuing operations		$0.35		$1.76	
9850	Earnings per share - diluted (in NT$)					
9810	Profit from continuing operations		$0.35		$1.74	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

				Retained Earnings			Other Components of Equity		
		Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
Code	Items	3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2021	$982,009	$192,899	$27,882	$41,956	$327,589	$(68,523)	$68,902	$1,572,714
	Appropriation and distribution of 2020 earnings								
B1	Legal reserve			19,841		(19,841)			-
B5	Cash dividends - common shares					(122,751)			(122,751)
D1	Net income for 2021					173,091			173,091
D3	Other comprehensive income (loss) for 2021						(7,794)	(4,469)	(12,263)
D5	Total comprehensive income (loss)	-	-	-	-	173,091	(7,794)	(4,469)	160,828
Z1	Balance as of December 31, 2021	982,009	192,899	47,723	41,956	358,088	(76,317)	64,433	1,610,791
	Appropriation and distribution of 2021 earnings								
B1	Legal reserve			17,309		(17,309)			-
B5	Cash dividends - common shares					(137,481)			(137,481)
D1	Net income for 2022					34,415			34,415
D3	Other comprehensive income (loss) for 2022						26,375	9,620	35,995
D5	Total comprehensive income (loss)	-	-	-	-	34,415	26,375	9,620	70,410
Z1	Balance as of December 31, 2022	$982,009	$192,899	$65,032	$41,956	$237,713	$(49,942)	$74,053	$1,543,720

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021
AAAA	Cash flows from operating activities:		
A00010	Profit (loss) from continuing operations before tax	$53,234	$223,597
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation (inculding right-of-use assets)	1,853	2,084
A20200	Amortization	100	100
A20900	Interest expense	5,310	3,848
A21200	Interest income	(254)	(32)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	26,970	(211,354)
A22500	Gain on disposal of property, plant and equipment	(84)	(84)
A23200	Loss (gain) on disposal of investments accounted for under equity method	-	15
A24000	Realized (gains) losses from sales	1,183	806
A30000	Changes in operating assets and liabilities:		
A31130	Decrease (increase) in notes receivable	(23)	(814)
A31150	Decrease (increase) in accounts receivable	9,244	(2,836)
A31160	Decrease (increase) in accounts receivable - related parties	224,259	(9,833)
A31180	Decrease (increase) in other receivables	16,763	66,180
A31190	Decrease (increase) in other receivables - related parties	2,740	13,151
A31200	Decrease (increase) in inventories	(1,963)	2,658
A31220	Decrease (increase) in prepayments	3,246	(3,413)
A32130	Increase (decrease) in notes payable	(41,001)	(11,691)
A32150	Increase (decrease) in accounts payable	5,406	(45,330)
A32160	Increase (decrease) in accounts payable - related parties	65,931	40,053
A32180	Increase (decrease) in other payables	(31,681)	1,786
A32230	Increase (decrease) in other current liabilities	2	13
A33000	Cash generated from (used in) operations	341,235	68,904
A33100	Interest received	254	32
A33300	Interest paid	(5,298)	(3,698)
A33500	Income tax paid	(5,233)	(5,597)
AAAA	Net cash provided by (used in) operating activities	330,958	59,641

Code	Items	2022	2021
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets measured at fair value through OCI	(14,717)	-
B02700	Acquisition of property, plant and equipment	(289)	(2,756)
BBBB	Net cash provided by (used in) investing activities	(15,006)	(2,756)
CCCC	Cash flows from financing activities:		
C00100	Increase in (repayment of) short-term loans	(3,035)	65,570
C01600	Increase in long-term loans	-	100,000
C01700	Repayment of long-term loans	-	(120,000)
C04020	Cash payments for the principal portion of the lease liabilities	(1,442)	(1,442)
C04500	Cash dividends	(137,481)	(122,751)
CCCC	Net cash provided by (used in) financing activities	(141,958)	(78,623)
EEEE	Net Increase (decrease) in cash and cash equivalents	173,994	(21,738)
E00100	Cash and cash equivalents at beginning of period	82,188	103,926
E00200	Cash and cash equivalents at end of period	$256,182	$82,188

(The accompanying notes are an integral part of the parent-company-only financial statements.)

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

1. HISTORY AND ORGANIZATION

Asia Electronic Material Co., Ltd. (referred to "the Company") was established on July 7, 2003. Its main business activities include the manufacture of electronic products and sale of electronic materials. The Company's stocks have been governmentally approved on June 28, 2011 to be listed and traded in Taiwan Taipei Exchange starting September 19, 2011. The registered business premise and main operation address is at 4F., 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 ISSUA

The financial statements of the Company were authorized to be issued in accordance with a resolution of the Board of Directors' meeting held on February 23, 2023.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

The Company 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, 2022. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies - Amendments to IAS 1	January 1, 2023
b	Definition of Accounting Estimates - Amendments to IAS 8	January 1, 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 1, 2023

(a) Disclosure Initiative – Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. The Company assesses that there will be no significant impact on the Company's financial Statements then.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company 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”	January 1, 2023
c	Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants - Amendments to IAS 1	January 1, 2024

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

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

(d) Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

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

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

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

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Company assesses that there will be no significant impact on the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The parent-company-only financial statements of the Company for the years ended December 31, 2022 and 2021 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent-company-only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent-company-only financial statements are presented in its functional currency, New Taiwan Dollars (NTD). Items included in the parent-company-only financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following.

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instrument.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

(a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(b) The Company holds the asset primarily for the purpose of trading.
(c) The Company expects to realize the asset within twelve months after the reporting period.
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Company expects to settle the liability in its normal operating cycle.
(b) The Company holds the liability primarily for the purpose of trading.
(c) The liability is due to be settled within twelve months after the reporting period.
(d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (include fixed-term deposits that have matures of 3 months from the date of acquisition).

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

The Company determines the classification of its financial assets at initial recognition. In accordance with IFRS 9 and the Regulations, financial assets of the Company are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets measured at amortized cost and notes, accounts and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

(A) Financial assets: Recognition and Measurement

Purchase or sale of financial assets is recognized using trade date accounting.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(a) The Company's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, at initial recognition, the Company make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Amounts presented in other comprehensive income are not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and should recorded as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

(B) Impairment of financial assets

The Company is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C) Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows.

Raw materials - At actual purchase cost, using weighted average method
Finished goods and work in progress -
Including cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 “Consolidated Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company’s related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company’s percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorate basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Machinery	4~8 years
Office equipment	4~6 years
Lease improvement	4~10 years
Other equipment	8~16 years

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The property, plant and equipment's residual values, useful lives and methods of depreciation are reviewed at each financial year. If the expected values differ from the estimates, the differences are recorded as a change in accounting estimate.

(12) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A.fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B.variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C.amounts expected to be payable by the lessee under residual value guarantees;
D.the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E.payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A.the amount of the initial measurement of the lease liability;
B.any lease payments made at or before the commencement date, less any lease incentives received;
C.any initial direct costs incurred by the lessee; and
D.an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

(13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, not meeting the recognition criteria, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

The Company's accounting policies for intangible assets are as follows:

	Cost of Computer Software	Cost of Patent
Useful economic life	5 years	6 years
Amortization method	Straight-line method during the contract term	Straight-line method during the patent term
Internally generated or acquired externally	Acquired externally	Acquired externally

(14) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or CGU. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Impairment loss or reversals of continuing operations are recognized in profit or loss.

(15) Revenue recognition

The Company's revenue arising from contracts with customers mainly includes sale of goods and rendering of services. The accounting policies for the Company's types of revenue are explained as follow:

Sale of goods

Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is flexible printed circuit (FPC) and revenue is recognized based on the consideration stated in the contract. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The credit period of the Company's sale of goods is from 60 to 180 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the time when the Company transfers the goods to customers and when the customers pay for that goods is usually short and have no significant financing component to the contract. In the case that the Company has the right to transfer the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(16) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(17) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent-company-only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

(18) Income tax

Income tax expense (benefit) 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 of the Company is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred income tax is a temporary difference between the tax bases of assets and liabilities and their carrying amounts in balance sheet at the reporting date.

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

(a) 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 and, at the time of the transaction, affects neither the accounting profit nor taxable profit (loss);

(b) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, 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, any unused tax losses and carry forward of unused tax credits 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:

(a) 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 and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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 liabilities reflects the tax consequences that would follow from the manner in which the Company 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 recognized accordingly.

Deferred tax assets and 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.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's 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.

(1) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example, the discounted cash flows model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Accounts receivable – estimation of impairment loss

The Company estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(c) Inventory

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(d) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company’s domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of December 31,	
	2022	2021
Cash and petty cash	$50	$50
Checking and savings	256,132	82,138
Total	$256,182	$82,188

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

	As of December 31,	
	2022	2021
Financial assets held for trading		
Listed companies stocks	$14,717	$-
Valuation adjustment of financial assets as measured by fair value through other comprehensive income	3,807	-
Total	$18,524	$-
Non-current	$18,524	$-

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

(3) Notes receivable

	As of December 31,	
	2022	2021
Notes receivable – from operations	$1,515	$1,492
Less: loss allowance	-	-
Net	$1,515	$1,492

No notes receivable was pledged by the Company as collateral.

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 6 (16) for more details on accumulated impairment and Note 12 for more details on credit risk management.

(4) Accounts receivable and accounts receivable - related parties, net

A. Accounts receivable and accounts receivable - related parties, net

	As of December 31,	
	2022	2021
Accounts receivable, gross	$92,023	$101,267
Less: loss allowance	(72)	(72)
Net of allowances	91,951	101,195
Accounts receivable - related parties, gross	239,131	463,390
Less: loss allowance	-	-
Net of allowances	239,131	463,390
Total accounts receivable, net	$331,082	$564,585

B. Accounts receivable were not pledged.

C. Accounts receivable are generally on 60-180 day terms. The total carrying amount for the years ended December 31, 2022 and 2021, are NT$331,154 thousand and NT$564,657 thousand, respectively. Please refer to Note 6 (16) for more details on loss allowance of accounts receivable for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

D. The Company 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 receivables cash flow, the Company 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 December 31, 2022 and 2021, details of the agreed credit limits and accounts receivables transferred were as follows:

	Financial Institution	Accounts receivable derecognized	Advance received	Interest rate	Collateral	Credit limit
12/31/2022	Taipei Fubon Bank	USD 91	USD 77	1M TAIFX 03+0.6% /0.946	Promissory Note USD 90	USD 2,200
	Shin Kong Bank	USD 1,340	USD 463	Negotiation	None	USD 4,700
12/31/2021	Shin Kong Bank	USD 2,252	USD 677	Negotiation	None	USD 4,700

(5) Inventory

A. Details of inventory:

	As of December 31,	
	2022	2021
Raw material	$3,676	$1,196
Merchandises	4,925	5,442
Total	$8,601	$6,638

B. For the years ended December 31, 2022 and 2021, the Company recognized NT$1,005,940 thousand and NT$1,070,955 thousand under the caption of costs of sale, respectively, including loss (gain) from inventory market decline for NT$785 thousand and NT$(46), respectively.

The Company recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed for the year ended December 31, 2021.

C. The inventories were not pledged.

(6) Investments accounted for under the equity method

	As of December 31,			
	2022		2021	
Investee companies	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in subsidiaries:				
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	$1,562,686	100%	$1,554,432	100%
BESTTRADE CO., LTD.	84,742	100%	79,731	100%
Total	$1,647,428		$1,634,163	

A. Investments in subsidiaries

Investments in subsidiaries were present in the parent-company-only financial statements under the caption of investments accounted for under equity method. Valuation adjustment is made if deemed necessary.

B. The Company's investments accounted for under the equity method were not pledged.

C. 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.

(7) Property, plant and equipment

A. Owner occupied property, plant and equipment

	Machinery and equipment	Office equipment	Lease improvement	Other equipment	Total
Cost:					
As of 1/1/2022	$102	$3,931	$6,498	$13,030	$23,561
Addition	-	289	-	-	289
Disposals	-	(19)	-	(1,211)	(1,230)
As of 12/31/2022	$102	$4,201	$6,498	$11,819	$22,620
As of 1/1/2021	$102	$3,659	$6,498	$13,030	$23,289
Addition	-	272	-	-	272
Disposals	-	-	-	-	-
As of 12/31/2021	$102	$3,931	$6,498	$13,030	$23,561
Depreciation and impairment:					
As of 1/1/2022	$102	$3,517	$6,408	$12,408	$22,435
Depreciation	-	159	90	211	460
Disposals	-	(19)	-	(1,211)	(1,230)
As of 12/31/2022	$102	$3,657	$6,498	$11,408	$21,665

	Machinery and equipment	Office equipment	Lease improvement	Other equipment	Total
As of 1/1/2021	$102	$3,431	$6,119	$12,091	$21,743
Depreciation	-	86	289	317	692
Disposals	-	-	-	-	-
As of 12/31/2021	$102	$3,517	$6,408	$12,408	$22,435
Net carrying amount:					
As of 12/31/2022	$-	$544	$-	$411	$955
As of 12/31/2021	$-	$414	$90	$622	$1,126

Property, plant and equipment were not pledged.

(8) Intangible assets

	Computer software	Technology licensing	Total
Cost:			
As of January 1, 2022	$-	$1,000	$1,000
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
As of December 31, 2022	$-	$1,000	$1,000
As of January 1, 2021	$-	$1,000	$1,000
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
As of December 31, 2021	$-	$1,000	$1,000
Amortization and impairment:			
As of January 1, 2022	$-	$667	$667
Amortization	-	100	100
Derecognized upon retirement	-	-	-
As of December 31, 2022	$-	$767	$767

	Computer software	Technology licensing	Total
As of January 1, 2021	$-	$567	$567
Amortization	-	100	100
Derecognized upon retirement	-	-	-
As of December 31, 2021	$-	$667	$667
Carrying amount, net:			
As of December 31, 2022	$-	$233	$233
As of December 31, 2021	$-	$333	$333

Amounts of amortization recognized for intangible assets are as follows:

	For the year ended December 31,	
	2022	2021
General and administrative	$-	$-
Research and development	100	100
Total	$100	$100

(9) Other non-current assets

	As of December 31,	
	2022	2021
Prepayment for equipment	$530	$3,014
Refundable deposits	357	357
Total	$887	$3,371

(10) Short-term loans

	As of December 31,	
	2022	2020
Unsecured bank loans	$174,000	$177,035
Interest interval (%)	1.79%~2.125%	1.15%~1.75%

As of December 31, 2022 and 2021, the line of unused short-term loans credit for the Company amounted to NT$157,420 thousand and NT$102,965 thousand, respectively.

(11) Long-term loans

Details of long-term loans were as follows:

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

Lenders	As of 12/31/2021		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	-		
Total	$100,000		

(12) Other non-current liabilities

	As of December 31,	
	2022	2021
Deferred Credits	$26,277	$25,178

(13) Post-employment benefits plans

Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 are NT$992 thousand and NT$977 thousand, respectively.

(14) Equity

A. Common stock

As of December 31, 2022 and 2021, the Company's authorized capital was 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.

B. Capital surplus

	As of December 31,	
	2022	2021
Additional paid-in capital	$133,912	$133,912
Employee stock option	32,665	32,665
Share options- convertible bonds	13,843	13,843
Others	12,479	12,479
Total	$192,899	$192,899

According to Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus 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 April 6, 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the follow-ing 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 December 31, 2022 and 2021, special reserve set aside for the first-time adoption of T-IFRS reduced to NT$41,956 thousand accordingly.

(c) Earning distribution

(1) Earning distribution

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

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

(2) Dividend policies

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

(3) The appropriations of earnings for the years 2022 and 2021 were approved through the Board of Directors' meetings and shareholders' meetings held on February 23, 2023 and May 17, 2022, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2022	2021	2022	2021
Legal reserve	$3,442	$17,309		
Cash dividend	47,136	137,481	$0.48	$1.40
Total	$50,578	$154,790		

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors and supervisors.

(15) Operating revenue

	For the year ended December 31,	
	2022	2021
Revenue from customer with contracts		
Sales of goods	$1,116,365	$1,203,537

Analysis of revenue from contracts with customers during the year ended December 31, 2022 and 2021 are as follows:

A. Disaggregation of revenue

	For the year ended December 31,	
	2022	2021
Sales of FPC	$1,116,365	$1,203,537
The timing for revenue recognition:		
At a point in time	$1,116,365	$1,203,537

B. Contract balances

(a) Contract liabilities – current

	As of		
	Beginning Balance	Ending Balance	Difference
Sales of goods	$8	$8	$-

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

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

(16) Expected credit losses (gains)

	For the year ended December 31,	
	2022	2021
Operating expenses – Expected credit losses / (gains)		
Notes receivable	$-	$-
Accounts receivable	-	-
Total	$-	$-

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

The Company measured the impairment against the other receivables reclassified from accounts receivable due to factoring agreements mainly based on the expected credit loss for 12 months of the counter-party financial institutions. As of December 31, 2022 and 2021, there was no other receivables pass due. Furthermore, the Company assessed the related expected credit loss to be insignificant because the counter-party financial institutions are of good credit condition.

The Company 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 Company's loss allowance as of December 31, 2022 and 2021 are as follows:

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

12/31/2022

(a) Group one

December 31, 2022	Not past due	Past due		
	(Note)	Within 90 days	91-120 days	Total
Gross carrying amount	$93,538	$-	$-	$93,538
Loss ratio	0.08%	-%	-%	
Lifetime expected credit losses	(72)	-	-	(72)
Subtotal	$93,466	$-	$-	$93,466

(b) Group two

December 31, 2022	Not past due	Past due				
	(Note)	Within 90 days	91-120 days	121-150 days	Over 270 days	Total
Gross carrying amount	$239,131	$-	$-	$-	$-	$239,131
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$239,131	$-	$-	$-	$-	$239,131

12/31/2021

(a) Group one

December 31, 2021	Not past due	Past due		
	(Note)	Within 90 days	91-120 days	Total
Gross carrying amount	$102,759	$-	$-	$102,759
Loss ratio	0.07%	-%	-%	
Lifetime expected credit losses	(72)	-	-	(72)
Subtotal	$102,687	$-	$-	$102,687

(b) Group two

December 31, 2021	Not past due	Past due				
	(Note)	Within 90 days	91-120 days	121-150 days	Over 270 days	Total
Gross carrying amount	$463,390	$-	$-	$-	$-	$463,390
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$463,390	$-	$-	$-	$-	$463,390

Note: All the Company’s notes receivable were not past due.

The movement in the provision for impairment of accounts receivable during the years ended December 31, 2022 and 2021 are as follows:

	Accounts receivable
Beginning balance as of January 1, 2021	$72
Addition/(reversal) for the current period	-
Write off	-
Beginning balance as of January 1, 2022	72
Addition/(reversal) for the current period	-
Write off	-
Ending balance as of December 31, 2022	$72

(17) Leases

A. Company as a lessee

The Company leases various properties, including buildings and office equipment. These leases have terms of between 4 and 5 years. The Company may not allow to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

The Company'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

The carrying amount of right-of -use assests

	As of December 31,	
	2022	2021
Buildings	$4,315	$1,352
Office Equipment	17	58
Total	$4,332	$1,410

(b) Lease liabilities

	As of December 31,	
	2022	2021
Lease liabilities	$4,315	$1,368
Current	$1,413	$1,349
Non-current	2,902	19
Total	$4,315	$1,368

Please refer to Note 6(19)(3) for the interest on lease liabilities recognized during the years ended 31 December 2022 and 2021, and refer to Note12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2022 and 2021.

b. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of -use assests

	For the year ended December 31,	
	2022	2021
Buildings	$1,352	$1,351
Office Equipment	41	41
Total	$1,393	$1,392

c. Income and costs relating to leasing activities

	For the year ended December 31,	
	2022	2021
The expenses relating to short-term leases	$1	$1

d. Cash outflow relating to leasing activities

During the year ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounting to NT$1,443 thousand both.

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

Function / Nature	2022			2021		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit						
Salaries	$-	$31,529	$31,529	$-	$51,148	$51,148
Labor and health insurance	-	2,484	2,484	-	2,436	2,436
Pension	-	992	992	-	977	977
Directors' remuneration	-	1,836	1,836	-	6,271	6,271
Other employee benefit	-	1,162	1,162	-	1,220	1,220
Depreciation	-	1,853	1,853	-	2,084	2,084
Amortization	-	100	100	-	100	100

(1) The headcounts of the Company amounted to 28 both, as of December 31, 2022 and 2021. Among the Company's directors, there were 8 who were not the employees.

(2) Companies who have been listed on Taiwan Stock Exchange or Taiwan Over – The Counter Securities Exchange should disclose the following information:

(a) Average employee benefits of 2022 and 2021 are NT$1,808 thousand and NT$2,789 thousand, respectively.

(b) Average salaries of 2022 and 2021 are NT$1,576 thousand and NT$2,557 thousand, respectively.

(c) Change in average salaries are (38.36)%.

(d) Supervisor's remuneration for 2022 and 2021 were NT$0 thousand and NT$1,439 thousand, respectively.

(e) The salary and remuneration policy of the Company:

According to Articles 32 of the Company's Articles of Incorporation, 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 and supervisors. In addition to the basic salaries, employees' annual salaries are also adjusted based on the Company's performance to motivate and retain outstanding employees. In addition, according to Articles 28 of the Company's Articles of Incorporation, the Company pays remuneration to directors for performing duties whether the Company makes profit or not. The Company authorizes the Board of Directors to determine the remunerations which are allocated according to directors performance, level of contribution referencing the industry standards.

(3)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 and supervisors. However, the Company's accumulated losses shall have been covered.

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

(4)The Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 and 2021 to be not lower than 10% and not higher than 5% of profit of the current period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 amounted to NT$6,119 thousand and NT$1,836 thousand, respectively, and, for the year ended December 31, 2021 amounted to NT$25,701 thousand and NT$7,710 thousand, respectively. The employees' compensation and remuneration to directors and supervisors were recognized as salaries.

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

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

(19) Non-operating incomes and expenses

A. Other incomes

	For the year ended December 31,	
	2022	2021
Interest income		
Financial assets measured at amortized cost	$254	$32
Other income－others	422	146
Total	$676	$178

B. Other gains and losses

	For the year ended December 31,	
	2022	2021
Foreign exchange gain (loss), net	$41,146	$(24,291)
Gain from disposal of property, plant and equipment	84	84
Loss on disposal of investments	-	(15)
Other expenses	-	(122)
Total	$41,230	$(24,344)

C. Finance costs

	For the year ended December 31,	
	2022	2021
Interests on bank loans	$5,298	$3,810
Interest on lease liabilities	12	38
Total	$5,310	$3,848

(20) Components of other comprehensive income

For the year ended December 31, 2022

	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 financial asset measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures	$7,266	$-	$7,266	$(1,453)	$5,813
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	3,807	-	3,807	-	3,807
May be reclassified to profit or loss in subsequent period:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	32,969	-	32,969	(6,594)	26,375
Total OCI	$44,042	$-	$44,042	$(8,047)	$35,995

For the year ended December 31, 2021

	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 financial asset measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures	$(5,586)	$-	$(5,586)	$1,117	$(4,469)
May be reclassified to profit or loss in subsequent period:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	(9,743)	-	(9,743)	1,949	(7,794)
Total OCI	$(15,329)	$-	$(15,329)	$3,066	$(12,263)

(21) Income tax

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

Income tax expense (benefit) recognized in profit or loss

	For the year ended December 31,	
	2022	2021
Current income tax expense:		
Current income tax expense	$7,394	$2,791
Adjustment in respect of current income tax of prior periods	5,233	-
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	6,192	47,715
Total income tax expense	$18,819	$50,506

Income tax relating to components of other comprehensive income

	For the year ended December 31,	
	2022	2021
Deferred income tax expence (income):		
Share of other comprehensive income of subsidiaries accounted for under equity method	$8,047	$(3,066)

B. A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	$53,234	$223,597
Tax payable at the enacted tax rates	$10,647	$44,719
Tax effect of expenses not deductible for tax purposes	2,024	2,996
Surtax on undistributed earnings	915	2,791
Adjustment in respect of current income tax of prior periods	5,233	-
Total income tax recognized in profit or loss	$18,819	$50,506

C. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Unrealized loss on inventory valuation	$106	$157	$-	$263
Unrealized gross profits	2,535	237	-	2,772
Gain on disposal of property, plant and equipment	2,501	(17)	-	2,484
Unrealized exchange loss (gain)	2,871	(183)	-	2,688
Investments accounted for using the equity method	(172,043)	(5,394)	-	(177,437)
Unused tax losses	992	(992)	-	-
Exchange differences on translation of foreign financial statements	8,286	-	(6,594)	1,692

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2022
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(26,044)	-	(1,453)	(27,497)
Deferred tax income/ (expense)		$(6,192)	$(8,047)	
Net deferred tax assets/(liabilities)	$(180,796)			$(195,035)
Reflected in balance sheets as follows:				
Deferred tax assets	$17,291			$9,899
Deferred tax liabilities	$(198,087)			$(204,934)

For the year ended December 31, 2021

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2021
Temporary differences				
Unrealized loss on inventory valuation	$115	$(9)	$-	$106
Unrealized gross profits	2,374	161	-	2,535
Gain on disposal of property, plant and equipment	2,518	(17)	-	2,501
Unrealized exchange loss (gain)	9,443	(6,572)	-	2,871
Investments accounted for using the equity method	(129,773)	(42,270)	-	(172,043)
Unused tax losses	-	992	-	992
Exchange differences on translation of foreign financial statements	6,337	-	1,949	8,286

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2021
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(27,161)	-	1,117	(26,044)
Deferred tax income/ (expense)		$(47,715)	$3,066	
Net deferred tax assets/(liabilities)	$(136,147)			$(180,796)
Reflected in balance sheets as follows:				
Deferred tax assets	$20,787			$17,291
Deferred tax liabilities	$(156,934)			$(198,087)

D. The assessment of income tax returns

	The assessment of income tax returns
The Company	Assessed and approved up to 2020

(22) 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.

A. Basic earnings per share

	For the year ended December 31,	
	2022	2021
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$34,415	$173,091
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	98,201	98,201
Basic earnings per share (in NT$)	$0.35	$1.76

B. Diluted earnings per share

	For the year ended December 31,	
	2022	2021
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$34,415	$173,091
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$34,415	$173,091
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	98,201	98,201
Effect of dilution:		
Employee compensation – stock (in thousands)	585	1,168
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	98,786	99,369
Diluted earnings per share (in NT$)	$0.35	$1.74

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

Related parties and Relationship

Related parties	Relationship
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Subsidiary
BESTTRADE CO., LTD.	Subsidiary
GLOBAL-ONE TEC. CO., LTD.	Subsidiary (Note)
AMMON TEC. INVESTMENT CORP.	Subsidiary
KUNSHAN APLUS TEC. CORPORATION	Subsidiary
DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary
Directors, Supervisor, Manager, Vice manager	Executive

Note: GLOBAL-ONE TEC. CO., LTD. has been liquidated on September 8, 2021.

(2)Significant transactions with related parties

A.Sales

	For the year ended December 31,	
	2022	2021
KUNSHAN APLUS TEC. CORPORATION	$570,450	$747,501
DONGTAI APLUS TECHNOLOGY CO., LTD.	150,282	36,841
Total	$720,732	$784,342

A. The products sold by the Company to related parties are not sold to other clients. Thus, transaction prices are not reasonably comparable.

B.The collection terms for related parties and non-related parties are 150 days and 60 to 180 days, respectively, from the end of delivery month in the year ended December 31, 2022 and 2021.

C.The amount of materials purchased for related parties in the year ended December 31, 2022 and 2021 was NT$149,020 thousand and NT$172,107 thousand, respectively, and sales revenue has been written off in the financial statements.

D. The Company purchased equipments for related parties in the year ended December 31, 2022 and 2021 resulting unrealized other income of NT$4 thousand and NT$111 thousand, respectively, and recognized as other non-current liabilities.

B.Purchases

	For the year ended December 31,	
	2022	2021
KUNSHAN APLUS TEC. CORPORATION	$353,525	$373,347

(a) The product specification of goods purchased from related parties, differed from those purchased from other vendors. Thus, transaction prices are not reasonably comparable.

(b) The payment terms for related parties and non-related parties are 150 days and 45 to 90 days, respectively, from the end of delivery month in the year ended December 31, 2022 and 2021.

C.Accounts receivable - related parties

	As of December 31,	
	2022	2021
KUNSHAN APLUS TEC. CORPORATION	$136,132	$426,762
DONGTAI APLUS TECHNOLOGY CO., LTD.	102,999	36,628
Total	$239,131	$463,390

D.Other receivables - related parties

	As of December 31,	
	2022	2021
BESTTRADE CO., LTD.	$81,564	$84,371
Subsidiaries	4,667	4,600
Total	$86,231	$88,971

E.Account payable - related parties

	As of December 31,	
	2022	2021
KUNSHAN APLUS TEC. CORPORATION	$254,759	$188,828

F.Salaries and rewards to key management of the Company

	For the year ended December 31,	
	2022	2021
Short-term employee benefits	$11,881	$11,600
Post-employee benefits	189	190
Total	$12,070	$11,790

8. ASSETS PLEDGED AS SECURITY

None.

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Company's unused letters of credit (LC) as of December 31, 2022 were as follows:

Currency	LC Amount (in thousand)		Security (in thousand)
USD	USD	79	$-
JPY	JPY	24,192	$-

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2022	2021
Financial assets at fair value through OCI	$18,524	$-
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	256,132	82,138
Notes receivables, net	1,515	1,492
Accounts receivables (includded related parties), net	331,082	564,585
Other receivables (includded related parties)	113,676	133,179
Subtotal	702,405	781,394
Total	$720,929	$781,394

Financial liabilities

	As of December 31,	
	2022	2021
Financial liabilities measured at amortized cost:		
Short-term loans	$174,000	$177,035
Accounts payable and other payables	331,796	335,625
Long-term loans (including current portion with maturity less than 1 year)	100,000	100,000
Lease liabilities	4,315	1,368
Total	$610,111	$614,028

(2) Objectives and policies of financial risk management

The Company’s principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures, and manages the aforementioned risks based on its policy and risk preferences.

The Company 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 Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises 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 Company's exposure to foreign currency risk relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign operations.

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

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

If NT dollars appreciates/depreciates against US dollars by 1%, the net income (loss) for the years ended December 31, 2022 and 2021 would decrease/increase by NT$1,746 thousand and NT$1,437 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the Company'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 years ended December 31, 2022 and 2021 would increase/decrease by NT$32 thousand and NT$100 thousand, respectively.

Equity price risk

The fair value of the Company's listed 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 Company's listed 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.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$185 on the equity attributable to the Company for the year ended December 31, 2022.

For the year ended December 31, 2021, the Company does not hold equity securities at fair value; therefore the Company is not subject to equity price risk.

(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 Company 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 Company'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 Company's internal credit ratings. The Company also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of December 31, 2022 and 2021, receivables from the top ten customers were accounted for 96.29% and 97.71% of the Company'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 Company's finance division in accordance with the Company's policy. The counterparties that the Company 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. Consequently, there is no significant credit risk for these counter parties.

The Company 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 Company 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 Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
As of December 31, 2022					
Loans	$275,204	$-	$-	$-	$275,204
Payables	331,796	-	-	-	331,796
Lease Liabilities	1,476	1,475	1,476	-	4,427
As of December 31, 2021					
Loans	$177,479	$100,563	$-	$-	$278,042
Payables	335,625	-	-	-	335,625
Lease Liabilities	1,361	18	-	-	1,379

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As of January 1, 2022	$177,035	$100,000	$1,368	$278,403
Cash flows	(3,035)	-	(1,442)	(4,477)
Non-cash changes				
Lease modification	-	-	4,377	4,377
Interest of lease liabilities	-	-	12	12
As of December 31, 2022	$174,000	$100,000	$4,315	$278,315

Movement schedule of liabilities for the year ended December 31, 2021:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As of January 1, 2021	$111,465	$120,000	$2,646	$234,111
Cash flows	65,570	(20,000)	(1,442)	44,128
Non-cash changes				
Lease modification	-	-	126	126
Interest of lease liabilities	-	-	38	38
As of December 31, 2021	$177,035	$100,000	$1,368	$278,403

(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 Company 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).

(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.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company’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 Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company 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 Company's assets and liabilities

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

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through OCI	$18,524	$-	$-	$18,524

As of December 31, 2021:

The Company does not hold listed equity securities at fair value.

Transfers between Level 1 and Level 2 during the period

For the year ended December 31, 2022, there were no transfers between Level 1 and Level 2 fair value hierarchy.

(9) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Company's significant financial assets and liabilities denominated in foreign currencies was listed below: (In Thousands)

	As of December 31, 2022		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$7,523	30.71	$231,037
Financial liabilities			
Monetary items:			
USD	$1,809	30.71	$55,556

	As of December 31, 2021		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$7,143	27.68	$197,719
Financial liabilities			
Monetary items:			
USD	$1,924	27.68	$53,259

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

Foreign currency resulting in exchange gain or loss	For the year ended December 31,	
	2022	2021
USD	$46,077	$(15,218)
Other	(4,931)	(9,073)
Total	$41,146	$(24,291)

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

(10) Capital management

The primary objective of the Company'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 Company manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Company 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: Please refer to attachment 1.

C. Marketable securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.

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 year ended December 31, 2022: 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 year ended December 31, 2022: 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 year ended December 31, 2022: 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 year ended December 31, 2022: Please refer to attachment 3.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of December 31, 2022: Please refer to attachment 4.

I. Derivative instrument transactions: None.

(2) Information on investees

A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 5.

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

(a) Financing provided to others: Please refer to attachment 6.

(b) Endorsement/Guarantee provided to others: None.

(c) Marketable securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 7.

(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 year ended December 31, 2022: 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 year ended December 31, 2022: 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 year ended December 31, 2022: 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 year ended December 31, 2022: Please refer to attachment 8.

(h) Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of December 31, 2022: Please refer to attachment 9.

(i) Derivative instrument transactions: None.

(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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment	Share of Profit/Loss	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2022	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	$17,843	100%	$17,843 (Note 2 and Note 3)	$1,283,627 (Note 2)	$-	$587,534	$587,534	$926,232

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment	Share of Profit/Loss	Carrying Amount as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2022	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	(Note1 and Note 4)	$-	$-	$-	$-	$(41,205)	100%	$(41,205) (Note 2 and Note 3)	$279,389 (Note 2)	$-	$-	$310,047	

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

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

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

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

B. Purchase and balances of related accounts payable as of December 31, 2022:

	Purchases		Accounts Payable	
	Amount	% to Net Purchase	Amount	% to Account Balance
KUNSHAN APLUS TEC. CORPORATION	$353,525	35.06%	$254,759	80.27%

C. Sales, the ending balance of related accounts receivable and their weightings.

	Sales		Accounts receivable	
	Amount	% to Net Sales	Amount	% to Account Balance
KUNSHAN APLUS TEC. CORPORATION	$570,450	51.10%	$136,132	40.93%
DONGTAI APLUS TECHNOLOGY CO., LTD.	150,282	13.46%	102,999	30.97%
Total	$720,732	64.56%	$239,131	71.90%

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 1 and 6.

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

a. For the year ended December 31, 2022, the Company purchased materials for KUNSHAN APLUS TEC. CORPORATION was NT$149,020 thousand.

b. For the year ended December 31, 2022, the balance of other receivables amounted to NT$4,326 thousand. The other receivables resulted from KUNSHAN APLUS TEC. CORPORATION collected on delivery to the Company.

(4) Information on major shareholders:

As of December 31, 2022, the Company has no shareholders holding more than 5% of the shares.

14. SEGMENT INFORMATION

The Company has provided the operating segment disclosure in the consolidated financial statements.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

Endorsement/Guarantee Provided to Others

For the Year Ended December 31, 2022

Attachment 1

(In Thousands of New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 3)	Endorsement provided by parent company to subsidiaries (Note 7)	Endorsement provided by subsidiaries to parent company (Note 7)	Endorsement provided to entities in China (Note 7)
No. (Note 1)	Name	Name	Relationship (Note2)										
0	Asia Electronic Material Co., Ltd	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiaries, with holding 100% share	$771,860	$92,130	$-	$-	$-	-%	$771,860	Y	N	Y

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.

Note2：The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

1.The company with business contacts.

2.The company directly and indirectly holds more than 50% of the shares with voting rights.

3.Companies that directly and indirectly holds more than 50% of the shares of the company with voting rights.

4.The company directly and indirectly holds more than 90% of the shares with voting rights.

5.Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.

6.A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.

7.The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3 : According to the procedures of Endorsement and Guarantee, the limitation of endorsement or guarantee for other subsidiaries shall not exceed 50% of the current net value of the Company. Also, the limitation of

Also, the limitation of endorsement or guarantee for one of the subsidiaries shall not exceed 20% of the current net value of Company, but the limitation of endorsement or guarantee for the Company shall be up to 50% of the current net value of one of subsidiaries.

Note 4：Maximum balance for endorsement/guarantee provided to other from the current year.

Note 5 : By the end of the year, when the company signs endorses guarantee contract or the amount of the notes approved by the bank, it will assume the endorsement or guarantee responsibility. In addition, other relevant endorsement guarantees should be included in the endorsement guarantee balance.

Note 6 : The actual amount of expenditure of the endorsed guarantee company within the scope of the endorsement guarantee amount should be entered.

Note 7：Y is required for endorsement guarantors belonging to the Company to subsidiaries, endorsement guarantors by subsidiaries to the Company, and endorsement guarantors to mainland China.

Note 8 : The actual disbursement amount includes the guarantee amount that the party of the endorsement guarantees in the form of notes.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

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

As of December 31, 2022

Attachment 2

(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 December 31, 2022				Note (Note 4)
				Shares / Units	Carrying Amount (Note 3)	Shareholding %	Fair Value	
Asia Electronic Material	Market stock:							
Co., Ltd.	Ventec International Group Co., Ltd.	-	Equity at fair value through OCI instrument investment - non current	246,000	$14,717	0.34	$18,524	None
			Add: Valuation adjustments		3,807			
			Total		$18,524			

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

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

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

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

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

For the Year Ended December 31, 2022

Attachment 3

(In Thousands of New Taiwan Dollars)

			Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		
Company Name	Related Party	Nature of Relationship	Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	Note
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Sales	$570,450 (Note 1)	51.10%	150 days after next monthly closing.	The products are only purchased by the related party. Cannot be reasonably compared.	None related parties are 60~180 days after monthly closing. Related parties are 150 days after next monthly closing.	$136,132 (Accounts receivable)	40.92%	
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Purchase	$(353,525)	35.06%	150 days after next monthly closing.	The products are only purchased by the related party. Cannot be reasonably compared.	None related parties are 45~90 days after monthly closing. Related parties are 150 days after next monthly closing.	$(254,759) (Accounts payable)	80.27%	
Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Sales	$150,282	13.46%	150 days after next monthly closing.	The products are only purchased by the related party. Cannot be reasonably compared.	None related parties are 60~180 days after monthly closing. Related parties are 150 days after next monthly closing.	$102,999 (Accounts receivable)	30.96%	

Note1: The amount has already been deducted from the holding company purchasing materials amount of KUNSHAN APLUS TEC. CORPORATION for 149,020 thousand dollars.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

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

As of December 31, 2022

Attachment 4

(In Thousands of NTD 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 $136,132	2.03	$-		$87,474	$-
			Other receivables $4,326					
ASIA ELECTRONIC MATERIAL CO., LTD.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Accounts receivable $102,999	2.15	$-		$-	$-

ASIA ELECTRONIC MATERIAL CO., LTD.

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

As of December 31, 2022

Attachment 5

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2022	As of December 31, 2021	Shares	%	Carrying Value			
ASIA ELECTRONIC MATERIAL CO., LTD.	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Samoa	Investing activities	$587,534	$587,534	18,265,100	100.00%	$1,562,686	$(23,362)	$(23,362)	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%	84,742	(3,608)	(3,608)	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%	1,562,764 (USD 50,888)	(23,362) (USD 784)	(23,362) (USD 784)	Subsidiary

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

Financing provided to others

For the year ended December 31, 2022

Attachment 6

(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	$176,377	$176,377	$176,377	-	2	$-	Business turnover	$-	-	$-	$513,451	$513,451

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 December 31, 2022.

Limited and reason of financing amount for individual counter-party is seted as follows: 31, 2022.

1. Limit of total financing amount which need for operating shall not exceed transaction amount between two parties in prior year and current year.

2. Limit of total financing amount need for short term financing not exceed 40% of the lender's net assets of value, which audited by CPA in recent period.The financing amount refers to the cumulative balance of the company's short-term financing funds.

3. The total financing amount shall not exceed 100% of The Company's net assets of value, which audited by CPA in recent period, is limited between foreign subsidiaries which held directly or indirectly for 100% voting shares by The Company.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

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

As of December 31, 2022

Attachment 7

(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 December 31, 2022				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	$70,835	2.36%	$70,835	-	$-	
KUNSHAN APLUS TEC. CORPORATION	Market stock: Shenzhen Xin Shanghe Electronics Ltd. (Note 1)	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	3,021,312	$28,663	2.36%	$28,663	-	$-	
KUNSHAN APLUS TEC. CORPORATION	Market stock: Shenzhen Xin Shangrong Electronics Ltd. (Note 2)	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	23,638	$35,747	2.36%	$35,747	-	$-	

Note1: Leader-tech Electronic(Shenzhen) Co., Ltd. decided Leader-tech Electronic(Shenzhen) Co., Ltd. demerger at the meeting of shareholders on June 10,2022, and split their stock to Shenzhen Xin Shanghe Electronics Ltd. on July 26,2022.

Note2:Leader-tech Electronic(Shenzhen) Co., Ltd. decided Leader-tech Electronic(Shenzhen) Co., Ltd. demerger at the meeting of shareholders on February 15,2022, and split their stock to Shenzhen Xin Shangrong Electronics Ltd. on April 28,2022.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

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

For the Year Ended December 31, 2022

Attachment 8

(In Thousands of RMB Dollars)

			Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		
Company Name	Related Party	Nature of Relationship	Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	Note
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Sale	RMB 79,961	22.77%	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	RMB 57,776	26.46%	
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Purchase	RMB (164,189)	62.62%	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	RMB (30,844)	44.11%	
DONGTAI APLUS TECHNOLOGY CO., LTD.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Sale	RMB 54,928	68.48%	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	RMB 8,519	36.54%	
DONGTAI APLUS TECHNOLOGY CO., LTD.	Asia Electronic Material Co., Ltd.	Subsidiary	Purchase	RMB (34,245)	50.09%	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	RMB (23,359)	36.09%	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

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

As of December 31, 2022

Attachment 9

(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 38,806	0.25	RMB -		RMB -	RMB -
			Other receivables RMB 40,000	-				
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Accounts receivable RMB 57,776	1.58	RMB -		RMB 20,197	RMB -

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

1. Statement of Cash and Cash Equivalents

As of December 31, 2022

(In Thousands of New Taiwan Dollars and foreign currencies)

Item	Description	Amount	Note
Cash and petty cash:		$50	Exchange Rate
			USD：NTD＝1：30.71
Checkings and savings:			
Taipei Fubon Bank－Hsinchu Branch	Foreign currency #3996	59,489	USD 1,937
Chang Hua Commercial Bank －Jhubei Branch	Foreign currency #3902	23,039	USD 750
Shin Kong Bank－Hsinchu Branch	Foreign currency #9058	18,198	USD 593
Others(Less than NT$13,000 in thousands)		43,207	
Deposits in transit:			
Taipei Fubon Bank－Hsinchu Branch	Foreign currency #3996	67,723	USD 2,205
Shin Kong Bank－Hsinchu Branch	Foreign currency #9058	44,476	USD 1,488
Subtotal		256,132	
Total		$256,182	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

2. Statetment of Notes Receivable, net

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client A	$1,206	1.The amount of individual client included in
Client B	272	others does not exceed 5% of the account
Others	37	balance.
Subtotal	1,515	2. Non related parties.
Less: loss allowance	-	
Net	$1,515	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

3. Statetment of Accounts Receivable, net

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client C	$34,898	1.The amount of individual client included in others does not exceed 5% of the account balance.
Client D	24,603	
Client E	17,792	
Client F	5,746	2.Non related parties.
Others	8,984	
Subtotal	92,023	
Less: loss allowance	(72)	
Net	$91,951	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

4. Statetment of Accounts Receivable, related parties

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
KUNSHAN APLUS TEC. CORPORATION	$136,132	Accounts receivable in the left column are incurred as a result of the sale of goods.
DONGTAI APLUS TECHNOLOGY CO., LTD.	102,999	
Total	$239,131	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

5. Statement of Other Receivables

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Sale of accounts receivable	$27,335	
Interest receivables	100	
Vat refund	10	
Total	$27,445	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

6. Statement of Other Receivables, related parties

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
BESTTRADE CO., LTD.	$81,564	1. Accounts receivable in the left column are incurred as a result of the sale of equipment.
KUNSHAN APLUS TEC. CORPORATION	4,326	
AMMON TEC. INVESTMENT CORP.	258	2. The remaining other receivables are mainly for the payment of annual fees and collection on delivery.
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	83	
Total	$86,231	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

7. Statement of Inventories

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net Realizable Value	
Merchandises	$5,072	$5,772	1.Inventories are valued at lower of
Raw materials	4,830	5,377	cost or net realizable value item
Supplies & parts	14	14	by item.
Subtotal	9,916	$11,163	2.The insurance coverage for
Less: allowance for inventory valuation losses	(1,315)		inventories was NT$ 3,000
Net	$8,601		thousand as of December 31, 2022.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

8. Statement of Prepayments

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Prepayment to suppliers	$600	
Prepayment to industry-academia cooperation	350	
Overpaid VAT tax	152	
Other	151	
Total	$1,253	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

9.Statement of Financial Assets at Fair Value Through Other Comprehensive Income－Non Current

For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Investee companies	As of January 1, 2022		Additions		Decrease		As of December 31, 2022		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Stocks										
VENTEC INTERNATIONAL GROUP CO., LTD.	-	$-	246,000	$14,717	-	$-	246,000	$14,717	None	
Add: Valuation adjustment－non-current		-		3,807		-		3,807		
Total		$-		$18,524		$-		$18,524		

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

10.Statement of Changes in Investment Accounted for Under Equity Method

For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

	As of January 1, 2022		Additions		Decrease		As of December 31, 2022			Fair Value/Net assets value		Evaluated Method	Collateral	Note
Investee companies	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Total amount			
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	18,265,100	$1,554,432	-	$8,254 (Note1)	-	$-	18,265,100	100.00%	$1,562,686	$85.56	$1,562,686	Equity	None	
BESTTRADE CO., LTD.	2,950,000	79,731	-	5,011 (Note2)	-	-	2,950,000	100.00%	84,742	28.73	84,742	Equity	None	
Total		$1,634,163		$13,265		$-			$1,647,428		$1,647,428			

Note1: Including investment loss recognized under equity method amounted to NT$(23,362) thousand, foreign currency statements translation adjustments amounted to NT$24,350 thousand and the unrealized gains or losses on financial assets at fair value through other comprehensive income of NT$7,266 thousand.

Note2: Including investment loss recognized under equity method amounted to NT$(3,608) thousand and foreign currency statements translation adjustments amounted to NT$8,619 thousand.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

11. Statement of Changes in Right-of-Use Assets

For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	As of January 1, 2022	Additions	Disposals	As of December 31, 2022
Cost:				
Buildings	$5,407	$4,315	$5,407	$4,315
Office equipments	181	-	-	181
Total	5,588	4,315	5,407	4,496
Accumulated Depreciation:				
Buildings	4,055	1,352	5,407	-
Office equipments	123	41	-	164
Total	4,178	1,393	5,407	164
Net carrying amount:	$1,410			$4,332

ASIA ELECTRONIC MATERIAL CO., LTD.

12. Statement of Other Non-current Assets

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Refundable deposits	$357	
Prepayment for equipment	530	
Total	$887	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

13. Statement of Short-Term Loans

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	As of December 31, 2022	Contract Period	Interest Rate	Loan Commitments	Collateral	Note
Credit loans	Land Bank－Hsinchu Branch	$30,000	2022/11/09~2023/02/07	1.790%	$50,000	None	
Credit loans	Taiwan Cooperative Bank－Kuangfu Branch	45,000	2022/02/18~2023/02/18	2.101%	60,000	None	
Credit loans	First Bank－Dongmen Branch	30,000	2022/11/03~2023/02/01	1.925%	100,000	None	
Credit loans	First Bank－Dongmen Branch	20,000	2022/12/01~2023/03/01	1.925%	100,000	None	
Credit loans	Chang Hua Commercial Bank －Jhubei Branch	20,000	2022/11/24~2023/05/24	2.125%	60,000	None	
Credit loans	Taipei Fubon Bank－Hsinchu Branch	29,000	2022/11/07~2023/02/05	2.060%	61,420	None	
	Total	$174,000					

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

14. Statement of Notes Payable

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Vendor name	Amount	Note
Supplier A	$1,239	1.The amount of individual vendor included in "others" does not exceed 5% of the account balance.
Supplier B	1,151	
Supplier C	530	
Supplier D	518	2.All accounts are not related parties.
Supplier E	282	
Others	666	
Total	$4,386	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

15. Statement of Accounts Payable

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Vendor name	Amount	Note
Supplier F	$54,919	1.The amount of individual vendor included in "others" does not exceed 5% of the account balance.
Others	3,297	
Total	$58,216	
		2.All accounts are not related parties.

ASIA ELECTRONIC MATERIAL CO., LTD.

16. Statetment of Accounts Payable, related parties

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
KUNSHAN APLUS TEC. CORPORATION	$254,759	Accounts payable in the left column are incurred as a result of the purchase of goods.

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ASIA ELECTRONIC MATERIAL CO., LTD.

17. Statement of Other Payables

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Employee bonus	$9,320	
Accrued professional service fees	2,265	
Accrued payroll	1,501	
Accrued directors and supervisors compensation	876	
Accrued interest	272	
Others	201	
Total	$14,435	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD.

18. Statement of Changes in Current Income Tax Liabilities

For the Year Ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Balance as of January 1, 2022	$1,805	
Add: Income tax accrual for 2022	6,479	
Surtax on undistributed earnings accrual for 2021	915	
Adjustments in respect of current income tax of prior periods	5,233	
Less: Payment for income tax incurred in 2019	(2,597)	
Payment for income tax incurred in 2020	(2,635)	
Payment for undistributed earnings incurred in 2019	(1)	
Balance as of December 31, 2022	$9,199	

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ASIA ELECTRONIC MATERIAL CO., LTD.

19. Statement of Lease Liabilities

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Period	Discount rate	Amount
Buildings	2020/01/01~2022/12/31	3.92%	$4,296
Office equipments	2018/06/01~2023/05/31	3.92%	19
Total			4,315
Less: Current portion of lease liabilities			(1,413)
Non-current portion of lease liabilities			$2,902

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ASIA ELECTRONIC MATERIAL CO., LTD.

20. Statement of Other Current Liabilities

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Receipts under custody	$23	
Temporary receipts	295	
Total	$318	

ASIA ELECTRONIC MATERIAL CO., LTD.

21.Statement of Long-Term Loans

As of December 31, 2022

(In Thousands of New Taiwan Dollars)

Lenders	Description	Amount	Contract Period	Interest rate	Loan Commitments	Collateral	Note
Agricultural Bank of Taiwan	Medium-term credit loans	$100,000	2021/05/14~2023/05/14	1.86%	100,000	None	
Less: Current portion of long-term loans		100,000					
Non-current portion of long-term loans		$-					

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ASIA ELECTRONIC MATERIAL CO., LTD.

22. Statement of Other Non-current Liabilities

For the Year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Statement of Changes in deferred credits		
Balance as of January 1, 2022	$25,178	
Add: Unrealized gross loss from sales	14,341	
Less: Ending balance		
Realized gross profit from sales	(13,158)	
Realized gross profit from sale of equipment	(84)	
Balance as of December 31, 2022	$26,277	

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ASIA ELECTRONIC MATERIAL CO., LTD.

23. Statement of Operating Revenues

For the Year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Quanity(Thousand kg/m2)	Amount	Note
Protective film	1,243	$383,458	
Raw material consumables	559	722,180	
Substrate	21	10,708	
Others		19	
Total		$1,116,365	

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ASIA ELECTRONIC MATERIAL CO., LTD.

24. Statement of Operating Costs

For the Year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Direct Materials		
Beginning balance	$1,597	
Add: Raw materials purchased	651,469	
Less: Ending balance	(4,830)	
Transferred to other accounts	(64)	
Cost of direct materials sold	648,172	
Supplies and parts		
Beginning balance	14	
Less: Ending balance	(14)	
Cost of supplies and parts sold	-	
Merchandise cost		
Beginning balance	5,557	
Add: Merchandise purchased	356,853	
Less: Ending balance	(5,072)	
Transferred to other accounts	(355)	
Cost of merchandise sold	356,983	
Loss from inventory valuation	785	
Total	$1,005,940	

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ASIA ELECTRONIC MATERIAL CO., LTD.

25. Statement of Sales and Marketing Expenses

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$5,156	
Commission expenses	3,894	
Import and export fee	2,123	
Testing	674	
Shipping	531	
Meal expense	65	
Depreciation	30	
Employee benefits	8	
Others	894	
Total	$13,375	

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ASIA ELECTRONIC MATERIAL CO., LTD.

26. Statement of General and Administrative

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$20,412	
Professional service fees	4,482	
Insurance	1,777	
Depreciation	1,044	
Employee benefits	707	
Meal expense	216	
Others	7,650	
Total	$36,288	

ASIA ELECTRONIC MATERIAL CO., LTD.

27. Statement of Research and Development

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries and wages	$8,789	
Consumable expense	1,176	
Depreciations and depletions	779	
Meal expense	151	
Employee benefits	15	
Others	5,061	
Total	$15,971	