

**Asia Electronic Material Co., Ltd.**  
**2023 Regular Shareholders Meeting Agenda**

Time: 9:00 a.m. on May 24, 2023 (Tuesday).

Location: Baha Hall, 4F., No. 1, Gongye E. 2nd Rd, Hsinchu Science Park

Meeting practice: Physical shareholders meeting

Attendance: A total of 63,763,258 shares represented by attending shareholders and shareholders attending by proxies, 64.93% of 98,200,868 shares issued is accounted for.

Attending Directors: Chairman Chien-Hui Lee, Director Sung-Chen Huang of Po-Chun Investment Company, Director Ching-Chi Chen, Director Sen Tsai, and Director Hung-Wei Lin

Attending Independent Directors: Independent Director Ke-Ying Hsu (Convener of the Audit Committee and Convener of the Remuneration Committee), Independent Director Nien-Tzu Chu, Independent Director Chun-Ching Li, and Independent Director Tsai-An Yu

Attendees without voting capacity: CPA Kuo-Shuai Chen of Ernst & Young and Attorney Chur-Lin Wu of Chien Yeh Law Offices

Chairman: Chien-Hui Lee

Clerk: Li-Yuan Chen

- I. Call the meeting to order: The number of shares represented by the attending directors exceeds the statutory quorum, so the Chairman lawfully calls the meeting to order.
- II. Chairman's opening statement (omitted)
- III. Report matters:
  1. The 2022 business report. (Please refer to Annex I)
  2. The 2022 Audit Committee Review Report (Please refer to Annex II)
  3. The 2022 loaning of funds and making of endorsements/guarantees for subsidiaries (Please refer to the Agenda Handbooks)
  4. The 2022 remuneration distribution to employees, directors, and supervisors (Please refer to the Agenda Handbooks)

IV. Ratifications

Proposal 1

[Proposed by the Board of Directors]

Subject: The 2022 Business Report and Financial Statements of the Company are hereby proposed for ratification

Description: 1. CPAs Chen Kuo-Shuai and Mars Hong have completed the audit of the 2022 Business Report and balance sheet, income statement, statement of changes in equity, statement of cash flows, and other financial statements of the

Company and issued an auditor's report with an unqualified opinion. The abovementioned statements and forms were also approved by the Audit Committee under a resolution and approved by the Board of Directors after discussions on 23 February, 2023.

2. For the 2022 Business Report, Audit Committee's Review Report, and financial statements, please refer to Annex (I~IV).

Resolution: The proposal is resolved by voting. The total number of votes are 63,609,141 voting rights. The number of votes in favor: 62,672,535 voting rights, accounted for 98.52% of total voting rights; the number of votes not in favor: 13,329 voting rights; the number of invalid votes: 0 voting rights; the number of non-voting rights: 923,277 voting rights. The number of votes in favor exceeds the quorum, so the proposal is approved as proposed.

#### Proposal 2

[Proposed by the Board of Directors]

Subject: The proposal of the earnings distribution of the Company in 2022 is hereby proposed for ratification.

- Description: 1. By adding earnings available for distribution at the beginning of the period of NT\$203,297,736 to and deducting the statutory surplus reserve provided of NT\$3,441,554 from the net profit after tax of the Company in 2022 of NT\$34,415,540, the total earnings available for distribution was NT\$234,271,722. The Company intends to distribute shareholders' dividends of NT\$47,136,417 in cash according to the requirements of the Company Act and the Articles of Incorporation (i.e., a distribution of NT\$0.48 per share). The 2022 Table of Earning Distribution is enclosed; Please refer to Annex V.
2. After the proposal for earnings distribution is approved by the yearly shareholders' meeting by resolution, the Chairman is authorized to otherwise decide the ex-dividend date, distribution date, and other relevant matters. If the payout ratio changes due to changes in the total number of outstanding shares of the Company subsequently, the Chairman is fully authorized to make arrangements and adjustments.
  3. The current cash dividend is calculated according to the distribution ratio and rounded to a dollar. The total amount of the odd share less than NT\$1 is adjusted from the higher to the lower decimal point and from the top-down of the account number sequentially until it is equal to the total amount of cash dividend distribution.

Resolution: The proposal is resolved by voting. The total number of votes are 63,609,141 voting rights. The number of votes in favor: 62,730,766 voting rights, accounted for 98.61% of total voting rights; the number of votes not in favor: 14,228 voting rights; the number of invalid votes: 0 voting rights; the number of non-voting rights: 864,147 voting rights. The number of votes in favor exceeds the quorum, so the proposal is approved as proposed.

V. Extemporary motion: None

VI. Meeting adjourned: 9:20 a.m.

# The 2022 Business Report of Asia Electronic Material Co., Ltd. Attachment 1

Shareholders,

## I. Operating results in 2022:

### (I) Implementation achievement of business plan

Unit: NT\$000'

	2022	2021	YoY
Consolidated operating income	1,647,874	1,957,145	-15.80%
Net profit	113,213	262,901	-56.94%
Net profit after tax	34,415	173,091	-80.12%
Earnings per share	0.35	1.76	-80.11%

### (II) Budget implementation

The Company did not disclose its financial forecast for 2022.

### (III) Analysis of profitability

	2022	2021
Return on assets	1.65%	6.19%
Return on equity	2.18%	10.87%
Profit margin	2.09%	8.85%

### (IV) R&D status

5G high-frequency materials have become a popular R&D subject in recent years, which will explore new applications of the Company's current products, expand the sales of novel products, and improve the operating competitiveness of the Company. At present, our R&D attaches attention to the development of self-produced PI cover lay, high-frequency products (high-frequency pure adhesive/high-frequency substrate/fluroine series substrate), high-frequency EMI shielding film (ink EMI/PI-coated fabric EMI), and conductive adhesives; the development of high-frequency bonding sheets, conductive adhesives, and high-frequency EMI shielding film is positive. In the future, we will continue to develop and improve products with high unit prices and high gross profits, such as 5G high-frequency materials, monolayer, ion migration-resistant materials, self-manufactured substrate materials, transparent materials, vehicle materials, wireless charger materials, and conductive adhesive materials, and create unique products to improve our competitive strength among companies within the industry and secure a leading position within the sector. Except for the development of the abovementioned new products, the Company attaches attention to the improvement in production yield and efficiency, reduction in costs, and increase in profit margin in terms of manufacturing procedures to secure orders.

## II. Business plan for 2023:

### (I) Management Policy

The new plant of the Company located at Dongtai, Jiangsu, has entered the stage of mass production and begun making contributions to our operating income, which not only provides flexibility for deployment in terms of the Group's production capacity but also contributes to the further upgrades of the Company's operations.

The development of new energy vehicles is concurrently promoted in policies worldwide, and the application of vehicle FPC has been increasing, nurturing the Blue Ocean development environment for vehicle electronics. We will explore power batteries/energy storage FPC, metaverse AR/VR, and other opportunities of emerging industries, make overall arrangements for 5G, expand into new international markets to promote our new products (conductive adhesive and ion migration-resistant cover lay), and develop relationships with new customers; the sales volume of our new products is likely to give rise to the growth in our operating income.

### (II) Estimated sales volume and its basis

Based on past experiences and the status of market supply/demand, it is estimated that the sales volume will continue to grow in 2023.

### (III) Material production and sales policy

1. In 2023, the Dongtai Plant will continue to improve equipment availability to mitigate the production pressure of the Kunshan Plant while ensuring concentration of production to increase production efficiency.
2. The Company connects end customers and learns the requirements of customers to provide comprehensive products and services.

## III. Future development strategies of the Company:

### (I) Business:

5G and energy storage for new energy vehicles are the marketing focuses of the Company during the year, and early arrangements are required. Together with the development of new high-frequency bonding sheets, substrate, cover lay, and other materials, we continue to make introductions and promotions to end customers and FPC companies to jointly develop the use of new model materials for the Company to secure the major leading position among companies within the industry in terms of high-speed materials.

For conductive adhesive, mass production is ongoing, and it has entered the end resource pool. Currently, the mainstream products in the market are from Japanese brands; however, it is likely the materials of the Company would replace the imported materials from Japan next year.

As the signal frequency increases and the circuits are crowding, the requirements for ion migration-resistant features have become relatively strict. The ion migration-resistant cover lay has been customer-certified and put into mass production.

We will enter overseas markets to disperse customer orders.

(II) R&D:

1. The Company attaches attention to the R&D of products of novelty and high gross profits; our products are divided into four categories: high-frequency materials (high-frequency cover lay/high-frequency bonding sheet/high-frequency substrate/fluorine series substrate), conductive materials (EMI shielding film/conductive adhesive), cover lay materials (self-produced PI cover lay/ion migration-resistant cover lay/high reflection cover lay/transparent cover lay/high-Tg cover lay), and substrate materials (2L/ultra-thin copper foil substrate/self-manufactured PI substrate). We focus on the development of novel items and effectively utilize our R&D resources to improve the gross profits of products and enhance the competitive strength of product uniqueness to improve the sales volume of products.
2. Combining our technical capacity and supplier management, we implement local procurement for chemical raw materials to minimize the costs of raw materials and improve the gross profits of products, and in turn, improve the competitive strength and profits of products.

IV. Impact of external competition environment, regulatory environment, and macroeconomic environment

In recent years, due to the effects of occupational safety incidents that constantly occurred in Mainland China, increasingly stringent environmental protection regulations and standards, continuing high global inflation pressure, raging US-China tech war, and ongoing Russia-Ukraine war, the Company has improved the procurement ratio of chemical materials within China to transfer the risk of raw material inventory and management to suppliers. We set up an occupational safety team in our plant to implement environmental protection and occupational safety work in our plant.

Looking ahead, the largest application requirement of FPC in the market would be arising from smartphones. Due to the continual growth in the volume of FPC used for high-end smartphones and the general slowdown of global economy, the market in 2023 will remain flat. Furthermore, with the variable changes in smartphone models and functions, the growth momentum of demand for FPC is foreseeable. In addition, the Company remains optimistic about the development of mobile brands from China in local and global markets. Mobiles from Mainland China possess greater competitive strength as compared to US brands in terms of prices, which is a crucial factor favorable for entering emerging markets for sales, and is the key to the business growth of the Company in the future. The Company's cover lay applied in foldable mobile phones in overseas markets will also deliver new growth opportunities. Moreover, the development of new energy vehicles is concurrently promoted in policies worldwide, and the application of vehicle FPC has been increasing, nurturing the Blue Ocean development environment for vehicle electronics, and a surging growth would occur in demand for FPC and cover lay.

Chairman: Lee Chien-Hui      Manager: Lee Chien-Hui      Chief Accountant: Cheng Monica

Audit Committee's Review Report of Asia Electronic Material Co., Ltd. Attachment 2

The Board of Directors has duly prepared the Company's Business Report, consolidated financial statements, and proposal for earning distribution for 2022. The consolidated financial statements and individual financial statements have been duly audited and verified by CPAs Chen Kuo-Shuai and Mars Hong from Ernst & Young, and they have issued the auditor's report.

We have reviewed the abovementioned Business Report, consolidated financial statements, individual financial statements, and the proposal for earning distribution, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

TO

Asia Electronic Material Co., Ltd.

Audit Committee, Asia Electronic Material Co., Ltd.

Convener: Hsu, Ke-Ying

23 February 2023

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

**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and its consolidated 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 and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

**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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 most significance in our audit of consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated 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. and its subsidiaries recognized NT\$1,647,874 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 consolidated financial statements.



### Impairment of accounts receivable

As of December 31, 2022, Asia Electronic Material Co., Ltd. and its subsidiaries' gross accounts receivable and loss allowance amounted to NT\$700,818 thousand and NT\$(5,172) thousand, respectively. The net accounts receivable represented 24.20% of the consolidated assets and was significant to the Group's consolidated 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 Group, 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 consolidated financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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 and its subsidiaries.
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 and its subsidiaries. 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 and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated 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.

## **Other**

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2022 and 2021.

Chen, Kuo-Shuai

Hong, Mao-Yi

Ernst & Young  
February 23<sup>th</sup>, 2023  
Taipei, Taiwan,  
Republic of China

Notice to Readers

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

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31, 2022 and 2021

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets						
Accounts		Notes	2022.12.31		2021.12.31	
Code			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$736,046	25.60	\$704,016	23.17
1150	Notes receivable, net	4, 6(2)	128,901	4.48	182,253	6.00
1160	Notes receivable - related parties, net	4, 6(2), 7	-	-	34,903	1.15
1170	Accounts receivable, net	4, 6(3)	566,745	19.72	690,079	22.71
1180	Accounts receivable - related parties, net	4, 6(3), 7	-	-	54,907	1.81
1200	Other receivables		28,677	1.00	45,411	1.49
130x	Inventories	4, 6(4)	243,652	8.48	239,131	7.87
1410	Prepayments		21,372	0.74	31,418	1.03
1470	Other current assets		1,907	0.07	1,719	0.06
11xx	Total current assets		1,727,300	60.09	1,983,837	65.29
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(5)	153,769	5.35	124,774	4.11
1600	Property, plant and equipment, net	4, 6(6)	827,367	28.78	756,286	24.89
1755	Right-of-use assets	4, 6(16)	115,800	4.03	114,034	3.75
1780	Intangible assets	4, 6(7)	11,844	0.41	13,273	0.44
1840	Deferred income tax assets	4, 6(20)	25,008	0.87	32,167	1.06
1900	Other non-current assets	6(8)	13,649	0.47	13,943	0.46
15xx	Total non-current assets		1,147,437	39.91	1,054,477	34.71
1xxx	Total Assets		\$2,874,737	100.00	\$3,038,314	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
Consolidated Balance Sheets (Continued)  
As of 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(9)	\$748,325	26.03	\$720,396	23.71
2130	Contract liabilities	4, 6(14)	8	-	8	-
2150	Notes payable		4,386	0.15	45,387	1.49
2170	Accounts payable		122,932	4.28	139,577	4.60
2200	Other payables		58,048	2.02	133,746	4.40
2230	Current income tax liabilities	4, 6(20)	9,278	0.32	13,412	0.44
2280	Lease liabilities	4, 6(16)	3,086	0.11	3,421	0.11
2300	Other current liabilities		318	0.01	316	0.01
2322	Current portion of long-term loans	6(11)	100,000	3.48	-	-
21xx	Total current liabilities		1,046,381	36.40	1,056,263	34.76
	Non-current liabilities					
2540	Long-term loans	6(11)	-	-	100,000	3.29
2570	Deferred income tax liabilities	4, 6(20)	218,995	7.62	210,673	6.93
2580	Lease liabilities	4, 6(16)	4,032	0.14	1,178	0.04
2630	Long-term deferred revenue	4, 6(10)	61,609	2.14	59,409	1.96
25xx	Total non-current liabilities		284,636	9.90	371,260	12.22
2xxx	Total liabilities		1,331,017	46.30	1,427,523	46.98
31xx	Equity attributable to shareholders of the parent					
3100	Capital					
3110	Common stock	6(13)	982,009	34.16	982,009	32.32
3200	Capital surplus					
3300	Retained earnings	6(13)	192,899	6.71	192,899	6.35
3310	Legal reserve	6(13)	65,032	2.26	47,723	1.57
3320	Special reserve		41,956	1.46	41,956	1.38
3350	Unappropriated earnings		237,713	8.27	358,088	11.79
	Total Retained earnings		344,701	11.99	447,767	14.74
3400	Other components of equity		24,111	0.84	(11,884)	(0.39)
3xxx	Total equity		1,543,720	53.70	1,610,791	53.02
	Total liabilities and equity		\$2,874,737	100.00	\$3,038,314	100.00

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14), 7	\$1,647,874	100.00	\$1,957,145	100.00
5000	Operating costs	6(4)	(1,287,331)	(78.12)	(1,413,332)	(72.21)
5900	Gross profit		360,543	21.88	543,813	27.79
6000	Operating expenses	6(17)				
6100	Sales and marketing		(82,522)	(5.01)	(94,497)	(4.83)
6200	General and administrative		(96,665)	(5.87)	(107,917)	(5.51)
6300	Research and development		(71,124)	(4.31)	(84,007)	(4.29)
6450	Expected credit gains (losses)	4, 6(15)	2,981	0.18	5,509	0.28
	Total operating expenses		(247,330)	(15.01)	(280,912)	(14.35)
6900	Operating income		113,213	6.87	262,901	13.44
7000	Non-operating incomes and expenses	4, 6(18)				
7010	Other incomes		6,112	0.37	7,287	0.37
7020	Other gains or losses		(48,892)	(2.97)	6,277	0.32
7050	Finance costs		(17,990)	(1.09)	(12,356)	(0.63)
	Total non-operating incomes and expenses		(60,770)	(3.69)	1,208	0.06
7900	Profit (loss) from continuing operations before tax		52,443	3.18	264,109	13.50
7950	Income tax expense	4, 6(20)	(18,028)	(1.09)	(91,018)	(4.65)
8200	Net income		34,415	2.09	173,091	8.85
8300	Other comprehensive income (loss)	6(19)				
8310	Item that not be reclassified to profit or loss					
8316	Unrealized gains (losses) on equity instrument investment at fair value through other comprehensive income		11,073	0.67	(5,586)	(0.29)
8349	Income tax related to non-reclassified items		(1,453)	(0.09)	1,117	0.06
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations					
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		32,969	2.00	(9,743)	(0.50)
	Total other comprehensive income, net of tax		(6,594)	(0.40)	1,949	0.10
8500	Total comprehensive income		35,995	2.18	(12,263)	(0.63)
			\$70,410	4.27	\$160,828	8.22
8600	Net income attributable to:					
8610	Shareholders of the parent		\$34,415		\$173,091	
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$70,410		\$160,828	
9750	Earnings per share-basic (in NTD)		\$0.35		\$1.76	
9850	Earnings per share-diluted (in NTD)	6(21)	\$0.35		\$1.74	

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

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed In Thousands of New Taiwan Dollars)

Equity Attributable to Shareholders of the Parent									
Code	Items	Common Stock 3111	Capital Surplus 3200	Retained Earnings			Others		Total Equity
				Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange Differences Arising on Translation of Foreign Operations	Unrealised Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
A1	Balance as of January 1, 2021	\$982,009	\$192,899	\$27,882	\$41,956	\$327,589	\$(68,523)	\$68,902	\$1,572,714
B1	Appropriation and distribution of 2020 earnings								
B5	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
B1	Appropriation and distribution of 2021 earnings								
B5	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 consolidated financial statements.)



English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit (loss) from continuing operations before tax	\$52,443	\$264,109	B00010	Acquisition of financial assets at fair value through OCI	(14,717)	-
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(142,867)	(121,587)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	79	-
A20100	Depreciation (including right-of-use assets)	63,970	52,509	B03800	Decrease (increase) in refundable deposits	327	(175)
A20200	Amortization	1,636	1,609	B09900	Acquisition of assets related to government grants	1,920	7,510
A20300	Expected credit losses (gain on recovery)	(2,981)	(5,509)	BBBB	Net cash provided by (used in) investing activities	(155,258)	(114,252)
A20900	Interest expense	17,990	12,356				
A21200	Interest income	(2,636)	(2,148)				
A22500	Loss on disposal of property, plant and equipment	343	2,246	CCCC	Cash flows from financing activities:		
A23200	Loss on disposal of investments accounted for under equity method	-	15	C00100	Increase in (repayment of) short-term loans	27,929	149,897
A29900	Gain on government grants	(646)	(199)	C01600	Increase in long-term loans	-	100,000
A30000	Changes in operating assets and liabilities:			C01700	Repayment of long-term loans	-	(120,000)
A31130	Decrease (increase) in notes receivable	53,352	(18,604)	C04020	Cash payments for the principal portion of the lease liabilities	(3,937)	(4,029)
A31140	Decrease (increase) in notes receivable - related parties	34,903	(22,214)	C04500	Cash dividends	(137,481)	(122,751)
A31150	Decrease (increase) in accounts receivable	126,000	26,252	CCCC	Net cash provided by (used in) financing activities	(113,489)	3,117
A31160	Decrease (increase) in accounts receivable - related parties	54,907	2,540				
A31180	Decrease (increase) in other receivables	16,734	66,422				
A31200	Decrease (increase) in inventories	(4,521)	1,590				
A31220	Decrease (increase) in prepayments	15,351	(8,931)	DDDD	Effect of exchange rate changes on cash and cash equivalents	18,620	(5,077)
A31240	Decrease (increase) in other current assets	(188)	50				
A32125	Increase (decrease) in contract liabilities	-	(338)	EEEE	Net increase (decrease) in cash and cash equivalents	32,030	137,687
A32130	Increase (decrease) in notes payable	(41,001)	(11,691)	E00100	Cash and cash equivalents at beginning of period	704,016	566,329
A32150	Increase (decrease) in accounts payable	(16,645)	(41,631)	E00200	Cash and cash equivalents at end of period	\$736,046	\$704,016
A32180	Increase (decrease) in other payables	(49,669)	2,238				
A32230	Increase (decrease) in other current liabilities	2	13				
A33000	Cash generated from (used in) operations	319,344	320,684				
A33100	Interest received	2,636	2,148				
A33300	Interest paid	(18,310)	(12,385)				
A33500	Income tax paid	(21,513)	(56,548)				
AAAA	Net cash provided by (used in) operating activities	282,157	253,899				

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

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-company-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.

Chen, Kuo-Shuai

Hong, Mao-Yi

Ernst & Young  
February 23<sup>th</sup>, 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						
Code	Accounts	Notes	2022.12.31		2021.12.31	
			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						
Code	Accounts	Notes	2022.12.31		2021.12.31	
			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					
3110	Common stock	6(14)	982,009	41.01	982,009	40.08
3200	Capital surplus	6(14)	192,899	8.06	192,899	7.87
3300	Retained earnings					
3310	Legal reserve	6(14)	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		2021	
			Amount	%	Amount	%
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)
6000	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		(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		(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					
8349	comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method					
8360	Income tax related to non-reclassified items		7,266	0.65	(5,886)	(0.46)
8380	Items that may be reclassified subsequently to profit or loss		(1,453)	(0.13)	1,117	0.09
8399	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		32,969	2.95	(9,743)	(0.81)
	Income tax related to components of other comprehensive income that may be reclassified to profit or loss					
	Total other comprehensive income, net of tax		(6,594)	(0.59)	1,949	0.16
8500	Total comprehensive income		35,995	3.22	(12,263)	(1.02)
			\$70,410	6.30	\$160,828	13.36
9750	Earnings per share (in NT\$)	6(22)				
9710	Earnings per share - basic		\$0.35		\$1.76	
	Profit from continuing operations					
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)

Code	Items	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity			Total Equity
				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		
A1	Balance as of January 1, 2021	3100	3200	3310	3320	3350	3410	3420	3XXX	
B1	Appropriation and distribution of 2020 earnings	\$982,009	\$192,899	\$27,882	\$41,956	\$327,589	\$(68,523)	\$68,902	\$1,572,714	
B5	Legal reserve			19,841		(19,841)			-	
D1	Cash dividends - common shares					(122,751)			(122,751)	
D3	Net income for 2021					173,091			173,091	
D5	Other comprehensive income (loss) for 2021						(7,794)	(4,469)	(12,263)	
	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	
B1	Appropriation and distribution of 2021 earnings			17,309		(17,309)			-	
B5	Legal reserve					(137,481)			(137,481)	
D1	Cash dividends - common shares					34,415			34,415	
D3	Net income for 2022						26,375	9,620	35,995	
D5	Other comprehensive income (loss) for 2022						26,375	9,620	70,410	
	Total comprehensive income (loss)	-	-	-	-	34,415				
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	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit (loss) from continuing operations before tax	\$53,234	\$223,597	B00010	Acquisition of financial assets measured at fair value through OCI	(14,717)	-
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(289)	(2,756)
A20010	Profit or loss not effecting cash flows:			BBBB	Net cash provided by (used in) investing activities	(15,006)	(2,756)
A20100	Depreciation (including right-of-use assets)	1,853	2,084				
A20200	Amortization	100	100	CCCC	Cash flows from financing activities:		
A20900	Interest expense	5,310	3,848	C00100	Increase in (repayment of) short-term loans	(3,035)	65,570
A21200	Interest income	(254)	(32)	C01600	Increase in long-term loans	-	100,000
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	26,970	(211,354)	C01700	Repayment of long-term loans	-	(120,000)
A22500	Gain on disposal of property, plant and equipment	(84)	(84)	C04020	Cash payments for the principal portion of the lease liabilities	(1,442)	(1,442)
A23200	Loss (gain) on disposal of investments accounted for under equity method	-	15	C04500	Cash dividends	(137,481)	(122,751)
A24000	Realized (gains) losses from sales	1,183	806	CCCC	Net cash provided by (used in) financing activities	(141,958)	(78,623)
A30000	Changes in operating assets and liabilities:						
A31130	Decrease (increase) in notes receivable	(23)	(814)	EEEE	Net Increase (decrease) in cash and cash equivalents	173,994	(21,738)
A31150	Decrease (increase) in accounts receivable	9,244	(2,836)	E00100	Cash and cash equivalents at beginning of period	82,188	103,926
A31160	Decrease (increase) in accounts receivable - related parties	224,259	(9,833)	E00200	Cash and cash equivalents at end of period	\$256,182	\$82,188
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)				
A35500	Income tax paid	(5,233)	(5,597)				
AAAA	Net cash provided by (used in) operating activities	330,958	59,641				

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

Asia Electronic Material Co., Ltd.  
Table of Earning Distribution  
For the year ended 31 December 2022

Attachment 5

Unit: NT\$

Opening balance	203,297,736
Add: Net profit after tax for the year	34,415,540
Subtotal	237,713,276
Less: Appropriation of 10% statutory surplus reserve	(3,441,554)
Distributable earnings	234,271,722
Distribution item:	
Shareholder dividends - cash (A distribution of NT\$0.48 is made for each share; that is, a distribution of NT\$480 is made per thousand shares)	(47,136,417)
Undistributed earnings at the end of the period	187,135,305

Chairman: Lee Chien-Hui

Manager: Lee Chien-Hui

Chief Accountant: Cheng Monica