

Stock Code: 4939



亞洲電材股份有限公司

ASIA ELECTRONIC MATERIAL Co., Ltd.

2024 Annual Shareholders' Meeting

Meeting Handbook

Date: May 24, 2024

Location: Siduo Hall (Wei Shun Business Building) 14F, No. 168, Sec. 2, Fuxing 3rd Rd., Zhubei City,
Hsinchu County

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Meeting Procedures of the 2024 Annual Shareholders' Meeting of
Asia Electronic Material Co., Ltd.

- I. Report of shares represented by shareholders present in person or by proxy
- II. Call the meeting to order
- III. Chairperson takes chair
- IV. Chairperson remarks
- V. Report
- VI. Proposal
- VII. Elections
- VIII. Discussions
- IX. Extraordinary Motions
- X. Adjournment

Asia Electronic Material Co., Ltd.
Agenda of the 2024 Annual Shareholders' Meeting

- I. Date and Time: May 24, 2024 (Wednesday) at 9:00 a.m.
- II. Location: Siduo Hall (Wei Shun Business Building) 14F, No. 168, Sec. 2, Fuxing 3rd Rd., Zhubei City, Hsinchu County
- III. Form of Shareholders' Meeting: Physical
- IV. Report of shares represented by shareholders present in person or by proxy and call the meeting to order:
- V. Chairperson takes chair and chairperson remarks:
- VI. Report:
 - (I) 2023 Business Report.
 - (II) 2023 Audit Committee's Review Report.
 - (III) Report on the loans to others and guarantee/endorsement provided to subsidiaries in 2023.
 - (IV) Report on the distribution of remunerations of employees and Directors in 2023.
- VII. Proposal:
 - Proposal 1. The 2023 Business Report and Financial Statements of the Company.
 - Proposal 2. Proposal for the earning distribution of the Company in 2023.
- VIII. Elections: Re-election of all Directors of the Company.
- IX. Discussions: Proposal for cancellation of non-compete restrictions for newly elected Directors of the Company.
- X. Extraordinary Motions.
- XI. Adjournment.

Report

I. 2023 Business Report.

Description: Please refer to Attachment 1 to the Handbook for the Company's 2023 Business Report. (Please see pages 8~9 for details)

II. 2023 Audit Committee's Review Report.

Description: Please refer to Attachment 2 to the Handbook for the 2023 Audit Committee's Review Report. (Please see page 10 for details)

III. Report on the loans to others and guarantee/endorsement provided to subsidiaries in 2023.

Description: 1. The Company's loans to others as of December 31, 2023 are set out in the following table:

Unit: NT\$000'

Lender	Borrower	Transaction item	Maximum balance of the period	Balance at the end of the period	Actual drawdown amount	Nature of loans	Amount of business transaction	Amount of allowance for bad debts	Individual Limit	Loans and total limits
Kunshan Aplus Tec. Corporation	Aplus Tec. Corporation (Dongtai)	Other receivables - related parties	\$260,112	\$260,112	\$151,732	Requirements of short-term financing	\$0	\$0	\$525,847	\$525,847

Note 1: Total limits of loans = net worth of the Company × 40%; limits of loans for individual counterparty = net worth of the Company × 40%

Note 2: The net value of equity of Kunshan Aplus Tec. Corporation on December 31, 2023 was NT\$1,314,617 thousand (RMB 303,242 thousand).

Note 3: Reason for the requirements of short-term financing: operating turnover.

2. Up to December 31, 2023, the Company has not provided any endorsements/guarantees to others.

3. Handle according to the requirements in the "Procedures for Loans to Others" and "Procedures for Endorsement/Guarantee" of the Company.

IV. Report on the distribution of remunerations of employees and Directors in 2023.

Description: 1. Handle according to the requirements under Article 32 of the Articles of Incorporation.

2. The Company recorded profits (i.e., profits before tax with deduction of profits before the distribution of remunerations of employees and Directors, followed by further deduction of accumulated losses) of NT\$51,968,544 in 2023. The Company appropriated 10% of the profit for the remuneration of employees at an amount of NT\$5,196,855 and appropriated 3% of the profit for the remuneration of Directors at an amount of NT\$1,559,055), with both remunerations to be distributed in cash. The Chairman is authorized to determine the distribution date at its discretion.

Proposal

Proposal 1

Subject: The 2023 Business Report and Financial Statements of the Company are hereby proposed for ratification.
[Proposed by the Board of Directors]

Description: The Company's 2023 business report, parent company only financial statements and consolidated financial statements have been prepared completely, among which the financial statements have been audited by CPA Kuo-Shuai Chen and CPA Cheng-Wei Lin of Ernst & Young, and an unqualified audit report relating thereto has been issued. 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 February 27, 2024.

2. For the 2023 Business Report, Audit Committee's Review Report, and financial statements, please refer to Attachments 1 to 4 to the Handbook. (Please see pages 8~31 for details)

Resolution:

Proposal 2

Subject: The proposal of the earning distribution of the Company in 2023 is hereby proposed for ratification. [Proposed by the Board of Directors]

Description: 1. The Company's 2023 net profit after tax is NT\$36,321,446, plus the distributable earnings at the beginning of the period of NT\$187,135,305 and disposal of equity instruments at fair value through other comprehensive income of NT\$5,292,672, and less the appropriation of legal reserve of NT\$4,161,412, such that the total distributable earnings becomes NT\$224,588,011. The Company intends to distribute shareholders' dividends of NT\$49,100,434 in cash according to the regulations of the Company Act and the Articles of Incorporation, for the distribution of NT\$0.5 per share. The 2023 Earning Distribution Statement is enclosed; please refer to Attachment 5 to this Handbook for details (see page 32 for details).

2. After the Table of Earning Distribution is approved by the shareholders' meeting of the year under a resolution, the Chairman is authorized to otherwise establish 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:

Elections

Subject: Re-election of all Directors of the Company.

[Proposed by the Board of Directors]

Description: 1. The term of office of the 7th term of Board of Directors of the Company will be expired on July 22, 2024. To satisfy the actual operational needs of the Company and to strengthen corporate governance, re-election of all Directors is proposed.

2. According to the Articles of Incorporation of the Company, 9 directors (including 4 independent directors) are proposed for election in the present Shareholders' meeting, and the candidate nomination system is to be adopted. The newly elected Directors (including Independent Directors) shall assume the office after the end of the election meeting, and the term of office shall be three years from May 24, 2024 to May 23, 2027.

3. For the candidate roster approved by the Board of Directors through resolution on February 27 and April 2, 2024, please refer to Attachment 6 of this Handbook (see page 33-35 for details). Please proceed with the election.

Election Result:

Discussion

Subject: Proposal for cancellation of non-compete restrictions for newly elected Directors of the Company, submitted for discussion. [Proposed by the Board of Directors]

Description: 1. Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

2. To satisfy the actual business needs of the Company, for new Directors and their representatives of the Company that may concurrently assume the position of Directors in other companies having the same or similar scope of business as those of the Company, within the scope that the Company's interests are not damaged, the cancellation of the non-compete restriction against newly elected Directors and their representatives is proposed in accordance with Article 209 of the Company Act for the ratification of the Shareholders' meeting. Please refer to Attachment 7 of this Handbook for details (see page 35 for details).

Resolution:

Extempore Motion

Adjournment

Shareholders,

I. Operating results in 2023:

(I) Business Plan Implementation Outcome: Unit: NT\$ thousand

	2023	2022	YoY
Consolidated operating income	1,548,510	1,647,874	-6.03%
Net profit	81,624	113,213	-27.90%
Net profit after tax	36,322	34,415	5.54%
Earnings per share	0.37	0.35	5.57%

(II) Budget implementation

The Company did not disclose its financial forecast for 2023.

(III) Analysis of profitability

	2023	2022
Return on assets	2.16%	1.65%
Return on equity	2.37%	2.18%
Profit margin	2.35%	2.09%

(IV) R&D status

Electric vehicles, new energies, AI and 5G high frequency related materials have been popular research subjects in recent years. Accordingly, the Company has been invested in these fields for several years and is committed to develop and expand new product sales, in order to increase the operational competitiveness of the Company. Presently, our R&D focuses on the development of self-produced PI cover lay, high-frequency products (high-frequency substrates), high-frequency EMI shielding film (self-produced PI type of EMI), conductive adhesives and self-produced TPI substrates, and among which the development of conductive adhesives and high-frequency EMI shielding film have qualified the verification of numerous customers, such that the outlook of these products is promising. 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 2024:

(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 global net zero emission policy has promoted the diverse development of electric vehicles, and the application of automotive FPC has increased, nurturing the Blue Ocean development environment for vehicle electronics. We will explore power batteries/energy storage FPC, metaverse AR/VR, AI consumer electronics and smart vehicles and other opportunities of emerging industries, make overall arrangements for 5G, expand into new international markets to promote our new products of conductive adhesives, EMI 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 expected that the sales volume will achieve remarkable growth along with greater applications in 2024.

(III) Material production and sales policy

1. In 2024, 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, electric vehicles 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 a major leading position among companies within the industry in terms of high-speed materials.

For conductive adhesives and EMI, 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 will replace the imported materials from Japan this year. PI type EMI product is a differentiated product and has been successfully introduced in the medical field.

Due to the AI-related demands, SoC industry and GPU performance require faster update speed, and the demand for compact and integrated circuits also increases. Accordingly, the requirement for anti-ion migration becomes tougher. Presently, our ion migration-resistant cover lay has been verified by customer and is under mass production stage.

The overseas market will be developed, and the customers and market applications will also be expanded.

(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), 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, environmental protection and industrial safety regulations and standards have become stricter and the global inflation pressure is still high. In view of the impact of escalation of the US-China tech war and ongoing Russia-Ukraine war, the Company has increased the procurement ratio of chemical materials 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 into the future, the largest application demand for FPC in the market will still be related to smartphones. In view of the continual growth in the volume of FPC used for high-end smartphones and the variable changes in smartphone models and functions, the growth momentum of demands for FPC is foreseeable. In addition, the economy in China is expected to reach its bottom and starts to recover this year, such that the sales volume of high-end smartphones will be driven to increase. 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. Furthermore, the Company's planning in the new growth opportunities in the overseas market is expected to promote the development of electric vehicles. Accordingly, the overall demand for automotive and AI FPC applications is expected to show remarkable growth in the future.

Chairman: Lee Chien-Hui

Manager: Lee Chien-Hui

Chief Accountant: Cheng Wan-Yu

The Board of Directors has duly prepared the Company's Business Report, consolidated financial statements, individual financial statements, and proposal for earnings distribution for 2023. The consolidated financial statements and individual financial statements have been duly audited and verified by CPAs Chen Kuo-Shuai and Cheng-Wei Lin 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.

Yours sincerely

Asia Electronic Material Co., Ltd.

Audit Committee, Asia Electronic Material Co., Ltd.

Convener: Hsu, Ke-Ying

February 27, 2024

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, 2023 and 2022, 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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. 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, 2023. 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\$1,548,510 thousand as revenue for the year ended December 31, 2023. 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, 2023, Asia Electronic Material Co., Ltd. and its subsidiaries' gross accounts receivable and loss allowance amounted to NT\$832,426 thousand and NT\$(5,674) thousand, respectively. The net accounts receivable represented 31.27% 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 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 2023 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, 2023 and 2022.

/s/Chen, Kuo-Shuai

/s/Lin, Cheng-Wei

Ernst & Young
February 27th, 2024
Taipei, Taiwan,
Republic of China

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices 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, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			2023.12.31		2022.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$448,996	16.98	\$736,046	25.60
1150	Notes receivable, net	4, 6(2)	167,014	6.32	128,901	4.48
1170	Accounts receivable, net	4, 6(3)	659,738	24.95	566,745	19.72
1200	Other receivables		27,071	1.02	28,677	1.00
130x	Inventories	4, 6(4)	206,691	7.82	243,652	8.48
1410	Prepayments		19,198	0.73	21,372	0.74
1470	Other current assets		1,907	0.07	1,907	0.07
11xx	Total current assets		1,530,615	57.89	1,727,300	60.09
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(5)	145,727	5.51	153,769	5.35
1600	Property, plant and equipment, net	4, 6(6)	795,144	30.08	827,367	28.78
1755	Right-of-use assets	4, 6(16)	110,405	4.18	115,800	4.03
1780	Intangible assets	4, 6(7)	10,044	0.38	11,844	0.41
1840	Deferred income tax assets	4, 6(20)	31,524	1.19	25,008	0.87
1900	Other non-current assets		20,320	0.77	13,649	0.47
15xx	Total non-current assets	6(8)	1,113,164	42.11	1,147,437	39.91
1xxx	Total Assets		\$2,643,779	100.00	\$2,874,737	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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity						
Accounts		Notes	2023.12.31		2022.12.31	
Code			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(9)	\$533,067	20.16	\$748,325	26.03
2130	Contract liabilities	4, 6(14)	-	-	8	-
2150	Notes payable		27,153	1.03	4,386	0.15
2170	Accounts payable		118,929	4.50	122,932	4.28
2200	Other payables		58,999	2.23	58,048	2.02
2230	Current income tax liabilities	4, 6(20)	12,279	0.47	9,278	0.32
2280	Lease liabilities	4, 6(16)	3,143	0.12	3,086	0.11
2300	Other current liabilities		287	0.01	318	0.01
2322	Current portion of long-term loans	6(11)	-	-	100,000	3.48
21xx	Total current liabilities		753,857	28.52	1,046,381	36.40
	Non-current liabilities					
2540	Long-term loans	6(11)	100,000	3.78	-	-
2570	Deferred income tax liabilities	4, 6(20)	212,881	8.05	218,995	7.62
2580	Lease liabilities	4, 6(16)	2,829	0.11	4,032	0.14
2630	Long-term deferred revenue	4, 6(10)	56,037	2.12	61,609	2.14
25xx	Total non-current liabilities		371,747	14.06	284,636	9.90
2xxx	Total liabilities		1,125,604	42.58	1,331,017	46.30
31xx	Equity attributable to shareholders of the parent					
3100	Capital					
3110	Common stock	6(13)	982,009	37.14	982,009	34.16
3200	Capital surplus					
3300	Retained earnings	6(13)	192,899	7.30	192,899	6.71
3310	Legal reserve	6(13)	68,474	2.59	65,032	2.26
3320	Special reserve		41,956	1.59	41,956	1.46
3350	Unappropriated earnings		228,749	8.65	237,713	8.27
	Total Retained earnings		339,179	12.83	344,701	11.99
3400	Other components of equity		4,088	0.15	24,111	0.84
3xxx	Total equity		1,518,175	57.42	1,543,720	53.70
	Total liabilities and equity		\$2,643,779	100.00	\$2,874,737	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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14)	\$1,548,510	100.00	\$1,647,874	100.00
5000	Operating costs	6(4)	(1,209,517)	(78.11)	(1,287,331)	(78.12)
5900	Gross profit		338,993	21.89	360,543	21.88
6000	Operating expenses	6(17)				
6100	Sales and marketing		(84,075)	(5.43)	(82,522)	(5.01)
6200	General and administrative		(95,271)	(6.15)	(96,665)	(5.87)
6300	Research and development		(77,426)	(5.00)	(71,124)	(4.31)
6450	Expected credit gains (losses)	4, 6(15)	(597)	(0.04)	2,981	0.18
	Total operating expenses		(257,369)	(16.62)	(247,330)	(15.01)
6900	Operating income		81,624	5.27	113,213	6.87
7000	Non-operating incomes and expenses	4, 6(18)				
7010	Other incomes		12,132	0.78	6,112	0.37
7020	Other gains or losses		(14,754)	(0.95)	(48,892)	(2.97)
7050	Finance costs		(29,097)	(1.88)	(17,990)	(1.09)
	Total non-operating incomes and expenses		(31,719)	(2.05)	(60,770)	(3.69)
7900	Profit (loss) from continuing operations before tax		49,905	3.22	52,443	3.18
7950	Income tax expense	4, 6(20)	(13,583)	(0.87)	(18,028)	(1.09)
8200	Net income		36,322	2.35	34,415	2.09
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		6,988	0.45	11,073	0.67
8349	Income tax related to non-reclassified items		(396)	(0.03)	(1,453)	(0.09)
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(26,654)	(1.72)	32,969	2.00
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss					
	Total other comprehensive income, net of tax		5,331	0.34	(6,594)	(0.40)
8500	Total comprehensive income		(14,731)	(0.96)	35,995	2.18
			\$21,591	1.39	\$70,410	4.27
8600	Net income attributable to:					
8610	Shareholders of the parent		\$36,322		\$34,415	
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$21,591		\$70,410	
9750	Earnings per share-basic (in NTD)	6(21)	\$0.37		\$0.35	
9850	Earnings per share-diluted (in NTD)		\$0.37		\$0.35	

(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, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Equity Attributable to Shareholders of the Parent											
		Common Stock	Capital Surplus	Retained Earnings			Others			Total Equity	
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealised Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income			
Code	Items	3111	3200	3310	3320	3350	3410	3420	3XXX		
A1	Balance as of January 1, 2022	\$982,009	\$192,899	\$47,723	\$41,956	\$358,088	\$ (76,317)	\$64,433	\$1,610,791		
B1	Appropriation and distribution of 2021 earnings										
	Legal reserve										
B5	Cash dividends-common shares			17,309		(17,309)					
						(137,481)				(137,481)	
D1	Net income for 2022										
D3	Other comprehensive income (loss), for 2022										
D5	Total comprehensive income (loss)						26,375	9,620		34,415	
							26,375	9,620		35,995	
										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	
	Appropriation and distribution of 2022 earnings										
B1	Legal reserve										
B5	Cash dividends-common shares			3,442		(3,442)				(47,136)	
						(47,136)					
D1	Net income for 2023					36,322				36,322	
D3	Other comprehensive income (loss), for 2023										
D5	Total comprehensive income (loss)						(21,323)	6,592		(14,731)	
							(21,323)	6,592		21,591	
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income										
Z1	Balance as of December 31, 2023	\$982,009	\$192,899	\$68,474	\$41,956	5,292	\$(71,265)	(5,292)		\$1,518,175	

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

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$49,905	\$52,443	B00010	Acquisition of financial assets measured at fair value through OCI	-	(14,717)
A20000	Adjustments:			B00020	Disposal of financial assets measured at fair value through OCI	13,070	-
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(56,610)	(142,867)
A20100	Depreciation (including right-of-use assets)	63,170	63,970	B02800	Proceeds from disposal of property, plant and equipment	1,087	79
A20200	Amortization	1,627	1,636	B03800	Decrease (increase) in refundable deposits	14	327
A20300	Expected credit losses (gain on recovery)	597	(2,981)	B09900	Acquisition of assets related to government grants	-	1,920
A20900	Interest expense	29,097	17,990	BBBB	Net cash provided by (used in) investing activities	(42,439)	(155,258)
A21200	Interest income	(3,315)	(2,636)				
A21300	Dividend income	(885)	-				
A22500	Loss on disposal of property, plant and equipment	323	343				
A29900	Gain on government grants	(5,244)	(646)	CCCC	Cash flows from financing activities:		
A29900	Gain on lease modification	(17)	-	C01600	Increase in (repayment of) short-term loans	(215,258)	27,929
A30000	Changes in operating assets and liabilities:			C01700	Increase in long-term loans	100,000	-
A31130	Decrease (increase) in notes receivable	(38,113)	53,352	C04020	Repayment of long-term loans	(100,000)	-
A31140	Decrease (increase) in notes receivable - related parties	-	34,903	C04020	Cash payments for the principal portion of the lease liabilities	(3,903)	(3,937)
A31150	Decrease (increase) in accounts receivable	(93,495)	126,000	C04500	Cash dividends	(47,136)	(137,481)
A31160	Decrease (increase) in accounts receivable - related parties	-	54,907	CCCC	Net cash provided by (used in) financing activities	(266,297)	(113,489)
A31180	Decrease (increase) in other receivables	1,606	16,734				
A31200	Decrease (increase) in inventories	36,961	(4,521)				
A31220	Decrease (increase) in prepayments	(3,157)	15,351	DDDD	Effect of exchange rate changes on cash and cash equivalents		
A31240	Decrease (increase) in other current assets	-	(188)	EEEE	Net increase (decrease) in cash and cash equivalents	(8,694)	18,620
A32125	Increase (decrease) in contract liabilities	(8)	-	E00100	Cash and cash equivalents at beginning of period	(287,050)	32,030
A32130	Increase (decrease) in notes payable	22,767	(41,001)	E00200	Cash and cash equivalents at end of period	736,046	704,016
A32150	Increase (decrease) in accounts payable	(4,003)	(16,645)			\$448,996	\$736,046
A32180	Increase (decrease) in other payables	10,567	(49,669)				
A32230	Increase (decrease) in other current liabilities	(31)	2				
A33000	Cash generated from (used in) operations	68,352	319,344				
A33100	Interest received	3,315	2,636				
A33200	Dividend received	885	-				
A33300	Interest paid	(28,890)	(18,310)				
A33500	Income taxes paid	(13,282)	(21,513)				
AAAA	Net cash provided by (used in) operating activities	30,380	282,157				

(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, 2023 and 2022, 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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. 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, 2023.

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\$991,610 thousand as revenue for the year ended December 31, 2023. 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, 2023, the Company's gross accounts receivable and loss allowance amounted to NT\$355,935 thousand and NT\$(72) thousand, respectively. The net accounts receivable represented 15.60% 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 2023 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.

/s/Chen, Kuo-Shuai

/s/Lin, Cheng-Wei

Ernst & Young
February 27th, 2024
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, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets						
Code	Accounts	Notes	2023.12.31		2022.12.31	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$130,950	5.74	\$256,182	10.70
1150	Notes receivable, net	4, 6(3), 6(16)	613	0.03	1,515	0.06
1170	Accounts receivable, net	4, 6(4), 6(16)	66,912	2.93	91,951	3.84
1180	Accounts receivable - related parties, net	4, 6(4), 6(16), 7	288,338	12.64	239,131	9.99
1200	Other receivables		24,762	1.09	27,445	1.15
1210	Other receivables - related parties	7	80,868	3.55	86,231	3.60
130X	Inventories	4, 6(5)	6,894	0.30	8,601	0.36
1410	Prepayments		5,196	0.23	1,253	0.05
11XX	Total current assets		604,533	26.51	712,309	29.75
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(2)	10,463	0.46	18,524	0.77
1550	Investment accounted for under equity method	4, 6(6)	1,643,609	72.08	1,647,428	68.80
1600	Property, plant and equipment, net	4, 6(7)	1,165	0.05	955	0.04
1755	Right-of-use assets	4, 6(17)	2,877	0.12	4,332	0.18
1780	Intangible assets	4, 6(8)	133	0.01	233	0.01
1840	Deferred income tax assets	4, 6(21)	16,669	0.73	9,899	0.41
1900	Other non-current assets	6(9)	887	0.04	887	0.04
15XX	Total non-current assets		1,675,803	73.49	1,682,258	70.25
1XXX	Total Assets		\$2,280,336	100.00	\$2,394,567	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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2023.12.31		2022.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$170,000	7.46	\$174,000	7.27
2131	Contract liability	4, 6(15)	-	-	8	-
2150	Notes payable		27,153	1.19	4,386	0.18
2170	Accounts payable		47,053	2.06	58,216	2.43
2180	Accounts payable - related parties	7	168,599	7.39	254,759	10.64
2200	Other payables		15,808	0.69	14,435	0.60
2280	Lease liabilities	4, 6(17)	1,438	0.06	1,413	0.06
2230	Current income tax liabilities	4, 6(21)	9,469	0.42	9,199	0.38
2300	Other current liabilities		287	0.01	318	0.01
2320	Current portion of long-term loans	6(11)	-	-	100,000	4.18
21XX	Total current liabilities		439,807	19.28	616,734	25.75
	Non-current liabilities					
2540	Long-term loans	6(11)	100,000	4.39	-	-
2570	Deferred income tax liabilities	4, 6(21)	198,713	8.71	204,934	8.56
2580	Lease liabilities	4, 6(17)	1,464	0.07	2,902	0.12
2600	Other non-current liabilities	4, 6(12)	22,177	0.97	26,277	1.10
25XX	Total non-current liabilities		322,354	14.14	234,113	9.78
2XXX	Total liabilities		762,161	33.42	850,847	35.53
3100	Capital					
3110	Common stock	6(14)	982,009	43.07	982,009	41.01
3200	Capital surplus	6(14)	192,899	8.46	192,899	8.06
3300	Retained earnings	6(14)				
3310	Legal reserve		68,474	3.00	65,032	2.71
3320	Special reserve		41,956	1.84	41,956	1.75
3350	Unappropriated earnings		228,749	10.03	237,713	9.93
	Total retained earnings		339,179	14.87	344,701	14.39
3400	Other components of equity		4,088	0.18	24,111	1.01
3XXX	Total equity		1,518,175	66.58	1,543,720	64.47
	Total liabilities and equity		\$2,280,336	100.00	\$2,394,567	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, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(15), 7	\$991,610	100.00	\$1,116,365	100.00
5000	Operating costs	6(5), 7	(889,638)	(89.72)	(1,005,940)	(90.11)
5900	Gross profit		101,972	10.28	110,425	9.89
5910	Unrealized gross profit (loss) from sales		4,024	0.41	(1,183)	(0.10)
6000	Gross profit from operations		105,996	10.69	109,242	9.79
6000	Operating expenses	6(18)				
6100	Sales and marketing		(15,052)	(1.52)	(13,375)	(1.20)
6200	General and administrative		(38,933)	(3.92)	(36,288)	(3.25)
6300	Research and development		(18,440)	(1.86)	(15,971)	(1.43)
6900	Total operating expenses		(72,425)	(7.30)	(65,634)	(5.88)
7000	Operating income		33,571	3.39	43,608	3.91
7000	Non-operating income and expenses	6(19)				
7010	Other income		3,053	0.31	676	0.06
7020	Other gains and losses		(6,526)	(0.66)	41,230	3.69
7050	Finance costs		(5,741)	(0.58)	(5,310)	(0.48)
7070	Share of profit or loss of subsidiaries, associates and joint ventures		20,856	2.10	(26,970)	(2.41)
7900	Total non-operating income and expenses		11,642	1.17	9,626	0.86
7950	Profit (loss) from continuing operations before tax		45,213	4.56	53,234	4.77
8000	Income tax expense	4, 6(21)	(8,891)	(0.90)	(18,819)	(1.69)
8300	Profit (loss) from continuing operations		36,322	3.66	34,415	3.08
8310	Other comprehensive income (loss)	6(20)				
8316	Items that not be reclassified subsequently to profit or loss					
8316	Unrealized gains (losses) from equity instrument investment					
8316	at fair value through other comprehensive income					
8336	Unrealized gains (losses) from equity instrument investment measured at fair value through other comprehensive income		5,009	0.51	3,807	0.34
8349	Income tax related to non-reclassified items		1,979	0.20	7,266	0.65
8360	Items that may be reclassified subsequently to profit or loss		(396)	(0.04)	(1,453)	(0.13)
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures					
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		(26,654)	(2.69)	32,969	2.95
8500	Total other comprehensive income, net of tax		5,331	0.54	(6,594)	(0.59)
8500	Total comprehensive income		(14,731)	(1.48)	35,995	3.22
8500	Total comprehensive income		\$21,591	2.18	\$70,410	6.30
9750	Earnings per share (in NT\$)	6(22)				
9750	Earnings per share - basic		\$0.37		\$0.35	
9710	Profit from continuing operations					
9850	Earnings per share - diluted (in NT\$)					
9810	Profit from continuing operations					

(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, 2023 and 2022

(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, 2022	3100	3200	3310	3320	3350	3410	3420	3XXX
	Appropriation and distribution of 2021 earnings	\$982,009	\$192,899	\$47,723	\$41,956	\$358,088	\$(76,317)	\$64,433	\$1,610,791
B1	Legal reserve								
B5	Cash dividends - common shares			17,309		(17,309)			(137,481)
						(137,481)			
D1	Net income for 2022					34,415			34,415
D3	Other comprehensive income (loss) for 2022								
D5	Total comprehensive income (loss)					34,415	26,375	9,620	35,995
							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
	Appropriation and distribution of 2022 earnings								
B1	Legal reserve								
B5	Cash dividends - common shares			3,442		(3,442)			(47,136)
						(47,136)			
D1	Net income for 2023					36,322			36,322
D3	Other comprehensive income (loss) for 2023						(21,323)	6,592	(14,731)
D5	Total comprehensive income (loss)					36,322	(21,323)	6,592	21,591
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income								
						5,292		(5,292)	
Z1	Balance as of December 31, 2023	\$982,009	\$192,899	\$68,474	\$41,956	\$228,749	\$(71,265)	\$75,353	\$1,518,175

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

ASIA ELECTRONIC MATERIAL CO., LTD.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$45,213	\$53,234	B00010	Acquisition of financial assets measured at fair value through OCI	-	(14,717)
A20000	Adjustments:			B00020	Disposal of financial assets measured at fair value through OCI	13,070	-
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(593)	(289)
A20100	Depreciation (including right-of-use assets)	1,842	1,853	BBBB	Net cash provided by (used in) investing activities	12,477	(15,006)
A20200	Amortization	100	100				
A20900	Interest expense	5,741	5,310	CCCC	Cash flows from financing activities:		
A21200	Interest income	(1,611)	(254)	C00100	Increase in (repayment of) short-term loans	(4,000)	(3,035)
A21300	Dividend income	(885)	-	C01600	Increase in long-term loans	100,000	-
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(20,856)	26,970	C01700	Repayment of long-term loans	(100,000)	-
A22500	Gain on disposal of property, plant and equipment	(76)	(84)	C04020	Cash payments for the principal portion of the lease liabilities	(1,498)	(1,442)
A24000	Realized (gains) losses from sales	(4,024)	1,183	C04500	Cash dividends	(47,136)	(137,481)
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	(52,634)	(141,958)
A31130	Decrease (increase) in notes receivable	902	(23)				
A31150	Decrease (increase) in accounts receivable	25,039	9,244	EEEE	Net Increase (decrease) in cash and cash equivalents	(125,232)	173,994
A31160	Decrease (increase) in accounts receivable - related parties	(49,207)	224,259	E00100	Cash and cash equivalents at beginning of period	256,182	82,188
A31180	Decrease (increase) in other receivables	2,683	16,763	E00200	Cash and cash equivalents at end of period	\$130,950	\$256,182
A31190	Decrease (increase) in other receivables - related parties	5,363	2,740				
A31200	Decrease (increase) in inventories	1,707	(1,963)				
A31220	Decrease (increase) in prepayments	(3,950)	3,246				
A32130	Increase (decrease) in notes payable	22,767	(41,001)				
A32125	Increase (decrease) in contract liabilities	(8)	-				
A32150	Increase (decrease) in accounts payable	(11,163)	5,406				
A32160	Increase (decrease) in accounts payable - related parties	(86,160)	65,931				
A32180	Increase (decrease) in other payables	1,373	(31,681)				
A32230	Increase (decrease) in other current liabilities	(31)	2				
A33000	Cash generated from (used in) operations	(65,241)	341,235				
A33100	Interest received	1,611	254				
A33200	Dividend received	885	-				
A33300	Interest paid	(5,679)	(5,298)				
A33500	Income tax paid	(16,651)	(5,233)				
AAAA	Net cash provided by (used in) operating activities	(85,075)	330,958				

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

Table of Earning Distribution

For the year ended December 31, 2023

Unit: NT\$

Opening balance	187,135,305
Plus: Disposal of equity instruments measured at fair value through other comprehensive income	5,292,672
Add: Net profit after tax for the year	36,321,446
Adjusted undistributed earnings	228,749,423
Less: Appropriation of 10% statutory surplus reserve	(4,161,412)
Distributable earnings	224,588,011
Distribution item:	
Shareholder dividends - cash (A distribution of NT\$0.50 is made for each share; that is, a distribution of NT\$500 is made per thousand shares)	(49,100,434)
Undistributed earnings at the end of the period	175,487,577

Chairman: Lee Chien-Hui

Manager: Lee Chien-Hui

Chief Accountant: Cheng Monica

Candidates List of Directors Nominated by the Board of Directors and Relevant Information

Candidate Type	Candidate Name	Educational Background, Professional Qualification, Experience and Current Position	Number of Shares Held Up to March 26, 2024
Director	Lee Chien-Hui	Educational Background and Professional Qualification: - Ph.D., Department of Chemical Engineering, Chung Yuan Christian University Experience: - Researcher, ITRI MCL - Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University - President, TAIFLEX Scientific - Director, FLEXIUM Interconnect Inc. - Vice president, Hongren Electronics, Grace T.H.W. Group Current Position: - Chairman and President, Asia Electronic Material Co., Ltd. - Director, Kunshan Aplus Tec. Corporation - Director, Aplus Tec. Corporation (Dongtai) - Director, Asia Electronic Material Holding (Samoa) Co., Ltd. - Director, Besttrade Co., Ltd. - AMMON TEC. Investment Corp.	4,751,153
Director	Tsai Sen	Educational Background and Professional Qualification: - Department of Piping Fitting, Kaohsiung Municipal Kaohsiung Industrial High School Experience: - Technician, Fu Hong Enterprise Co., Ltd. Current Position: Director, Asia Electronic Material Co., Ltd.	467,251
Director	E INK HOLDINGS INC. Representative: Chan Ning-Wei	Educational Background and Professional Qualification: - Bachelor in Department of Chemistry, National Cheng Kung University - Master in Department of Chemistry, National Tsing Hua University - PhD. in Department of Chemistry, National Tsing Hua University Experience: - Assistant Vice President, SiPix Technology, Inc. - Senior Director of FPL Development Department, E INK HOLDINGS INC. - Director, YuanHan Materials Inc.	9,765,000
		Current Position: - Senior Assistant Vice President of Central R&D Department, E INK HOLDINGS INC. - President, YuanHan Materials Inc.	
Director	KMO International Trading Inc.	-	256,000
Director	Bo Chun Investment Co., Ltd.	-	2,860,080

Candidate Type	Candidate Name	Educational Background, Professional Qualification, Experience and Current Position	Number of Shares Held Up to March 26, 2024
Independent Director	Hsu Ke-Ying (Note 1)	Educational Background and Professional Qualification: - Ph.D. in Chemical Engineering, National Tsing Hua University Experience: Professor, Department of Chemical Engineering, Chung Yuan Christian University Current Position: Independent Director, Asia Electronic Material Co., Ltd.	0
Independent Director	Chu Nien-Tzu	Educational Background and Professional Qualification: - EMBA, National Central University - Bachelor in Department of Chemical Engineering and Materials Engineering, Tunghai University Experience: - CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University - Vice president, Department of Startup Business, DuPont Taiwan - Independent director, LCY Technology Corp. Current Position: Adjunct Lecturer of Department of Statistics, Tamkang University Independent Director, Asia Electronic Material Co., Ltd.	0
Independent Director	Li Chun-Ching	Educational Background and Professional Qualification: - MBA, Syracuse University (the U.S.) - Bachelor in Public Finance, National Chengchi University Experience: - Current Position: Vice President, E.SUN Securities, Co., Ltd. - Assistant vice president, MasterLink Securities Corporation - Senior analyst, Taiwan Ratings Current Position: - Chairman, Acute Technology Inc. - Independent Director, Asia Electronic Material Co., Ltd.	0
Independent Director	Hu Han-Liang	Educational Background and Professional Qualification: - Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University - Passed the Examination for Certified Public Accountants Experience: - Independent Director, Hermes Microvision, Inc. - Director, United Way of Taiwan - Supervisor, World Vision International - Director, Social Welfare Foundation of Wisdom Current Position: - CPA Partner, C.J.S. CPAS & CO. - Director, KYE Systems Corp. - Director, GODEX INTERNATIONAL CO., LTD. - Director, Scientech Corporation - Director, AlgolTek, Inc. - Director, Basecom Telecommunication Co., Ltd. - Supervisor, Orient Pharma Co., Ltd. - Independent Director, Episil-Precision Inc. - Independent Director, Promate Solutions Corporation - Independent Director, KKCompany Technologies	0

Note 1. Independent Director candidate, Hsu Ke-Ying, has been an Independent Director of the Company with the period of term of office reaching three terms of office (Board appointment period: 2010/6/29~2024/5/24, for a total of 14 years). Nevertheless, based on the consideration that his professional expertise, knowledge in relevant laws and experience in corporate governance are clearly beneficial to the Company, Hsu Ke-Ying is still listed as one of the Independent Director candidates, such that during his exercise of independent responsibilities and authorities of an Independent Director, he is still able to contribute his expertise and to provide professional opinions to the supervision of the Board of Directors.

Details of Cancellation of Non-compete Restriction for Director
(Including Independent Director) Candidates Attachment 7

Candidate Type	Candidate Name	Company of Adjunct Position
Director	E INK HOLDINGS INC.	Director, YuanHan Materials Inc. Director, NEW FIELD E-PAPER CO., LTD. Director, Linfiny Corporation Director, Integrated Solutions Technology, Inc.
Director	Chan Ning-Wei (Representative of E INK HOLDINGS INC.)	Senior Assistant Vice President of Central R&D Department, E INK HOLDINGS INC. President, YuanHan Materials Inc.
Independent Director	Li Chun-Ching	Chairman, Acute Technology Inc.
Independent Director	Hu Han-Liang	CPA Partner, C.J.S. CPAS & CO. Director, KYE Systems Corp. Director, GODEX INTERNATIONAL CO., LTD. Director, Scientech Corporation Director, AlgolTek, Inc. Director, Basecom Telecommunication Co., Ltd. Supervisor, Orient Pharma Co., Ltd. Independent Director, Episil-Precision Inc. Independent Director, Promate Solutions Corporation Independent Director, KKCompany Technologies

Rules and Procedures of Shareholders' Meeting

Appendix 1

- I. To establish a strong governance system and sound supervisory capabilities for the shareholders' meetings of the Company and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- II. Except otherwise provided by laws, regulations, or the Articles, the rules of procedures for the shareholders' meetings of the Company shall be subject to the Rules.
- III. Unless otherwise provided by law or regulation, shareholders meetings of the Company shall be convened by the Board.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of Directors, and upload them to the MOPS 30 days before the annual shareholders' meeting or 15 days before the extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS 21 days before the annual shareholders' meeting or 15 days before the extraordinary shareholders' meeting. In addition, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional stock affairs agent designated thereby, and shall be distributed at the site of the shareholders' meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given by electronic means.

Election or dismissal of Directors, amendments to the Articles, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by Directors, capital increase from earnings, capital increase from reserves, the dissolution, merger, or demerger of the Company, or any matter under paragraph 1, Article 185, of the Company Act, and Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out, and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be proposed as an extempore motion.

A shareholder holding 1% or more of the total number of issued shares may submit a proposal to the Company for discussions at an annual shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

Prior to the book closure date before the convening of an annual shareholders meeting, the Company shall publicly announce its acceptance of shareholder's proposals, and the location and the period for their submission; the period for submission of shareholder's proposals may not be less than ten days.

A proposal submitted by a shareholder is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall attend the annual shareholders' meeting in person or by proxy and take part in discussions of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

- IV. For each shareholders' meeting, a shareholder may issue a proxy form, which is printed and distributed by the Company, and set out the scope of authorization to engage a proxy to attend the shareholders' meeting on its behalf. Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

- V. The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later

than 3 p.m.; full consideration shall be given to Independent Directors' opinions with respect to the place and time of the meeting.

- VI. The Company shall furnish the attending shareholders or proxies engaged by shareholders (the "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

- VII. If a shareholders' meeting is convened by the Board, the meeting shall be chaired by the Chairman. If the Chairman is on leave or is unable to exercise its functions due to other causes, the Vice Chairman shall chair the meeting on its behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or is unable to exercise its functions due to other causes, the Chairman shall appoint one of the Managing Directors to act as the chairperson. Where there is no such a position as Managing Director, the Chairman shall appoint one of the Directors to act as the chairperson. Where the Chairman fails to make such an appointment, the Managing Directors or Directors shall elect one person to serve as the chairperson among themselves.

A shareholders' meeting convened by the Board shall be attended by a majority of the Directors.

Where a shareholders' meeting is convened by a party with the power to convene other than the Board, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

The Company may appoint its attorneys, CPAs, or related persons to attend the meeting in a non-voting capacity.

- VIII. The Company shall make an uninterrupted audio and video recording of the shareholders' meeting, and the recorded materials of the preceding paragraph shall be retained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

- IX. Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares represented by shareholders attending the meeting shall be calculated in accordance with the attendance book or attendance cards handed in, plus the number of shares exercising voting rights by correspondence or electronic means.

The chairperson shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- X. If a shareholder meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda in the preceding two paragraphs (including extraordinary motions), except by a resolution by the shareholders' meeting.

If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chairperson considers that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, and

- call for a vote.
- XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, its shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chairperson may have the shareholder stop the speech.
- Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.
- When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- After an attending shareholder has spoken, the chairperson may respond or direct relevant personnel to respond.
- XII. Votes cast at shareholders' meetings shall be calculated based on the number of shares.
- The shares held by shareholders having no voting rights shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.
- When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.
- The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the number of voting rights represented by attending shareholders.
- Except for trust enterprises or stock agencies approved by the competent authority of securities, when a person acts as the proxy for two or more shareholders, the number of voting rights represented by it shall not exceed 3% of the total number of voting shares of the company; otherwise, the portion of excessive voting power shall not be counted.
- XIII. Shareholders of the Company are entitled to one vote for each share held; however, this shall not apply when the shares are restricted shares or are deemed non-voting shares under paragraph 2, Article 179 of the Company Act.
- When the Company holds a shareholders' meeting, it may adopt the exercise of voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting convening notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, it shall be deemed as a waiver of rights with respect to the extraordinary motions and amendments to the original proposals of the shareholders' meeting.
- A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this shall not apply to a declaration made to cancel the earlier declaration of intent.
- In case a shareholder who has exercised its voting power by correspondence or electronic means intends to attend the shareholders' meeting in person, it shall, latest, serve a separate declaration of intention to rescind its previous declaration of intention made in exercising the voting rights under the preceding paragraph latest by two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising its voting rights. In the absence of a timely rescission of the previous declaration of intention, the voting rights exercised by correspondence or electronic means shall prevail. If the shareholder exercises the voting right by correspondence or electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.
- Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for or against and the number of abstentions, shall be entered on the MOPS.
- When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When a proposal among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chairperson, provided all scrutineers be shareholders of the Company.

- The counting of votes shall be publicly made at the venue of the shareholders' meeting; the outcome of a vote shall be reported on the spot and recorded accordingly.
- XIV. If a shareholders' meeting involves the election of Directors, it shall be arranged according to relevant election specifications and regulations established by the Company, and the outcome of the election shall be reported on the spot.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.
- XV. Meeting minutes shall be prepared for resolutions made at shareholder's meetings. The minutes shall be signed and affixed with a seal by the chairperson and distributed to the shareholders within 20 days after the meeting. The meeting minutes may be produced and distributed in electronic form.
- The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- Meeting minutes shall set out the year, month, date, venue, name of the chairperson and the resolution method, proceedings and results. The minutes shall be permanently kept throughout the duration of the Company.
- XVI. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders' meeting.
- If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS within the prescribed period.
- XVII. Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband. The chairperson may direct the proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help maintain order at the meeting venue, they shall wear an identification badge or an armband, reading "Proctor."
- At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.
- When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.
- XVIII. When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- If the meeting venue is no longer available for continued use and not all the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
- A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- XIX. The Rules were implemented on the publishing date after being approved by the shareholders' meeting.
- The Rules were implemented after being approved at the shareholders' meeting on 28 December 2007.
- The 1st amendment was made at the Board meeting on 15 March 2012 and approved by the shareholders' meeting on 27 April 2012.
- The 2nd amendment was made at the Board meeting on 25 February 2021 and approved by the shareholders' meeting on 23 July 2021.

- Article 1: To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.
- Article 2: Except as otherwise provided by laws and regulations or by the Company's Articles of incorporation, elections of directors of the Company shall be conducted in accordance with these Procedures.
- Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

- Article 4: The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with Article 24 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.

- Article 5: The elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special shareholders meeting within sixty days from the date of occurrence to hold a by-election to fill the vacancies.

Where the number of independent directors falls below the number prescribed in the proviso of Paragraph 1 of Article 14-2 of Securities and Exchange Act, the Company shall hold a by-election at the most recent shareholders' meeting. When all independent directors are dismissed, the Company shall convene an extraordinary shareholders' meeting within sixty days from the occurrence of such event to hold a by-election for the independent directors.

- Article 6: The uni-nominal cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

- Article 7: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots,

which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8: The number of directors shall be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "Candidate column" of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity certificate number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11: A ballot is invalid under any of the following circumstances:

1. The ballot is not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is incorrect after verification.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 12: The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the list of persons elected as directors and their respective number of voting rights won shall be announced by the chair on-site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 13: The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 14: These Procedures shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

These Procedures were duly enacted on June 23, 2006.

The first amendment was made on June 20, 2008.

The second amendment was made on May 25, 2021.

Asia Electronic Material Co., Ltd.
Articles of Incorporation

Appendix 3

Chapter I General

- Article 1 The Company is formed according to the requirements of limited companies under the Company Act. The Company is named 亞洲電材股份有限公司, and its English name is ASIA ELECTRONIC MATERIAL CO., LTD.
- Article 2 The scope of business of the Company is as follows:
- | | | |
|-------|---------|---------------------------------------------------------------------------------------------------------------------|
| I. | CC01080 | Manufacture of Electronic Parts and Components |
| II. | F119010 | Wholesale of Electronic Materials |
| III. | F219010 | Retail Sale of Electronic Materials |
| IV. | F113010 | Wholesale of Machinery |
| V. | I501010 | Product Designing |
| VI. | IZ99990 | Other Industrial and Commercial Services (R&D of FPC and automated tape-on-reel) |
| VII. | JZ99050 | Agency Services |
| VIII. | F601010 | Intellectual Property Rights |
| IX. | I199990 | Other Consulting Service (consultant of PCB production technologies) |
| X. | ZZ99999 | All business items that are not prohibited or restricted by law, except those that are subject to special approval. |
- Article 3 The Company shall comply with its Procedures for Endorsement/Guarantee when providing any endorsement/guarantee to any third party due to business requirements.
- Article 4 The amount of total investment of the Company is not subject to the restriction related to investments not exceeding 40% of the paid-in capital under Article 13 of the Company Act.
- Article 5 The headquarters of the Company is located in Hsinchu County, and the Company may establish domestic or foreign branches with a resolution made by the Board and upon receiving approval from the competent authority when necessary.
- Article 6 The announcement methods of the Company shall be subject to Article 28 of the Company Act.

Chapter II Shares

- Article 7 The total capital of the Company is NT\$1.5 billion, divided into 150 million ordinary shares with a par value of NT\$10; the Board is authorized to issue the unissued shares in batches. Within the total capital above, NT\$100 million was preserved for the issuance of employee stock option certificates, totaling 10 million shares with a par value of NT\$10 per shares, which can be issued in batches based on the resolutions of the Board.
- Article 8 Article 8: The share certificates of the Company are registered, numbered, signed and affixed with a seal by a Director representing the Company, and issued after being attested by a bank competent to perform the attestation for the issuance of share certificates under the laws. The Company is exempted from printing its share certificates. However, shares issued according to the abovementioned requirements shall be registered with a centralized securities depository enterprise.
- Article 9 Article 9: Except for otherwise stated in laws and regulations or rules for securities, any transfers, right creation, pledges, report of loss, inheritance, gifting, report of loss of seals, alteration, or address alteration, and other stock affairs shall be subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 10 For share transfers, the transferor and the transferee shall complete the application form and sign and affix their seals on it to apply for the transfer with the Company. Before the completion of transfer procedures, the transfer shall not be used against the Company.
- Article 11 The change in name and transfer of shares shall be suspended 60 days before an annual shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or five days before the base day on which the Company decides to distribute dividends, bonuses, or other benefits. The periods specified in the preceding paragraphs shall commence from the date of the shareholders' meeting or from the base day.

Chapter III Shareholders' Meetings

- Article 12 Shareholders' meetings of the Company are divided into two types as follows
- I. An annual shareholders' meeting shall be convened within six months from the end of each fiscal year by the Board according to the law.
 - II. An extraordinary shareholders' meeting shall be convened as deemed necessary by the Board.
- When convening a shareholders' meeting, written or electronic means may be adopted for the exercise of voting rights, and the exercise methods shall be subject to the requirements of relevant laws and regulations.
- Article 13 The Chairman shall chair the shareholders' meetings. If the Chairman is on leave or is unable to exercise its functions due to other causes, its proxy shall make arrangements under the requirements of Paragraph 3 of Article 208 of the Company Act.
- Article 14 For convening shareholders' meetings of the Company, the Company shall announce and notify shareholders of the date, time, venue, and reason for the meeting 30 days or 15 days before an annual shareholders' meeting or an extraordinary shareholders' meeting.
- Article 15 If a shareholder is unable to attend a shareholders' meeting due to other causes, it may issue a proxy form, which is printed and distributed by the Company, and set out the scope of authorization to engage a proxy to attend the shareholders' meeting on its behalf. Apart from the requirements under Article 177 of the Company Act, the use of the proxy form shall be subject to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 16 Shareholders of the Company are entitled to one vote for each share held; no vote is granted for circumstances stated in Article 179 of the Company right.
- Article 17 Resolutions at a shareholders' meeting shall, unless otherwise stated in relevant laws and regulations, be adopted by receiving more than half of the vote for consent from attending shareholders or being approved by attending shareholders with no dissenting opinion proposed at a meeting attended by shareholders representing more than half of the total number of shares.
- Article 18 Meeting minutes shall be prepared for resolutions made at shareholder's meetings. The minutes shall be signed and affixed with a seal by the chairperson and, together with the attendance book of attending shareholders and proxy forms for engaging proxies for attendance, be kept by the Company. Meeting minutes shall set out the year, month, date, venue, proceedings and results, name of the chairperson and the resolution method and be distributed to all shareholders within 20 days from the meeting. The minutes shall be permanently kept throughout the duration of the Company. Except for otherwise required by the Company Act, the preservation period of the attendance book of attending shareholders and proxy forms for engaging proxies for attendance shall be at least one year. The preparation and distribution of the meeting minutes as required in the preceding paragraph may be effected through electronic means. The distribution of the meeting minutes by way of announcements.
- Article 19 If the Company intends to cancel the public offering of the Company's stocks, it shall propose the intention at the shareholders' meeting for resolution, and the Article shall remain unchanged during the period listing on the Emerging Stock Market and the period listing on TWSE (TPEX).

Chapter IV Directors and the Audit Committee

- Article 20 The Company has seven to nine Directors with a term of office of three years, and they may be re-elected and re-appointed. The candidate nomination system is adopted for Directors' elections, and the shareholders' meeting shall elect Directors from the list of Director candidates; arrangements shall be made according to the requirements under Article 198 of the Company Act. The Independent Directors and Non-independent Directors are elected at the same time, and the number of elected Independent Directors and Non-independent Directors shall be calculated separately. Persons who received votes that represent relatively more rights to vote shall be elected as Independent Directors and Non-independent Directors. The total number of shares under registered share certificates of the Company held by all Directors shall be subject to the requirements of the competent authority.
- The Company shall purchase a liability insurance policy for Directors regarding the compensation responsibility borne by them under the law within the scope of business execution during their term of office.
- Article 21 The Company has Independent Directors in place in accordance with the requirements under Article 14-2 of the Securities and Exchange Act. Among the number of Directors above, the number of Independent Directors shall be no less than three persons and shall be no less than one-fifth of the total number of Directors. The professional qualifications, shareholding, term of office, restrictions on positions held concurrently, nomination, election methods, and other compliance matters for Independent Directors shall be subject to the relevant regulations of the competent authority of securities.
- Article 22 The uni-nominal cumulative voting method elections of the Company's Directors; each share is entitled to the rights to vote equal to the number of Directors to be elected; such rights may be used to elect the same person or several persons.

If the election method in the preceding paragraph requires modification, apart from making arrangements according to requirements under Article 172 of the Company Act, the Company shall set out the comparison table of modification in the reason for the meeting.

- Article 23 The Board shall be formed by Directors. The Chairman shall be elected among Directors by receiving the consent of more than half of the attending Directors at a meeting attended by more than two-thirds of the Directors. The Chairman represents that Company to external parties. If the Chairman is on leave or is unable to exercise its functions due to other causes, its proxy shall make arrangements under the requirements of Article 208 of the Company Act. If a video conference is adopted for a Board meeting, Directors who participate in the meeting via video calls shall be deemed as attending in person.
- Article 24 The Chairman represents the Company in coordinating all operations of the Company, and other Directors are in its assistance. If the Chairman is unable to do so due to other causes, its proxy shall make arrangements under the requirements of paragraph 3, Article 208 of the Company Act.
- Article 25 The business policy and other material matters are determined by the Board. Unless otherwise stated in the Company Act, resolutions of the Board shall be adopted by receiving the consent from more than half of the attending Directors at a meeting attended by more than half of the Directors. If a Director is unable to attend the meeting due to other causes, it shall issue a proxy form and set out the scope of authorization for the reasons of the meeting to engage another Director to attend the Board meeting on its behalf; however, one Director may only be engaged by one person. If the Company has Independent Directors, they shall attend in person or engage other Independent Directors to attend the meeting.
- Article 26 For convening a Board meeting, the Directors shall be informed of the reason and notified seven days prior to the meeting. For emergencies, a Board meeting may be convened at any time. The Company may notify the Directors through written or electronic means or via facsimile to convene a Board meeting.
- Article 27 The Company has established its Audit Committee in accordance with the requirements under Article 14-4 of the Securities and Exchange Act. The Audit Committee shall comprise all Independent Directors and shall be responsible for executing the functions of supervisors as stated in the Company Act, Securities and Exchange Act, and other laws and regulations.
- Article 28 The remuneration of the Company's Directors shall be proposed by the Remuneration Committee according to the "Regulations for Remuneration Distribution of Directors." The Board is authorized to determine and distribute such remunerations based on the level of participation in the Company's operations, the value of their contributions, and the general standards within the industry.
Directors of the Company may claim traffic allowances based on actual circumstances.

Chapter V Managers

- Article 29 The Company may have one President, multiple Vice Presidents and Assistant Vice presidents, and one chief of finance and chief auditor whose appointment and dismissal shall be subject to relevant requirements of the Company Act. Their remunerations shall be proposed by the Remuneration Committee and submitted to the Board for resolution. The Company shall purchase a liability insurance policy for managers regarding the compensation responsibility borne by them under the law within the scope of business execution during their term of office.

Chapter 6 Accounting

- Article 30 The fiscal year of the Company is from 1 January to 31 December each year. At the end of each fiscal year, the Board shall prepare the following books and forms and submit them to the annual shareholders' meeting for ratification based on the legal procedures:
1. Business report.
 2. Financial statements.
 3. Proposal for earning distribution or loss compensation.
- Article 31 The distribution of dividends and bonuses shall be based on the ratio of shareholding of shareholders. When the Company has no earnings, it may not distribute dividends or bonuses.
- Article 32 If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance. The distribution targets of stocks or cash as remuneration of employees include employees of subsidiaries fulfilling certain conditions. If the Company has earnings from the final account of the year, it shall pay taxes and compensate prior losses and then appropriate 10% as the statutory surplus reserve; however, when the statutory surplus reserve has reached the Company's paid-in capital, such appropriations are exempted. After appropriation or reversal of special surplus reserve according to laws and regulations, the remaining balance shall be combined with the undistributed earnings at the beginning of the same period; after preserving partial earnings discretionally, the Board shall prepare a proposal for earning distribution

- and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.
- Article 33 Under the environment of increasing competition, to achieve sustainable operation and considering our long-term financial planning and capital requirements, the Company has adopted the dividend equalization policy. With equal considerations given to shareholder's interest and other factors, the Company appropriates 10% to 90% of earnings available for distribution as shareholders' bonuses, in which the ratio of cash dividend distribution shall be no less than 10% of the total dividend distributed from earnings of the year.

Chapter VII Appendices

- Article 34 The organizational rules and by-laws of the Company shall be otherwise established.
- Article 35 Unaddressed matters in the Articles shall be subject to the requirements under the Company Act and other relevant regulations.
- Article 36 The Articles were established on 27 June 2003 upon receiving the consent of all founders at the founders' meeting.
- The 1st amendment was made on 18 July 2003.
- The 2nd amendment was made on 26 August 2003.
- The 3rd amendment was made on 29 September 2003.
- The 4th amendment was made on 17 December 2003.
- The 5th amendment was made on 30 June 2004.
- The 6th amendment was made on 15 June 2007.
- The 7th amendment was made on 28 December 2007.
- The 8th amendment was made on 20 June 2008.
- The 9th amendment was made on 29 June 2010.
- The 10th amendment was made on 27 May 2011.
- The 11th amendment was made on 27 April 2012.
- The 12th amendment was made on 17 May 2013.
- The 13th amendment was made on 19 May 2016.
- The 14th amendment was made on 19 May 2017.
- The 15th amendment was made on 23 July 2021

Asia Electronic Material Co., Ltd.
Chairman: Chien-Hui Lee

Asia Electronic Material Co., Ltd.
Shareholding of Directors

Appendix 4

Number of shares held by Directors on the shareholders' register as of the book closure date (March 26, 2024) of the annual shareholders' meeting is as follows:

Title	Name	Elected date	Term of office	Shareholding when elected		Number of shares held set out in the shareholders' register as of the book closure date	
				Number of shares	Shareholding	Number of shares	Shareholding
Chairman	Lee Chien-Hui	2021.7.23	3	4,751,153	4.84%	4,751,153	4.84%
Director	Bo Chun Investment Co., Ltd.	2021.7.23	3	2,860,080	2.91%	2,860,080	2.91%
Director	Tsai Sen	2021.7.23	3	467,251	0.48%	467,251	0.48%
Director	Chen Ching-Chi	2021.7.23	3	471,059	0.48%	565,059	0.58%
Director	Lin Wei-Hung	2021.7.23	3	309,766	0.32%	309,766	0.32%
Independent Director	Chu Nian-Tzu	2021.7.23	3	0	-	0	-
Independent Director	Li Chun-Ching	2021.7.23	3	0	-	0	-
Independent Director	Hsu Ke-Ying	2021.7.23	3	0	-	0	-
Independent Director	Yu Tsai-An	2021.7.23	3	3,094	0.00%	3,094	0.00%
Sub-total of number of shares held by all Directors				8,862,403	9.02%	8,956,403	9.13%

Note:

1. The Company's paid-in capital is NT\$982,008,680, and the number of issued shares is 98,200,868 shares.
2. According to the requirements under Article 26 of the Securities and Exchange Act, the minimum number of shares required to be held by all Directors shall be as follows:
 - The minimum number of shares required to be held by all Directors according to the law: 7,856,069 shares
3. According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two Independent Directors or more are concurrently elected, the ratio of shareholding of all Directors other than Independent Directors calculated pro rata shall be reduced to 80%.
4. Actual number of shares held by all Directors: 8,956,403 shares
5. The number of shares held by all Directors has reached legal standards.

Other Descriptions

Appendix 5

Explanation of Acceptance of Shareholder's Proposals and Nomination for the 2024 Annual Shareholders' Meeting:

- I. According to Article 172-1 and Article 192-1 of the Company Act, a shareholder holding 1% or more of the total number of issued shares may submit a written proposal for discussion and a candidate roster for directors (including independent directors) at an annual shareholders' meeting to the Company.
- II. Proposal Content: The number of proposals is limited to one only for each shareholder; a proposal submitted by a shareholder is limited to 300 words, or the proposal will not be included in the meeting agenda.
- III. Nomination content: The shareholder submitting nomination shall provide the name, educational background, experience and other relevant supporting documents of the nominee, and the number of candidates nominated shall not exceed the specified number of directors and independent directors for the present election. Any excessive number of candidates shall not be included in the candidate list for directors and independents for the present election.
- IV. The Company has made an announcement on MOPS according to the laws regarding the submission period for proposals of shareholders and nomination for the annual shareholders meeting from March 15, 2024 to March 25, 2024 (for proposals made by registered mail, the service shall serve as the reference).
- V. The Company has not received any shareholder's proposal and nomination.