

Meeting Minutes of the 2025 Annual Shareholders' Meeting of  
Asia Electronic Material Co., Ltd.

Time: 22 May 2025 (Thursday) at 09:00 a.m.

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

Form of Shareholders' Meeting: Physical

Attendance: The number of shares represented by the attended shareholders and proxies was 72,866,504 shares, accounting for 74.20% of the total issued shares of 98,200,868 shares.

Attending directors: Chairman Li Jian-Hui; Director Huang Sung-Chen, Bo Chun Investment Co., Ltd.; Director Lin Wei-Hung, Kai Mao Enterprise Co., Ltd.

Attending Independent Directors: Independent Director Hsu Ke-Ying (Convener of the Audit Committee and the Remuneration Committee), Independent Director Chu Nien-Tzu, Independent Director Li Chun-Ching, Independent Director Hu Han-Liang.

Non-voting attendance: CPA Chen Kuo-Shuai from Ernst & Young and attorney-at-law Zheng Huiyi of Chien Yeh Law Offices

Chairman: Lee Jian-Hui      Minute taker: Chen Li-Yuan

- I. Call the Meeting to Order: When the number of attending shares has exceeded the number of shares stated by the law, the chairperson calls the meeting to order according to the law.
- II. Chairperson Remarks (omitted)
- III. Report matter:
  1. 2024 Business Report. (Please refer to the Attachments)
  2. 2024 Audit Committee's Review Report. (Please refer to the Attachments)
  3. Report on the loans to others and guarantee/endorsement provided to subsidiaries in 2024. (Please refer to the meeting handbook)
  4. Report on the remuneration distributions to employees and directors in 2024. (Please refer to the meeting handbook)
- IV. Ratifications

Proposal 1

【Proposed by the Board of Directors】

Subject: The 2024 Business Report and Financial Statements of the Company are hereby proposed for ratification.

Description: 1. The Company's 2024 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 26, 2025.

2. For the 2024 Business Report, Audit Committee's Review Report, and financial statements, please refer to the Attachments.

Resolution: 72,866,504 votes were cast in total for the vote. 71,754,848 votes were cast for the proposal, accounting for 98.47% of the total attending votes; 30,320 votes were cast against the proposal; 0 invalid votes were cast; 1,081,336 votes were not cast. The number of votes for the proposal exceeded the amount stated by the law, and the proposal was approved as proposed.

Proposal 2

【Proposed by the Board of Directors】

Subject: The proposal of the earning distribution of the Company in 2024 is hereby proposed for ratification.

Description: 1. By adding earnings available for distribution at the beginning of the period of NT\$175,487,577 to and deducting the legal reserve provided of NT\$1,908,428 from the net profit after tax of the Company in 2024 of NT\$19,084,284, the total earning available for distribution was NT\$192,663,433. The Company intends to distribute shareholders' dividends of NT\$49,100,434 in cash according to the requirements of the Company Act and the Articles of Incorporation (i.e., a distribution of NT\$0.5 per share). The 2024 Table of Earning Distribution is enclosed; please refer to the Attachments.

2. After the Proposal 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 up to the nearest dollar. The total amount of the odd shares less than NT\$1 is adjusted from the highest to the lowest 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: 72,866,504 votes were cast in total for the vote. 71,816,884 votes were cast for the proposal, accounting for 98.55% of the total attending votes; 30,298 votes were cast against the proposal; 0 invalid votes were cast; 1,019,322 votes were not cast. The number of votes for the proposal exceeded the amount stated by the law, and the proposal was approved as proposed.

Discussion matter

【Proposed by the Board of Directors】

Subject: Proposal for the amendments to the "Articles of Incorporation" of the Company is hereby proposed for discussion.

Description: To comply with the amendments to the Securities and Exchange Act, the Company proposes to amend its Articles of Incorporation. For the comparison table of the amended provisions, please refer to the Attachments.

Resolution: 72,866,504 votes were cast in total for the vote. 71,823,723 votes were cast for the proposal, accounting for 98.56% of the total attending votes; 26,496 votes were cast against the proposal; 0 invalid votes were cast; 1,016,285 votes were not cast. The number of votes for the proposal exceeded the amount stated by the law, and the proposal was approved as proposed.

V. Extraordinary motions: No shareholders' questions

VI. Adjournment: 9:12 a.m.

# The 2024 Business Report of Asia Electronic Material Co., Ltd. Attachment 1

Dear Shareholders:

I. Operating results in 2024:

(I) Business Plan Implementation Outcome

	2024	2023	Unit: NT\$ thousand YoY growth rate
Consolidated operating income	1,541,704	1,548,510	-0.44%
Net operating profit	35,112	81,624	-56.98%
Net profit after tax	19,084	36,322	-47.46%
Earnings per share after tax	0.19	0.37	-48.65%

(II) Budget Implementation Status: The Company did not disclose its financial forecast for 2024.

(III) Analysis of profitability

	2024	2023
Return on assets	1.46%	2.16%
Return on equity	1.24%	2.37%
Profit margin	1.24%	2.35%

(IV) R&D status

In recent years, the development trends of electronic materials have been primarily driven by advancements in high-performance electronic devices, 5G communications, artificial intelligence (AI), electric vehicles, and sustainable development. The Company has been deeply engaged in this field for many years, continuously developing and expanding the sales of new products to increase its operational competitiveness. Presently, our R&D focuses on the development of self-produced PI cover lay, high-frequency products, EMI shielding film (self-produced PI type of EMI) and self-produced TPI substrates, and among which the development of 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 high-priced and high gross-profit products, such as high-frequency materials, ultra-thin bending-resistant materials, ion-resistant migration materials, self-made substrate materials, transparent materials, automotive materials, etc., to create unique products, enhance the Company's competitiveness among peers, and gain a leading position in the industry. Furthermore, with increasingly stringent environmental regulations and technological breakthroughs, future electronic materials will become greener, more sustainable, and safer. In developing new products, the Company emphasizes compliance with environmental regulations starting from the selection of raw materials, thereby promoting the industry's development toward low-pollution and high-efficiency solutions. In addition to the development of the above-mentioned new products, the process focuses on improving production yield and efficiency, so as to reduce product costs and increase gross profit margin to facilitate the acquisition of orders.

II. Business plan for 2025:

(I) Management Policy

The new plant of the Company located at Dongtai, Jiangsu Province, has now started mass production and supplied the market, which not only makes the Group's production capacity more flexible in scheduling, but also contributes to the further upgrading of the Company's operations.

Due to the influence of global net-zero carbon emission policies that promote diversified development of electric vehicles, the Company continues to deeply cultivate the application markets for power batteries/energy storage Flexible Print Circuit (FPC), as well as emerging industry opportunities in metaverse AR/VR, AI consumer electronics, and intelligent vehicles, along with 5G initiatives. The Company continues joint development with U.S. customers and meets cross-field OEM needs in the high-end market, thereby opening new international markets and promoting new products such as conductive adhesives, EMI materials, and ion migration-resistant covering films. This strategy aims to attract new customers and boost new product sales, which can drive revenue growth.

(II) Estimated sales volume and its basis

Based on past experiences and the status of market supply and demand, it is expected that the sales volume will achieve remarkable growth along with greater applications in 2025.

(III) Important production and marketing policy

1. In 2025, the Dongtai Plant will add a new coating line to accommodate the future diversification of products.
2. The Company connects end customers and understands the requirements of customers to provide comprehensive products and services.

### III. Future development strategies of the Company:

#### (I) Business status:

5G, electric vehicles, and energy storage are the Company's key marketing focus areas this year. To strengthen its presence among U.S. customers and in international markets, the Company must engage in early deployment. In line with this strategy, the Company continues to promote and introduce newly developed high-frequency pure adhesives, substrates, and covering films and other materials to continuously introduce and promote them to end customers and Flexible Print Circuit (FPC) manufacturers, and jointly develop new materials for use, so that the Company's high-frequency and high-speed materials can gain an important leading position in the industry.

For conductive adhesives and EMI, mass production is ongoing, and they have entered the terminal resource pool. Currently, the mainstream products in the market are from Japanese brands; however, the Company's materials have the opportunity to replace Japanese imported materials this year. PI type EMI product is a differentiated product and has been successfully introduced in the medical application.

Due to AI-related demands, the SoC industry and GPU performance are updating faster, the requirements for the use of human-machine interfaces, thinner and denser circuit designs are gradually increasing, and the need for ion migration resistance is even higher. The ion migration-resistant covering film has already received customer certification and is in mass production. 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 covering film/high-frequency pure glue/high-frequency substrate/fluorine-based substrate), conductive materials (conductive glue/electromagnetic masking film), covering film materials (self-made PI covering film/anti-ion migration covering film/transparent covering film/high Tg covering film), substrate materials (2L/ultra-thin copper foil substrate/self-made TPI substrate/transparent substrate), focusing on the development of novel projects, effectively utilizing R&D resources, improving product gross profit and increasing product uniqueness, and expanding product sales.
2. By 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 profitability of products.
3. New product development emphasizes compliance with environmental regulations to promote sustainable industrial development of the industry.

#### IV. Impact of external competitive environment, regulatory environment, and overall business environment:

In recent years, environmental protection and industrial safety regulations and standards have become stricter and the global inflation pressure remains high. In view of the impact of escalation of the US-China technology war and ongoing Russia-Ukraine war, and risks on global trade conflicts, the Company has increased the proportion of local procurement of chemical materials and transferred the raw material inventory and management risks to suppliers. We set up an occupational safety team in the factory to implement environmental protection and occupational safety work.

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 the future. In addition, the Company continues to increase its investment in R&D, focusing on the production of self-manufactured PI and EMI products. This will enable the Company to enter high-threshold professional application fields such as automotive, energy storage, medical, and aerospace, which will help the Group achieve steady profit growth.

Chairman: Lee Chien-Hui      Manager: Lee Chien-Hui      Accountant Manager: Cheng Wan-Yu

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

The Board of Directors has duly prepared the Company's Business Report, consolidated financial statements, individual financial statements, and proposal for earnings distribution for 2024. 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 26, 2025

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, 2024 and 2023, 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, 2024 and 2023, 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, 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, 2024 and 2023, 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 material 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, 2024 and 2023, 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, 2024. 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\$1,541,704 thousand as revenue for the year ended December 31, 2024. 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, 2024, Asia Electronic Material Co., Ltd. and its subsidiaries' gross accounts receivable and loss allowance amounted to NT\$837,984 thousand and NT\$(19,140) thousand, respectively. The net accounts receivable represented 29.49% 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 2024 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, 2024 and 2023.



/s/Chen, Kuo-Shuai

/s/Lin, Cheng-Wei

Ernst & Young  
February 26, 2025  
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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets						
			2024.12.31		2023.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$602,629	21.70	\$448,996	16.98
1150	Notes receivable, net	4, 6(2)	219,848	7.92	167,014	6.32
1170	Accounts receivable, net	4, 6(3)	598,996	21.57	659,738	24.95
1200	Other receivables		24,792	0.89	27,071	1.02
130x	Inventories	4, 6(4)	163,571	5.89	206,691	7.82
1410	Prepayments		30,095	1.08	19,198	0.73
1470	Other current assets		2,036	0.07	1,907	0.07
11xx	Total current assets		1,641,967	59.12	1,530,615	57.89
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(5)	144,957	5.22	145,727	5.51
1600	Property, plant and equipment, net	4, 6(6)	812,102	29.24	795,144	30.08
1755	Right-of-use assets	4, 6(16)	111,067	4.00	110,405	4.18
1780	Intangible assets	4, 6(7)	8,876	0.32	10,044	0.38
1840	Deferred income tax assets	4, 6(20)	22,939	0.83	31,524	1.19
1900	Other non-current assets	6(8)	35,247	1.27	20,320	0.77
15xx	Total non-current assets		1,135,188	40.88	1,113,164	42.11
Ixxx	Total Assets		\$2,777,155	100.00	\$2,643,779	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, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			2024.12.31		2023.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(9)	\$710,137	25.57	\$533,067	20.16
2130	Contract liabilities	4, 6(14)	36	-	-	-
2150	Notes payable		4,421	0.16	27,153	1.03
2170	Accounts payable		91,115	3.28	118,929	4.50
2200	Other payables		43,189	1.56	58,999	2.23
2230	Current income tax liabilities	4, 6(20)	3,422	0.12	12,279	0.47
2280	Lease liabilities	4, 6(16)	3,432	0.12	3,143	0.12
2300	Other current liabilities		271	0.01	287	0.01
2322	Current portion of long-term loans	6(11)	100,000	3.60	-	-
21xx	Total current liabilities		956,023	34.42	753,857	28.52
	Non-current liabilities					
2540	Long-term loans	6(11)	-	-	100,000	3.78
2570	Deferred income tax liabilities	4, 6(20)	219,495	7.90	212,881	8.05
2580	Lease liabilities	4, 6(16)	187	0.01	2,829	0.11
2630	Long-term deferred revenue	4, 6(10)	52,814	1.90	56,037	2.12
25xx	Total non-current liabilities		272,496	9.81	371,747	14.06
2xxx	Total liabilities		1,228,519	44.23	1,125,604	42.58
31xx	Equity attributable to shareholders of the parent					
3100	Capital					
3110	Common stock	6(13)	982,009	35.36	982,009	37.14
3200	Capital surplus					
3300	Retained earnings	6(13)	192,899	6.95	192,899	7.30
3310	Legal reserve	6(13)				
3320	Special reserve		72,635	2.61	68,474	2.59
3350	Unappropriated earnings		41,956	1.51	41,956	1.59
	Total Retained earnings		194,572	7.01	228,749	8.65
3400	Other components of equity		309,163	11.13	339,179	12.83
3xxx	Total equity		64,565	2.33	4,088	0.15
			1,548,636	55.77	1,518,175	57.42
	Total liabilities and equity		\$2,777,155	100.00	\$2,643,779	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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14)	\$1,541,704	100.00	\$1,548,510	100.00
5000	Operating costs	6(4)	(1,215,999)	(78.87)	(1,209,517)	(78.11)
5900	Gross profit		325,705	21.13	338,993	21.89
6000	Operating expenses	6(17)				
6100	Sales and marketing		(85,908)	(5.57)	(84,075)	(5.43)
6200	General and administrative		(104,348)	(6.77)	(95,271)	(6.15)
6300	Research and development		(87,451)	(5.67)	(77,426)	(5.00)
6450	Expected credit gains (losses)	4, 6(15)	(12,886)	(0.84)	(597)	(0.04)
	Total operating expenses		(290,593)	(18.85)	(257,369)	(16.62)
6900	Operating income		35,112	2.28	81,624	5.27
7000	Non-operating incomes and expenses	4, 6(18)				
7010	Other incomes		18,188	1.18	12,132	0.78
7020	Other gains or losses		4,013	0.26	(14,754)	(0.95)
7050	Finance costs		(25,708)	(1.67)	(29,097)	(1.88)
	Total non-operating incomes and expenses		(3,507)	(0.23)	(31,719)	(2.05)
7900	Profit (loss) from continuing operations before tax		31,605	2.05	49,905	3.22
7950	Income tax expense	4, 6(20)	(12,521)	(0.81)	(13,583)	(0.87)
8200	Net income		19,084	1.24	36,322	2.35
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		(10,033)	(0.65)	6,988	0.45
8349	Income tax related to non-reclassified items				(396)	(0.03)
8360	Items that may be reclassified subsequently to profit or loss		1,326	0.08		
8361	Exchange differences on translation of foreign operations		86,481	5.61	(26,654)	(1.72)
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		(17,297)	(1.12)	5,331	0.34
	Total other comprehensive income, net of tax		60,477	3.92	(14,731)	(0.96)
8500	Total comprehensive income		\$79,561	5.16	\$21,591	1.39
9750	Earnings per share-basic (in NTD)	6(21)	\$0.19		\$0.37	
9850	Earnings per share-diluted (in NTD)		\$0.19		\$0.37	

(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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Equity Attributable to Shareholders of the Parent										
Code	Items	Common Stock	Capital Surplus	Retained Earnings			Unappropriated 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	
A1	Balance as of January 1, 2023	3111	3200	3310	3320	3350	3410	3420		3XXX
	Appropriation and distribution of 2022 earnings	\$982,009	\$192,899	\$65,032	\$41,956	\$237,713	\$(49,942)		\$74,053	\$1,543,720
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
B1	Appropriation and distribution of 2023 earnings									
B5	Legal reserve			4,161		(4,161)				-
	Cash dividends-common shares					(49,100)				(49,100)
D1	Net income for 2024					19,084				19,084
D3	Other comprehensive income (loss), for 2024						69,184		(8,707)	60,477
D5	Total comprehensive income (loss)					19,084	69,184		(8,707)	79,561
Z1	Balance as of December 31, 2024	\$982,009	\$192,899	\$72,635	\$41,956	\$194,572	\$(2,081)		\$66,646	\$1,548,636

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



English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$31,605	\$49,905	B00010	Acquisition of financial assets measured at fair value through OCI	(3,567)	-
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	(50,867)	(56,610)
A20100	Depreciation (including right-of-use assets)	67,154	63,170	B02800	Proceeds from disposal of property, plant and equipment	-	1,087
A20200	Amortization	1,649	1,627	B03800	Decrease (increase) in refundable deposits	(36)	14
A20300	Expected credit losses (gain on recovery)	12,886	597	BBBB	Net cash provided by (used in) investing activities	(54,470)	(42,439)
A20900	Interest expense	(25,708)	29,097				
A21200	Interest income	(2,753)	(3,315)	CCCC	Cash flows from financing activities:		
A21300	Dividend income	(389)	(885)	C00100	Increase in (repayment of) short-term loans	177,070	(215,258)
A22500	Loss on disposal of property, plant and equipment	506	323	C01600	Increase in long-term loans	-	100,000
A29900	Gain on government grants	(6,005)	(5,244)	C01700	Repayment of long-term loans	-	(100,000)
A29900	Gain on lease modification	-	(17)	C04020	Cash payments for the principal portion of the lease liabilities	(3,813)	(3,903)
A30000	Changes in operating assets and liabilities:			C04500	Cash dividends	(49,100)	(47,136)
A31130	Decrease (increase) in notes receivable	(52,834)	(38,113)	CCCC	Net cash provided by (used in) financing activities	124,157	(266,297)
A31150	Decrease (increase) in accounts receivable	47,276	(93,495)				
A31180	Decrease (increase) in other receivables	4,215	1,606				
A31200	Decrease (increase) in inventories	43,120	36,961				
A31220	Decrease (increase) in prepayments	(10,897)	(3,157)				
A31240	Decrease (increase) in other current assets	(129)	-				
A32125	Increase (decrease) in contract liabilities	36	(8)	DDDD	Effect of exchange rate changes on cash and cash equivalents	34,480	(8,694)
A32130	Increase (decrease) in notes payable	(22,732)	22,767	EEEE	Net increase (decrease) in cash and cash equivalents	153,633	(287,050)
A32150	Increase (decrease) in accounts payable	(27,814)	(4,003)	E00100	Cash and cash equivalents at beginning of period	448,996	736,046
A32180	Increase (decrease) in other payables	(15,810)	10,567	E00200	Cash and cash equivalents at end of period	\$602,629	\$448,996
A32230	Increase (decrease) in other current liabilities	(16)	(31)				
A33000	Cash generated from (used in) operations	43,360	68,352				
A33100	Interest received	2,753	3,315				
A33200	Dividend received	389	885				
A33300	Interest paid	25,859	(28,890)				
A33500	Income taxes paid	(22,895)	(13,282)				
AAAA	Net cash provided by (used in) operating activities	49,466	30,380				

(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, 2024 and 2023, 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, 2024 and 2023, 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, 2024.



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\$913,018 thousand as revenue for the year ended December 31, 2024. 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, 2024, the Company's gross accounts receivable and loss allowance amounted to NT\$384,301 thousand and NT\$(72) thousand, respectively. The net accounts receivable represented 16.38% 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 2024 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 26, 2025  
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, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets						
Code	Accounts	Notes	2024.12.31		2023.12.31	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$117,137	4.99	\$130,950	5.74
1150	Notes receivable, net	4, 6(3), 6(16)	516	0.02	613	0.03
1170	Accounts receivable, net	4, 6(4), 6(16)	58,797	2.51	66,912	2.93
1180	Accounts receivable – related parties, net	4, 6(4), 6(16), 7	324,916	13.85	288,338	12.64
1200	Other receivables		21,001	0.90	24,762	1.09
1210	Other receivables – related parties	7	78,569	3.35	80,868	3.55
130X	Inventories	4, 6(5)	7,641	0.32	6,894	0.30
1410	Prepayments		2,108	0.09	5,196	0.23
11XX	Total current assets		610,685	26.03	604,533	26.51
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(2)	10,625	0.45	10,463	0.46
1550	Investment accounted for under equity method	4, 6(6)	1,714,083	73.06	1,643,609	72.08
1600	Property, plant and equipment, net	4, 6(7)	1,554	0.07	1,165	0.05
1755	Right-of-use assets	4, 6(17)	1,438	0.06	2,877	0.12
1780	Intangible assets	4, 6(8)	33	-	133	0.01
1840	Deferred income tax assets	4, 6(21)	7,311	0.31	16,669	0.73
1900	Other non-current assets	6(9)	357	0.02	887	0.04
15XX	Total non-current assets		1,735,401	73.97	1,675,803	73.49
1XXX	Total Assets		\$2,346,086	100.00	\$2,280,336	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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity						
Code	Accounts	Notes	2024.12.31		2023.12.31	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$175,000	7.46	\$170,000	7.46
2131	Contract liability	4, 6(15)	36	-	-	-
2150	Notes payable		4,421	0.19	27,153	1.19
2170	Accounts payable		31,207	1.33	47,053	2.06
2180	Accounts payable – related parties	7	245,713	10.47	168,599	7.39
2200	Other payables		11,496	0.49	15,808	0.69
2280	Lease liabilities	4, 6(17)	1,464	0.06	1,438	0.06
2230	Current income tax liabilities	4, 6(21)	3,422	0.15	9,469	0.42
2300	Other current liabilities		271	0.01	287	0.01
2320	Current portion of long-term loans	6(11)	100,000	4.26	-	-
21XX	Total current liabilities		573,030	24.42	439,807	19.28
	Non-current liabilities					
2540	Long-term loans	6(11)	-	-	100,000	4.39
2570	Deferred income tax liabilities	4, 6(21)	205,785	8.77	198,713	8.71
2580	Lease liabilities	4, 6(17)	-	-	1,464	0.07
2600	Other non-current liabilities	4, 6(12)	18,635	0.80	22,177	0.97
25XX	Total non-current liabilities		224,420	9.57	322,354	14.14
2XXX	Total liabilities		797,450	33.99	762,161	33.42
3100	Capital					
3110	Common stock	6(14)	982,009	41.86	982,009	43.07
3200	Capital surplus	6(14)	192,899	8.22	192,899	8.46
3300	Retained earnings					
3310	Legal reserve	6(14)	72,635	3.10	68,474	3.00
3320	Special reserve		41,956	1.79	41,956	1.84
3350	Unappropriated earnings		194,572	8.29	228,749	10.03
	Total retained earnings		309,163	13.18	339,179	14.87
3400	Other components of equity		64,565	2.75	4,088	0.18
3XXX	Total equity		1,548,636	66.01	1,518,175	66.58
	Total liabilities and equity		\$2,346,086	100.00	\$2,280,336	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, 2024 and 2023

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

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(15), 7 6(5), 7	\$913,018	100.00	\$991,610	100.00
5000	Operating costs		(820,160)	(89.83)	(889,638)	(89.72)
5900	Gross profit		92,858	10.17	101,972	10.28
5910	Unrealized gross profit (loss) from sales	6(18)	3,478	0.38	4,024	0.41
	Gross profit from operations		96,336	10.55	105,996	10.69
6000	Operating expenses		(15,631)	(1.71)	(15,052)	(1.52)
6100	Sales and marketing	6(19)	(41,206)	(4.51)	(38,933)	(3.92)
6200	General and administrative		(17,670)	(1.94)	(18,440)	(1.86)
6300	Research and development		(74,507)	(8.16)	(72,425)	(7.30)
	Total operating expenses		21,829	2.39	33,571	3.39
6900	Operating income	4, 6(6)	2,626	0.29	3,053	0.31
7000	Non-operating income and expenses		15,244	1.67	(6,526)	(0.66)
7010	Other income		(6,562)	(0.72)	(5,741)	(0.58)
7020	Other gains and losses	4, 6(21)	(9,379)	(1.03)	20,856	2.10
7050	Finance costs		1,929	0.21	11,642	1.17
7070	Share of profit or loss of subsidiaries, associates and joint ventures		23,758	2.60	45,213	4.56
	Total non-operating income and expenses		(4,674)	(0.51)	(8,891)	(0.90)
7900	Profit (loss) from continuing operations before tax	6(20)	19,084	2.09	36,322	3.66
7950	Income tax expense					
8000	Profit (loss) from continuing operations					
8300	Other comprehensive income (loss)	6(22)				
8310	Items that not be reclassified subsequently to profit or loss					
8316	Unrealized gains (losses) from equity instrument investment at fair value through other comprehensive income					
8336	Unrealized gains (losses) from equity instrument investment measured at fair value through other comprehensive income		(3,405)	(0.37)	5,009	0.51
8349	Income tax related to non-reclassified items		(6,628)	(0.73)	1,979	0.20
8360	Items that may be reclassified subsequently to profit or loss		1,326	0.15	(396)	(0.04)
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		86,481	9.47	(26,654)	(2.69)
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		(17,297)	(1.89)	5,331	0.54
	Total other comprehensive income, net of tax		60,477	6.63	(14,731)	(1.48)
8500	Total comprehensive income		\$79,561	8.72	\$21,591	2.18
9750	Earnings per share (in NTD)					
9710	Earnings per share - basic		\$0.19		\$0.37	
	Profit from continuing operations					
9850	Earnings per share - diluted (in NTD)					
9810	Profit from continuing operations		\$0.19		\$0.37	

(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, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Retained Earnings				Other Components of Equity			Total Equity
		Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
A1	Balance as of January 1, 2023	3100	3200	3310	3320	3350	3410	3420	3XXX
	Appropriation and distribution of 2022 earnings	\$982,009	\$192,899	\$65,032	\$41,956	\$237,713	\$(49,942)	\$74,053	\$1,543,720
B1	Legal reserve								
B5	Cash dividends - common shares			3,442		(3,442)			(47,136)
D1	Net income for 2023					36,322			36,322
D3	Other comprehensive income (loss) for 2023								(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								
Z1	Balance as of December 31, 2023	982,009	192,899	68,474	41,956	228,749	(71,265)	(5,292)	1,518,175
B1	Appropriation and distribution of 2023 earnings								
B5	Legal reserve			4,161		(4,161)			(49,100)
	Cash dividends - common shares					(49,100)			
D1	Net income for 2024					19,084			19,084
D3	Other comprehensive income (loss) for 2024						69,184	(8,707)	60,477
D5	Total comprehensive income (loss)					19,084	69,184	(8,707)	79,561
Z1	Balance as of December 31, 2024	\$982,009	\$192,899	\$72,635	\$41,956	\$194,572	\$(2,081)	\$66,646	\$1,548,636

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

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

ASIA ELECTRONIC MATERIAL CO., LTD.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$23,758	\$45,213	B00010	Acquisition of financial assets measured at fair value through OCI	(3,567)	-
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	(1,007)	(593)
A20100	Depreciation (including right-of-use assets)	2,057	1,842	BBBB	Net cash provided by (used in) investing activities	(4,574)	12,477
A20200	Amortization	100	100				
A20900	Interest expense	6,562	5,741	CCCC	Cash flows from financing activities:		
A21200	Interest income	(1,710)	(1,611)	C00100	Increase in (repayment of) short-term loans	5,000	(4,000)
A21300	Dividend income	(389)	(885)	C01600	Increase in long-term loans	-	100,000
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	9,379	(20,856)	C01700	Repayment of long-term loans	-	(100,000)
A22500	Gain on disposal of property, plant and equipment	(64)	(76)	C04020	Cash payments for the principal portion of the lease liabilities	(1,476)	(1,498)
A24000	Realized (gains) losses from sales	(3,478)	(4,024)	C04500	Cash dividends	(49,100)	(47,136)
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	(45,576)	(52,634)
A31130	Decrease (increase) in notes receivable	97	902				
A31150	Decrease (increase) in accounts receivable	8,115	25,039	EEEE	Net Increase (decrease) in cash and cash equivalents	(13,813)	(125,232)
A31160	Decrease (increase) in accounts receivable – related parties	(36,378)	(49,207)	E00100	Cash and cash equivalents at beginning of period	130,950	256,182
A31180	Decrease (increase) in other receivables	3,761	2,683	E00200	Cash and cash equivalents at end of period	\$117,137	\$130,950
A31190	Decrease (increase) in other receivables – related parties	2,299	5,363				
A31200	Decrease (increase) in inventories	(747)	1,707				
A31220	Decrease (increase) in prepayments	3,088	(3,950)				
A32130	Increase (decrease) in notes payable	(22,732)	22,767				
A32125	Increase (decrease) in contract liabilities	36	(8)				
A32150	Increase (decrease) in accounts payable	(15,316)	(11,163)				
A32160	Increase (decrease) in accounts payable – related parties	77,114	(86,160)				
A32180	Increase (decrease) in other payables	(4,312)	1,373				
A32230	Increase (decrease) in other current liabilities	(16)	(31)				
A33000	Cash generated from (used in) operations	51,024	(65,241)				
A33100	Interest received	1,710	1,611				
A33200	Dividend received	389	885				
A33300	Interest paid	(6,524)	(5,679)				
A33500	Income tax paid	(10,262)	(16,651)				
AAAA	Net cash provided by (used in) operating activities	36,337	(85,075)				

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

## Table of Earning Distribution

For the year ended December 31, 2024

Unit: NT\$

Opening balance	175,487,577
Add: Net profit after tax for the year	19,084,284
Less: Appropriation of 10% statutory surplus reserve	(1,908,428)
Distributable earnings	192,663,433
Distribution item:	
Dividends to shareholders - 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	143,562,999

Chairman: Lee Chien-Hui    Manager: Lee Chien-Hui    Accountant Manager: Cheng Wan-Yu

Article	Amended provision	Initial provision	Reason for amendments
Article 32	<p>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.</p> <p><u>Employee remuneration under the preceding paragraph shall, based on the actual total allocated amount, allocate no less than 3% as remuneration for entry-level employees.</u></p> <p>The distribution targets of stocks or cash as remuneration of employees as stipulated in <u>Paragraph 1</u>, include employees of <u>controlled or</u> subordinate subsidiaries fulfilling certain conditions.</p> <p>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.</p>	<p>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.</p>	In accordance with the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act
Article 36	<p>The Articles were established on June 27, 2003 upon receiving the consent of all founders at the founders' meeting.</p> <p>The 1st amendment was made on July 18, 2003.</p> <p>The 2nd amendment was made on August 26, 2003...(omitted).</p> <p>The 16th amendment was made on May 17, 2022.</p> <p><u>The 17th amendment was made on May 22, 2025.</u></p>	<p>The Articles were established on June 27, 2003 upon receiving the consent of all founders at the founders' meeting.</p> <p>The 1st amendment was made on July 18, 2003.</p> <p>The 2nd amendment was made on August 26, 2003...(omitted)</p> <p>The 16th amendment was made on May 17, 2022.</p>	Added the date of modification