

**ELITE MATERIAL CO., LTD. AND  
SUBSIDIARIES**

**Consolidated Financial Statements with  
CPA's Review Report**

**First Quarter of 2024 and 2023**

**Address: No.18, Datong 1st Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.)  
Tel: (03)483-7937**

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## **CPA's Review Report**

To the Board of Directors of Elite Material Co., Ltd.:

### **Foreword**

The consolidated balance sheet of Elite Material Co., Ltd. and its subsidiaries on March 31, 2024 and 2023 and the consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows, and consolidated financial statements notes (including the summary of major accounting policies) from January 1 to March 31 in 2024 and 2023 are reviewed by the CPA. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and FSC recognized and published IAS 34 "Interim Financial Reporting", it is the management's responsibility to prepare a fair representation of the consolidated financial statements, and the CPA's responsibility to draw a conclusion on the consolidated financial statements based on the review results.

### **Scope of the report**

The CPA has reviewed in accordance with the TWSRE2410. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review is significantly smaller than that of the audit work, so the CPA may not be able to detect all the matters that can be identified through the audit work, and therefore cannot express an audit opinion.

### **Conclusion**

According to the review results of the CPA, it was not found that the consolidated financial statements of Elite Material Co., Ltd. did not comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and FSC recognized and published IAS 34 "Interim Financial Reporting", which cannot properly express the consolidated financial position of Elite Material Co., Ltd. and its subsidiaries on March 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flow from January 1 to March 31 in 2024 and 2023.

KPMG

CPA:

Securities Competent      Chin-Kuan-Cheng-Shen-Tzu No. 1000011652  
Authority Approval      :    Chin-Kuan-Cheng-Shen-Tzu No. 1080303300  
Certified Number

April 30, 2024

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**ELITE MATERIAL CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**March 31, 2024, December 31, 2023, and March 31, 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

		<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>				<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Assets:</b>															
1100	Cash and cash equivalents (Note 6 (1))	\$ 12,625,447	22	9,258,881	17	14,413,600	31	2100	Short-term borrowings (Note 6 (8))	\$ 8,743,565	15	6,556,651	12	7,545,577	16
1150	Notes receivable, net (Note 6 (2))	196,349	-	130,344	-	137,983	-	2170	Accounts payable (Note 7)	10,647,933	18	10,488,612	20	5,986,383	13
1170	Accounts receivable, net (Notes 6 (2) and 7)	17,766,549	30	17,196,218	32	9,676,381	21	2200	Other payables (Note 7)	7,499,205	13	4,002,881	8	6,167,326	13
1200	Other receivables (Notes 6 (3))	415,433	1	404,467	1	602,497	1	2230	Current income tax liabilities	588,633	1	484,781	1	518,964	1
1310	Inventories (Note 6 (4))	6,667,744	11	6,134,702	12	3,727,856	8	2280	Current lease liabilities (Note 6 (11))	23,507	-	13,068	-	12,599	-
1479	Other current assets - others	<u>682,404</u>	<u>1</u>	<u>550,301</u>	<u>1</u>	<u>451,250</u>	<u>2</u>	2322	Long-term borrowings due within one year or one						
	<b>Total current assets</b>	<u>38,353,926</u>	<u>65</u>	<u>33,674,913</u>	<u>63</u>	<u>29,009,567</u>	<u>63</u>		business cycle (Note 6 (9))	2,115,142	3	1,309,368	2	646,353	2
<b>Non-current assets:</b>								2399	Other current liabilities - others	<u>211,749</u>	<u>-</u>	<u>217,718</u>	<u>-</u>	<u>71,819</u>	<u>-</u>
1510	Financial assets at fair value through profit or loss - non-current (Note 6 (10))	4,970	-	5,504	-	-	-		<b>Total current liabilities</b>	<u>29,829,734</u>	<u>50</u>	<u>23,073,079</u>	<u>43</u>	<u>20,949,021</u>	<u>45</u>
1600	Property, plant and equipment (Note 6 (6))	17,837,710	30	16,654,509	31	15,189,371	33	2500	<b>Non-current liabilities:</b>						
1755	Right-of-use assets (Note 6 (7))	1,553,740	3	1,509,821	3	601,171	1		Financial liabilities at fair value through profit or loss - non-current (Note 6 (10))	-	-	-	-	17,326	-
1780	Total intangible assets	788,337	1	712,271	1	730,862	2	2530	Bonds payable (Note 6 (10))	676,391	1	930,543	2	3,311,326	7
1840	Deferred income tax assets	201,801	-	297,588	1	203,429	-	2540	Long-term borrowings (Note 6 (9))	1,204,530	2	1,178,524	2	856,498	2
1900	Other non-current assets	424,480	1	462,207	1	387,846	1	2570	Deferred income tax liabilities	797,078	1	664,782	1	554,100	1
1920	Refundable deposits paid (Note 8)	70,932	-	68,612	-	69,715	-	2580	Non-current lease liabilities (Note 6 (11))	317,908	1	297,614	1	304,971	1
1975	Net defined benefit asset - non-current	<u>41,202</u>	<u>-</u>	<u>41,202</u>	<u>-</u>	<u>42,842</u>	<u>-</u>	2600	Other non-current liabilities (Note 6 (12))	<u>486,839</u>	<u>1</u>	<u>472,594</u>	<u>1</u>	<u>442,788</u>	<u>1</u>
	<b>Total non-current assets</b>	<u>20,923,172</u>	<u>35</u>	<u>19,751,714</u>	<u>37</u>	<u>17,225,236</u>	<u>37</u>		<b>Total non-current liabilities</b>	<u>3,482,746</u>	<u>6</u>	<u>3,544,057</u>	<u>7</u>	<u>5,487,009</u>	<u>12</u>
									<b>Total liabilities</b>	<u>33,312,480</u>	<u>56</u>	<u>26,617,136</u>	<u>50</u>	<u>26,436,030</u>	<u>57</u>
									<b>Equity attributable to owners of the parent company (Note 6 (15)):</b>						
								3100	Share capital	3,442,781	6	3,431,793	6	3,329,183	7
								3200	Capital surplus	4,605,618	8	4,361,746	8	2,076,279	5
									Retained earnings:						
								3310	Legal reserve	3,462,000	6	3,462,000	6	2,953,134	6
								3320	Special reserve	549,290	1	549,290	1	903,909	2
								3350	Unappropriated retained earnings	14,375,067	24	15,863,815	30	11,011,239	24
								3400	Other equity interest	<u>(463,289)</u>	<u>(1)</u>	<u>(859,153)</u>	<u>(1)</u>	<u>(474,971)</u>	<u>(1)</u>
									<b>Total equity attributable to owners of the parent company</b>	<u>25,971,467</u>	<u>44</u>	<u>26,809,491</u>	<u>50</u>	<u>19,798,773</u>	<u>43</u>
								36XX	<b>Non-controlling interests</b>	<u>(6,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
									<b>Total equity</b>	<u>25,964,618</u>	<u>44</u>	<u>26,809,491</u>	<u>50</u>	<u>19,798,773</u>	<u>43</u>
<b>Total assets</b>		<u><u>\$ 59,277,098</u></u>	<u><u>100</u></u>	<u><u>53,426,627</u></u>	<u><u>100</u></u>	<u><u>46,234,803</u></u>	<u><u>100</u></u>		<b>Total liabilities and equity</b>	<u><u>\$ 59,277,098</u></u>	<u><u>100</u></u>	<u><u>53,426,627</u></u>	<u><u>100</u></u>	<u><u>46,234,803</u></u>	<u><u>100</u></u>

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

**Chairman: Ding-Yu Dong**

**Managerial Officer: Ding-Yu Dong**

**Accounting Manager: Meng-Yu Lin**

**ELITE MATERIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**From January 1 to March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

		January 2024 to March 2024		January 2023 to March 2023	
		Amount	%	Amount	%
4000	<b>Operating revenue (Note 6 (17))</b>	\$ 12,902,460	100	7,359,127	100
5000	<b>Operating costs (Notes 6 (4) and 7)</b>	(9,164,316)	(71)	(5,787,085)	(79)
	<b>Gross profit from operations</b>	<u>3,738,144</u>	<u>29</u>	<u>1,572,042</u>	<u>21</u>
	<b>Operating expenses:</b>				
6100	Total selling expenses (Note 7)	(368,341)	(3)	(247,090)	(3)
6200	Total administrative expenses	(488,379)	(4)	(299,137)	(4)
6300	Total research and development expenses	(344,029)	(2)	(256,348)	(3)
6450	Expected credit impairment losses (Note 6 (2))	(1,642)	-	(313)	-
	<b>Total operating expenses</b>	<u>(1,202,391)</u>	<u>(9)</u>	<u>(802,888)</u>	<u>(10)</u>
	<b>Net operating income</b>	<u>2,535,753</u>	<u>20</u>	<u>769,154</u>	<u>11</u>
	<b>Non-operating income and expenses (Note 6 (19)):</b>				
7100	Total interest income	26,746	-	21,440	-
7020	Other gains and losses	152,294	1	10,034	-
7050	Finance costs	(101,222)	(1)	(71,589)	(1)
	<b>Total non-operating income and expenses</b>	<u>77,818</u>	<u>-</u>	<u>(40,115)</u>	<u>(1)</u>
7900	<b>Profit from continuing operations before tax</b>	<u>2,613,571</u>	<u>20</u>	<u>729,039</u>	<u>10</u>
7950	<b>Income tax expenses (Note 6 (14))</b>	<u>(636,526)</u>	<u>(5)</u>	<u>(249,343)</u>	<u>(3)</u>
8200	<b>Profit</b>	<u>1,977,045</u>	<u>15</u>	<u>479,696</u>	<u>7</u>
	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	22,173	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>22,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	466,664	4	92,899	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(93,423)	(1)	(18,580)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>373,241</u>	<u>3</u>	<u>74,319</u>	<u>1</u>
	<b>Current period other comprehensive income (post-tax profit or loss)</b>	<u>395,414</u>	<u>3</u>	<u>74,319</u>	<u>1</u>
8500	<b>Total comprehensive income in current period</b>	<u><u>\$ 2,372,459</u></u>	<u><u>18</u></u>	<u><u>554,015</u></u>	<u><u>8</u></u>
	<b>Income attributable to:</b>				
8610	Owners of the parent company	\$ 1,978,282	15	479,696	7
8620	Non-controlling interests	(1,237)	-	-	-
		<u><u>\$ 1,977,045</u></u>	<u><u>15</u></u>	<u><u>479,696</u></u>	<u><u>7</u></u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of the parent company	\$ 2,374,146	18	554,015	8
8720	Non-controlling interests	(1,687)	-	-	-
		<u><u>\$ 2,372,459</u></u>	<u><u>18</u></u>	<u><u>554,015</u></u>	<u><u>8</u></u>
	<b>Earnings per share (NTD) (Note 6 (16))</b>				
9750	<b>Basic earnings per share (NTD)</b>	<u><u>\$ 5.76</u></u>		<u><u>1.44</u></u>	
9850	<b>Diluted earnings per share (NTD)</b>	<u><u>\$ 5.69</u></u>		<u><u>1.39</u></u>	

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

Chairman: Ding-Yu Dong

Managerial Officer: Ding-Yu Dong

Accounting Manager: Meng-Yu Lin

**ELITE MATERIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**From January 1 to March 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
						Total other equity interest				
								Equity instrument		
	Share capital	Retained earnings				Exchange differences on translation of foreign financial statements	investment losses measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
<b>Balance as of January 1, 2023</b>	\$ 3,329,183	2,076,279	2,953,134	903,909	13,361,349	(511,344)	(37,946)	22,074,564	-	22,074,564
Profit	-	-	-	-	479,696	-	-	479,696	-	479,696
Other comprehensive income in the current period	-	-	-	-	-	74,319	-	74,319	-	74,319
Total comprehensive income in current period	-	-	-	-	479,696	74,319	-	554,015	-	554,015
Appropriation and distribution of retained earnings:										
Cash dividends	-	-	-	-	(2,829,806)	-	-	(2,829,806)	-	(2,829,806)
<b>Balance as of March 31, 2023</b>	<b>\$ 3,329,183</b>	<b>2,076,279</b>	<b>2,953,134</b>	<b>903,909</b>	<b>11,011,239</b>	<b>(437,025)</b>	<b>(37,946)</b>	<b>19,798,773</b>	<b>-</b>	<b>19,798,773</b>
<b>Balance as of January 1, 2024</b>	\$ 3,431,793	4,361,746	3,462,000	549,290	15,863,815	(821,207)	(37,946)	26,809,491	-	26,809,491
Profit	-	-	-	-	1,978,282	-	-	1,978,282	(1,237)	1,977,045
Other comprehensive income in the current period	-	-	-	-	-	373,691	22,173	395,864	(450)	395,414
Total comprehensive income in current period	-	-	-	-	1,978,282	373,691	22,173	2,374,146	(1,687)	2,372,459
Appropriation and distribution of retained earnings:										
Cash dividends	-	-	-	-	(3,439,332)	-	-	(3,439,332)	-	(3,439,332)
Convertible Corporate Bond Conversion	10,988	243,872	-	-	-	-	-	254,860	-	254,860
Difference between the price and the book value of acquisition or disposal of subsidiary's equity	-	-	-	-	(27,698)	-	-	(27,698)	4,946	(22,752)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(10,108)	(10,108)
<b>Balance as of March 31, 2024</b>	<b>\$ 3,442,781</b>	<b>4,605,618</b>	<b>3,462,000</b>	<b>549,290</b>	<b>14,375,067</b>	<b>(447,516)</b>	<b>(15,773)</b>	<b>25,971,467</b>	<b>(6,849)</b>	<b>25,964,618</b>

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

Chairman: Ding-Yu Dong

Managerial Officer: Ding-Yu Dong

Accounting Manager: Meng-Yu Lin

**ELITE MATERIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**From January 1 to March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	January 2024 to March 2024	January 2023 to March 2023
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 2,613,571	729,039
Adjustments:		
Adjustments to reconcile:		
Depreciation expense	389,807	263,916
Amortization expense	13,145	11,413
Expected credit impairment loss	1,642	313
Net gains on financial assets or liabilities at fair value through profit or loss	(1,097)	(6,238)
Interest expenses	98,883	62,403
Total interest income	(26,746)	(21,440)
Loss on disposal of property, plant and equipment	1,728	1,624
Gain on disposal of investment	(18,836)	-
Bond discounted amortized interest expense	2,339	9,186
Total adjustments to reconcile	460,865	321,177
Changes in operating assets and liabilities:		
Changes in operating assets:		
Note receivable	(64,025)	75,132
Accounts receivable	(182,989)	1,842,037
Other receivables	(32,891)	(1,677)
Inventory	(416,434)	249,573
Other current assets	(122,281)	(80,342)
Other non-current assets	38,606	60,022
Total changes in operating assets	(780,014)	2,144,745
Changes in operating liabilities:		
Accounts payable	(102,171)	(556,261)
Other payables	56,175	31,213
Other current liabilities	(493)	(29,779)
Other non-current liabilities	(5,313)	(34,378)
Total changes in operating liabilities	(51,802)	(589,205)
Total changes in operating assets and liabilities	(831,816)	1,555,540
Total adjustments	(370,951)	1,876,717
Cash inflow generated from operations	2,242,620	2,605,756
Interest received	50,705	19,402
Interest paid	(96,238)	(60,734)
Income taxes paid	(399,879)	(473,242)
<b>Net cash flows from operating activities</b>	<b>1,797,208</b>	<b>2,091,182</b>
<b>Cash flows from (used in) investing activities:</b>		
Net cash flow from acquisition of subsidiaries	10,383	-
Acquisition of property, plant and equipment	(1,348,511)	(964,093)
Proceed from disposal of property, plant and equipment	506	30
Acquisition of intangible assets	(7,488)	(2,659)
Refundable deposits paid	(612)	(1)
<b>Net cash flows used in investing activities</b>	<b>(1,345,722)</b>	<b>(966,723)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	1,957,128	2,305,951
Long-term loan	1,534,890	514,688
Repay long-term loan	(746,789)	(24,369)
Guarantee deposits and margins received	3,108	(481)
Payment of lease liabilities	(5,584)	(3,254)
<b>Net cash flows from financing activities</b>	<b>2,742,753</b>	<b>2,792,535</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>172,327</b>	<b>52,988</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,366,566</b>	<b>3,969,982</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>9,258,881</b>	<b>10,443,618</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 12,625,447</b>	<b>14,413,600</b>

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

Chairman: Ding-Yu Dong

Managerial Officer: Ding-Yu Dong

Accounting Manager: Meng-Yu Lin



**ELITE MATERIAL CO., LTD. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**First Quarter of 2024 and 2023**  
(Unless otherwise stated, all amounts are in thousands of NTD)

**I. Company history**

Elite Material Co., Ltd. (hereinafter referred to as “The Company”) was established on March 24, 1992, with the MOEA approval to manufacture and sale of copper foil substrates, special chemicals for the electronic industry and raw materials for electronic components, semi-finished products, and finished products where the main source of operating income is the manufacture and sale of printed circuit substrates and adhesive sheets.

On October 3, 1996, the Company was approved to be listed on the OTC stock trading, and the stock was officially listed for trading on December 26 of the same year; The Company was approved on October 22, 1998 and officially listed on TSWE on November 27 of the same year. The registration address is at No.18, Datong 1st Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.)

**II. Dates and procedures for the financial statement approval**

The financial statements were approved by the Company’s Board of Directors on April 30, 2024.

**III. Application of new and revised standards, amendments, and interpretations**

- (I) Impact of new and revised standards, amendments, and interpretations endorsed by the FSC

The application of the amendments to the IASs from January 1, 2024, did not have any material impact on the Company’s financial statement.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 - Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”

- (II) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

The standards and interpretations that have been issued and revised by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC and may be relevant to the Consolidated Company are as follows:

New or amended standards	Major amendment details	Effective date announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard brings three categories of income and expenses, two income statement subtotals and one single note on management performance measures. (MPMs). The three amendments, combined with enhanced disaggregation guidance, set the stage for better and more consistent information for users and will affect all companies.</p> <ul style="list-style-type: none"> <li>• More structured income statements: Under the existing standard, companies use different formats to present their operating results, making it difficult for investors to compare different companies’ financial performance. The new standard adopts a more structured income statement, a new definition of operating profit subtotal, and a requirement that all income and expenses should be classified into three new different categories based on a company's main operating activities.</li> <li>• MPMs: The new standard adopts a definition of management-defined performance measures and a requirement that companies should explain, in a single note to the financial statements, why each measure provides useful information, how it is calculated and how it is reconciled to amounts recognized in accordance with the IFRS Accounting Standards.</li> <li>• More disaggregated information: The new standard includes guidance on how companies can enhance the disaggregation of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further disaggregated in the notes.</li> </ul>	January 1, 2027

The Consolidated Company is evaluating the impact of the above standards and

interpretations on its financial position and operating performance and will disclose relevant impacts when completing the evaluation.

The consolidated company does not anticipate that the following newly issued and amended standards, which have not yet been endorse, will have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 17 and IFRS 17 - Insurance Contracts
- Amendments to IAS 21 - Lack of Exchangeability

#### IV. Summary of significant accounting policies

##### (I) Statement of compliance

This consolidated financial statements has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”) and the IAS 34 “Interim Financial Reporting” endorsed and issued by the FSC. This consolidated financial statements does not include all necessary information to be disclosed in the entire annual consolidated financial statement prepared in accordance with the IFRS, IAS, Interpretations endorsed and issued by the FSC (hereinafter referred to as the “IFRS Accounting Standards endorsed by the FSC”).

Except as stated below, the significant accounting policies adopted in this consolidated financial statements are the same as those in the 2023 consolidated financial statements. For relevant information, please refer to Note 4 to the 2023 consolidated financial statements.

##### (II) Consolidation basis

###### 1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in this consolidated financial statements include:

Investment company	Subsidiary	Nature of business	Shareholding percentage			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	EMC OVERSEAS HOLDING INCORPORATED	Investment	100.00%	100.00%	100.00%	
The Company	Grand Wuhan Incorporated	Investment	100.00%	100.00%	100.00%	
The Company	EMC INTERNATIONAL HOLDING INCORPORATED	Investment	100.00%	100.00%	100.00%	
EMC OVERSEAS HOLDING INCORPORATED	Grand Zhuhai Incorporated	Investment	100.00%	100.00%	100.00%	
Grand Zhuhai Incorporated	Grand Shanghai Incorporated	Investment	100.00%	100.00%	100.00%	
Grand Zhuhai Incorporated	Grand Zhongshan Incorporated	Investment	100.00%	100.00%	100.00%	

Investment company	Subsidiary	Nature of business	Shareholding percentage			Description
			March 31,	December 31,	March 31,	
			2024	2023	2023	
Grand Shanghai Incorporated	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	60.74%	60.74% (Note 1) (Note 2)	100.00%	
Grand Zhongshan Incorporated	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	- %	- % (Note 1) (Note 2)	100.00%	
Grand Zhongshan Incorporated	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	39.26%	39.26% (Note 1) (Note 2)	- %	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	100.00%	100.00% (Note 1) (Note 2)	- %	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	100.00%	100.00% (Note 3)	- %	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	ELITE MATERIAL (PENANG) SDN. BHD.	Manufacturing of Prepreg and Copper Clad Laminate for PCB	100.00%	100.00%	- %	
Grand Wuhan Incorporated	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	- %	- % (Note 3)	100.00%	
EMC INTERNATIONAL HOLDING INCORPORATED	EMC SPECIAL APPLICATION INCORPORATED	Investment	100.00%	100.00%	100.00%	
EMC INTERNATIONAL HOLDING INCORPORATED	EMC USA HOLDING INCORPORATED	Investment	100.00%	100.00%	100.00%	
EMC SPECIAL APPLICATION INCORPORATED	EMD SPECIALTY MATERIALS, LLC	Manufacturing of Prepreg and Copper Clad Laminate for PCB	100.00%	100.00%	100.00%	
EMC USA HOLDING INCORPORATED	TECHINA USA	General import and export services	59.35% (Note 4)	30.00%	30.00%	
EMD SPECIALTY MATERIALS, LLC	TECHINA USA	General import and export services	17.42% (Note 4)	- %	- %	

Note 1: Grand Zhongshan Incorporated was approved by the Investment Commission, Ministry of Economic Affairs, on March 1, 2023 and began to be receive dividends from Elite Electronic Material (Zhongshan) Co., Ltd., an investee in mainland China, in the second quarter of 2023,

totaling RMB 915,000 thousand (USD 127,248 thousand) as share capital, of which RMB 178,661 thousand (USD 24,846 thousand was adopted as paid-in share capital and RMB 736,339 thousand (USD 102,402 thousand) as capital reserve), and used this fund to increase the capital of Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China).

Note 2: Grand Zhongshan Incorporated was approved by the Investment Commission, Ministry of Economic Affairs, on March 1, 2023, and, in the second quarter of 2023, adopted the 100% equity of Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China, an investee in mainland China, as paid-in capital, totaling RMB 115,051 thousand (USD 16,000 thousand), included another amount of RMB 615,375 thousand (USD 90,290 thousand) in the capital surplus and transferred it to Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China), as well as acquired 39.26% equity of Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China).

Note 3: Grand Wuhan Incorporated was approved by the Investment Commission, Ministry of Economic Affairs, on March 1, 2023 and began to sell 100% equity of Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China), an investee in mainland China, in the second quarter of 2023 and transferred it to Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China at a price of RMB 162,599 thousand (USD 23,088 thousand).

Note 4: EMD SPECIALTY MATERIALS, LLC invested USD 600 thousand in 30% of the equity of TECHINA USA on January 1, 2024, raising the Consolidated Company's stake in TECHINA USA to 60%. In March of the same year, EMC USA HOLDING INCORPORATED converted preferred stock, changing the equity of EMC USA HOLDING INCORPORATED to 59.35% and the equity of EMD SPECIALTY MATERIALS, LLC to 17.42%.

2. Subsidiaries not included in the consolidated financial statement: None.

(III) Business combination

The Consolidated Company first obtained control over another company through acquisition in the first quarter of 2024, so the accounting policies related to business combinations began to apply on January 1, 2024.

The Consolidated Company accounts for business combinations using the acquisition method. Goodwill is measured as the consideration on the acquisition day (including any non-controlling interest in the acquiree) less the net value of the identifiable assets acquired and liabilities assumed (usually measured at the fair value). If the deduction yields a negative balance, the Consolidated Company reassesses whether the assets

acquired and liabilities assumed are correctly identified before recognizing the gain on a bargain purchase in profit or loss.

All transaction costs related to business combinations are expensed by the Group immediately as incurred, except for the issuance of debt or equity instruments.

If the acquiree's non-controlling interests are present ownership interests and the holders are entitled to a proportionate share of the acquiree's net assets in the event of liquidation, the Consolidated Company, on a transaction-by-transaction basis, chooses to measure it at the acquisition-date fair value or at the proportionate share of the present ownership interests in the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at acquisition-date fair value or on other bases stipulated in the IFRS Accounting Standards endorsed by the FSC.

In a business combination achieved in stages, the Consolidated Company remeasures its previously held equity in the acquiree at acquisition-date fair value, and any gains or losses resulting therefrom are recognized in profit or loss. Changes in the value of the acquiree's equity that have been recognized in other comprehensive income before the acquisition date should be treated in the same manner as if the Consolidated Company had directly disposed of its previously held equity. If the equity is disposed of, it is advised to reclassify it to profit or loss, then the amount is reclassified to profit or loss.

(IV) Income tax

The Consolidated Company measures and discloses the income tax expense for the interim period in accordance with IAS 34 Appendix B12, "Interim Financial Reporting".

Income tax expense is measured by multiplying the net profit before tax for the interim reporting period by management's best estimate of the estimated average effective tax rate for the full year and is fully recognized as current income tax expense.

Where income tax expense is recognized directly in equity or other comprehensive profit and loss items, it is measured at the tax rate that is expected to be applicable when realized or settled on temporary differences between the carrying amounts of related assets and liabilities for financial reporting purposes and their tax basis.

(V) Employee benefits

The defined benefit plan pension during the interim period is calculated based on the determined pension cost rate on the reporting date of the previous year, from the beginning of the year to the end of the current period where adjustments are made for significant market fluctuations after the closing date, as well as significant reductions, liquidations, or other significant one-off events.

**V. Major sources of uncertainty in significant accounting judgments, estimations, and assumptions**

When the management prepares this consolidated financial statements in accordance with the preparation standards and the IAS 34 “Interim Financial Reporting” approved by the FSC, it must make judgments, estimations, and assumptions, which will affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from estimations.

During the preparation of the consolidated financial statement, the significant judgments made by the management in adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with Note 5 to the 2023 Consolidated Financial Statement.

## **VI. Description of significant accounting items**

Except for the following, there is no significant difference between the description of significant accounting items in this consolidated financial statement and the 2023 Consolidated Financial Statement. For relevant information, please refer to Note 6 to the 2023 Consolidated Financial Statement.

### **(I) Cash and cash equivalents**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash	\$ 631	577	573
Demand deposits	9,588,031	6,643,754	11,503,857
Time deposits	1,020,365	982,152	1,372,076
Cash equivalents	<u>2,016,420</u>	<u>1,632,398</u>	<u>1,537,094</u>
Cash and cash equivalents shown in the consolidated statement of cash flows	<u><b>\$ 12,625,447</b></u>	<u><b>9,258,881</b></u>	<u><b>14,413,600</b></u>

### **(II) Note receivable and accounts receivable**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes receivable - resulting from operating activities	\$ 196,759	130,753	138,392
Accounts receivable - measured at amortized cost	17,776,959	17,201,164	9,681,303
Less: loss allowances	<u>(10,820)</u>	<u>(5,355)</u>	<u>(5,331)</u>
	<u><b>\$ 17,962,898</b></u>	<u><b>17,326,562</b></u>	<u><b>9,814,364</b></u>

The consolidated company used the simplified approach to estimate expected credit losses on March 31, 2024 and 2023 for all note and accounts receivables which is measured using lifetime expected credit losses. For this measurement, these notes and accounts receivable are grouped by a common credit risk characteristic that represents

the customer's ability to pay all amounts due in accordance with the terms of the contract with the forward-looking information included. The expected credit loss analysis of the consolidated company's note receivable and accounts receivable is as follows:

	<b>March 31, 2024</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted average expected credit loss</b>	<b>Allowance for lifetime expected credit losses</b>
Not past due	\$ 17,715,375	0.06%	10,404
Less than 30 days past due	166,924	0.22%	373
31~120 days past due	91,419	0.05%	43
	<b><u>\$ 17,973,718</u></b>		<b><u>10,820</u></b>

	<b>December 31, 2023</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted average expected credit loss</b>	<b>Allowance for lifetime expected credit losses</b>
Not past due	\$ 17,017,327	0.03%	5,300
Less than 30 days past due	248,731	0.01%	23
31~120 days past due	65,859	0.05%	32
	<b><u>\$ 17,331,917</u></b>		<b><u>5,355</u></b>

	<b>March 31, 2023</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted average expected credit loss</b>	<b>Allowance for lifetime expected credit losses</b>
Not past due	\$ 9,649,319	0.05%	4,471
Less than 30 days past due	145,445	0.04%	60
31~120 days past due	18,569	0.88%	164
More than 121 days past due	6,362	10.00%	636
	<b><u>\$ 9,819,695</u></b>		<b><u>5,331</u></b>

Changes in lose allowance for note receivable and accounts receivable of the consolidated company is as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Opening Balance	\$ 5,355	5,040
Impairment loss recognized	1,642	313
Acquired through business combination	3,522	-



Foreign currency exchange gains and losses	301	(22)
Ending balance	<u><b>\$ 10,820</b></u>	<u><b>5,331</b></u>

(III) Other receivables

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Claims receivable	\$ 349,959	349,959	537,959
Other receivables	66,642	55,676	64,538
Less: loss allowances	(1,168)	(1,168)	-
	<u><b>\$ 415,433</b></u>	<u><b>404,467</b></u>	<u><b>602,497</b></u>

A fire accident occurred on January 15, 2023, please refer to Note 6 (19) and Note 10 for details.

(IV) Inventory

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Raw material	\$ 4,239,613	3,861,963	2,358,544
Goods-in-process	471,863	388,873	241,266
Finished goods	1,935,282	1,883,866	1,128,046
Merchandise	20,986	-	-
	<u><b>\$ 6,667,744</b></u>	<u><b>6,134,702</b></u>	<u><b>3,727,856</b></u>

The breakdown of operating costs of the Consolidated Company is as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Cost of goods sold	\$ 9,241,488	5,841,110
Gains on price recovery of inventory valuation loss and obsolescence	(4,828)	(5,863)
Revenue from sale of scraps	(72,344)	(48,162)
Total	<u><b>\$ 9,164,316</b></u>	<u><b>5,787,085</b></u>

The gains on price recovery of inventory valuation loss and obsolescence are due to the unrecognized scrapped or disposed inventories, of which the previous net realizable value is lower than the cost. As a result, the net realizable value of inventories is increased, and a deduction of operating costs is recognized.

As of March 31, 2024, December 31, 2023, and March 31, 2023, the consolidated company's inventory had not been provided as a pledge.

On January 15, 2023, the Company's inventory of NT\$271,522 thousand was derecognized due to a fire accident, which was listed under the non-operating income and expenses - other gains and losses. For relevant descriptions, please refer to Note 6 (19) and Note 10.

(V) Business combination

On January 1, 2024, the Consolidated Company acquired 30% of TECHINA USA's shares through EMD SPECIALTY MATERIALS, LLC and gained control over the former. The Consolidated Company's stake in TECHINA USA increased from 30% to 60%. TECHINA USA mainly engages in general import and export services.

From the date of acquisition to March 31, 2024, the income and net loss contributed by TECHINA USA were NT\$65,202 thousand and NT\$3,092 thousand, respectively. When determining these amounts, management assumed that the acquisition occurred on January 1, 2024 and that the provisional fair value adjustments on the acquisition date were the same.

The main categories of transfer consideration, assets acquired, and liabilities assumed on the acquisition date and the amount of goodwill recognized are as follows:

1. Identifiable assets acquired and liabilities assumed

The details of the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date are as follows:

Cash and cash equivalents	\$	28,806
Notes receivable and accounts receivable, net		113,217
Inventory		19,310
Other current assets		9,501
Property, plant and equipment		5,694
Right-of-use assets		540
Other non-current assets		426
Short-term borrowings		(87,730)
Note payable and accounts payable		(102,448)
Other payables		(4,263)
Current income tax liabilities		(299)
Lease liabilities		(553)
Other non-current liabilities		(7,470)
Fair value of identifiable net assets	\$	<u>(25,269)</u>

The Consolidated Company will continue to review the above matters during the measurement period. If new information is obtained within one year from the acquisition date regarding facts and circumstances existing on the acquisition date, which can identify any adjustments to the above provisional amounts or any additional provisions existing on the acquisition date, the accounting treatment for the acquisition will be modified.

2. Goodwill

The goodwill recognized due to the acquisition is as follows:

Transfer consideration	\$	18,423
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Add: Non-controlling interests (measured at the proportion of identifiable net assets to non-controlling interests)	(10,108)
Add: Fair value of the acquiree's original equity	18,423
Less: Fair value of identifiable net assets	<u>25,269</u>
Goodwill	<u><b>\$ 52,007</b></u>

The Consolidated Company recognized a gain of NT\$18,836 thousand due to the remeasurement of the fair value of the 30% equity in Techina USA held by the Consolidated Company before the acquisition date. The gain was recognized in "Gain on disposal of investment" in the consolidated statements of comprehensive income for the three months ended March 31, 2024.

(VI) Property, plant and equipment

The details of the changes in property, plant, and equipment of the Consolidated Company during the three months ended March 31, 2024 and 2023 are as follows:

		Land	Property and building	Equipment	Other	Unfinished works and equipment to be inspected	Total
Cost or deemed cost:							
Balance as of January 1, 2024	\$	2,537,243	6,235,156	11,599,363	3,507,572	1,472,153	25,351,487
Acquired through business combination		-	-	2,957	25,126	-	28,083
Addition (including interest capitalization)		-	-	-	-	1,310,209	1,310,209
Disposal		-	(350)	(57,636)	(12,148)	-	(70,134)
Reclassification		-	473,924	780,114	137,548	(1,391,586)	-
Impact from change in exchange rate		-	105,633	182,549	56,384	17,208	361,774
Balance as of March 31, 2024	<b>\$</b>	<b>2,537,243</b>	<b>6,814,363</b>	<b>12,507,347</b>	<b>3,714,482</b>	<b>1,407,984</b>	<b>26,981,419</b>
Balance as of January 1, 2023	\$	2,537,243	4,107,905	9,791,703	2,961,423	3,520,330	22,918,604
Addition (including interest capitalization)		-	-	-	-	962,916	962,916
Disposal		-	(143,564)	(521,457)	(56,296)	(105,813)	(827,130)
Reclassification		-	557,375	124,005	187,849	(869,229)	-
Impact from change in exchange rate		-	18,389	36,035	10,777	15,641	80,842
Balance as of March 31, 2023	<b>\$</b>	<b>2,537,243</b>	<b>4,540,105</b>	<b>9,430,286</b>	<b>3,103,753</b>	<b>3,523,845</b>	<b>23,135,232</b>
Depreciation and impairment losses:							
Balance as of January 1, 2024	\$	-	1,388,533	5,547,329	1,761,116	-	8,696,978
Acquired through business combination		-	-	1,786	20,603	-	22,389
Depreciation for the year		-	79,631	190,648	105,303	-	375,582
Disposal		-	(350)	(56,132)	(11,418)	-	(67,900)
Impact from change in exchange rate		-	18,745	71,590	26,325	-	116,660
Balance as of March 31, 2024	<b>\$</b>	<b>-</b>	<b>1,486,559</b>	<b>5,755,221</b>	<b>1,901,929</b>	<b>-</b>	<b>9,143,709</b>
Balance as of January 1, 2023	\$	-	1,244,293	5,527,029	1,467,404	-	8,238,726

Depreciation for the year	-	47,710	127,361	81,902	-	256,973
Disposal	-	(89,627)	(443,733)	(43,749)	-	(577,109)
Impact from change in exchange rate	-	4,118	18,562	4,591	-	27,271
Balance as of March 31, 2023	<u>\$ -</u>	<u>1,206,494</u>	<u>5,229,219</u>	<u>1,510,148</u>	<u>-</u>	<u>7,945,861</u>

Book value:

January 1, 2024	<u>\$ 2,537,243</u>	<u>4,846,623</u>	<u>6,052,034</u>	<u>1,746,456</u>	<u>1,472,153</u>	<u>16,654,509</u>
March 31, 2024	<u>\$ 2,537,243</u>	<u>5,327,804</u>	<u>6,752,126</u>	<u>1,812,553</u>	<u>1,407,984</u>	<u>17,837,710</u>
January 1, 2023	<u>\$ 2,537,243</u>	<u>2,863,612</u>	<u>4,264,674</u>	<u>1,494,019</u>	<u>3,520,330</u>	<u>14,679,878</u>
March 31, 2023	<u>\$ 2,537,243</u>	<u>3,333,611</u>	<u>4,201,067</u>	<u>1,593,605</u>	<u>3,523,845</u>	<u>15,189,371</u>

On March 31, 2024, December 31, 2023, and March 31, 2023, the property, plant, and equipment of the consolidated company were not provided as guarantees for bank loans and pledges of financing lines.

To expand production capacity and cooperate with the local government's relocation plan, the consolidated company purchased relevant equipment and conducted further construction. Please refer to Notes 9 (1) and (2) for the relevant major engineering contracts.

Please refer to Note 6 (19) for capitalized interest.

On January 15, 2023, the book value of part of the Company's buildings, equipment, and construction in progress, amounting to NT\$248,367 thousand, was derecognized due to a fire accident, which was listed under the non-operating income and expenses- other gains and losses. Please refer to Notes 6 (19) and Note 10 for details.

(VII) Right-of-use assets

The cost and depreciation of the land leased by the consolidated company are detailed as follows:

	<u>Land</u>	<u>Property and building</u>	<u>Total</u>
Book value:			
January 1, 2024	<u>\$ 1,220,776</u>	<u>289,045</u>	<u>1,509,821</u>
March 31, 2024	<u>\$ 1,236,861</u>	<u>316,879</u>	<u>1,553,740</u>
January 1, 2023	<u>\$ 300,147</u>	<u>309,029</u>	<u>609,176</u>
March 31, 2023	<u>\$ 299,701</u>	<u>301,470</u>	<u>601,171</u>

There were no significant additions, impairment recognized, or reversal of the recognized right-of-use assets, such as land and buildings leased by the Consolidated Company during the three months ended March 31, 2024 and 2023. Please refer to Note 6(7) to the consolidated financial statements for the year ended December 31, 2023, for more information.

On March 31, 2024, December 31, 2023, and March 31, 2023, the Consolidated Company's right-of-use assets were not provided as guarantees for bank loans and the amount of financing.

(VIII) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loan	<u>\$ 8,743,565</u>	<u>6,556,651</u>	<u>7,545,577</u>
Unused short-term credit lines	<u>\$ 13,293,065</u>	<u>13,288,421</u>	<u>10,905,337</u>
Interest rate range	<u>1.68%~11.00%</u>	<u>1.68%~7.05%</u>	<u>3.00%~6.55%</u>

Please refer to Note 6 (20) for information on exposure to interest rate, foreign currency and liquidity risks of the consolidated company.

(IX) Long-term borrowings

The detail of the consolidated company's long-term borrowings is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loan	\$ 3,319,672	2,487,892	1,502,851
Less: amount due within one year	<u>(2,115,142)</u>	<u>(1,309,368)</u>	<u>(646,353)</u>
Total	<u>\$ 1,204,530</u>	<u>1,178,524</u>	<u>856,498</u>
Unused short-term credit lines	<u>\$ 6,185,073</u>	<u>5,345,307</u>	<u>5,687,811</u>
Interest rate range	<u>1.85%~4.35%</u>	<u>1.85%~4.35%</u>	<u>3.60%~4.35%</u>
Due year	<u>2024-2026</u>	<u>2024-2025</u>	<u>2023-2025</u>

Please refer to Note 6 (20) for information on exposure to interest rate, foreign currency and liquidity risks of the consolidated company.

The Consolidated Company signs a credit contract with a financial institution. According to the credit contract, during the loan period, the Consolidated Company must maintain the specified current ratio, debt ratio, tangible net worth, interest coverage ratio and other financial ratios on the balance sheet date based on its annual consolidated financial statements audited by CPAs and semi-annual consolidated financial statements reviewed by CPAs. If the loan contract is violated Certain conditions, according to the agreement, should be improved by cash capital increase or other means. On December 31, 2023, the Consolidated Company did not violate the above financial ratio restrictions.

(X) Unsecured convertible bonds

The information on the Consolidated Company's issuance of unsecured convertible corporate bonds is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Bond issuance amount	\$ 3,465,300	3,465,300	3,465,300
Unamortized balance of discounted corporate bonds payable	(23,609)	(35,157)	(153,974)

Cumulative amount of conversion	(2,765,300)	(2,499,600)	-
Ending balance of corporate bonds payable	<u>\$ 676,391</u>	<u>930,543</u>	<u>3,311,326</u>
Embedded derivative financial instruments - call-back and repurchase rights (presented as financial assets (liabilities) at fair value through profit or loss)	<u>\$ 4,970</u>	<u>5,504</u>	<u>(17,326)</u>
Equity component - conversion right (reported in capital surplus - subscription right)	<u>\$ 41,940</u>	<u>57,858</u>	<u>207,618</u>
		<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Embedded derivative financial instruments - remeasurement of call-back and repurchase at fair value through profit and loss (presented in the non-operating income and expense in financial assets (liabilities) at fair value through profit or loss)		<u>\$ 1,097</u>	<u>6,238</u>
Interest expenses		<u>\$ 2,339</u>	<u>9,186</u>

The Consolidated Company issued 5th 5-year unsecured convertible bonds with a coupon rate of 0% on April 25, 2022, with a total amount of NT\$3,465,300 thousand, issued at 101% of the face value. The actual debt amount was NT\$3,499,953 thousand. The maturity date is April 25, 2027, and the bond discount rate is 1.3057%. Thirty days before the 3-year issuance date, the creditor may request the Company to redeem the convertible bonds held by the Company in cash at the denomination of the bond. The conversion price of convertible bonds shall be handled in accordance with the Company's issuance agreement.

1. Repayment date and method:

Except for those that are converted into common shares of the Consolidated Company in advance, or called-back by the Consolidated Company or repurchased by bond holders in advance, the principal will be repaid in cash in one lump sum upon maturity.

2. Conversion prices and the adjustments:

The conversion price at the time of issuance is set at NT\$263 per share. In the events of a change in the total number of common shares of the Consolidated Company, allotment of cash dividends on common shares, a conversion price lower than the current price per share, or reissue of common shares conversion

rights, adjustment shall be made. As the Consolidated Company takes September 1, 2023 and September 2, 2022 as the base date for dividend distribution, according to the provisions of Article 11 of the Consolidated Company's 5th domestic unsecured convertible corporate bond issuance and conversion methods, the adjustment conversion price are adjusted from NT\$246.8 to NT\$241.8 and from NT\$263 to NT\$246.8. This bond does not have reset feature.

3. The call-back right of the Consolidated Company for the convertible corporate bonds:

(1) From the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date:

- A. If the closing price of the Consolidated Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;
- B. If the outstanding balance of the convertible corporate bonds converted by the Consolidated Company per the requests of the bond holders is less than 10% of total initial issue amount;

The Consolidated Company may delivery a "Notice to call back bonds" due in 30 days through registered mails (the aforesaid period starts from the date when the Company sends the notice, and the expiry date of the period is the base date for bond call back), and send a letter to TPEx for announcement and call back the current convertible corporate bonds in cash at face value within five business days after the bond call back base date which shall not fall within the period in which the conversion of the convertible corporate bonds is suspended.

(2) The Yield to Call are as follows:

From the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, call back by cash at par value.

(3) If the bond holders fails to provide a written response to the Consolidated Company's agency before the bond call-back date stated in the "Notice to call back bonds" (which takes effect when it is served, and the postmark date for registered mail shall be used as the basis for call-back date), the Consolidated Company will call-back the bonds in cash within five business days after the bond call back date.

4. The bond holders' right of repurchase:

30 days before the 3-year issuance date, the bond holder may request the Consolidated Company to call-back the convertible bonds held by the Company in cash at par value. The Consolidated Company accepts the repurchase request and shall call-back the convertible bonds in cash within five business days after the

repurchase date.

Please refer to Note 6 (20) for information on exposure to interest rate, foreign currency and liquidity risks of the consolidated company.

(XI) Lease liabilities

The carrying amounts of the consolidated company's lease liabilities are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	<u>\$ 23,507</u>	<u>13,068</u>	<u>12,599</u>
Non-current	<u>\$ 317,908</u>	<u>297,614</u>	<u>304,971</u>

For maturity analysis, please refer to Note 6 (20) Financial Instruments.

The amounts recognized in profit or loss are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Interest expense on lease liability	<u>\$ 2,687</u>	<u>2,579</u>
Expense on short-term lease	<u>\$ 12,946</u>	<u>11,816</u>

The amounts recognized in the statement of cash flows are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Total cash outflow from lease	<u>\$ 21,217</u>	<u>17,649</u>

1. Leasing of houses and buildings

The Consolidated Company leased houses and buildings as plants and offices for a period of 2-17.5 years. When the lease term expires, the consolidated company has no preferential purchasing right to the lease.

2. Other leases

The lease period of office equipment and transportation equipment leased by the consolidated company is usually one year, and these leases are short-term or low-value leases. The consolidated company selects applicable exemption from recognition of the relevant right-of-use assets and lease liabilities.

(XII) Other non-current liabilities

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Prepayments	\$ 459,496	456,318	424,427
Guarantee deposits and margins received	<u>27,343</u>	<u>16,276</u>	<u>18,361</u>
Total	<u>\$ 486,839</u>	<u>472,594</u>	<u>442,788</u>



Due to the relocation of the Kunshan Youbi Factory, the Consolidated Company received an advance payment of NT\$348,232 thousand, NT\$341,833 thousand and NT\$319,208 thousand on March 31, 2024, December 31, 2023, and March 31, 2023 respectively. Please refer to Note 9 (2) for details.

(XIII) Employee benefits

1. Defined benefit plans

Since there were no major market fluctuations, major reductions, liquidations, or other major one-off events after the reporting date of the previous year, the Consolidated Company adopted the actuarially determined pensions on December 31, 2023 and 2022 and disclose the pension costs for interim periods. The pension costs recognized by the Consolidated Company for the three months ended March 31, 2024 and 2023 were NT\$0.

2. Determined appropriation plan

The consolidated company has determined the pension expenses under the appropriation method as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Operating costs	\$ 47,481	36,999
Total selling expenses	3,436	2,729
Total administrative expenses	5,677	4,562
Total research and development expenses	4,168	3,333
Total	<b><u>\$ 60,762</u></b>	<b><u>47,623</u></b>

(XIV) Income tax

The details of income tax expenses of the Consolidated Company from January 1 to March 31, 2024 and 2023 are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Current income tax expense		
Current tax expense recognized in the current year	\$ 492,026	244,654
Income tax adjustments on prior years	3,904	83
	<u>495,930</u>	<u>244,737</u>
Deferred income tax expense		
Occurrence and reversal of temporary differences	140,596	4,606
Income tax expenses of continuing operations	<b><u>\$ 636,526</u></b>	<b><u>249,343</u></b>

The details of the income tax benefit (expense) recognized in other comprehensive income by the Consolidated Company for the three months ended March 31, 2024 and 2023 are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	<b>\$ (93,423)</b>	<b>(18,580)</b>

The income tax settlement declaration of the profit-seeking enterprise of the Company has been approved by the tax collection authority until 2020.

(XV) Capital and other equity

Except for the following, there was no significant change in the capital and other equity of the Consolidated Company from January 1 to March 31, 2024 and 2023. For relevant information, please refer to Note 6 (15) to the 2023 Consolidated Financial Statement.

1. Issuance of common stock

On March 31, 2024, December 31, 2023, and March 31, 2023, the Company's total rated share capital was NT\$600,000 thousand. The face value of each share is NT\$10 with 600,000 thousand shares. The issued common shares are 344,278 thousand shares, 343,179 thousand shares, and 332,918 thousand shares respectively where all share price on the issued shares have been received.

On March 31, 2024, 1,099 thousand new shares were converted by convertible bond holders with a total issuance amount of NT\$265,700 thousand. The registration procedures are in progress.

2. Capital surplus

The balance of the Company's capital surplus is as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Additional paid-in capital in excess of par - common stock	\$ 95,627	95,627	95,627
Additional paid-in capital in excess of par - convertible bond	4,468,051	4,208,261	1,773,034
Conversion right	41,940	57,858	207,618
	<b><u>\$ 4,605,618</u></b>	<b><u>4,361,746</u></b>	<b><u>2,076,279</u></b>

3. Retained earnings

According to the Company's Articles of Association, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting

losses of previous years, setting aside 10% as legal reserve of the remaining profit, setting aside or reversing a special reserve based on business needs or in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. But if the Company's legal reserve equals to or exceeds paid-in capital, this restriction does not apply. The earning distribution shall be appropriated with adding 10%-70% of the distributable earning after accumulating undistributed earnings in the past after setting aside various reserves.

To consider the characteristics of industrial growth and improve the Company's financial structure, the annual earning distribution may not be made if the year in which the loss occurs, and the dividend policy will give priority to the Company's future development, financial status, and shareholders' remuneration where stock dividends will be distributed in consideration of the Company's future capital expenditure budget to retain the required cash. The rest will be distributed to shareholders in the form of cash dividends, provided that the distribution of cash dividends shall not be less than 20% of the total distributed dividends.

When the Consolidated Company plans to pay out all or part of the dividends and bonuses or legal reserves or capital surplus in cash, it should be approved by the Board of Directors meeting attended by more than 2/3 of the Directors with a simple majority of the Directors in session and reported to the General Meeting of Shareholders.

The rest is the same as the undistributed earnings in previous years, and the Board of Directors will formulate a distribution proposal and submit it to the shareholders' meeting for resolution.

(1) Legal reserve

In the case the Company has surplus profit after settling the annual accounts, when allocating its surplus profits after having paid all taxes and dues, it shall first set aside ten percent of said profits as legal reserve.

(2) Earnings Distribution

The Company's Board of Directors approved the 2023 earnings distribution proposal on February 29, 2024 by resolution and approved the 2022 earnings distribution proposal on February 23, 2023 by resolution. The amounts of dividends distributed to owners are as follows:

	2023		2022	
	Payout ratio (NTD)	Amount	Payout ratio (NTD)	Amount
Dividends distributed to owners of common stock:				
Cash	\$ 10.00	<u>\$ 3,439,332</u>	8.50	<u>2,829,806</u>

4. Other equity (net post-tax)

	Exchange differences on translation of foreign financial statements	Equity instrument investment losses measured at fair value through other comprehensive income	Total
January 1, 2024	\$ (821,207)	(37,946)	(859,153)
Exchange differences arising on translation of foreign operations	373,691	-	373,691
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	-	22,173	22,173
Balance as of March 31, 2024	<u>\$ (447,516)</u>	<u>(15,773)</u>	<u>(463,289)</u>
January 1, 2023	\$ (511,344)	(37,946)	(549,290)
Exchange differences arising on translation of foreign operations	74,319	-	74,319
Balance as of March 31, 2023	<u>\$ (437,025)</u>	<u>(37,946)</u>	<u>(474,971)</u>

(XVI) Earnings per share

1. Earnings per share - basic

The basic EPS and diluted EPS of the consolidated company are calculated as follows:

(1) Net income attributable to common shareholders of the Company

	January 2024 to March 2024	January 2023 to March 2023
Net income attributable to common shareholders of the Company	<u>\$ 1,978,282</u>	<u>479,696</u>

(2) Weighted average number of common shares outstanding (thousand shares)

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Weighted average number of common shares outstanding	<b><u>343,562</u></b>	<b><u>332,918</u></b>

2. Earnings per share - diluted

The diluted earnings per share for the three months ended March 31, 2024 and 2023 is calculated based on the net income attributable to holders of the Company's ordinary equity based on the weighted average number of outstanding ordinary shares with the dilutive effect of potential ordinary shares adjusted. The calculation is as follows:

(1) Net income attributable to the Company's ordinary share shareholders (diluted)

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Net income attributable to the Company's ordinary share shareholders (basic)	\$ 1,978,282	479,696
Amount of after-tax effect of relevant gains and losses on convertible bonds	<u>994</u>	<u>2,358</u>
Net income attributable to the Company's ordinary share shareholders (diluted)	<b><u>\$ 1,979,276</u></b>	<b><u>482,054</u></b>

(2) Weighted average number of outstanding ordinary shares (diluted) (in thousands of shares)

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Weighted average number of common shares outstanding (basic)	343,562	332,918
Effect of convertible corporate bonds	3,611	14,041
Effect of employee stock dividends	<u>424</u>	<u>672</u>
Weighted average number of outstanding ordinary shares as of March 31 (diluted)	<b><u>347,597</u></b>	<b><u>347,631</u></b>

When the dilutive effect of stock options is calculated, the average market value is calculated based on the quoted market price of the Company's shares during the period, in which the options are outstanding.

3. Earnings per share are as follows:

	January 2024 to March 2024	January 2023 to March 2023
Earnings per share - basic	<u>\$ 5.76</u>	<u>1.44</u>
Earnings per share - diluted	<u>\$ 5.69</u>	<u>1.39</u>

(XVII) Revenue from customer contracts

1. Breakdown of income

January 2024 to March 2024				
	Domestic department	Foreign department	Adjustment and write off	Total
Key market region:				
Taiwan	\$ 2,049,227	305,052	(301,025)	2,053,254
China	498,050	10,971,427	(1,772,030)	9,697,447
Other countries	779,828	405,782	(33,851)	1,151,759
	<u>\$ 3,327,105</u>	<u>11,682,261</u>	<u>(2,106,906)</u>	<u>12,902,460</u>
Key products:				
Prepreg	\$ 1,122,268	4,942,886	(633,238)	5,431,916
Copper clad laminate	1,556,459	6,571,712	(922,959)	7,205,212
Mass lamination boards	178,950	-	-	178,950
Other	469,428	167,663	(550,709)	86,382
	<u>\$ 3,327,105</u>	<u>11,682,261</u>	<u>(2,106,906)</u>	<u>12,902,460</u>
January 2023 to March 2023				
	Domestic department	Foreign department	Adjustment and write off	Total
Key market region:				
Taiwan	\$ 1,078,144	367,605	(344,405)	1,101,344
China	216,522	6,435,350	(1,395,589)	5,256,283
Other countries	725,441	308,307	(32,248)	1,001,500
	<u>\$ 2,020,107</u>	<u>7,111,262</u>	<u>(1,772,242)</u>	<u>7,359,127</u>
Key products:				
Prepreg	\$ 723,347	2,939,883	(650,177)	3,013,053
Copper clad laminate	962,658	4,130,043	(875,593)	4,217,108
Mass lamination boards	105,411	-	-	105,411
Other	228,691	41,336	(246,472)	23,555
	<u>\$ 2,020,107</u>	<u>7,111,262</u>	<u>(1,772,242)</u>	<u>7,359,127</u>

(XVIII) Remuneration to the employees and directors

In accordance with the Company's Articles of Association, when there is profit in the annual closing, the employee's remuneration shall not be less than 3% and the director's remuneration shall not be higher than 1.2%. However, when the Company still has accumulated losses, it should reserve the profit to make up for the loss. In addition, when employee remuneration is distributed in stock or cash, the recipients of the payment include employees of subsidiaries that meet certain conditions

The estimated figure of the Company's employees' remuneration from January 1 to March 31, 2024 and 2023 were NT\$70,080 thousand and 20,425 thousand respectively, and the estimated amount of directors' remuneration was NT\$15,184 thousand and 4,425 thousand respectively which is estimated based on the pre-tax net profit for each period before deducting employee and directors' remuneration multiplied by the distribution of employee and director's remuneration percentage stipulated in the Company's Articles of Association. The employee's remuneration is reported as the operating costs or expenses from January 1 to March 31, 2024 and 2023. If there is a difference between the actual distribution amount in the next year and the estimated figure, it will be handled according to the change in accounting estimates, and the difference will be recognized as the profit and loss of the next year.

The Company's employee remuneration in 2023 and 2022 was NT\$190,947 thousand and 172,916 thousand respectively, and the amount of directors' remuneration was NT\$41,372 thousand and 37,465 thousand respectively. There is no difference between the amount of employee remuneration and director's remuneration in 2023 and 2022 and the actual distribution and the relevant information can be inquired at the MOPS.

(XIX) Non-operating income and expenses

1. Total interest income

The details of interest income of the consolidated company from January 1 to March 31, 2024 and 2023 are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Bank deposit interest	<b>\$ 26,746</b>	<b>21,440</b>

2. Other gains and losses

The details of other profits and losses of the Consolidated Company for 2023 and 2022 are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Gain on disposal of investment	\$ 18,836	-
Foreign currency exchange gain (loss)	63,478	(2,210)
Gains of Financial liabilities at FVTPL	1,097	6,238

Loss on disposal of property, plant and equipment	(1,728)	(1,624)
Disaster loss	-	(537,959)
Claim receipts	-	537,959
Other gains	70,611	7,630
Other gains and losses, net	<u>\$ 152,294</u>	<u>10,034</u>

Please refer to Note 10 for details on disaster loss and claim receipts.

### 3. Finance costs

The details of financial cost of the consolidated company from January 1 to March 31, 2024 and 2023 are as follows:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Interest expenses	\$ 109,697	83,072
Less: capitalized interest	(8,475)	(11,483)
	<u>\$ 101,222</u>	<u>71,589</u>

### (XX) Financial instrument

Except for the following, there is no significant change in the fair value of the financial instruments of the consolidated company and the exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note 6 (20) to 2023 Consolidated Financial Statement.

#### 1. Liquidity risk

The following table shows the contractual expiration dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 6 months</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>Over 2 years</b>
<b>March 31, 2024</b>						
Non-derivative						
financial liabilities						
Unsecured bank						
loan	\$ 12,063,237	12,374,231	5,172,406	5,962,606	1,239,219	-
Bonds payable	676,391	700,000	-	-	-	700,000
Accounts payable	10,647,933	10,647,933	10,647,933	-	-	-
Other payables	7,499,205	7,499,205	7,499,205	-	-	-
Lease liabilities	341,415	426,803	16,986	17,175	33,760	358,882
	<u>\$ 31,228,181</u>	<u>31,648,172</u>	<u>23,336,530</u>	<u>5,979,781</u>	<u>1,272,979</u>	<u>1,058,882</u>
<b>December 31, 2023</b>						
Non-derivative						
financial liabilities						
Unsecured bank						
loan	\$ 9,044,543	9,224,073	6,171,752	1,866,430	1,185,891	-



Bonds payable	930,543	965,700	-	-	-	965,700
Accounts payable	10,488,612	10,488,612	10,488,612	-	-	-
Other payables	4,002,881	4,002,881	4,002,881	-	-	-
Lease liabilities	310,682	394,457	11,314	11,597	23,484	348,062
	<u>\$ 24,777,261</u>	<u>25,075,723</u>	<u>20,674,559</u>	<u>1,878,027</u>	<u>1,209,375</u>	<u>1,313,762</u>

### March 31, 2023

#### Non-derivative

#### financial liabilities

#### Unsecured bank

loan	\$ 9,048,428	9,284,682	4,123,161	4,272,181	889,340	-
Accounts payable	5,986,383	5,986,383	5,986,383	-	-	-
Other payables	6,167,326	6,167,326	6,167,326	-	-	-
Bonds payable	3,311,326	3,465,300	-	-	-	3,465,300
Lease liabilities	317,570	408,241	11,449	11,220	22,862	362,710
	<u>\$ 24,831,033</u>	<u>25,311,932</u>	<u>16,288,319</u>	<u>4,283,401</u>	<u>912,202</u>	<u>3,828,010</u>

The consolidated company does not expect that the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

## 2. Market risk

### (1) Currency risk

The consolidated company's significant currency risk exposure of financial assets and liabilities is as follows:

March 31, 2024					
	Foreign currency				NTD
	(thousand)		Exchange rate		
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	110,754	USD: NTD	32.0000	3,544,113
		87,836	USD: RMB	7.2595	2,810,752
		8,591	USD: MYR	4.8436	274,902
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		80,376	USD: NTD	32.0000	2,572,037
		118,466	USD: RMB	7.2595	3,790,906
		21	USD: MYR	4.8436	670

December 31, 2023				
	Foreign currency (thousand)		Exchange rate	NTD
<u>Financial asset</u>				
<u>Monetary items</u>				
USD	\$	119,788	USD: NTD 30.7050	3,678,102
		93,700	USD: RMB 7.0961	2,877,071
		1,701	USD: MYR 4.6034	52,232
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		82,483	USD: NTD 30.7050	2,532,631
		130,398	USD: RMB 7.0961	4,003,868
March 31, 2023				
	Foreign currency (thousand)		Exchange rate	NTD
<u>Financial asset</u>				
<u>Monetary items</u>				
USD	\$	76,633	USD: NTD 30.4500	2,333,471
		53,703	USD: RMB 6.8720	1,635,255
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		45,626	USD: NTD 30.4500	1,389,314
		74,320	USD: RMB 6.8720	2,263,053

(2) Sensitivity analysis

The exchange rate risk of monetary items of the consolidated company arises from cash and cash equivalents, accounts and other receivables, borrowings, and accounts and other payables denominated in foreign currencies where the foreign currency exchange gains and losses arise upon exchange. From January 1 to March 31, 2024 and 2023, when the New Taiwan dollar depreciated or appreciated by 1% relative to the US dollar, and all other factors remained unchanged, the net profit after tax from January 1 to March 31, 2024 and 2023 will increase or decrease by NT\$2,266 thousand and NT\$2,585 thousand respectively.

(3) Exchange gains and losses on monetary items

Due to the variety of functional currencies of the consolidated company, the exchange profit and loss information of monetary items was disclosed in summary. The foreign currency exchange gains and losses (including realized and unrealized) from January 1 to March 31, 2024 and 2023 were a gain of

NT\$63,478 thousand and a loss of NT\$2,210 thousand, respectively.

### 3. Fair value information

#### (1) Type and fair value of financial instruments

The consolidated company's financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive profit or loss are measured at fair value on a recurring basis. The carrying amount and fair value of various types of financial assets and liabilities (including fair value level, but the carrying amount of financial instruments not measured at fair value is a reasonable approximation of the fair value. For equity instrument investments that are not quoted in the active market and whose fair value cannot be reliably measured, there is no need to disclose fair value information according to regulations) are listed as follows:

March 31, 2024					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Corporate bond repurchase rights and call-back rights	\$ 4,970	-	-	4,970	4,970
Financial assets measured at amortized cost					
Cash and cash equivalents	12,625,447	-	-	-	-
Note receivable and accounts receivable	17,962,898	-	-	-	-
Other receivables	415,433	-	-	-	-
Refundable deposits paid	70,932	-	-	-	-
Subtotal	31,074,710	-	-	-	-
Total	<b>\$ 31,079,680</b>	<b>-</b>	<b>-</b>	<b>4,970</b>	<b>4,970</b>
Financial liabilities measured at amortized cost					
Bank loan	\$ 12,063,237	-	-	-	-
Accounts payable	10,647,933	-	-	-	-
Other payables	7,499,205	-	-	-	-
Bonds payable	676,391	-	-	-	-
Guarantee deposits and margins received	27,343	-	-	-	-
Lease liabilities	341,415	-	-	-	-
Total	<b>\$ 31,255,524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

December 31, 2023					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Corporate bond repurchase rights and call-back rights	\$ 5,504	-	-	5,504	5,504
Financial assets measured at amortized cost					
Cash and cash equivalents	9,258,881	-	-	-	-
Note receivable and accounts receivable	17,326,562	-	-	-	-
Other receivables	404,467	-	-	-	-
Refundable deposits paid	68,612	-	-	-	-
Subtotal	27,058,522	-	-	-	-
Total	<u>\$ 27,064,026</u>	<u>-</u>	<u>-</u>	<u>5,504</u>	<u>5,504</u>
Financial liabilities measured at amortized cost					
Bank loan	\$ 9,044,543	-	-	-	-
Accounts payable	10,488,612	-	-	-	-
Other payables	4,002,881	-	-	-	-
Bonds payable	930,543	-	-	-	-
Guarantee deposits and margins received	16,276	-	-	-	-
Lease liabilities	310,682	-	-	-	-
Total	<u>\$ 24,793,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 31, 2023					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 14,413,600	-	-	-	-
Note receivable and accounts receivable	9,814,364	-	-	-	-
Other receivables	602,497	-	-	-	-
Refundable deposits paid	69,715	-	-	-	-
Total	<u>\$ 24,900,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					

Corporate bond repurchase rights and call-back rights	\$ 17,326	-	-	17,326	17,326
Financial liabilities measured at amortized cost					
Bank loan	9,048,428	-	-	-	-
Accounts payable	5,986,383	-	-	-	-
Other payables	6,167,326	-	-	-	-
Bonds payable	3,311,326	-	-	-	-
Guarantee deposits and margins received	18,361	-	-	-	-
Lease liabilities	317,570	-	-	-	-
Subtotal	24,849,394	-	-	-	-
Total	<b>\$ 24,866,720</b>	<b>-</b>	<b>-</b>	<b>17,326</b>	<b>17,326</b>

## (2) The valuation techniques based on fair value

### A. Non-derivative financial instruments

If there is an active market and a price for a financial instrument is quoted in that market, the quoted price will be the fair value of the financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange are considered to be the basis of fair values for equity instruments and debt instruments with active market.

If a quoted price, which represents the price being practically and frequently transacted in orderly transactions, can be acquired from stock exchanges, brokers, underwriters, pricing service institutions or the administration in time then there is an active market for the financial instrument. If the conditions mentioned above are not met, then the market is regarded as inactive. Generally speaking, extremely high bid-ask spread, significant increase of bid-ask spread or extremely low transaction amounts are all indications for an inactive market.

The Company's financial instruments with active markets and the basis of their fair values are described as follows:

The stocks of exchange-listed and OTC-listed companies are financial assets with standard terms and conditions that are traded in active markets, and their fair values are determined by reference to market quoted price.

Except for the financial instruments with active market, fair values of other financial instruments are acquired based on valuation techniques

or the quoted prices from counterparties. Fair values acquired through valuation techniques can be calculated using models based on fair values from financial instruments with similar conditions and characteristics, cash flow discount method and other valuation techniques, including accessible information on the consolidated balance sheet date such as the yield curve from the Taipei Exchange or the average quoted price from Reuter's commercial papers interest rate.

If the consolidated company's financial instruments are with inactive markets and the basis of their fair values are described as follows:

- Equity instruments that do not listed and whose fair value cannot be reliably measured: The fair value is estimated using the market comparable company method, and the main assumption is based on an investee's earnings before interest, taxes, depreciation and amortization and the equity multiplier derived from the net before tax before the share of the invested company and the market quoted prices of comparable foreign listed (OTC) companies. This estimate has been adjusted for the discounting effect of the lack of market liquidity of the equity securities.

B. Derivative financial instruments

The valuations are based on valuation models widely accepted by market users, such as discounted cash flow and option pricing models.

(3) The transfer between Level 1 and Level 2

There was no transfer from January 1 to March 31, 2024 and 2023.

(4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Consolidated Company's financial assets at Level 3 fair value mainly include financial assets measured at fair value through other comprehensive income - equity instrument investments with no active market and financial assets (liabilities) measured at fair value through profit or loss - embedded derivatives - call/put option.

Most of the Level 3 fair value attributed to the Consolidated Company only has single significant unobservable input, and only equity instrument investments with no active market have multiple significant unobservable inputs. Significant unobservable inputs of equity instrument investments with no active market are independent of each other, so there is no correlation.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity instrument investments with no active market	Discounted cash flow	<ul style="list-style-type: none"> <li>Weighted average cost of capital</li> <li>Perpetual growth rate</li> </ul>	<ul style="list-style-type: none"> <li>The higher the weighted average cost of capital, the lower the fair value</li> <li>The higher the perpetual growth rate, the higher the fair value</li> </ul>
Financial assets (liabilities) at fair value through profit or loss - embedded derivative financial instruments - call/put option	Binomial tree convertible bond pricing model	<ul style="list-style-type: none"> <li>Volatility (49.55%, 43.02%, and 42.51% on March 31, 2024, December 31, 2023, and March 31, 2023, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>The higher the volatility, the higher the fair value</li> </ul>

(XXI) Financial risk management

There is no significant change in the financial risk management objectives and policies of the consolidated company and those disclosed in Note 6 (21) of the 2023 Consolidated Financial Statement.

(XXII) Capital management

The capital management objectives, policies and procedures of the consolidated company are consistent with those disclosed in the 2023 Consolidated Financial Statement; there is no significant change in the aggregated quantitative information of the capital management items and those disclosed in the 2023 Consolidated Financial Statement. For relevant information, please refer to Note 6 (22) of the 2023 Consolidated Financial Statement.

(XXIII) Investment and financing activities in non-cash investment

The consolidated company's non-cash investment and financing activities from January 1 to March 31, 2024 and 2023 are as follows:

1. For the right-of-use assets obtained by leasing, please refer to Note 6 (7) for details.
2. Reconciliation of liabilities arising from financing activities:

	Non-cash changes					
	January 1, 2024	Cash flow	Acquisition	Change in exchange rate	Other	March 31, 2024
Short-term borrowings	\$ 6,556,651	1,957,128	87,730	142,056	-	8,743,565
Long-term borrowings	2,487,892	788,101	-	43,679	-	3,319,672
Lease liabilities	310,682	(5,584)	553	13,291	22,473	341,415
Bonds payable	930,543	-	-	-	(254,152)	676,391
Total liabilities from financing activities	<u>\$10,285,768</u>	<u>2,739,645</u>	<u>88,283</u>	<u>199,026</u>	<u>(231,679)</u>	<u>13,081,043</u>

  

	Non-cash changes					
	January 1, 2023	Cash flow	Acquisition	Change in exchange rate	Other	March 31, 2023
Short-term borrowings	\$ 5,209,815	2,305,951	-	29,811	-	7,545,577
Long-term borrowings	1,005,789	490,319	-	6,743	-	1,502,851
Lease liabilities	323,566	(3,254)	-	(2,742)	-	317,570
Bonds payable	3,302,140	-	-	-	9,186	3,311,326
Total liabilities from financing activities	<u>\$ 9,841,310</u>	<u>2,793,016</u>	<u>-</u>	<u>33,812</u>	<u>9,186</u>	<u>12,677,324</u>

## VII. Related party transaction

### (I) Name and relationship of related party

During the period covered by this consolidated financial statement, the related parties that have transactions with the consolidated company are as follows:

<u>Related party</u>	<u>Relationship with the consolidated company</u>
Technica USA	Affiliates of the consolidated company (Note 1)

Note 1: EMD SPECIALTY MATERIALS, LLC invested in 30% of the equity of TECHINA USA on January 1, 2024, bringing the Consolidated Company's shareholding to 60%. Therefore, the company was included as a subsidiary in the consolidated financial statements on January 1, 2024.

### (II) Significant transactions with related parties

#### 1. Purchase

The purchase amount of the consolidated company to related parties is as follows:

	<u>January 2024 to March 2024</u>	<u>January 2023 to March 2023</u>
Associate	<u>\$ -</u>	<u>1,442</u>



The purchase price of the consolidated company to the above-mentioned companies is not significantly different from the purchase price of the consolidated company to general suppliers. The payment terms is net 90 days from invoice date, which is not significantly different from that of ordinary customers.

2. Receivables from related parties

The details of receivables from related parties to the consolidated company are as follows:

<b>Item</b>	<b>Related party categories</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Accounts receivable	Associate	<u>\$ -</u>	<u>-</u>	<u>6,362</u>

3. Payable to related parties

The details of payables to related parties by the consolidated company are as follows:

<b>Item</b>	<b>Related party categories</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Accounts payable	Associate	\$ -	-	7,594
Other payables	Associate	-	1,212	2,755
		<u>\$ -</u>	<u>1,212</u>	<u>10,349</u>

4. Endorsement and guarantee

On December 31, 2023, and on March 31, 2023, the guarantees provided by Consolidated Company for the borrowings taken by its affiliates amounted to NT\$18,423 thousand and NT\$18,270 thousand, respectively.

5. Other related party transactions

<b>Item</b>	<b>Related party categories</b>	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Total selling expenses	Associate	<u>\$ -</u>	<u>578</u>

(III) Key management personnel transactions

Key management personnel compensation includes:

	<b>January 2024 to March 2024</b>	<b>January 2023 to March 2023</b>
Short-term employee benefits	\$ 33,454	22,798
Post-employment benefits	162	219
	<u>\$ 33,616</u>	<u>23,017</u>

**VIII. Pledged assets**

The details of the carrying amount of the assets pledged by the consolidated company are as follows:

<b>Asset</b>	<b>Purpose of pledge</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Refundable deposits paid	Deposits for mailbox, leases and natural gas, etc.	<u>\$ 70,932</u>	<u>68,612</u>	<u>69,715</u>

**IX. Material contingent liabilities and unrecognized contractual commitments**

(I) Material Unrecognized Contractual Commitments:

1. The unused standby letters of credit that have been issued by the consolidated company is as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Unused standby letters of credit			
NTD	\$ -	-	43,298
USD	26,711	26,673	18,545

2. Significant contracts for construction and purchase of machinery and equipment entered by the consolidated company for the expansion of new plant and equipment and the outstanding amounts are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Total contract price			
JPY	\$ -	-	642,000
USD	-	11,663	33,140
RMB	93,780	93,780	705,826
MYR	455,038	416,640	-
Unpaid contract price			
JPY	\$ -	-	57,780
USD	-	2,691	13,778
RMB	80,699	33,563	342,530
MYR	314,585	416,640	-

(II) Commitment:

Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China), a subsidiary of the consolidated company, formally signed a relocation compensation agreement with the Kunshan Municipal People's Government. According to the local government's planned land use demand, the consolidated company is required to relocate the land use rights, buildings and other ancillary equipment on Youbi Road, Zhoushi Town, Kunshan City and compensation will be allocated to the consolidated company in stages according to

the progress of the contract, with a total compensation amount of RMB 195,000 thousand. As of March 31, 2024, the land use rights, buildings and ancillary equipment of Zhoushi Town Youbi Road have not been disposed of. According to the contract, the advance payment amounted to RMB 79,000 thousand (NT\$348,232 thousand), and the remaining compensation will be collected when the construction of the new plant is completed and the land is handed over. The Consolidated Company's construction was completed in July 2023, and the relocation will begin in 2024 and is scheduled to be completed before September 30, 2024.

Elite Material (Penang) Sdn. Bhd., a subsidiary of the Consolidated Company, signed a construction contract for a new plant in Penang, Malaysia, with MASTEQ Engineering Sdn. Bhd. The tentative contract price was MYR 419,446 thousand (NT\$2,770,441 thousand). As of March 31, 2024, an amount of MYR 104,862 thousand (NT\$692,610 thousand) has been paid for the construction contract. Please refer to Note 13(5) for more information.

**X. Losses due to major disasters**

The Company suffered a major fire accident on January 15, 2023, which caused damage to some of the buildings, equipment, construction in progress, other assets and inventories. The Company has derecognized the damaged buildings, equipment and construction in progress amounted for NT\$248,367 thousand, other assets amounted for NT\$18,070 thousand, inventory amounted for NT\$271,522 thousand and a total disaster loss of NT\$537,959 thousand, listed as non-operating income and expenses other gains and losses. Please refer to Note 6 (19) for details. Among them, the disaster claim is the best estimate based on the evidence available as of the reporting date, but the actual claim amount is subject to follow-up negotiations, and there may still be liabilities that cannot be estimated and have not yet been recognized.

The Company has purchased relevant property insurance, and is currently negotiating with the insurance company to process the claims. The Company has confirmed with the insurance company and its notary that it will almost certainly receive compensation from the insurance company as claims receivable, and the amount recognized shall not exceed the disaster loss of each asset. As of March 31, 2024, the Company has recognized the claims receivable of NT\$537,959 thousand, and listed as non-operating income and expenses other gains and losses. Please refer to Note 6 (19) for details. However, insurance claims involve disaster appraisal, and the Company is still unable to fully confirm the full amount of insurance claims and subsequent incremental insurance claim receipts will not be recognized until the Company is almost certain to receive it. As of March 31, 2024, claims receivable of NT\$188,000 thousand had been collected.

**XI. Major subsequent events: None.**

**XII. Other**

- (I) Employee benefits, depreciation, depletion, and amortization expense are summarized by function as follows:

Function Classification	January 2024 to March 2024			January 2023 to March 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	582,278	406,995	989,273	461,610	229,241	690,851
Labor and national health insurance expenses	33,553	13,808	47,361	27,572	11,268	38,840
Pension expenses	47,481	13,281	60,762	36,999	10,624	47,623
Other employee benefit expenses	43,741	20,768	64,509	32,779	15,533	48,312
Depreciation expense	341,938	47,869	389,807	235,676	28,240	263,916
Amortization expense	909	12,236	13,145	271	11,142	11,413

### XIII. Notes to disclosures

- (I) Information on significant transactions

From January 1 to March 31, 2024, the consolidated company should re-disclose the relevant information of significant transactions in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers as follows:

1. Lending funds to others:

(Expressed in Thousands of New Taiwan Dollars)

No.	Name of the company providing loans to others	Party to transactions	Account classification	Related party	Maximum balance of the period	Ending balance	Amount actually drawn	Interest rate range	Type of loans (Note 2)	Amount of transaction	Purposes of the borrowers prepared	Allowance for bad debts	Collateral		Limit on loans to a single business	Limit on the amount of loans
													Name	Value		
0	Elite Material Co., Ltd.	EMD SPECIALTY MATERIALS, LLC	Other receivables - related parties	Y	1,000,000	1,000,000	125,000	2.00%	2	-	Operations	-		-	7,791,440 (Note 3)	7,791,440 (Note 3)
1	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Other receivables - related parties	Y	3,023,888	3,023,888	-	2.00%	2	-	Operations	-		-	7,317,779 (Note 4)	7,317,779 (Note 4)
1	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Other receivables - related parties	Y	1,463,456	1,463,456	-	2.00%	2	-	Operations	-		-	7,317,779 (Note 4)	7,317,779 (Note 4)

2	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Other receivables - related parties	Y	921,272	921,272	612,712	2.00%	2	-	Operations	-	-	-	2,487,929 (Note 5)	2,487,929 (Note 5)
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Note 1: The number is filled in as follows:

1. Parent company is numbered 0.

2. Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: 1. Where an inter-company or inter-firm business transaction calls for a loan arrangement.

2. Where a short-term financing facility is necessary.

Note 3: According to the regulations of the Company's Regulations Governing Loaning of Funds: the individual loan amount with the companies with business relationship shall not exceed 50% of the total purchase (sale) transaction in the latest year and shall not exceed 3% of the Company's net value where the total amount of the loan shall not exceed 30% of the Company's net worth.

Note 4: According to the Company's Regulations Governing Loaning of Funds: the total amount of the loaning shall not exceed 30% of the borrowing company's net worth, nor shall it exceed 30% of the Company's net worth. The limit of loan to a single company shall not exceed 30% of the Company's net worth.

Note 5: According to the Company's Regulations Governing Loaning of Funds: the total amount of loan shall not exceed 30% of the borrowing company's net value, and the limit to a single company shall not exceed 30% of the Company's net value.

Note 6: The consolidated company's total loan of fund shall not exceed 100% of the Company's net worth.

Note 7: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

## 2. Providing endorsements or guarantees for others:

(Expressed in Thousands of New Taiwan Dollars)

No.	Endorsement/ guarantee provider	Guaranteed party		Limits on endorsement/ guarantee amount provided to each guaranteed party (Note 3)	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable (Note 3)	Guarantee provided by Parent Company	Guarantee provided by a Subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company name	Nature of relationships (Note 2)										
0	Elite Material Co., Ltd.	EMD SPECIALTY MATERIALS, LLC	2	12,985,733	1,331,303	1,331,303	1,284,553	-	5.13%	25,971,467	Y		
0	"	TECHNICA USA	2	12,985,733	19,200	19,200	-	-	0.07%	25,971,467	Y		
1	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	4	12,196,298	1,766,400	1,766,400	640,326	-	7.24%	24,392,596			Y
1	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	ELITE MATERIAL (PENANG) SDN. BHD.	4	12,196,298	3,840,000	3,840,000	-	-	15.74%	24,392,596			
2	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	4	4,146,548	1,410,560	1,410,560	949,287	-	17.01%	8,293,096			Y

Note 1: The number is filled in as follows:

1. Parent company is numbered 0.

2. Investees are numbered sequentially beginning from Arabic numeral 1 by the company category, and the code for the same company should be the same.

Note 2: There are the following 7 types of relationship between the endorser and the subject of endorsement:

1. A company with which it does business.

2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.

3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. Where a public company fulfills its contractual obligations by providing mutual endorsements/ guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the Company's Regulations Governing Making of Endorsements/ Guarantees:

The total amount of the Company's endorsement shall not exceed 100% of the Company's most recent net value of the financial statements, and the limit of endorsement guarantees for a single business shall not exceed 50% of the Company's most recent net value of the financial statements.

Note 4: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture).

Unit: NTD in thousand/share

Holding company	Marketable securities type and name	Relationship to the issuer	Classification	End of the period				Remark
				Quantity	Carrying amount	Ratio of shareholding	Fair value	
EMC OVERSEAS HOLDING INCORPORATED	PROUD STAR INTERNATIONAL LIMITED	-	Financial assets at fair value through other comprehensive income - non-current	500,000	-	3.26%	-	

4. Aggregate purchases or sales of the same securities reaching NT\$300 million or 20% of paid-in capital or more:

(Expressed in Thousands of New Taiwan Dollars)

Buyer/Seller	Marketable securities type and name	Classification	Counterparty	Nature of relationships	Beginning of the period		Buy		Sell				End of the period	
					Quantity	Amount (Note 1)	Quantity	Amount (Note 1)	Quantity	Selling price	Book cost	Disposal gain (loss)	Quantity	Amount (Note 1)
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Investments accounted for using equity method	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Subsidiary company	-	1,249,827	-	2,380,335	-	-	-	-	-	3,630,162 (Note 2)
"	ELITE MATERIAL (PENANG) SDN. BHD.	"	ELITE MATERIAL (PENANG) SDN. BHD.	"	-	302,434	-	929,645	-	-	-	-	-	1,232,079 (Note 2)

Note 1: It includes new investments in this period and the changes in the shares of the equity and other comprehensive income of the investees recognized.

Note 2: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

5. Acquisition of property reaching NT\$300 million or 20% of paid-in capital or more:

(Expressed in Thousands of New Taiwan Dollars)

Company name	Types of property	Transaction date	Transaction amount	Payment term	Counterparty	Nature of relationships	Prior transaction of related counterparty				Price reference	Purpose of acquisition	Other terms
							Owner	Relationship to the issuer	Transfer date	Amount			
ELITE MATERIAL (PENANG) SDN. BHD.	Unfinished works and equipment to be inspected	2024/1/22	2,770,441	Note 2	MASTEQ ENGINEERING SDN. BHD.	None	Not applicable	Not applicable	Not applicable	-	Not applicable (Note 1)	For business use	Note 2

Note 1: This is a construction project by a contracted party on rented land, so there is no need to obtain an appraisal report.

Note 2: Please refer to Note 9 for details of the contract price.

6. Disposal of property reaching NT\$300 million or 20% of paid-in capital or more: None.
7. The purchase and sale of goods with related parties reaching NT\$100 million or 20% of paid-in capital or more:

(Expressed in Thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationships	Transaction details				Abnormal transaction		Notes/ accounts payable or receivable		Remark
			Purchases/ sales	Amount	% to total	Payment terms	Unit price	Payment terms	Ending balance	% to total	
Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Parent company and subsidiary	Sales	(234,822)	(7)%	Depends on the financial position of the Company	-		265,862	7%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	234,822	6%	"	-		(265,862)	(5)%	
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Sales	(126,753)	(4)%	"	-		156,147	4%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	126,753	5%	"	-		(156,147)	(6)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Sales	(292,336)	(15)%	"	-		390,436	16%	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	292,336	14%	"	-		(390,436)	(12)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Sales	(368,164)	(19)%	"	-		419,932	17%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	368,164	10%	"	-		(419,932)	(9)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Affiliate	Sales	(848,812)	(44)%	"	-		988,694	40%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	848,812	35%	"	-		(988,694)	(35)%	

Note: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more:

(Expressed in Thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationships	Ending balance	Turnover days (times)	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Parent company and subsidiary	265,862	4.35	-		26,110	-
Elite Material Co., Ltd. (Note 1)	"	"	53,272	Not applicable	-		-	-
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	156,147	3.48	-		27,108	-
Elite Material Co., Ltd. (Note 1)	"	"	22,343	Not applicable	-		-	-
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	26,616	0.17	-		22,918	-
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China) (Note 1)	"	"	322,276	Not applicable	-		82,530	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	2,861	0.33	-		1,465	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China) (Note 1)	"	"	319,870	Not applicable	-		65,317	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Affiliate	61,782	4.25	-		9,331	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China) (Note 1)	"	"	624,830	Not applicable	-		624,830	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	Parent company and subsidiary	390,436	3.31	-		84,470	-



Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	419,932	2.90	-		286,330	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Affiliate	988,694	3.37	-		546,059	-

Note 1: Other receivables- related parties

Note 2: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

9. Trading in derivative instruments: None.

10. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them:

No. (Note 1)	Related party	Transaction counterparty	Relationship to the counterparty (Note 2)	Business transactions of the first quarter of 2024			
				Classification	Amount	Transaction terms	% of total
0	Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	1	Sales Revenue	234,822	Note 3	1.82%
1	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	3	Other receivables	624,830	Note 4	1.05%
2	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	2	Sales Revenue	292,336	Note 3	2.27%
2	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	2	Sales Revenue	368,164	Note 3	2.85%
2	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	3	Sales Revenue	848,812	Note 3	6.58%
2	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	3	Accounts receivable	988,694	Note 3	1.67%

Note 1: The number is filled in as follows:

1. Parent company is numbered 0.
2. Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: The types of relationships with counterparties are as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The sale price is negotiated by the buyer and the seller, and the payment terms are determined by the financial status of the subsidiary.

Note 4: There are no other transaction counterparty for comparison.

Note 5: The transaction amount below 1% of the combined total revenue or total assets will not be disclosed.

Note 6: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

(II) Information on investees (excluding investee companies in China):

The information on the investees of the consolidated company from January 1 to March 31, 2024 is as follows:

(Expressed in Thousands of New Taiwan Dollars)

Investment company	Invested company	Location	Business scope	Original investment amount		Holding of investment at the end of the period			Invested company's profit and/or loss this term	Profit and/or loss recognized this term (Note 7)	Remark
				End of the current period	End of last year	Quantity (share)	Proportion	Carrying amount (Note 7)			
Elite Material Co., Ltd.	EMC OVERSEAS HOLDING INCORPORATED	British virgin Islands	Investment	1,179,111	1,179,111	36,256,950	100.00%	24,450,305	1,964,213	1,964,213	Subsidiary company; Note 6
"	Grand Wuhan Incorporated	Cayman Islands	Investment	602,440	602,440	20,020,000	100.00%	773,205	10,635	10,635	Subsidiary company
"	EMC INTERNATIONAL HOLDING INCORPORATED	"	Investment	781,850	781,850	27,042,000	100.00%	536,648	(55,592)	(55,592)	Subsidiary company; Note 6
"	Li Ceng Technology Co., Ltd.	Taiwan	Electrical appliances, telecommunications equipment, wholesale, retail, battery, power generation, and manufacturing of power distribution machinery	173,694	173,694	16,412,918	33.50%	-	-	-	Note 5
EMC OVERSEAS HOLDING INCORPORATED	Grand Zhuhai Incorporated	Cayman Islands	Investment	1,107,778	1,107,778	34,618,060	100.00%	24,420,387	1,963,742	1,963,742	Subsidiary of subsidiary company
"	Li Ceng Technology Co., Ltd.	Taiwan	Electrical appliances, telecommunications equipment, wholesale, retail, battery, power generation, and manufacturing of power distribution machinery	7,311	7,311	250,000	1.53%	-	-	-	Note 5
Grand Zhuhai Incorporated	Grand Shanghai Incorporated	British Virgin Islands	Investment	1,083,225	1,083,225	18,200,000	100.00%	14,832,165	1,192,810	1,192,810	Fellow subsidiary company
"	Grand Zhongshan Incorporated	British virgin Islands	Investment	525,984	525,984	16,437,000	100.00%	9,586,963	770,932	770,932	"
EMC INTERNATIONAL HOLDING INCORPORATED	EMC SPECIAL APPLICATION INCORPORATED	Cayman Islands	Investment	840,160	840,160	26,255,000	100.00%	531,735	(73,501)	(73,501)	Subsidiary of subsidiary company
"	EMC USA HOLDING INCORPORATED	"	Investment	23,424	23,424	732,000	100.00%	9,574	17,909	17,909	"
EMC SPECIAL APPLICATION INCORPORATED	EMD SPECIALTYMATERIALS, LLC	USA	Production and sales of Copper Clad Laminate and Prepreg	838,308	838,308	-	100.00%	530,841	(69,603)	(69,603)	Fellow subsidiary company
EMC USA HOLDING INCORPORATED	TECHNICA USA	"	General import and export services	42,304	19,200	2,044,000	59.35%	9,600	(3,092)	(928)	Note 4
EMD SPECIALTYMATERIALS, LLC	TECHNICA USA	"	General import and export services	19,200	-	600,000	17.42%	21,963	(3,092)	(928)	Note 4
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	ELITE MATERIAL(PENANG) SDN. BHD.	Malaysia	Production and sales of Copper Clad Laminate and Prepreg	1,237,637	314,002	182,727,001	100.00%	1,232,079	25,048	25,048	

Note 1: The carrying amount is the investment balance recognized under the equity method, including investment gains and losses and accumulated exchange adjustments...etc.

Note 2: The financial statements reviewed by the CPA of the parent company in Taiwan are using the equity method.

Note 3: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.  
Note 4: EMD SPECIALTY MATERIALS, LLC invested USD 600 thousand in 30% of the equity of TECHINA USA on January 1, 2024. In March of the same year, EMC USA HOLDING INCORPORATED converted preferred stock, changing the equity of EMC USA HOLDING INCORPORATED to 59.35% and the equity of EMD SPECIALTY MATERIALS, LLC to 17.42%.  
Note 5: The investment value has been impaired and the loss was recognized in full where the book value was reduced to zero in 2005.  
Note 6: The difference between the ending balance and the net equity value is due to the difference between the unrealized gross profit on sales and the amortization of equipment purchasing.

### (III) Information of investment in Mainland China:

#### 1. Information on reinvestment in Mainland China:

(Expressed in Thousands of New Taiwan Dollars)

Invested company in China	Business scope	Paid-in shares capital	Investment Method (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Invested company's profit and/or loss this term	The Company's direct or indirect holding percentage	Profit and/or loss recognized this term (Note 2)	Carrying Amount as of March 31, 2024	Accumulated inward remittance of earnings as of March 31, 2024
					Outflow	Inflow						
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Production and sales of Copper Clad Laminate and Prepreg	3,969,476	(2)	650,816	-	-	650,816	1,963,057	100.00%	1,963,057	24,392,020	10,731,560
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	3,537,420	(2)	440,613	-	-	440,613	561,778	100.00%	561,778	8,292,533	5,410,555
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	2,828,891	(2)	601,858	-	-	601,858	142,472	100.00%	142,472	3,630,162	-

#### 2. Upper limit on reinvestment in Mainland China:

Company name	Accumulated investment in Mainland China as of March 31, 2024	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
The Company	1,710,734	11,590,220	15,582,880

Note 1: There are three types of investment methods, and they indicated below:

- (1) Directly conduct investment in China.
- (2) Reinvest in China through a company in which the same have invested in a third jurisdiction.
- (3) Other methods.

Note 2: Financial statements reviewed by CPAs of the parent company in Taiwan.

Note 3: The difference between the paid-in capital of Elite Electronic Material (Kunshan) Co., Ltd (Mainland China) and the remittance from Taiwan is the direct investment of USD 6,012 thousand, USD 24,846 thousand, and USD 16,000 thousand by the overseas subsidiary, capital increase through capitalization of retained earnings of USD 10,000 thousand and USD 35,000 thousand, and capital increase through capitalization of capital surplus of USD 20,000 thousand.

Note 4: The differences between the paid-in capital of Elite Electronic Material (Zhongshan) Co., Ltd (Mainland China) and the remittance from Taiwan are the capital increase through capitalization of retained earnings of USD 6,255 thousand and direct investment of RMB 649,959 thousand by offshore subsidiaries.

Note 5: The difference between the paid-in capital of Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China) and the remittance from Taiwan is the direct investment of RMB 510,000 thousand by an overseas subsidiary.

Note 6: The difference between the paid-in capital and the remittance from Taiwan is the direct investment of USD 110 thousand by the overseas subsidiary.

Note 7: It is converted according to the exchange rate of 32.0000 (asset and liability) and 31.3938 (profit and loss) on March 31, 2024.

Note 8: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

Note 9: The difference between the ending balance and the net equity value is due to the difference between the unrealized gross profit on sales and the amortization of equipment purchasing.

#### 3. Significant transactions:

For the direct or indirect significant transactions between the consolidated company and the Chinese invested company from January 1 to March 31, 2024 (which have been offset when the consolidated report is prepared), please refer to "Information on

Significant Transactions” for details.

(IV) Information of major shareholders:

<b>Shareholding</b>	<b>Shares held</b>	<b>Ratio of shareholding</b>
<b>Name of major shareholders</b>		
Yuchang Investment Co., Ltd.	25,471,477	7.39%
The first 2022 Discretionary Investment of Labor Pension Fund with HSBC Securities investment account	22,492,400	6.53%

Note: (1) In this chart, major shareholders are defined as shareholders with more than 5% collective holding interest in common and preferred shares that have been delivered via book entry (including treasury stocks), as shown in the records of TDCC on the final business day of each quarter. Share capital, as shown in the financial statements, may differ from the number of shares that have been delivered via book entry due to differences in the preparation basis.

(2) For shareholders who have placed shareholding under trust, the above information shall be provided based on trust accounts created by the trustee. In which case, these shareholders may be required under the Securities and Exchange Act to make regulatory reporting on insiders with more than 10% ownership interest, which include shares held in own name and shares placed under trust that the shareholder has control over. Refer to MOPS for information on the reporting of insider shareholding.

#### XIV. Department information

The information and adjustments of the operating departments of the consolidated company are as follows:

	January 2024 to March 2024				
	Domestic department	Foreign department	Other departments	Adjustment and write off	Total
Income:					
Income from external customers	\$ 2,795,203	10,107,257	-	-	12,902,460
Income from each department	531,902	1,575,004	-	(2,106,906)	-
Total income	<u>\$ 3,327,105</u>	<u>11,682,261</u>	<u>-</u>	<u>(2,106,906)</u>	<u>12,902,460</u>
Segment gains and losses which shall be disclosed	<u>\$ 2,229,296</u>	<u>3,005,167</u>	<u>5,791,147</u>	<u>(8,412,039)</u>	<u>2,613,571</u>

January 2023 to March 2023					
	Domestic department	Foreign department	Other departments	Adjustment and write off	Total
<b>Income:</b>					
Income from external customers	\$ 1,771,337	5,587,790	-	-	7,359,127
Income from each department	248,770	1,523,472	-	(1,772,242)	-
<b>Total income</b>	<b>\$ 2,020,107</b>	<b>7,111,262</b>	<b>-</b>	<b>(1,772,242)</b>	<b>7,359,127</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 635,378</b>	<b>655,566</b>	<b>1,471,021</b>	<b>(2,032,926)</b>	<b>729,039</b>