

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

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

**Third Quarter of 2025 and 2024**

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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 September 30, 2025 and 2024 and the consolidated income statement from July 1 to September 30, and from January 1 to September 30 in 2025 and 2024, 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 September 30 in 2025 and 2024 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 TWSRE 2410. 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 September 30, 2025 and 2024, and the consolidated financial performance from July 1 to September 30, and from January 1 to September 30 in 2025 and 2024, and consolidated cash flow from January 1 to September 30 in 2025 and 2024.

KPMG

CPA:

Securities Competent      Chin-Kuan-Cheng-Shen-Tzu No. 1080303300  
Authority Approval      :      Chin-Kuan-Cheng-Liu-Tzu No. 0940100754  
Certified Number

October 30, 2025

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

September 30, 2025, December 31, 2024, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2025		December 31, 2024		September 30, 2024				September 30, 2025		December 31, 2024		September 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and stockholders' equity		Amount	%	Amount	%	Amount	%
Current Assets:								Current Liabilities:							
1100	Cash and cash equivalents (Note 6 (1))	\$ 16,139,895	17	14,988,308	20	13,600,992	19	2100	Short-term borrowings (Note 6 (9))	\$ 9,170,759	10	6,046,780	8	8,336,627	12
1110	Financial assets at fair value through profit or loss - current (Notes 6 (2) and (11))	-	-	567	-	2,850	-	2170	Accounts payable	21,698,530	22	15,963,366	21	14,467,226	21
1150	Notes receivable, net (Note 6 (3))	65,613	-	32,281	-	46,989	-	2200	Other payables	7,548,592	8	5,235,758	7	4,420,372	6
1170	Accounts receivable, net (Notes 6 (3) and 7)	36,145,641	37	25,864,534	34	23,391,238	33	2230	Current income tax liabilities	1,327,943	1	790,235	1	693,185	1
1200	Other receivables (Notes 6 (4) and 7)	452,394	1	448,025	1	426,886	1	2280	Current lease liabilities (Note 6 (12))	39,883	-	43,513	-	40,894	-
1310	Inventories (Note 6 (5))	13,975,798	14	9,437,499	12	8,740,580	13	2321	Corporate bonds that mature in one year or one operating cycle or that have put rights executed (Note 6 (11))	-	-	138,070	-	461,547	1
1479	Other current assets - others (Note 8)	<u>579,165</u>	<u>1</u>	<u>722,552</u>	<u>1</u>	<u>1,197,968</u>	<u>2</u>	2322	Long-term borrowings due within one year or one business cycle (Note 6 (10))	1,917,740	2	1,596,099	2	2,112,138	3
Total current assets		<u>67,358,506</u>	<u>70</u>	<u>51,493,766</u>	<u>68</u>	<u>47,407,503</u>	<u>68</u>	2399	Other current liabilities - others	<u>424,087</u>	<u>-</u>	<u>368,172</u>	<u>-</u>	<u>231,488</u>	<u>-</u>
Non-current assets:								Total current liabilities		<u>42,127,534</u>	<u>43</u>	<u>30,181,993</u>	<u>39</u>	<u>30,763,477</u>	<u>44</u>
1510	Financial assets at fair value through profit or loss - non-current (Notes 6 (2) and (11))	3,969	-	18,300	-	-	-	Non-current liabilities:							
1600	Property, plant and equipment (Note 6 (7))	26,455,645	27	21,386,978	28	19,377,817	28	2500	Financial liabilities at fair value through profit or loss - non-current (Notes 6 (2) and (11))	-	-	12,600	-	32,400	-
1755	Right-of-use assets (Note 6 (8))	2,045,216	2	2,135,441	3	2,166,770	3	2530	Bonds payable (Note 6 (11))	446,179	-	5,831,882	8	2,792,546	4
1780	Total intangible assets	540,451	1	584,624	1	773,912	1	2540	Long-term borrowings (Note 6 (10))	7,911,308	8	2,939,986	4	2,510,264	3
1840	Deferred income tax assets	442,866	-	126,241	-	90,336	-	2570	Deferred income tax liabilities	1,233,752	1	878,938	1	829,371	1
1900	Other non-current assets (Note 8)	<u>339,852</u>	<u>-</u>	<u>334,486</u>	<u>-</u>	<u>349,807</u>	<u>-</u>	2580	Lease liabilities - non-current (Note 6 (12))	578,991	1	635,046	1	624,107	1
Total non-current assets		29,827,999	30	24,586,070	32	22,758,642	32	2600	Other non-current liabilities (Note 6 (13))	<u>507,505</u>	<u>1</u>	<u>505,541</u>	<u>1</u>	<u>519,333</u>	<u>1</u>
								Total non-current liabilities		<u>10,677,735</u>	<u>11</u>	<u>10,803,993</u>	<u>15</u>	<u>7,308,021</u>	<u>10</u>
								Total liabilities		<u>52,805,269</u>	<u>54</u>	<u>40,985,986</u>	<u>54</u>	<u>38,071,498</u>	<u>54</u>
								Equity attributable to owners of the parent company (Note 6 (16)):							
								3100	Share capital	3,575,355	4	3,466,329	5	3,452,219	5
								3200	Capital surplus	11,088,521	11	5,690,867	7	5,078,465	7
								Retained earnings:							
								3310	Legal reserve	4,966,823	5	4,010,652	5	4,010,652	7
								3320	Special reserve	43,858	-	859,153	1	859,153	1
								3350	Unappropriated retained earnings	26,004,950	27	21,127,674	28	18,470,188	26
								3400	Other equity interest	<u>(1,279,585)</u>	<u>(1)</u>	<u>(43,858)</u>	<u>-</u>	<u>236,087</u>	<u>-</u>
								Total equity attributable to owners of the parent company		<u>44,399,922</u>	<u>46</u>	<u>35,110,817</u>	<u>46</u>	<u>32,106,764</u>	<u>46</u>
								36XX	Non-controlling interests	<u>(18,686)</u>	<u>-</u>	<u>(16,967)</u>	<u>-</u>	<u>(12,117)</u>	<u>-</u>
								Total equity		<u>44,381,236</u>	<u>46</u>	<u>35,093,850</u>	<u>46</u>	<u>32,094,647</u>	<u>46</u>
								Total liabilities and equity		<u>\$ 97,186,505</u>	<u>100</u>	<u>76,079,836</u>	<u>100</u>	<u>70,166,145</u>	<u>100</u>
Total assets		<u>\$ 97,186,505</u>	<u>100</u>	<u>76,079,836</u>	<u>100</u>	<u>70,166,145</u>	<u>100</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 July 1 to September 30, 2025 and 2024, and January 1 to September 30, 2025 and 2024**

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

		July 2025 to September 2025		July 2024 to September 2024		January 2025 to September 2025		January 2024 to September 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 6 (18) and 7)	\$ 25,145,642	100	17,463,096	100	69,333,400	100	45,814,623	100
5000	Operating costs (Note 6 (5))	(17,569,793)	(70)	(12,747,903)	(73)	(48,338,010)	(70)	(33,126,257)	(72)
	Gross profit from operations	7,575,849	30	4,715,193	27	20,995,390	30	12,688,366	28
	Operating expenses:								
6100	Total selling expenses	(973,297)	(4)	(493,590)	(3)	(2,545,856)	(4)	(1,247,980)	(3)
6200	Total administrative expenses (Note 7)	(1,010,715)	(4)	(587,114)	(3)	(2,683,479)	(4)	(1,602,260)	(3)
6300	Total research and development expenses	(592,482)	(2)	(467,050)	(3)	(1,580,372)	(2)	(1,208,493)	(3)
6450	Expected credit losses (Note 6 (3))	(9,322)	-	(355)	-	(12,330)	-	(3,176)	-
	Total operating expenses	(2,585,816)	(10)	(1,548,109)	(9)	(6,822,037)	(10)	(4,061,909)	(9)
	Net operating income	4,990,033	20	3,167,084	18	14,173,353	20	8,626,457	19
	Non-operating income and expenses (Note 6 (20)):								
7100	Total interest income	76,716	-	38,779	-	185,547	-	97,884	-
7020	Other gains and losses	176,975	1	89,337	1	241,236	-	378,536	1
7050	Financial costs	(122,555)	-	(121,245)	(1)	(344,469)	-	(340,109)	(1)
	Total non-operating income and expenses	131,136	1	6,871	-	82,314	-	136,311	-
7900	Profit from continuing operations before tax	5,121,169	21	3,173,955	18	14,255,667	20	8,762,768	19
7950	Income tax expenses (Note 6 (15))	(1,157,100)	(5)	(659,300)	(4)	(3,346,838)	(5)	(1,837,531)	(4)
8200	Profit	3,964,069	16	2,514,655	14	10,908,829	15	6,925,237	15
	Other comprehensive income:								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
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	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	22,173	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	1,545,343	6	648,907	4	(1,543,360)	(2)	1,341,052	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(309,201)	(1)	(129,723)	(1)	308,932	1	(268,267)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	1,236,142	5	519,184	3	(1,234,428)	(1)	1,072,785	2
	Current period other comprehensive income (post-tax profit or loss)	1,236,142	5	519,184	3	(1,234,428)	(1)	1,094,958	2
8500	Total comprehensive income in current period	\$ 5,200,211	21	3,033,839	17	9,674,401	14	8,020,195	17
	Income attributable to:								
8610	Owners of the parent company	\$ 3,965,068	16	2,516,219	14	10,911,847	15	6,930,367	15
8620	Non-controlling interests	(999)	-	(1,564)	-	(3,018)	-	(5,130)	-
		\$ 3,964,069	16	2,514,655	14	10,908,829	15	6,925,237	15
	Comprehensive income attributable to:								
8710	Owners of the parent company	\$ 5,201,874	21	3,035,111	17	9,676,120	14	8,025,607	17
8720	Non-controlling interests	(1,663)	-	(1,272)	-	(1,719)	-	(5,412)	-
		\$ 5,200,211	21	3,033,839	17	9,674,401	14	8,020,195	17
	Earnings per share (NTD) (Note 6 (17))								
9750	Basic earnings per share (NTD)	\$ 11.19		7.30		31.23		20.14	
9850	Diluted earnings per share (NTD)	\$ 11.06		7.25		30.38		19.94	

(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 September 30, 2025 and 2024**

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest				
	Share capital		Retained earnings			Exchange differences on translation of foreign financial statements	Equity instrument 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, 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	-	-	-	-	6,930,367	-	-	6,930,367	(5,130)	6,925,237
Other comprehensive income in the current period	-	-	-	-	-	1,073,067	22,173	1,095,240	(282)	1,094,958
Total comprehensive income in current period	-	-	-	-	6,930,367	1,073,067	22,173	8,025,607	(5,412)	8,020,195
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	548,652	-	(548,652)	-	-	-	-	-
Special reserve	-	-	-	309,863	(309,863)	-	-	-	-	-
Cash dividends	-	-	-	-	(3,439,332)	-	-	(3,439,332)	-	(3,439,332)
Arising from the recognition of equity component- subscription right upon the issuance of convertible bonds	-	265,279	-	-	-	-	-	265,279	-	265,279
Convertible corporate bond conversion	20,426	451,392	-	-	-	-	-	471,818	-	471,818
Difference between the price and the book value of acquisition or disposal of subsidiary's equity	-	48	-	-	(26,147)	-	-	(26,099)	3,346	(22,753)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(10,051)	(10,051)
<b>Balance as of September 30, 2024</b>	<b>\$ 3,452,219</b>	<b>5,078,465</b>	<b>4,010,652</b>	<b>859,153</b>	<b>18,470,188</b>	<b>251,860</b>	<b>(15,773)</b>	<b>32,106,764</b>	<b>(12,117)</b>	<b>32,094,647</b>
<b>Balance as of January 1, 2025</b>	\$ 3,466,329	5,690,867	4,010,652	859,153	21,127,674	(28,085)	(15,773)	35,110,817	(16,967)	35,093,850
Profit	-	-	-	-	10,911,847	-	-	10,911,847	(3,018)	10,908,829
Other comprehensive income in the current period	-	-	-	-	-	(1,235,727)	-	(1,235,727)	1,299	(1,234,428)
Total comprehensive income in current period	-	-	-	-	10,911,847	(1,235,727)	-	9,676,120	(1,719)	9,674,401
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	956,171	-	(956,171)	-	-	-	-	-
Special reserve	-	-	-	(815,295)	815,295	-	-	-	-	-
Cash dividends	-	-	-	-	(5,893,695)	-	-	(5,893,695)	-	(5,893,695)
Convertible corporate bond conversion	109,026	5,397,654	-	-	-	-	-	5,506,680	-	5,506,680
<b>Balance as of September 30, 2025</b>	<b>\$ 3,575,355</b>	<b>11,088,521</b>	<b>4,966,823</b>	<b>43,858</b>	<b>26,004,950</b>	<b>(1,263,812)</b>	<b>(15,773)</b>	<b>44,399,922</b>	<b>(18,686)</b>	<b>44,381,236</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 September 30, 2025 and 2024**

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

	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 14,255,667	8,762,768
Adjustments:		
Adjustments to reconcile:		
Depreciation expense	1,312,148	1,268,469
Amortization expense	40,379	40,896
Expected credit impairment loss	12,330	3,176
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(39,785)	2,283
Interest expenses	319,479	334,216
Total interest income	(185,547)	(97,884)
Other income	(6,630)	-
Loss on disposal of property, plant and equipment	3,467	1,863
Gain on disposal of investment	-	(19,164)
Bond discounted amortized interest expense	24,990	5,893
Total adjustments to reconcile	<u>1,480,831</u>	<u>1,539,748</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Note receivable	(33,666)	85,540
Accounts receivable	(11,497,952)	(5,362,370)
Other receivables	(18,049)	(40,562)
Inventory	(4,957,689)	(2,344,813)
Other current assets	123,980	(635,190)
Other non-current assets	<u>85,872</u>	<u>34,503</u>
Total changes in operating assets	<u>(16,297,504)</u>	<u>(8,262,892)</u>
Changes in operating liabilities:		
Accounts payable	6,441,599	3,456,271
Other payables	2,228,177	650,133
Other current liabilities	65,607	23,127
Other non-current liabilities	<u>28,291</u>	<u>(10,103)</u>
Total changes in operating liabilities	<u>8,763,674</u>	<u>4,119,428</u>
Total changes in operating assets and liabilities	<u>(7,533,830)</u>	<u>(4,143,464)</u>
Total adjustments	<u>(6,052,999)</u>	<u>(2,603,716)</u>
Cash inflow generated from operations	8,202,668	6,159,052
Interest received	198,798	118,533
Interest paid	(310,806)	(333,606)
Income taxes paid	<u>(2,463,548)</u>	<u>(1,576,687)</u>
Net cash flows from operating activities	<u>5,627,112</u>	<u>4,367,292</u>
<b>Cash flows from (used in) investing activities:</b>		
Net cash flow from acquisition of subsidiaries	-	10,383
Acquisition of property, plant and equipment	(6,777,603)	(3,433,129)
Proceed from disposal of property, plant and equipment	486	1,192
Acquisition of intangible assets	(34,619)	(26,913)
Acquisition of right-of-use assets	(66,979)	(11,025)
Refundable deposits paid	<u>(99,257)</u>	<u>(32,835)</u>
Net cash flows used in investing activities	<u>(6,977,972)</u>	<u>(3,492,327)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	3,464,388	1,439,175
Issuance of corporate bonds payable	-	3,090,000
Long-term loan	7,465,185	2,865,849
Repay long-term loan	(1,901,542)	(854,395)
Guarantee deposits and margins received	(1,833)	28,493
Payment of lease liabilities	(31,044)	(24,738)
Cash dividends paid	(5,893,695)	(3,439,332)
Changes in non-controlling interests	-	57
Net cash flows from financing activities	<u>3,101,459</u>	<u>3,105,109</u>
Effect of exchange rate fluctuations on cash held	(599,012)	362,037
Net increase in cash and cash equivalents	1,151,587	4,342,111
Cash and cash equivalents at beginning of period	14,988,308	9,258,881
Cash and cash equivalents at end of period	<u>\$ 16,139,895</u>	<u>13,600,992</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**  
**Notes to Consolidated Financial Statements**  
**Third Quarter of 2025 and 2024**  
**(Unless otherwise stated, all amounts are in thousands of NTD)**

**1. 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 TWSE 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.)

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

The financial statements were approved by the Company’s Board of Directors on October 30, 2025.

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

(1) Impact of new and revised standards, amendments, and interpretations endorsed by the FSC  
The application of the amendments to the IFRS Accounting Standards from January 1, 2025, did not have any material impact on the Consolidated Company’s financial statement.

- Amendments to IAS 21 - Lack of Exchangeability

(2) The impact of IFRS Accounting Standards has not yet been adopted and approved by the FSC.

The Consolidated Company assesses that the adoption of the amendments to the IFRS Accounting Standards from January 1, 2026, would not have any material impact on the its consolidated financial statements.

- Amendments to IFRS 17 and IFRS 17 - “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

## (3) 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>	<p>January 1, 2027</p> <p>Note: The Financial Supervisory Commission (FSC) issued a press release on September 25, 2025, announcing that Taiwan will adopt IFRS 18 in the fiscal year of 2028. If a company has a need for early adoption, it may also choose to apply the standard in advance after approval by the FSC.</p>

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

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
- IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures” and Amendments to IFRS 19

## 4. Summary of significant accounting policies

### (1) 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 2024 Consolidated Financial Statement. For relevant information, please refer to Note 4 to the 2024 Consolidated Financial Statement.

### (2) Consolidation basis

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

Subsidiaries included in this consolidated financial statements include:

Investment company	Subsidiary	Nature of business	Shareholding percentage			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
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%	

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

Investment company	Subsidiary	Nature of business	Shareholding percentage			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
Grand Zhuhai Incorporated	Grand Zhongshan Incorporated	Investment	100.00%	100.00%	100.00%	
Grand Shanghai Incorporated	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	60.74%	60.74%	60.74%	
Grand Zhongshan Incorporated	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Manufacturing of Prepreg and Copper Clad Laminate for PCB	39.26%	39.26%	39.26%	
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%	100.00%	
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%	100.00%	
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%	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	Technica USA	General import and export services	56.07%	56.07% (Note)	56.07% (Note)	
EMD Specialty Materials, LLC	Technica USA	General import and export services	16.46%	16.46% (Note)	16.46% (Note)	

Note: EMD Specialty Materials, LLC invested USD 600 thousand in 30% of the equity of Technica USA on January 1, 2024, raising the Consolidated Company's stake in Technica USA to 60%. EMC USA Holding Incorporated, in March of the same year, and non-controlling interests, in May 2024, converted preferred stock, changing the equity of EMC USA Holding Incorporated to 56.07% and the equity of EMD Specialty Materials, LLC to 16.46%.

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

## **Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)**

### **(3) 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.

### **(4) 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.

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

When preparing these consolidated financial statements in accordance with the preparation guidelines and IAS 34 “Interim Financial Reporting” approved by the FSC, management is required to make judgments and estimates concerning the future (including climate-related risks and opportunities), which will affect the adoption 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 2024 Consolidated Financial Statement.

## **6. 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 2024 Consolidated Financial Statement. For relevant information, please refer to Note 6 to the 2024 Consolidated Financial Statement.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

(1) Cash and cash equivalents

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Cash	\$ 45,447	600	660
Demand deposits	11,790,387	8,373,156	9,259,466
Time deposits	1,417,364	3,863,967	1,905,463
Cash equivalents	<u>2,886,697</u>	<u>2,750,585</u>	<u>2,435,403</u>
Cash and cash equivalents shown in the consolidated statement of cash flows	<u><b>\$ 16,139,895</b></u>	<u><b>14,988,308</b></u>	<u><b>13,600,992</b></u>

(2) Financial assets and liabilities at fair value through profit or loss

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Financial assets mandatorily at fair value through profit or loss:			
Non-hedging derivatives			
Embedded derivatives - call or put options on unsecured convertible corporate bonds	<u><b>\$ 3,969</b></u>	<u><b>18,867</b></u>	<u><b>2,850</b></u>
Financial liabilities mandatorily at fair value through profit or loss:			
Embedded derivatives - call or put options on unsecured convertible corporate bonds	<u><b>\$ -</b></u>	<u><b>12,600</b></u>	<u><b>32,400</b></u>

(3) Note receivable and accounts receivable

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Note receivable	\$ 66,022	32,690	47,398
Accounts receivable	36,186,650	25,894,374	23,401,377
Less: loss allowances	<u>(41,418)</u>	<u>(30,249)</u>	<u>(10,548)</u>
	<u><b>\$ 36,211,254</b></u>	<u><b>25,896,815</b></u>	<u><b>23,438,227</b></u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

The Consolidated Company used the simplified approach to estimate expected credit losses on September 30, 2025 and 2024 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>September 30, 2025</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	\$ 35,814,030	0.06%	20,634
Less than 30 days past due	243,802	0.27%	647
31~120 days past due	84,069	0.01%	5
More than 121 days past due	<u>110,771</u>	18.17%	<u>20,132</u>
	<b><u>\$ 36,252,672</u></b>		<b><u>41,418</u></b>

	<b>December 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	\$ 25,501,810	0.05%	12,679
Less than 30 days past due	237,197	1.39%	3,303
31~120 days past due	179,861	5.75%	10,342
More than 121 days past due	<u>8,196</u>	47.89%	<u>3,925</u>
	<b><u>\$ 25,927,064</u></b>		<b><u>30,249</u></b>

	<b>September 30, 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	\$ 23,217,567	0.03%	7,247
Less than 30 days past due	150,613	0.14%	212
31~120 days past due	74,946	0.04%	32
More than 121 days past due	<u>5,649</u>	54.12%	<u>3,057</u>
	<b><u>\$ 23,448,775</u></b>		<b><u>10,548</u></b>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

Changes in loss allowance for note receivable and accounts receivable of the Consolidated Company is as follows:

	<b>January 2025 to September 2025</b>	<b>January 2024 to September 2024</b>
Opening Balance	\$ 30,249	5,355
Impairment loss recognized	12,330	3,176
Amount written off due to irrecoverability during this year	(217)	(1,775)
Other	778	-
Acquired through business combination	-	3,522
Foreign currency exchange gains and losses	(1,722)	270
Ending balance	<b><u>\$ 41,418</u></b>	<b><u>10,548</u></b>

(4) Other receivables

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Claims receivable	\$ 349,959	349,959	349,959
Other receivables	103,603	99,234	78,095
Less: loss allowances	(1,168)	(1,168)	(1,168)
	<b><u>\$ 452,394</u></b>	<b><u>448,025</u></b>	<b><u>426,886</u></b>

On January 15, 2023, the Company experienced a significant fire incident, resulting in damage to certain buildings, equipment, construction in progress, other assets, and inventories. The damaged assets were written off during the year, and a disaster loss of NTD 537,959 thousand was 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. There have been no significant changes during the period from January 1 to September 30, 2025. For relevant information, please refer to Note 10 of the 2024 Consolidated Financial Statements.

(5) Inventory

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Raw material	\$ 9,573,488	6,075,352	5,701,188
Goods-in-process	691,781	654,702	490,995
Finished goods	3,678,173	2,685,531	2,527,129
Merchandise	32,356	21,914	21,268
	<b><u>\$ 13,975,798</u></b>	<b><u>9,437,499</u></b>	<b><u>8,740,580</u></b>



**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

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

	<b>July 2025 to September 2025</b>	<b>July 2024 to September 2024</b>	<b>January 2025 to September 2025</b>	<b>January 2024 to September 2024</b>
Cost of goods sold	\$ 17,715,422	12,846,009	48,759,921	33,401,563
Loss for market price decline and obsolete and slow-moving inventories (Gain from price recovery)	45,390	10,797	79,768	(525)
Revenue from sale of scraps	<u>(191,019)</u>	<u>(108,903)</u>	<u>(501,679)</u>	<u>(274,781)</u>
Total	<b><u>\$ 17,569,793</u></b>	<b><u>12,747,903</u></b>	<b><u>48,338,010</u></b>	<b><u>33,126,257</u></b>

Loss for market price decline and obsolete and slow-moving inventories are because the inventory is slow-moving, outdated, or unusable, and the net realizable value of the inventory is lower than the cost as operating costs; in addition, the inventory market price decline and slow-moving recovery profit are due to the unrecognized scrapped or disposed inventories which previously net realizable value are 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 September 30, 2025, December 31, 2024, and September 30, 2024, the Consolidated Company's inventory had not been provided as a pledge.

**(6) Business combination**

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

## Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

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

### A. 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><u>\$ (25,269)</u></u>

### B. Goodwill

The goodwill recognized due to the acquisition is as follows:

Transfer consideration	\$ 18,423
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><u>\$ 52,007</u></u>

The Consolidated Company recognized a gain of USD 600 thousand (NTD 19,164 thousand) due to the remeasurement of the fair value of the 30% equity in TECHNICA 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 nine months ended September 30, 2024. Please refer to Note 6 (20) for details.

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

## (7) Property, plant and equipment

The details of the changes in property, plant, and equipment of the Consolidated Company during the nine months ended September 30, 2025 and 2024 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, 2025	\$ 2,537,243	6,931,556	12,961,873	4,008,407	5,419,057	31,858,136
Addition (including interest capitalization)	-	-	-	-	7,023,467	7,023,467
Disposal	-	(561)	(33,187)	(38,141)	-	(71,889)
Reclassification	-	53,333	504,029	312,943	(870,305)	-
Impact from change in exchange rate	-	(281,669)	(494,295)	(155,595)	(152,217)	(1,083,776)
Balance as of September 30, 2025	<u>\$ 2,537,243</u>	<u>6,702,659</u>	<u>12,938,420</u>	<u>4,127,614</u>	<u>11,420,002</u>	<u>37,725,938</u>
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)	-	-	-	-	3,120,203	3,120,203
Disposal	-	(350)	(58,949)	(15,322)	-	(74,621)
Reclassification	-	500,160	963,790	309,694	(1,773,644)	-
Impact from change in exchange rate	-	253,596	427,600	128,865	285,116	1,095,177
Balance as of September 30, 2024	<u>\$ 2,537,243</u>	<u>6,988,562</u>	<u>12,934,761</u>	<u>3,955,935</u>	<u>3,103,828</u>	<u>29,520,329</u>
Depreciation and impairment losses:						
Balance as of January 1, 2025	\$ -	1,767,377	6,441,062	2,262,719	-	10,471,158
Depreciation for the year	-	260,653	633,446	344,228	-	1,238,327
Disposal	-	(561)	(30,441)	(36,934)	-	(67,936)
Impact from change in exchange rate	-	(64,139)	(221,717)	(85,400)	-	(371,256)
Balance as of September 30, 2025	<u>\$ -</u>	<u>1,963,330</u>	<u>6,822,350</u>	<u>2,484,613</u>	<u>-</u>	<u>11,270,293</u>
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	-	256,636	615,656	333,639	-	1,205,931
Disposal	-	(350)	(56,815)	(14,401)	-	(71,566)
Impact from change in exchange rate	-	47,781	179,999	61,000	-	288,780
Balance as of September 30, 2024	<u>\$ -</u>	<u>1,692,600</u>	<u>6,287,955</u>	<u>2,161,957</u>	<u>-</u>	<u>10,142,512</u>
Book value:						
January 1, 2025	<u>\$ 2,537,243</u>	<u>5,164,179</u>	<u>6,520,811</u>	<u>1,745,688</u>	<u>5,419,057</u>	<u>21,386,978</u>
September 30, 2025	<u>\$ 2,537,243</u>	<u>4,739,329</u>	<u>6,116,070</u>	<u>1,643,001</u>	<u>11,420,002</u>	<u>26,455,645</u>
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>
September 30, 2024	<u>\$ 2,537,243</u>	<u>5,295,962</u>	<u>6,646,806</u>	<u>1,793,978</u>	<u>3,103,828</u>	<u>19,377,817</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

On September 30, 2025, December 31, 2024, and September 30, 2024, 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 Note 9 (1) for the relevant major engineering contracts.

Please refer to Note 6 (20) for capitalized interest.

(8) Right-of-use assets

The details of the changes in right-of-use assets recognized by the Consolidated Company for leased land and buildings are as follows:

	<b>Land</b>	<b>Property and building</b>	<b>Total</b>
Cost of right-of-use assets:			
Balance as of January 1, 2025	\$ 1,606,431	761,591	2,368,022
Enhancements	66,979	1,066	68,045
Remeasurement	-	17,983	17,983
Impact from change in exchange rate	(63,576)	(54,234)	(117,810)
Balance as of September 30, 2025	<u><b>\$ 1,609,834</b></u>	<u><b>726,406</b></u>	<u><b>2,336,240</b></u>
Balance as of January 1, 2024	\$ 1,291,529	348,847	1,640,376
Acquired through business combination	-	7,019	7,019
Enhancements	255,252	372,011	627,263
Impact from change in exchange rate	89,489	7,663	97,152
Balance as of September 30, 2024	<u><b>\$ 1,636,270</b></u>	<u><b>735,540</b></u>	<u><b>2,371,810</b></u>
Depreciation and impairment losses on right-of-use assets:			
Balance as of January 1, 2025	\$ 103,622	128,959	232,581
Depreciation	24,144	49,677	73,821
Impact from change in exchange rate	(5,019)	(10,359)	(15,378)
Balance as of September 30, 2025	<u><b>\$ 122,747</b></u>	<u><b>168,277</b></u>	<u><b>291,024</b></u>
Balance as of January 1, 2024	\$ 70,753	59,802	130,555
Acquired through business combination	-	6,479	6,479
Depreciation	22,148	40,390	62,538
Impact from change in exchange rate	3,773	1,695	5,468
Balance as of September 30, 2024	<u><b>\$ 96,674</b></u>	<u><b>108,366</b></u>	<u><b>205,040</b></u>
Book value:			
January 1, 2025	<u><b>\$ 1,502,809</b></u>	<u><b>632,632</b></u>	<u><b>2,135,441</b></u>
September 30, 2025	<u><b>\$ 1,487,087</b></u>	<u><b>558,129</b></u>	<u><b>2,045,216</b></u>
January 1, 2024	<u><b>\$ 1,220,776</b></u>	<u><b>289,045</b></u>	<u><b>1,509,821</b></u>
September 30, 2024	<u><b>\$ 1,539,596</b></u>	<u><b>627,174</b></u>	<u><b>2,166,770</b></u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

On September 30, 2025, December 31, 2024, and September 30, 2024, the Consolidated Company's right-of-use assets were not provided as guarantees for bank loans and the amount of financing.

(9) Short-term borrowings

The detail of the Consolidated Company's short-term borrowings is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 9,170,759	6,046,780	8,020,127
Secured bank loans	-	-	316,500
Total	<u>\$ 9,170,759</u>	<u>6,046,780</u>	<u>8,336,627</u>
Unused short-term credit lines	<u>\$ 21,949,154</u>	<u>20,115,041</u>	<u>15,869,932</u>
Interest rate range	<u>0.79%~3.72%</u>	<u>0.96%~5.50%</u>	<u>1.56%~10.50%</u>

Please refer to Note 6 (21) for information on exposure to interest rate, foreign currency and liquidity risks of the consolidated company.

Please refer to Note 8 for the details of the assets pledged by the Consolidated Company for bank loans.

(10) Long-term borrowings

The detail of the Consolidated Company's long-term borrowings is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 9,829,048	4,536,085	4,622,402
Less: amount due within one year	(1,917,740)	(1,596,099)	(2,112,138)
Total	<u>\$ 7,911,308</u>	<u>2,939,986</u>	<u>2,510,264</u>
Unused short-term credit lines	<u>\$ 14,185,014</u>	<u>5,776,504</u>	<u>6,184,746</u>
Interest rate range	<u>2.50%~3.10%</u>	<u>2.90%~4.35%</u>	<u>1.98%~4.35%</u>
Due year	<u>2026~2035</u>	<u>2025~2029</u>	<u>2024~2027</u>

Please refer to Note 6 (21) 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

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

CPAs. If the loan contract is violated Certain conditions, according to the agreement, should be improved by cash capital increase or other means. On September 30, 2025, December 31, 2024, and September 30, 2024, the Consolidated Company did not violate the above financial ratio restrictions.

(11) Unsecured convertible bonds

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

	September 30, 2025	December 31, 2024	September 30, 2024
Bond issuance amount	\$ 9,465,300	9,465,300	6,465,300
Unamortized balance of discounted corporate bonds payable	(26,321)	(171,748)	(220,907)
Cumulative amount of conversion	(8,992,800)	(3,323,600)	(2,990,300)
Ending balance of corporate bonds payable	446,179	5,969,952	3,254,093
Less: amount due within one year	-	(138,070)	(461,547)
Balance of corporate bonds payable- non-current	<u>\$ 446,179</u>	<u>5,831,882</u>	<u>2,792,546</u>
Embedded derivative financial instruments - call-back or repurchase rights (presented as financial assets at fair value through profit or loss - current)	<u>\$ -</u>	<u>567</u>	<u>2,850</u>
Embedded derivative financial instruments - call-back or repurchase rights (presented as financial assets at fair value through profit or loss - non-current)	<u>\$ 3,969</u>	<u>18,300</u>	<u>-</u>
Embedded derivative financial instruments - call-back or repurchase rights (presented as financial liabilities at fair value through profit or loss - non-current)	<u>\$ -</u>	<u>12,600</u>	<u>32,400</u>
Equity component - conversion right (reported in capital surplus - subscription right)	<u>\$ 41,782</u>	<u>577,116</u>	<u>293,738</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

	<u>July 2025 to</u> <u>September 2025</u>	<u>July 2024 to</u> <u>September 2024</u>	<u>January 2025 to</u> <u>September 2025</u>	<u>January 2024 to</u> <u>September 2024</u>
Embedded derivative financial instruments - remeasurement of call-back or 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>\$ 6,601</u>	<u>(3,311)</u>	<u>39,785</u>	<u>(2,283)</u>
Interest expenses	<u>\$ 7,205</u>	<u>1,673</u>	<u>24,990</u>	<u>5,893</u>

- A. On July 31, 2024, the Company's Board of Directors approved by resolution the issuance of the seventh domestic unsecured convertible corporate bonds. The total par value of the issuance was NTD 3,000,000 thousand. The bonds were issued at 110.94% of the par value. The actual amount loaned was NTD 3,328,253 thousand, which was declared effective by the FSC, and the bonds were listed on Taipei Exchange on October 9, 2024. As of September 30, 2025, all bondholders of the aforementioned corporate bonds have exercised their conversion rights.
- B. On July 31, 2024, the Company's Board of Directors approved by resolution the issuance of the sixth domestic unsecured convertible corporate bonds. The total par value of the issuance was NTD 3,000,000 thousand. The bonds were issued at 103% of the par value. The actual amount loaned was NTD 3,090,000 thousand, which was declared effective by the Financial Supervisory Commission (FSC), and the bonds were listed on Taipei Exchange on September 25, 2024.
- C. On December 21, 2021, the Company's Board of Directors approved by resolution the issuance of the fifth domestic unsecured convertible corporate bonds. The total par value of the issuance was NTD 3,465,300 thousand. The bonds were issued at 101% of the par value. The actual amount loaned was NTD 3,499,953 thousand, which was declared effective by the Financial Supervisory Commission (FSC) and the bonds were listed on Taipei Exchange on April 25, 2022. In addition, the holders of the convertible corporate bonds can exercise the put rights within a period that is in compliance with the issuance regulations. Therefore, the Company recognized it in current liabilities starting from April 25, 2024; however, it does not mean that the holders will definitely require the Company to repay the liability within the next year. As of September 30, 2025, all bondholders of the aforementioned corporate bonds have fully exercised their conversion rights.

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

The Company issues domestic convertible corporate bonds at face value. The main conditions for issuance are stated below:

	<b>Fifth domestic unsecured convertible corporate bonds</b>	<b>Sixth domestic unsecured convertible corporate bonds</b>	<b>Seventh domestic unsecured convertible corporate bonds</b>
Total amount of issue	NTD 3,465,300 thousand	NTD 3,000,000 thousand	NTD 3,000,000 thousand
Issue date	April 25, 2022	September 25, 2024	October 9, 2024
Issue price	Issued at 101% of par value	Issued at 103% of par value	Issued at 110.94% of par value
Coupon rate	0%	0%	0%
Issuance period	April 25, 2022 - April 25, 2027	September 25, 2024 - September 25, 2029	October 9, 2024 - October 9, 2029
Redemption right for the convertible corporate bonds	<p>From the day after three full months after the issuance (July 26, 2022) to 40 days before the expiration of the issuance period (maturity date) (March 16, 2027):</p> <ol style="list-style-type: none"> <li>1. If the closing price of the Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;</li> <li>2. If the outstanding balance of the convertible corporate bonds converted by the Company per the requests of the bond holders is less than 10% of total initial issue amount;</li> </ol> <p>The 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.</p>	<p>From the day after three full months after the issuance (December 26, 2024) to 40 days before the expiration of the issuance period (maturity date) (August 16, 2029):</p> <ol style="list-style-type: none"> <li>1. If the closing price of the Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;</li> <li>2. If the outstanding balance of the convertible corporate bonds converted by the Company per the requests of the bond holders is less than 10% of total initial issue amount;</li> </ol> <p>The 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.</p>	<p>From the day after three full months after the issuance (January 10, 2025) to 40 days before the expiration of the issuance period (maturity date) (August 30, 2029):</p> <ol style="list-style-type: none"> <li>1. If the closing price of the Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;</li> <li>2. If the outstanding balance of the convertible corporate bonds converted by the Company per the requests of the bond holders is less than 10% of total initial issue amount;</li> </ol> <p>The 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.</p>



# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

	<b>Fifth domestic unsecured convertible corporate bonds</b>	<b>Sixth domestic unsecured convertible corporate bonds</b>	<b>Seventh domestic unsecured convertible corporate bonds</b>
Call rights for convertible corporate bonds	Thirty days before the record date (March 26, 2025) for sell back three full years after the issuance, the bond holder may request the Company to call-back the convertible bonds held by the Company in cash at par value. The Company accepts the repurchase request and shall call-back the convertible bonds in cash within five business days after the repurchase date.	Thirty days before the record date (August 26, 2027) for sell back three full years after the issuance, the bond holder may request the Company to call-back the convertible bonds held by the Company in cash at par value. The Company accepts the repurchase request and shall call-back the convertible bonds in cash within five business days after the repurchase date.	The Company's bonds are not subject to any repurchase clauses.
Conversion period for converting corporate bonds	Bond holders may convert the corporate bonds between July 26, 2022 (the day after three full months after the issuance date of the convertible corporate bonds) and April 25, 2027 (maturity date).	Bond holders may convert the corporate bonds between December 26, 2024 (the day after three full months after the issuance date of the convertible corporate bonds) and September 25, 2029 (maturity date).	Bond holders may convert the corporate bonds between January 10, 2025 (the day after three full months after the issuance date of the convertible corporate bonds) and October 9, 2029 (maturity date).
Conversion price for the convertible corporate bonds	The conversion price at the time of the issuance of the fifth five-year unsecured convertible corporate bonds is set at NTD 263 per share. In the events of a change in the total number of common shares of the 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 Company takes September 6, 2024 and September 1, 2023 as the base date for dividend distribution, according to the provisions of Article 11 of the Company's fifth domestic unsecured convertible corporate bond issuance and conversion methods, the adjustment conversion price are adjusted from NTD 241.8 to NTD 236.2 and from NTD 246.8 to NTD 241.8. This bond does not have reset feature.	The conversion price at the time of the issuance of the sixth five-year unsecured convertible corporate bonds is set at NTD 607.5 per share. In the events of a change in the total number of common shares of the 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 Company takes September 5, 2025 as the base date for dividend distribution, according to the provisions of Article 11 of the Company's sixth domestic unsecured convertible corporate bond issuance and conversion methods, the adjustment conversion price is adjusted from NTD 607.5 to NTD 598.6. This bond does not have reset feature.	The conversion price at the time of the issuance of the seventh five-year unsecured convertible corporate bonds is set at NTD 490.7 per share. In the events of a change in the total number of common shares of the 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. This bond does not have reset feature.

Please refer to Note 6 (21) for information on exposure to interest rate, foreign currency and liquidity risks of the consolidated company.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

(12) Lease liabilities

The carrying amounts of the Consolidated Company's lease liabilities are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	<u>\$ 39,883</u>	<u>43,513</u>	<u>40,894</u>
Non-current	<u>\$ 578,991</u>	<u>635,046</u>	<u>624,107</u>

For maturity analysis, please refer to Note 6 (21) Financial Instruments.

The amounts recognized in profit or loss are as follows:

	July 2025 to September 2025	July 2024 to September 2024	January 2025 to September 2025	January 2024 to September 2024
Interest expense on lease liability	<u>\$ 9,073</u>	<u>9,956</u>	<u>28,477</u>	<u>22,705</u>
Expense on short-term lease	<u>\$ 21,097</u>	<u>17,173</u>	<u>64,889</u>	<u>46,209</u>

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

	January 2025 to September 2025	January 2024 to September 2024
Total cash outflow from lease	<u>\$ 124,410</u>	<u>93,652</u>

A. 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.

B. 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.

(13) Other non-current liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Prepayments	\$ 463,743	457,058	466,705
Guarantee deposits and margins received	<u>43,762</u>	<u>48,483</u>	<u>52,628</u>
Total	<u>\$ 507,505</u>	<u>505,541</u>	<u>519,333</u>

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

Due to the relocation of the Kunshan Youbi Factory, the Consolidated Company received an advance payment of NTD 337,409 thousand, NTD 353,762 thousand and NTD 357,317 thousand on September 30, 2025, December 31, 2024, and September 30, 2024 respectively. Please refer to Note 9 (2) for details.

## (14) Employee benefits

### A. 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, 2024 and 2023 and disclose the pension costs for interim periods. The pension costs recognized by the Consolidated Company from January 1 to September 30, 2025 and 2024 were NTD 0.

### B. Determined appropriation plan

The Consolidated Company has determined the pension expenses under the appropriation method as follows:

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Operating costs	\$ 66,961	53,388	202,595	152,539
Total selling expenses	4,275	3,610	12,989	10,409
Total administrative expenses	18,531	7,285	39,307	19,287
Total research and development expenses	7,603	5,194	21,291	13,807
Total	<u><u>\$ 97,370</u></u>	<u><u>69,477</u></u>	<u><u>276,182</u></u>	<u><u>196,042</u></u>

## (15) Income tax

The details of income tax expenses of the Consolidated Company from January 1 to September 30, 2025 and 2024 are as follows:

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Current income tax expense				
Current tax expense recognized in the current year	\$ 1,303,511	885,270	3,004,790	1,893,254
Income tax adjustments on prior years	12,522	(15,925)	27,962	(128,129)
	<u>1,316,033</u>	<u>869,345</u>	<u>3,032,752</u>	<u>1,765,125</u>
Deferred income tax expense				
Occurrence and reversal of temporary differences	(158,933)	(210,045)	314,086	72,406
Income tax expenses of continuing operations	<u><u>\$ 1,157,100</u></u>	<u><u>659,300</u></u>	<u><u>3,346,838</u></u>	<u><u>1,837,531</u></u>

## Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

The details of the income tax benefit (expense) recognized in other comprehensive income by the Consolidated Company from January 1 to September 30, 2025 and 2024 are as follows:

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	<u>\$ (309,201)</u>	<u>(129,723)</u>	<u>308,932</u>	<u>(268,267)</u>

### A. Income Tax Assessment

The income tax settlement declaration of the profit-seeking enterprise of the Company has been approved by the tax collection authority until 2022.

### B. Global Minimum Tax

The Pillar Two legislation became effective in Malaysia in 2025, where the Consolidated Company operates. As of September 30, 2025, there was no impact on the Consolidated Company's current income tax.

## (16) Capital and other equity

### A. Issuance of common stock

On September 30, 2025, December 31, 2024, and September 30, 2024, the Company's total rated share capital was NTD 6,000,000 thousand. The face value of each share is NTD 10 with 600,000 thousand shares. The issued common shares are 357,535 thousand shares, 346,632 thousand shares, and 345,222 thousand shares respectively where all share price on the issued shares have been received.

From January 1 to September 30, 2025 and 2024, the Company issued new shares of 10,903 thousand and 2,043 thousand, respectively, at par value, due to the exercise of conversion rights by convertible bondholders for the total amounts of NTD 5,669,200 thousand and NTD 490,700 thousand, respectively. For 5,842 thousand shares and 1,381 thousand shares of the above shares, respectively, the Company has completed the registration procedures.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

**B. Capital surplus**

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

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</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	10,951,064	5,018,076	4,689,052
Difference between the price and the book value of acquisition or disposal of subsidiary's equity	48	48	48
Conversion right	41,782	577,116	293,738
	<b><u>\$ 11,088,521</u></b>	<b><u>5,690,867</u></b>	<b><u>5,078,465</u></b>

**C. 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. 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.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

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.

**(A) 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 10% of said profits as legal reserve.

**(B) Earnings distribution**

The Company's Board of Directors approved by resolution the 2024 and 2023 earnings distribution proposals, on February 25, 2025 and February 29, 2024, respectively. The amounts of dividends distributed to owners are as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Payout ratio (NTD)</b>	<b>Amount</b>	<b>Payout ratio (NTD)</b>	<b>Amount</b>
Dividends distributed to owners of common stock:				
Cash	\$ 17.00	<u>\$ 5,893,695</u>	10.00	<u>3,439,332</u>

**D. Other equity (net post-tax)**

	<b>Exchange differences on translation of foreign financial statements</b>	<b>Equity instrument investment losses measured at fair value through other comprehensive income</b>	<b>Non-controlling interests</b>	<b>Total</b>
Balance as of January 1, 2025	\$ (28,085)	(15,773)	(16,967)	(60,825)
Exchange differences arising on translation of foreign operations	(1,235,727)	-	1,299	(1,234,428)
Loss on non-controlling interests	-	-	(3,018)	(3,018)
Balance as of September 30, 2025	<u>\$ (1,263,812)</u>	<u>(15,773)</u>	<u>(18,686)</u>	<u>(1,298,271)</u>
January 1, 2024	\$ (821,207)	(37,946)	-	(859,153)
Exchange differences arising on translation of foreign operations	1,073,067	-	(282)	1,072,785
Unrealized valuation gain on financial assets at fair value through other comprehensive income	-	22,173	-	22,173
Loss on non-controlling interests	-	-	(5,130)	(5,130)
Difference between the price and the book value of acquisition or disposal of subsidiary's equity	-	-	3,346	3,346
Changes in non-controlling interests	-	-	(10,051)	(10,051)
Balance as of September 30, 2024	<u>\$ 251,860</u>	<u>(15,773)</u>	<u>(12,117)</u>	<u>223,970</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

(17) Earnings per share

A. Earnings per share - basic

Basic earnings per share for the Consolidated Company for the periods from January 1 to September 30, 2025 and 2024 were calculated based on the net income attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding. The relevant calculations are as follows:

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

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Net income attributable to common shareholders of the Company	\$ <u>3,965,068</u>	<u>2,516,219</u>	<u>10,911,847</u>	<u>6,930,367</u>

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

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Weighted average number of common shares outstanding	<u>354,410</u>	<u>344,618</u>	<u>349,405</u>	<u>344,156</u>

B. Earnings per share - diluted

The diluted earnings per share for the three and nine months ended September 30, 2025 and 2024 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:

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

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Net income attributable to the Company's ordinary share shareholders (basic)	\$ 3,965,068	2,516,219	10,911,847	6,930,367
Amount of after-tax effect of interest expense and other income or gains and losses on convertible bonds	<u>483</u>	<u>3,987</u>	<u>(11,836)</u>	<u>6,541</u>
Net income attributable to the Company's ordinary share shareholders (diluted)	<u>\$ 3,965,551</u>	<u>2,520,206</u>	<u>10,900,011</u>	<u>6,936,908</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

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

	<b>July 2025 to September 2025</b>	<b>July 2024 to September 2024</b>	<b>January 2025 to September 2025</b>	<b>January 2024 to September 2024</b>
Weighted average number of common shares outstanding (basic)	354,410	344,618	349,405	344,156
Effect of Convertible Corporate Bond Conversion	3,915	2,615	8,920	3,077
Effect of employee stock dividends	<u>303</u>	<u>527</u>	<u>414</u>	<u>610</u>
Weighted average number of outstanding ordinary shares as of September 30 (diluted)	<u><b>358,628</b></u>	<u><b>347,760</b></u>	<u><b>358,739</b></u>	<u><b>347,843</b></u>

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.

(C) Earnings per share are as follows:

	<b>July 2025 to September 2025</b>	<b>July 2024 to September 2024</b>	<b>January 2025 to September 2025</b>	<b>January 2024 to September 2024</b>
Earnings per share - basic	<u><b>\$ 11.19</b></u>	<u><b>7.30</b></u>	<u><b>31.23</b></u>	<u><b>20.14</b></u>
Earnings per share - diluted	<u><b>\$ 11.06</b></u>	<u><b>7.25</b></u>	<u><b>30.38</b></u>	<u><b>19.94</b></u>



**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

(18) Revenue from customer contracts

A. Breakdown of income

		July 2025 to September 2025		
		Domestic department	Foreign department	Adjustment and write off
				Total
Key market region:				
Taiwan	\$	2,486,229	726,019	(723,777)
China		356,760	23,916,661	(4,711,233)
Other countries		1,647,132	1,568,105	(120,254)
	\$	<u>4,490,121</u>	<u>26,210,785</u>	<u>(5,555,264)</u>
Key products:				
Prepreg	\$	1,666,029	11,836,683	(2,609,718)
Copper clad laminate		2,326,329	14,019,443	(2,296,804)
Other		497,763	354,659	(648,742)
	\$	<u>4,490,121</u>	<u>26,210,785</u>	<u>(5,555,264)</u>
		July 2024 to September 2024		
		Domestic department	Foreign department	Adjustment and write off
				Total
Key market region:				
Taiwan	\$	2,655,482	420,458	(416,568)
China		461,474	15,651,659	(2,699,201)
Other countries		982,963	441,517	(34,688)
	\$	<u>4,099,919</u>	<u>16,513,634</u>	<u>(3,150,457)</u>
Key products:				
Prepreg	\$	1,452,863	6,962,472	(1,054,796)
Copper clad laminate		2,068,937	9,302,505	(1,479,871)
Other		578,119	248,657	(615,790)
	\$	<u>4,099,919</u>	<u>16,513,634</u>	<u>(3,150,457)</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

January 2025 to September 2025				
	Domestic department	Foreign department	Adjustment and write off	Total
Key market region:				
Taiwan	\$ 7,421,271	1,822,014	(1,814,777)	7,428,508
China	1,527,012	64,309,258	(10,914,829)	54,921,441
Other countries	4,049,313	3,180,302	(246,164)	6,983,451
	<b>\$ 12,997,596</b>	<b>69,311,574</b>	<b>(12,975,770)</b>	<b>69,333,400</b>
Key products:				
Prepreg	\$ 4,631,778	30,734,608	(5,525,415)	29,840,971
Copper clad laminate	6,555,264	37,289,116	(4,987,498)	38,856,882
Other	1,810,554	1,287,850	(2,462,857)	635,547
	<b>\$ 12,997,596</b>	<b>69,311,574</b>	<b>(12,975,770)</b>	<b>69,333,400</b>
January 2024 to September 2024				
	Domestic department	Foreign department	Adjustment and write off	Total
Key market region:				
Taiwan	\$ 7,194,787	1,324,407	(1,309,597)	7,209,597
China	1,644,114	40,020,428	(6,896,345)	34,768,197
Other countries	2,673,436	1,267,231	(103,838)	3,836,829
	<b>\$ 11,512,337</b>	<b>42,612,066</b>	<b>(8,309,780)</b>	<b>45,814,623</b>
Key products:				
Prepreg	\$ 3,902,464	18,127,971	(2,718,923)	19,311,512
Copper clad laminate	5,589,316	23,870,101	(3,642,770)	25,816,647
Other	2,020,557	613,994	(1,948,087)	686,464
	<b>\$ 11,512,337</b>	<b>42,612,066</b>	<b>(8,309,780)</b>	<b>45,814,623</b>

## Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

### (19) Remuneration to the employees and directors

On May 14, 2025, the Company's Articles of Incorporation were amended by a resolution of the shareholders' meeting. According to the amended articles, if there are profits for the year, 3% shall be allocated as employee remuneration (of which the amount for entry-level employees shall be no less than 35%) and no more than 1.2% shall be allocated as remuneration for directors and supervisors. 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 previous version of the Articles of Incorporation stipulated that, when there are profits for the year, 3% would be allocated as employee remuneration and no more than 1.2% as remuneration for directors and supervisors. 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 July 1 to September 30 and January 1 to September 30, 2025 and 2024 were NTD 131,613 thousand, 84,774 thousand, 372,010 thousand, and 235,531 thousand respectively, and the estimated amount of directors' remuneration NTD 28,516 thousand, 18,367 thousand, 80,602 thousand, and 51,031 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 September 30, 2025 and 2024. 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 2024 and 2023 was NTD 322,052 thousand and 190,947 thousand respectively, and the amount of directors' remuneration was NTD 69,778 thousand and 41,372 thousand respectively. There is no difference between the amount of employee remuneration and director's remuneration in 2024 and 2023 and the actual distribution and the relevant information can be inquired at the MOPS.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

(20) Non-operating income and expenses

A. Total interest income

The details of the Consolidated Company's interest income are as follows:

	July 2025 to September 2025	July 2024 to September 2024	January 2025 to September 2025	January 2024 to September 2024
Bank deposit interest	<u>\$ 76,716</u>	<u>38,779</u>	<u>185,547</u>	<u>97,884</u>

B. Other gains and losses

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

	July 2025 to September 2025	July 2024 to September 2024	January 2025 to September 2025	January 2024 to September 2024
Gain on disposal of investment	\$ -	52	-	19,164
Foreign currency exchange gain (loss)	112,812	23,564	(166,859)	170,471
Gain (loss) on financial assets or liabilities at fair value through profit or loss	7,801	(3,311)	39,785	(2,283)
Loss on disposal of property, plant and equipment	(1,159)	(66)	(3,467)	(1,863)
Other gains	<u>57,521</u>	<u>69,098</u>	<u>371,777</u>	<u>193,047</u>
Other gains and losses, net	<u>\$ 176,975</u>	<u>89,337</u>	<u>241,236</u>	<u>378,536</u>

C. Financial costs

The details of financial costs of the Consolidated Company are as follows:

	July 2025 to September 2025	July 2024 to September 2024	January 2025 to September 2025	January 2024 to September 2024
Interest expenses	\$ 122,555	121,315	344,469	348,971
Less: capitalized interest	<u>-</u>	<u>(70)</u>	<u>-</u>	<u>(8,862)</u>
	<u>\$ 122,555</u>	<u>121,245</u>	<u>344,469</u>	<u>340,109</u>

(21) Financial instrument

Except as described below, there were no significant changes in the fair value of the Consolidated Company's financial instruments or in its exposure to credit risk and interest rate sensitivity arising from financial instruments. For relevant information, please refer to Note 6 (21) of the 2024 Consolidated Financial Statements.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

**A. 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>September 30, 2025</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 18,999,807	19,719,432	8,343,245	3,060,877	2,707,514	5,607,796
Accounts payable	21,698,530	21,698,530	21,698,530	-	-	-
Other payables	7,548,592	7,548,592	7,548,592	-	-	-
Bonds payable	446,179	472,500	-	-	-	472,500
Lease liabilities	618,874	822,414	37,995	36,775	72,236	675,408
	<u><b>\$ 49,311,982</b></u>	<u><b>50,261,468</b></u>	<u><b>37,628,362</b></u>	<u><b>3,097,652</b></u>	<u><b>2,779,750</b></u>	<u><b>6,755,704</b></u>
<b>December 31, 2024</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 10,582,865	10,782,304	6,283,011	1,459,938	1,203,335	1,836,020
Accounts payable	15,963,366	15,963,366	15,963,366	-	-	-
Other payables	5,235,758	5,235,758	5,235,758	-	-	-
Bonds payable	5,969,952	6,141,700	141,700	-	-	6,000,000
Lease liabilities	678,559	921,273	40,742	41,526	77,998	761,007
	<u><b>\$ 38,430,500</b></u>	<u><b>39,044,401</b></u>	<u><b>27,664,577</b></u>	<u><b>1,501,464</b></u>	<u><b>1,281,333</b></u>	<u><b>8,597,027</b></u>
<b>September 30, 2024</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 12,642,529	12,966,744	8,291,691	2,071,871	1,211,166	1,392,016
Secured bank loans	316,500	338,212	10,707	327,505	-	-
Accounts payable	14,467,226	14,467,226	14,467,226	-	-	-
Other payables	4,420,372	4,420,372	4,420,372	-	-	-
Bonds payable	3,254,093	3,475,000	-	475,000	-	3,000,000
Lease liabilities	665,001	909,019	38,888	39,993	76,584	753,554
	<u><b>\$ 35,765,721</b></u>	<u><b>36,576,573</b></u>	<u><b>27,228,884</b></u>	<u><b>2,914,369</b></u>	<u><b>1,287,750</b></u>	<u><b>5,145,570</b></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.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

B. Market risk

(A) Currency risk

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

<b>September 30, 2025</b>					
		<b>Foreign currency (thousand)</b>		<b>Exchange rate</b>	<b>NTD</b>
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	171,346	USD: NTD	30.4450	5,216,637
		206,503	USD: RMB	7.1283	6,286,978
		13,061	USD: MYR	4.2232	397,642
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		117,536	USD: NTD	30.4450	3,578,381
		210,159	USD: RMB	7.1283	6,398,276
		31,314	USD: MYR	4.2232	953,367
CHF		21,464	CHF: USD	1.2562	820,891
<b>December 31, 2024</b>					
		<b>Foreign currency (thousand)</b>		<b>Exchange rate</b>	<b>NTD</b>
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	139,692	USD: NTD	32.7850	4,579,793
		101,750	USD: RMB	7.3214	3,335,888
		5,649	USD: MYR	4.5196	185,212
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		105,249	USD: NTD	32.7850	3,450,572
		153,843	USD: RMB	7.3214	5,043,730
		8,887	USD: MYR	4.5196	291,374
CHF		21,342	CHF: USD	1.1061	773,954

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

<b>September 30, 2024</b>					
	<b>Foreign currency (thousand)</b>		<b>Exchange rate</b>		<b>NTD</b>
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	141,469	USD: NTD	31.6500	4,477,490
		121,580	USD: RMB	6.9976	3,848,007
		2,270	USD: MYR	4.1131	71,840
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		111,022	USD: NTD	31.6500	3,513,852
		143,121	USD: RMB	6.9976	4,529,776
		39	USD: MYR	4.1131	1,246
CHF		2,120	CHF: USD	1.1863	79,607

**(B) 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 September 30, 2025 and 2024, when the New Taiwan dollar depreciated or appreciated by 1% relative to the US Dollar and RMB, and all other factors remained unchanged, the net profit after tax from January 1 to September 30, 2025 and 2024, will increase or decrease by NTD 1,521 thousand and NTD 2,269 thousand, respectively.

**(C) 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) during the three and nine months ended September 30, 2025 and 2024, were a loss of NTD 112,812 thousand, a gain of NTD 23,564 thousand, a gain of NTD 166,859 thousand, and a gain of NTD 170,471 thousand, respectively.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

C. Fair value information

(A) 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:

		September 30, 2025			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Call or put rights of corporate bonds	\$ 3,969	-	-	3,969	3,969
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	16,139,895	-	-	-	-
Note receivable and accounts receivable	36,211,254	-	-	-	-
Other receivables	452,394	-	-	-	-
Refundable deposits paid	167,087	-	-	-	-
Subtotal	52,970,630	-	-	-	-
Total	<u>\$ 52,974,599</u>	<u>-</u>	<u>-</u>	<u>3,969</u>	<u>3,969</u>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	\$ 18,999,807	-	-	-	-
Accounts payable	21,698,530	-	-	-	-
Other payables	7,548,592	-	-	-	-
Bonds payable	446,179	-	-	-	-
Guarantee deposits and margins received	43,762	-	-	-	-
Lease liabilities	618,874	-	-	-	-
Total	<u>\$ 49,355,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

		December 31, 2024			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Call or put rights of corporate bonds	\$ 18,867	-	-	18,867	18,867
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	14,988,308	-	-	-	-
Note receivable and accounts receivable	25,896,815	-	-	-	-
Other receivables	448,025	-	-	-	-
Refundable deposits paid	71,840	-	-	-	-
Subtotal	41,404,988	-	-	-	-
Total	<u>\$ 41,423,855</u>	<u>-</u>	<u>-</u>	<u>18,867</u>	<u>18,867</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Call or put rights of corporate bonds	\$ 12,600	-	-	12,600	12,600
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	10,582,865	-	-	-	-
Accounts payable	15,963,366	-	-	-	-
Other payables	5,235,758	-	-	-	-
Bonds payable	5,969,952	-	-	-	-
Guarantee deposits and margins received	48,483	-	-	-	-
Lease liabilities	678,559	-	-	-	-
Subtotal	38,478,983	-	-	-	-
Total	<u>\$ 38,491,583</u>	<u>-</u>	<u>-</u>	<u>12,600</u>	<u>12,600</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

		September 30, 2024			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>					
<b>through profit or loss</b>					
Call or put rights of corporate bonds	\$ 2,850	-	-	2,850	2,850
<b>Financial assets measured</b>					
<b>at amortized cost</b>					
Cash and cash equivalents	13,600,992	-	-	-	-
Note receivable and accounts receivable	23,438,227	-	-	-	-
Other receivables	426,886	-	-	-	-
Refundable deposits paid	104,102	-	-	-	-
Subtotal	37,570,207	-	-	-	-
Total	<u>\$ 37,573,057</u>	<u>-</u>	<u>-</u>	<u>2,850</u>	<u>2,850</u>
<b>Financial liabilities at fair</b>					
<b>value through profit or loss</b>					
Call or put rights of corporate bonds	\$ 32,400	-	-	32,400	32,400
<b>Financial liabilities measured</b>					
<b>at amortized cost</b>					
Bank loans	12,959,029	-	-	-	-
Accounts payable	14,467,226	-	-	-	-
Other payables	4,420,372	-	-	-	-
Bonds payable	3,254,093	-	-	-	-
Guarantee deposits and margins received	52,628	-	-	-	-
Lease liabilities	665,001	-	-	-	-
Subtotal	35,818,349	-	-	-	-
Total	<u>\$ 35,850,749</u>	<u>-</u>	<u>-</u>	<u>32,400</u>	<u>32,400</u>

## Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

### (B) 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.

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.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements  
(Cont.)**

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.

(C) The transfer between Level 1 and Level 2

There was no transfer from January 1 to September 30, 2025 and 2024.

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

The Consolidated Company's fair value measurements classified as Level 3 mainly include financial assets (liabilities) measured at fair value through profit or loss - embedded derivatives - call/put options.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets (liabilities) at fair value through profit or loss - embedded derivative financial instruments - call/put option	Binomial tree convertible bond pricing model	• Volatility (50.28%, 49.44%, and 49.44% on September 30, 2025, December 31, 2024, and September 30, 2024, respectively)	• The higher the volatility, the higher the fair value

(22) 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 (22) of the 2024 Consolidated Financial Statement.

(23) Capital management

The capital management objectives, policies and procedures of the Consolidated Company are consistent with those disclosed in the 2024 Consolidated Financial Statement; there is no significant change in the aggregated quantitative information of the capital management items and those disclosed in the 2024 Consolidated Financial Statement. For relevant information, please refer to Note 6 (23) of the 2024 Consolidated Financial Statement.

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

## (24) Investment and financing activities in non-cash investment

The Consolidated Company's non-cash investment and financing activities from January 1 to September 30, 2025 and 2024 are as follows:

- A. For the right-of-use assets obtained by leasing, please refer to Note 6 (8) for details.
- B. For convertible bonds converted into common shares, please refer to Note 6 (11) for details.

Reconciliation of liabilities arising from financing activities:

	January 1, 2025	Cash flow	Non-cash changes			September 30, 2025
			Acquisition	Change in exchange rate	Other	
Short-term borrowings	\$ 6,046,780	3,464,388	-	(340,409)	-	9,170,759
Long-term borrowings	4,536,085	5,563,643	-	(270,680)	-	9,829,048
Lease liabilities	678,559	(31,044)	-	(47,690)	19,049	618,874
Bonds payable	<u>5,969,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,523,773)</u>	<u>446,179</u>
Total liabilities from financing activities	<u><u>\$ 17,231,376</u></u>	<u><u>8,996,987</u></u>	<u><u>-</u></u>	<u><u>(658,779)</u></u>	<u><u>(5,504,724)</u></u>	<u><u>20,064,860</u></u>

	January 1, 2024	Cash flow	Non-cash changes			September 30, 2024
			Acquisition	Change in exchange rate	Other	
Short-term borrowings	\$ 6,556,651	1,439,175	87,730	253,071	-	8,336,627
Long-term borrowings	2,487,892	2,011,454	-	123,056	-	4,622,402
Lease liabilities	310,682	(24,738)	553	6,493	372,011	665,001
Bonds payable	<u>930,543</u>	<u>3,090,000</u>	<u>-</u>	<u>-</u>	<u>(766,450)</u>	<u>3,254,093</u>
Total liabilities from financing activities	<u><u>\$ 10,285,768</u></u>	<u><u>6,515,891</u></u>	<u><u>88,283</u></u>	<u><u>382,620</u></u>	<u><u>(394,439)</u></u>	<u><u>16,878,123</u></u>

## 7. Related party transaction

### (1) 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>
EMC Automation Leasing LLC	Other related parties
Rancho Irvine LLC	Other related parties

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

(2) Significant transactions with related parties

A. Revenue

The significant sales amount of the Consolidated Company to related parties is as follows:

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Other related parties	\$ -	16,236	36,097	16,236

The terms of sale for the Consolidated Company to affiliated companies and general customers are determined through negotiation between the two parties. The payment terms is net 90 days to 120 days from invoice date, which is not significantly different from that of ordinary customers.

B. Receivables from related parties

The details of receivables from related parties to the Consolidated Company are as follows:

<u>Item</u>	<u>Related party categories</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable	Other related parties	\$ 4,605	273	580
Other receivables	Other related parties	-	3,997	-
		<u>\$ 4,605</u>	<u>4,270</u>	<u>580</u>

C. Other related party transactions

<u>Item</u>	<u>Related party categories</u>	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Total administrative expenses	Other related parties	\$ 411	431	1,270	431

(3) Key management personnel transactions

Key management personnel compensation includes:

	<u>July 2025 to September 2025</u>	<u>July 2024 to September 2024</u>	<u>January 2025 to September 2025</u>	<u>January 2024 to September 2024</u>
Short-term employee benefits	\$ 65,362	31,734	168,261	113,407
Post-employment benefits	243	162	729	486
	<u>\$ 65,605</u>	<u>31,896</u>	<u>168,990</u>	<u>113,893</u>

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

**8. Pledged assets**

The details of the carrying amount of the assets pledged by the Consolidated Company are as follows:

<u>Asset</u>	<u>Purpose of pledge</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Refundable	Deposits for mailbox,			
deposits paid	leases and natural gas, etc.	\$ 167,087	71,840	104,102
Other current	Secured bank loans			
assets -others		-	-	339,583
		<u>\$ 167,087</u>	<u>71,840</u>	<u>443,685</u>

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

(1) Material unrecognized contractual commitments:

A. The unused standby letters of credit that have been issued by the Consolidated Company is as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unused standby letters of credit			
USD	\$ 44,471	37,849	32,831

B. 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:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total contract price			
USD	\$ 46,744	41,224	-
RMB	827,408	558,228	74,680
MYR	616,586	520,579	455,037
NTD	5,708,990	-	-
	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unpaid contract price			
USD	\$ 17,478	30,924	-
RMB	426,539	501,502	52,850
MYR	127,733	228,150	256,454
NTD	5,046,119	-	-

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
**(Cont.)**

(2) 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 September 30, 2025, 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 (NTD 337,409 thousand), and the remaining compensation will be collected when the land is handed over. The Consolidated Company plans to relocate in the year 2026 and expects to complete the relocation by December 31, 2026.

**10. Losses due to major disasters: None.**

**11. Major subsequent events: None.**

**12. Other**

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

Function  Classification	July 2025 to September 2025			July 2024 to September 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	849,357	790,574	1,639,931	712,179	509,294	1,221,473
Labor and national health insurance expenses	37,189	20,930	58,119	37,220	15,438	52,658
Pension expenses	66,961	30,409	97,370	53,388	16,089	69,477
Other employee benefit expenses	61,412	30,269	91,681	53,480	21,632	75,112
Depreciation expense	359,046	66,085	425,131	388,114	55,405	443,519
Amortization expense	1,268	11,283	12,551	1,610	12,598	14,208



**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

Function  Classification	January 2025 to September 2025			January 2024 to September 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	2,449,076	2,134,353	4,583,429	1,960,406	1,378,623	3,339,029
Labor and national health insurance expenses	111,202	52,951	164,153	105,674	40,527	146,201
Pension expenses	202,595	73,587	276,182	152,539	43,503	196,042
Other employee benefit expenses	177,527	101,411	278,938	147,046	61,669	208,715
Depreciation expense	1,112,896	199,252	1,312,148	1,112,100	156,369	1,268,469
Amortization expense	3,741	36,638	40,379	3,946	36,950	40,896

**13. Notes to disclosures**

(1) Information on significant transactions

From January 1 to September 30, 2025, 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:

A. 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	2,000,000	1,000,000	-	2.00%	2	-	Operations	-		-	13,319,976 (Note 3)	13,319,976 (Note 3)
0	Elite Material Co., Ltd.	Technica USA	Other receivables - related parties	Y	250,000	250,000	100,000	2.00%	2	-	Operations	-		-	13,319,976 (Note 3)	13,319,976 (Note 3)
1	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Other receivables - related parties	Y	955,757	892,639	-	2.00%	2	-	Operations	-		-	4,073,549 (Note 4)	4,073,549 (Note 4)

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 Company's Regulations Governing Lending of Funds, the amount of any individual loan and the aggregate amount of loans shall not exceed 30% of the Company's net worth.

Note 4: According to the Company's Regulations Governing Lending 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 5: The Consolidated Company's total loan of fund shall not exceed 100% of the Company's net worth.

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

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

## B. 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 the guarantee and the assets provided as security	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	22,199,961	2,709,635	2,484,410	1,284,274	-	5.60%	44,399,922	Y		
0	"	Elite Material (Penang) SDN. BHD.	2	22,199,961	2,988,450	2,740,050	292,061	-	6.17%	44,399,922	Y		
1	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	4	19,528,147	2,106,901	1,067,750	236,299	-	2.73%	39,056,293			Y
1	"	Elite Material (Penang) SDN. BHD.	4	19,528,147	3,984,600	3,653,400	-	-	9.35%	39,056,293			
2	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	4	6,789,249	457,300	-	-	-	- %	13,578,497			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.

## C. Significant 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%	-	

Note: A cumulative unrealized valuation loss of NTD 15,773 thousand has been recognized for financial assets measured at fair value through other comprehensive income. Furthermore, as the investee has ceased operations and the Company does not expect to recover the investment amount, the book value has been impaired to zero.

**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

D. The purchase and sale of goods with related parties reaching NTD 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	(757,671)	(6)%	Payment terms of 90 to 120 days	The selling prices are not significantly different from those offered to regular customers.	The number of days for sales is not significantly different from those offered to regular customers.	296,800	5%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	757,671	3%	"	"	"	(296,800)	(3)%	
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Sales	(435,872)	(3)%	"	"	"	113,655	2%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	435,872	3%	"	"	"	(113,655)	(2)%	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Sales	(332,124)	(3)%	"	"	"	125,969	2%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	332,124	4%	"	"	"	(125,969)	(2)%	
Elite Material Co., Ltd.	EMD Specialty Materials, LLC	"	Sales	(155,144)	(1)%	"	"	"	94,907	1%	
EMD Specialty Materials, LLC	Elite Material Co., Ltd.	"	Purchase	155,144	20%	"	"	"	(94,907)	(39)%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Sales	(112,315)	- %	"	"	"	55,425	- %	
Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Purchase	112,315	1%	"	"	"	(55,425)	(1)%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Sales	(420,567)	(1)%	"	"	"	250,356	1%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Purchase	420,567	3%	"	"	"	(250,356)	(4)%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Sales	(222,212)	(1)%	"	"	"	129,509	1%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Purchase	222,212	2%	"	"	"	(129,509)	(2)%	

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

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 Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	Parent company and subsidiary	Sales	(114,735)	- %	"	"	"	80,013	1%	
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Purchase	114,735	1%	"	"	"	(80,013)	(2)%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Sales	(442,626)	(2)%	"	"	"	243,546	2%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Purchase	442,626	2%	"	"	"	(243,546)	(2)%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Affiliate	Sales	(356,000)	(2)%	Payment terms of 90 to 120 days	The selling prices are not significantly different from those offered to regular customers.	The number of days for sales is not significantly different from those offered to regular customers.	200,602	2%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Purchase	356,000	4%	"	"	"	(200,602)	(4)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	Parent company and subsidiary	Sales	(1,164,057)	(10)%	"	"	"	576,269	10%	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	1,164,057	12%	"	"	"	(576,269)	(11)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Sales	(3,460,149)	(30)%	"	"	"	2,082,375	37%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	3,460,149	16%	"	"	"	(2,082,375)	(20)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Affiliate	Sales	(4,320,229)	(38)%	"	"	"	1,753,161	31%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	4,320,229	27%	"	"	"	(1,753,161)	(27)%	
Elite Material (Penang) SDN. BHD.	Elite Material Co., Ltd.	Parent company and subsidiary	Sales	(420,364)	(71)%	"	"	"	388,419	75%	
Elite Material Co., Ltd.	ELITE Material (Penang) SDN. BHD.	"	Purchase	420,364	4%	"	"	"	(388,419)	(8)%	

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

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

## E. Receivables from related parties reaching NTD 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	296,800	2.81	-		92,849	-
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	113,655	2.44	-		18,413	-
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	125,969	3.22	-		60,843	-
Elite Material Co., Ltd. (Note 1)	Technica USA	"	101,839	Not applicable	-		-	-
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	250,356	1.61	-		28,478	-
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	129,509	3.06	-		58,381	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	243,546	3.72	-		91,685	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Affiliate	200,602	3.35	-		114,852	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	Parent company and subsidiary	576,269	2.58	-		238,492	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	2,082,375	3.68	-		901,760	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Affiliate	1,753,161	3.48	-		393,266	-
Elite Material (Penang) SDN. BHD.	Elite Material Co., Ltd.	Parent company and subsidiary	388,419	2.89	-		103,481	-

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.

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

F. 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)	Transaction details			
				Classification	Amount	Transaction terms	% of total
0	Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	1	Sales revenue	757,671	Note 3	1.09%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	2	Sales revenue	1,164,057	Note 3	1.68%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	2	Sales revenue	3,460,149	Note 3	4.99%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	3	Sales revenue	4,320,229	Note 3	6.23%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	2	Accounts receivable	2,082,375	Note 3	2.14%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	3	Accounts receivable	1,753,161	Note 3	1.80%

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 selling prices are not significantly different from those offered to regular customers, with payment terms of 90 to 120 days.

Note 4: The transaction amount below 1% of the combined total revenue or total assets will not be disclosed.

Note 5: The above-mentioned transactions related to the consolidated entities have been offset when the consolidated statements are prepared.

## (2) Information on investees (excluding investee companies in China):

The information on the investees of the Consolidated Company from January 1 to September 30, 2025 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	Remark
				End of the current period	End of last year	Quantity (share)	Proportion	Carrying amount			
Elite Material Co., Ltd.	EMC Overseas Holding Incorporated	British Virgin Islands	Investment	1,179,111	1,179,111	36,256,950	100.00%	39,132,702	11,945,580	11,945,580	Subsidiary company
"	Grand Wuhan Incorporated	Cayman Islands	Investment	602,440	602,440	20,020,000	100.00%	791,476	26,848	26,848	Subsidiary company
"	EMC International Holding Incorporated	"	Investment	2,259,161	781,850	76,042,000	100.00%	1,101,759	(399,534)	(399,534)	Subsidiary company
"	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 4
EMC Overseas Holding Incorporated	Grand Zhuhai Incorporated	Cayman Islands	Investment	1,053,947	1,053,947	34,618,060	100.00%	39,095,773	11,944,535	11,944,535	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 4

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

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	Remark
				End of the current period	End of last year	Quantity (share)	Proportion	Carrying amount			
Grand Zhuhai Incorporated	Grand Shanghai Incorporated	British Virgin Islands	Investment	1,030,587	1,030,587	18,200,000	100.00%	23,743,365	7,255,094	7,255,094	Fellow subsidiary company
"	Grand Zhongshan Incorporated	British Virgin Islands	Investment	500,424	500,424	16,437,000	100.00%	15,346,465	4,689,263	4,689,263	"
EMC International Holding Incorporated	EMC Special Application Incorporated	Cayman Islands	Investment	2,291,138	799,333	75,255,000	100.00%	1,139,622	(393,216)	(393,216)	Subsidiary of subsidiary company
"	EMC USA Holding Incorporated	"	Investment	22,286	22,286	732,000	100.00%	(38,145)	(6,120)	(6,120)	"
EMC Special Application Incorporated	EMD Specialty Materials, LLC	USA	Production and sales of Copper Clad Laminate and Prepreg	2,289,376	797,571	-	100.00%	1,139,215	(381,389)	(381,389)	Fellow subsidiary company
EMC USA Holding Incorporated	Technica USA	"	General import and export services	40,248	40,248	2,044,000	56.07%	(38,169)	(11,000)	(6,168)	
EMD Specialty Materials, LLC	Technica USA	"	General import and export services	18,267	18,267	600,000	16.46%	(11,204)	(11,000)	(1,811)	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material(Penang) SDN. BHD.	Malaysia	Production and sales of Copper Clad Laminate and Prepreg	6,106,433	3,363,706	883,522,501	100.00%	6,286,422	(84,463)	(84,463)	

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: The investment value has been impaired and the loss was recognized in full where the book value was reduced to zero in 2005.

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

#### A. 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, 2025	Investment Flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	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 September 30, 2025	Accumulated inward remittance of earnings as of September 30, 2025
					Outflow	Inflow						
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Production and sales of Copper Clad Laminate and Prepreg	3,795,677	(2)	650,816	-	-	650,816	11,936,800	100.00%	11,936,796	39,056,532	14,756,506
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	3,427,478	(2)	440,613	-	-	440,613	4,225,515	100.00%	4,225,515	13,573,501	5,410,555
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	2,740,970	(2)	601,858	-	-	601,858	1,278,240	100.00%	1,278,240	5,391,303	-

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

Company name	Accumulated investment in Mainland China as of September 30, 2025	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
The Company	1,710,734	11,590,220	26,639,953

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 CPA 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.

# Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements (Cont.)

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 30.4450 (asset and liability) and 31.3595 (profit and loss) on September 30, 2025.

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

## C. Significant transactions:

For the direct or indirect significant transactions between the Consolidated Company and the Chinese invested company from January 1 to September 30, 2025 (which have been offset when the consolidated report is prepared), please refer to “Information on Significant Transactions” for details.

## 14. Department information

The information and adjustments of the operating departments of the Consolidated Company are as follows:

July 2025 to September 2025					
	Domestic department	Foreign department	Other departments	Adjustment and write off	Total
<b>Income:</b>					
Income from external customers	\$ 4,024,826	21,120,816	-	-	25,145,642
Income from each department	465,295	5,089,969	-	(5,555,264)	-
<b>Total income</b>	<b>\$ 4,490,121</b>	<b>26,210,785</b>	<b>-</b>	<b>(5,555,264)</b>	<b>25,145,642</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 4,266,715</b>	<b>7,083,658</b>	<b>12,513,468</b>	<b>(18,742,672)</b>	<b>5,121,169</b>
July 2024 to September 2024					
	Domestic department	Foreign department	Other departments	Adjustment and write off	Total
<b>Income:</b>					
Income from external customers	\$ 3,603,757	13,859,339	-	-	17,463,096
Income from each department	496,162	2,654,295	-	(3,150,457)	-
<b>Total income</b>	<b>\$ 4,099,919</b>	<b>16,513,634</b>	<b>-</b>	<b>(3,150,457)</b>	<b>17,463,096</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 2,717,395</b>	<b>4,112,326</b>	<b>7,693,862</b>	<b>(11,349,628)</b>	<b>3,173,955</b>



**Notes on Elite Material Co., Ltd. and Subsidiaries Consolidated Financial Statements**  
(Cont.)

<b>January 2025 to September 2025</b>					
	<b>Domestic department</b>	<b>Foreign department</b>	<b>Other departments</b>	<b>Adjustment and write off</b>	<b>Total</b>
<b>Income:</b>					
Income from external customers	\$ 11,237,962	58,095,438	-	-	69,333,400
Income from each department	1,759,634	11,216,136	-	(12,975,770)	-
<b>Total income</b>	<b>\$ 12,997,596</b>	<b>69,311,574</b>	<b>-</b>	<b>(12,975,770)</b>	<b>69,333,400</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 11,912,149</b>	<b>19,310,240</b>	<b>35,062,450</b>	<b>(52,029,172)</b>	<b>14,255,667</b>
<b>January 2024 to September 2024</b>					
	<b>Domestic department</b>	<b>Foreign department</b>	<b>Other departments</b>	<b>Adjustment and write off</b>	<b>Total</b>
<b>Income:</b>					
Income from external customers	\$ 9,764,385	36,050,238	-	-	45,814,623
Income from each department	1,747,952	6,561,828	-	(8,309,780)	-
<b>Total income</b>	<b>\$ 11,512,337</b>	<b>42,612,066</b>	<b>-</b>	<b>(8,309,780)</b>	<b>45,814,623</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 7,519,501</b>	<b>10,739,609</b>	<b>20,144,628</b>	<b>(29,640,970)</b>	<b>8,762,768</b>