

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

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

**First Quarter of 2026 and 2025**

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

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## Table of Contents

	Item	Page
Chapter 1.	Cover	1
Chapter 2.	Table of Contents	2
Chapter 3.	CPA’s Review Report	3 - 4
Chapter 4.	Consolidated Balance Sheets	5
Chapter 5.	Consolidated Statements of Comprehensive Income	6
Chapter 6.	Consolidated Statements of Changes In Equity	7
Chapter 7.	Consolidated Statements of Cash Flows	8
Chapter 8.	Notes to Consolidated Financial Statements	
	1. Company History	9
	2. Dates and Procedures for the Financial Statement Approval	9
	3. Application of New and Revised Standards, Amendments, and Interpretations	9 - 11
	4. Summary of Significant Accounting Policies	11- 13
	5. Major Sources of Uncertainty in Significant Accounting Judgments, Estimations, and Assumptions	13
	6. Description of Significant Accounting Items	13 - 44
	7. Related Party Transaction	44 - 45
	8. Pledged Assets	46
	9. Material Contingent Liabilities and Unrecognized Contractual Commitments	46 - 47
	10. Losses due to Major Disasters	47
	11. Major Subsequent Events	47
	12. Other	48
	13. Notes to Disclosures	
	(1) Information on Significant Transactions	48 - 52
	(2) Information on Investees	52 - 53
	(3) Information of Investment in Mainland China	53 - 54
	14. Department Information	54

## **CPA's Review Report**

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

### **Foreword**

The consolidated balance sheet of Elite Material Co., Ltd. and its subsidiaries on March 31, 2026 and 2025 and the consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows, and consolidated financial statements notes (including the summary of major accounting policies) from January 1 to March 31 in 2026 and 2025 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 March 31, 2026 and 2025, and the consolidated financial performance and consolidated cash flow from January 1 to March 31 in 2026 and 2025.

KPMG

CPA:

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

April 29, 2026

Notice to Readers

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

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

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

**Consolidated Balance Sheets**

**March 31, 2026, December 31, 2025, and March 31, 2025**

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

		March 31, 2026		December 31, 2025		March 31, 2025				March 31, 2026		December 31, 2025		March 31, 2025		
Assets		Amount	%	Amount	%	Amount	%	Liabilities and stockholders' equity		Amount	%	Amount	%	Amount	%	
<b>Current Assets:</b>								<b>Current Liabilities:</b>								
1100	Cash and cash equivalents (Note 6 (1))	\$ 22,134,504	17	20,007,816	19	18,426,736	21	2100	Short-term borrowings (Note 6 (8))	\$ 12,291,308	9	9,279,346	9	7,314,439	8	
1110	Financial assets at fair value through profit or loss - current (Notes 6 (2) and (10))	-	-	-	-	352	-	2120	Financial liabilities at fair value through profit or loss - current (Note 6 (2))	-	-	9,475	-	-	-	
1150	Notes receivable, net (Note 6 (3))	60,517	-	49,647	-	28,948	-	2170	Accounts payable	31,382,337	24	24,517,506	23	18,053,254	21	
1170	Accounts receivable, net (Notes 6 (3) and 7)	46,419,871	35	36,064,997	33	30,209,826	34	2200	Other payables	19,298,486	15	8,767,962	8	11,504,123	13	
1200	Other receivables (Notes 6 (4))	473,068	-	466,639	-	443,659	1	2230	Current income tax liabilities	1,948,997	1	1,020,303	-	1,197,683	1	
1310	Inventories (Note 6 (5))	21,015,909	16	16,751,588	16	10,557,730	12	2280	Current lease liabilities (Note 6 (11))	53,479	-	40,474	-	44,311	-	
1479	Other current assets - others	637,133	1	638,982	1	691,180	1	2321	Corporate bonds that mature in one year or that have put rights executed (Note 6 (10))	-	-	-	-	107,577	-	
	<b>Total current assets</b>	<u>90,741,002</u>	<u>69</u>	<u>73,979,669</u>	<u>69</u>	<u>60,358,431</u>	<u>69</u>	2322	Long-term borrowings due within one year (Note 6 (9))	1,280,704	1	1,984,172	2	1,617,591	2	
<b>Non-current assets:</b>								2399	Other current liabilities - others	2,095,652	2	611,502	-	412,133	1	
1510	Financial assets at fair value through profit or loss - non-current (Notes 6 (2) and (10))	-	-	-	-	11,987	-		<b>Total current liabilities</b>	<u>68,350,963</u>	<u>52</u>	<u>46,230,740</u>	<u>42</u>	<u>40,251,111</u>	<u>46</u>	
1600	Property, plant and equipment (Note 6 (6))	37,110,246	28	30,863,853	29	23,841,845	27	<b>Non-current liabilities:</b>								
1755	Right-of-use assets (Note 6 (7))	2,431,015	2	2,391,909	2	2,170,143	3	2500	Financial liabilities at fair value through profit or loss - non-current (Notes 6 (2) and (10))	-	-	-	-	19,800	-	
1780	Total intangible assets	107,373	-	102,838	-	581,634	1	2530	Bonds payable (Note 6 (10))	-	-	-	-	5,836,988	7	
1840	Deferred income tax assets	342,258	1	325,472	-	120,196	-	2540	Long-term borrowings (Note 6 (9))	10,978,888	8	8,219,323	8	5,548,430	6	
1900	Other non-current assets (Note 8)	244,829	-	248,795	-	331,130	-	2570	Deferred income tax liabilities	2,271,142	2	1,581,450	1	1,263,385	1	
	<b>Total non-current assets</b>	<u>40,235,721</u>	<u>31</u>	<u>33,932,867</u>	<u>31</u>	<u>27,056,935</u>	<u>31</u>	2580	Non-current lease liabilities (Note 6 (11))	577,704	-	587,323	1	652,623	1	
								2600	Other non-current liabilities (Note 6 (12))	877,091	1	858,495	1	570,627	1	
									<b>Total non-current liabilities</b>	<u>14,704,825</u>	<u>11</u>	<u>11,246,591</u>	<u>11</u>	<u>13,891,853</u>	<u>16</u>	
									<b>Total liabilities</b>	<u>83,055,788</u>	<u>63</u>	<u>57,477,331</u>	<u>53</u>	<u>54,142,964</u>	<u>62</u>	
									<b>Equity attributable to owners of the parent company (Note 6 (15)):</b>							
								3100	Share capital	3,583,211	3	3,583,211	3	3,467,736	4	
								3200	Capital surplus	11,521,350	9	11,521,350	11	5,723,623	6	
									Retained earnings:							
								3310	Legal reserve	4,966,823	4	4,966,823	5	4,010,652	5	
								3320	Special reserve	43,858	-	43,858	-	859,153	1	
								3350	Unappropriated retained earnings	26,115,454	20	29,733,689	28	18,702,879	21	
								3400	Other equity interest	1,711,932	1	606,572	-	527,307	1	
									<b>Total equity attributable to owners of the parent company</b>	<u>47,942,628</u>	<u>37</u>	<u>50,455,503</u>	<u>47</u>	<u>33,291,350</u>	<u>38</u>	
								36XX	Non-controlling interests	(21,693)	-	(20,298)	-	(18,948)	-	
									<b>Total equity</b>	<u>47,920,935</u>	<u>37</u>	<u>50,435,205</u>	<u>47</u>	<u>33,272,402</u>	<u>38</u>	
<b>Total assets</b>		<u>\$ 130,976,723</u>	<u>100</u>	<u>107,912,536</u>	<u>100</u>	<u>87,415,366</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 130,976,723</u>	<u>100</u>	<u>107,912,536</u>	<u>100</u>	<u>87,415,366</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 January 1 to March 31, 2026 and 2025**

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

		January 2026 to March 2026		January 2025 to March 2025	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes 6 (17) and 7)</b>	\$ 33,067,261	100	21,680,064	100
5000	<b>Operating costs (Note 6 (5))</b>	<u>(23,338,108)</u>	(71)	<u>(15,089,738)</u>	(70)
	<b>Gross profit from operations</b>	<u>9,729,153</u>	29	<u>6,590,326</u>	30
	<b>Operating expenses:</b>				
6100	Total selling expenses	(789,169)	(2)	(743,075)	(3)
6200	Total administrative expenses (Note 7)	(1,040,238)	(3)	(827,642)	(4)
6300	Total research and development expenses	(764,377)	(2)	(478,616)	(2)
6450	Expected credit losses (Note 6 (3))	<u>(6,899)</u>	-	<u>(1,258)</u>	-
	<b>Total operating expenses</b>	<u>(2,600,683)</u>	(7)	<u>(2,050,591)</u>	(9)
	<b>Net operating income</b>	<u>7,128,470</u>	22	<u>4,539,735</u>	21
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note 6 (19))	69,891	-	42,821	-
7020	Other gains and losses (Note 6 (19))	131,035	-	192,491	1
7050	Financial costs (Notes 6 (10) and (19))	<u>(135,238)</u>	-	<u>(107,560)</u>	-
	<b>Total non-operating income and expenses</b>	<u>65,688</u>	-	<u>127,752</u>	1
7900	<b>Profit from continuing operations before tax</b>	7,194,158	22	4,667,487	22
7950	<b>Income tax expenses (Note 6 (14))</b>	<u>(1,855,381)</u>	(6)	<u>(1,200,333)</u>	(6)
8200	<b>Profit</b>	<u>5,338,777</u>	16	<u>3,467,154</u>	16
	<b>Other comprehensive income:</b>				
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	1,381,321	4	713,722	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6 (14))	<u>(276,340)</u>	(1)	<u>(142,792)</u>	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>1,104,981</u>	3	<u>570,930</u>	3
	<b>Current period other comprehensive income (post-tax profit or loss)</b>	<u>1,104,981</u>	3	<u>570,930</u>	3
8500	<b>Total comprehensive income in current period</b>	<u><b>\$ 6,443,758</b></u>	<u><b>19</b></u>	<u><b>4,038,084</b></u>	<u><b>19</b></u>
	<b>Income attributable to:</b>				
8610	Owners of the parent company	\$ 5,339,793	16	3,468,900	16
8620	Non-controlling interests	<u>(1,016)</u>	-	<u>(1,746)</u>	-
		<u><b>\$ 5,338,777</b></u>	<u><b>16</b></u>	<u><b>3,467,154</b></u>	<u><b>16</b></u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of the parent company	\$ 6,445,153	19	4,040,065	19
8720	Non-controlling interests	<u>(1,395)</u>	-	<u>(1,981)</u>	-
		<u><b>\$ 6,443,758</b></u>	<u><b>19</b></u>	<u><b>4,038,084</b></u>	<u><b>19</b></u>
	<b>Earnings per share (NTD) (Note 6 (16))</b>				
9750	<b>Basic earnings per share (NTD)</b>	<u><b>\$ 14.90</b></u>		<u><b>10.01</b></u>	
9850	<b>Diluted earnings per share (NTD)</b>	<u><b>\$ 14.89</b></u>		<u><b>9.72</b></u>	

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

Chairman: Ding-Yu Dong      Managerial Officer: Ding-Yu Dong      Accounting Manager: Meng-Yu Lin

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

**Consolidated Statements of Changes in Equity**

**From January 1 to March 31, 2026 and 2025**

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

**Equity attributable to owners of parent**

	<u>Equity attributable to owners of parent</u>					<u>Total other equity interest</u>			<u>Non-controlling interests</u>	<u>Total equity</u>	
	<u>Share capital</u>		<u>Retained earnings</u>			<u>Exchange differences on translation of foreign financial statements</u>	<u>Equity instrument investment losses measured at fair value through other comprehensive income</u>				<u>Total equity attributable to owners of parent</u>
	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>		<u>Equity instrument investment losses measured at fair value through other comprehensive income</u>	<u>Equity instrument investment losses measured at fair value through other comprehensive income</u>			
<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	-	-	-	-	3,468,900	-	-	3,468,900	(1,746)	3,467,154	
Other comprehensive income in the current period	-	-	-	-	-	571,165	-	571,165	(235)	570,930	
Total comprehensive income in current period	-	-	-	-	3,468,900	571,165	-	4,040,065	(1,981)	4,038,084	
Appropriation and distribution of retained earnings:											
Cash dividends	-	-	-	-	(5,893,695)	-	-	(5,893,695)	-	(5,893,695)	
Convertible corporate bond conversion	1,407	32,756	-	-	-	-	-	34,163	-	34,163	
<b>Balance as of March 31, 2025</b>	<b>\$ 3,467,736</b>	<b>5,723,623</b>	<b>4,010,652</b>	<b>859,153</b>	<b>18,702,879</b>	<b>543,080</b>	<b>(15,773)</b>	<b>33,291,350</b>	<b>(18,948)</b>	<b>33,272,402</b>	
<b>Balance as of January 1, 2026</b>	\$ 3,583,211	11,521,350	4,966,823	43,858	29,733,689	622,345	(15,773)	50,455,503	(20,298)	50,435,205	
Profit	-	-	-	-	5,339,793	-	-	5,339,793	(1,016)	5,338,777	
Other comprehensive income in the current period	-	-	-	-	-	1,105,360	-	1,105,360	(379)	1,104,981	
Total comprehensive income in current period	-	-	-	-	5,339,793	1,105,360	-	6,445,153	(1,395)	6,443,758	
Appropriation and distribution of retained earnings:											
Cash dividends	-	-	-	-	(8,958,028)	-	-	(8,958,028)	-	(8,958,028)	
<b>Balance as of March 31, 2026</b>	<b>\$ 3,583,211</b>	<b>11,521,350</b>	<b>4,966,823</b>	<b>43,858</b>	<b>26,115,454</b>	<b>1,727,705</b>	<b>(15,773)</b>	<b>47,942,628</b>	<b>(21,693)</b>	<b>47,920,935</b>	

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

Chairman: Ding-Yu Dong

Managerial Officer: Ding-Yu Dong

Accounting Manager: Meng-Yu Lin

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

**Consolidated Statements of Cash Flows**

**From January 1 to March 31, 2026 and 2025**

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

	<u>January 2026 to March 2026</u>	<u>January 2025 to March 2025</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 7,194,158	4,667,487
<b>Adjustments:</b>		
Adjustments to reconcile:		
Depreciation expense	571,492	454,168
Amortization expense	11,551	14,100
Expected credit impairment loss	6,899	1,258
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(9,475)	13,601
Interest expenses	135,238	98,657
Total interest income	(69,891)	(42,821)
Loss on disposal of property, plant and equipment	1,790	894
Bond discounted amortized interest expense	-	8,903
Total adjustments to reconcile	<u>647,604</u>	<u>548,760</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Note receivable	(10,418)	3,477
Accounts receivable	(9,302,208)	(3,833,591)
Other receivables	(2,372)	(3,685)
Inventory	(3,824,538)	(952,241)
Other current assets	(74,817)	(31,684)
Other non-current assets	1,838	16,787
Total changes in operating assets	<u>(13,212,515)</u>	<u>(4,800,937)</u>
Changes in operating liabilities:		
Accounts payable	6,147,374	1,787,647
Other payables	1,011,405	415,221
Other current liabilities	1,536,419	110,499
Other non-current liabilities	(12,921)	21,092
Total changes in operating liabilities	<u>8,682,277</u>	<u>2,334,459</u>
Total changes in operating assets and liabilities	<u>(4,530,238)</u>	<u>(2,466,478)</u>
Total adjustments	<u>(3,882,634)</u>	<u>(1,917,718)</u>
Cash inflow generated from operations	3,311,524	2,749,769
Interest received	66,860	53,362
Interest paid	(134,542)	(101,129)
Income taxes paid	(540,795)	(557,769)
<b>Net cash flows from operating activities</b>	<u>2,703,047</u>	<u>2,144,233</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(5,663,623)	(2,596,413)
Proceed from disposal of property, plant and equipment	85	86
Acquisition of intangible assets	(13,772)	(3,484)
Refundable deposits paid	5,734	(9,000)
<b>Net cash flows used in investing activities</b>	<u>(5,671,576)</u>	<u>(2,608,811)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	2,762,331	1,132,177
Long-term loan	3,741,101	4,090,796
Repay long-term loan	(1,915,271)	(1,588,019)
Guarantee deposits and margins received	6,585	33,044
Payment of lease liabilities	(12,604)	(10,253)
<b>Net cash flows from financing activities</b>	<u>4,582,142</u>	<u>3,657,745</u>
<b>Effect of exchange rate fluctuations on cash held</b>	513,075	245,261
<b>Net increase in cash and cash equivalents</b>	2,126,688	3,438,428
<b>Cash and cash equivalents at beginning of period</b>	20,007,816	14,988,308
<b>Cash and cash equivalents at end of period</b>	<u>\$ 22,134,504</u>	<u>18,426,736</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**

### **First Quarter of 2026 and 2025**

**(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 April 29, 2026.

#### **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, 2026, did not have any material impact on the Consolidated Company’s financial statement.

- 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.)**

(2) 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:

<b>New or amended standards</b>	<b>Major amendment details</b>	<b>Effective date announced by IASB</b>
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).</p> <p>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 endorsed, 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
- Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”

#### 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 2025 Consolidated Financial Statement. For relevant information, please refer to Note 4 to the 2025 Consolidated Financial Statement.

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

(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
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	EMC Overseas Holding Incorporated	Investment	100.00%	100.00%	100.00%	
The Company	Grand Wuhan Incorporated	Investment	100.00%	100.00%	100.00%	
The Company	EMC International Holding Incorporated	Investment	100.00%	100.00%	100.00%	
EMC Overseas Holding Incorporated	Grand Zhuhai Incorporated	Investment	100.00%	100.00%	100.00%	
Grand Zhuhai Incorporated	Grand Shanghai Incorporated	Investment	100.00%	100.00%	100.00%	
Grand Zhuhai Incorporated	Grand Zhongshan Incorporated	Investment	100.00%	100.00%	100.00%	
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%	56.07%	
EMD Specialty Materials, LLC	Technica USA	General import and export services	16.46%	16.46%	16.46%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Trading (Kunshan) Co., Ltd.	General import and export services	100.00%	- %	- %	Note
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Semiconductor Material (Zhongshan) Co., Ltd.	Manufacturing of Prepreg and Copper Clad Laminate for PCB	100.00%	- %	- %	Note

Note: It was established in China in November 2025, and as of March 31, 2026, the paid-in capital is RMB 5,000 thousand.

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 2025 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 2025 Consolidated Financial Statement. For relevant information, please refer to Note 6 to the 2025 Consolidated Financial Statement.

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

(1) Cash and cash equivalents

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Cash	\$ 461	516	441
Demand deposits	14,613,979	14,638,426	11,905,804
Time deposits	1,489,729	1,599,199	3,695,912
Cash equivalents	6,030,335	3,769,675	2,824,579
Cash and cash equivalents shown in the consolidated statement of cash flows	<b>\$ 22,134,504</b>	<b>20,007,816</b>	<b>18,426,736</b>

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

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</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	\$ -	-	12,339
Financial liabilities mandatorily at fair value through profit or loss:			
Non-hedging derivatives			
Embedded derivatives - call or put options on unsecured convertible corporate bonds	\$ -	-	19,800
Forward exchange contracts	-	9,475	-
Total	<b>\$ -</b>	<b>9,475</b>	<b>19,800</b>

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

The Consolidated Company engages in derivative financial instrument transactions to hedge against exchange rate risk exposed by its operating, financing, and investing activities. The details of the derivatives, which are classified as financial liabilities mandatorily measured at fair value through profit or loss due to the non-application of hedge accounting as of December 31, 2025, are as follows:

Forward exchange contracts:

	<b>December 31, 2025</b>			
	<b>Contract amount (in thousands of NTD)</b>	<b>Currency</b>	<b>Maturity period</b>	
Forward exchange contracts sold	USD 10,000	USD to NTD	January 12, 2026	

There were no such derivative financial instruments as of March 31, 2026 and 2025.

As of March 31, 2026, December 31, 2025, and March 31, 2025, no financial assets or liabilities measured at fair value through profit or loss of the Consolidated Company were provided as collateral.

(3) Note receivable and accounts receivable

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Note receivable	\$ 60,926	50,056	29,357
Accounts receivable	46,462,264	36,099,494	30,242,310
Less: loss allowances	(42,802)	(34,906)	(32,893)
	<b>\$ 46,480,388</b>	<b>36,114,644</b>	<b>30,238,774</b>

The Consolidated Company used the simplified approach to estimate expected credit losses on March 31, 2026 and 2025 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:

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

	<b>March 31, 2026</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	\$ 46,112,454	0.04%	17,939
Less than 30 days past due	249,833	0.46%	1,155
31~120 days past due	39,934	0.00%	1
More than 121 days past due	120,969	19.60%	23,707
	<b>\$ 46,523,190</b>		<b>42,802</b>

	<b>December 31, 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	\$ 35,500,225	0.04%	12,982
Less than 30 days past due	491,230	0.16%	781
31~120 days past due	44,705	0.06%	25
More than 121 days past due	113,390	18.62%	21,118
	<b>\$ 36,149,550</b>		<b>34,906</b>

	<b>March 31, 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	\$ 29,790,499	0.04%	10,769
Less than 30 days past due	193,049	0.53%	1,027
31~120 days past due	172,805	3.81%	6,581
More than 121 days past due	115,314	12.59%	14,516
	<b>\$ 30,271,667</b>		<b>32,893</b>

None of the note receivable or accounts receivable of the Consolidated Company were provided as collateral.

**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 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Opening balance	\$ 34,906	30,249
Impairment loss recognized	6,899	1,258
Reclassification	-	816
Foreign currency exchange gains and losses	997	570
Ending balance	<b><u>\$ 42,802</u></b>	<b><u>32,893</u></b>

(4) Other receivables

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Claims receivable	\$ 349,959	349,959	349,959
Other receivables	123,109	116,680	94,868
Less: loss allowances	-	-	(1,168)
	<b><u>\$ 473,068</u></b>	<b><u>466,639</u></b>	<b><u>443,659</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 March 31, 2026. For relevant information, please refer to Note 12 (2) of the 2025 Consolidated Financial Statements.

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

(5) Inventory

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Raw material	\$ 13,609,165	11,494,511	6,780,865
Goods-in-process	1,364,002	938,043	724,218
Finished goods	6,001,094	4,265,815	3,020,979
Merchandise	41,648	53,219	31,668
	<b><u>\$ 21,015,909</u></b>	<b><u>16,751,588</u></b>	<b><u>10,557,730</u></b>

The details of the composition of operating costs for the Consolidated Company from January 1 to March 31, 2026 and 2025, are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Cost of goods sold	\$ 23,608,660	15,207,962
Loss for market price decline and obsolete and slow-moving inventories	16,543	26,329
Revenue from sale of scraps	<u>(287,095)</u>	<u>(144,553)</u>
Total	<b><u>\$ 23,338,108</u></b>	<b><u>15,089,738</u></b>

Loss for market price decline and obsolete and slow-moving inventories are due to obsolete or unusable inventories, and the net realizable value of inventories lower than the cost is recognized as operating costs.

As of March 31, 2026, December 31, 2025, and March 31, 2025, none of the Consolidated Company's inventories were provided as collateral.

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

(6) Property, plant and equipment

The details of the changes in property, plant, and equipment of the Consolidated Company during the three months ended March 31, 2026 and 2025 are as follows:

	<u>Land</u>	<u>Property and building</u>	<u>Equipment</u>	<u>Other</u>	<u>Unfinished works and equipment to be inspected</u>	<u>Total</u>
Cost or deemed cost:						
Balance as of January 1, 2026	\$ 2,537,243	9,514,138	15,621,505	4,572,233	10,759,119	43,004,238
Addition (including interest capitalization)	2,643,272	-	-	-	3,461,389	6,104,661
Disposal	-	-	(2,200)	(17,301)	-	(19,501)
Reclassification	-	5,244,601	339,212	164,602	(5,747,058)	1,357
Impact from change in exchange rate	-	245,377	361,475	109,162	243,495	959,509
Balance as of March 31, 2026	<u>\$ 5,180,515</u>	<u>15,004,116</u>	<u>16,319,992</u>	<u>4,828,696</u>	<u>8,716,945</u>	<u>50,050,264</u>
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)	-	-	-	-	2,496,508	2,496,508
Disposal	-	-	(3,241)	(15,126)	-	(18,367)
Reclassification	-	19,866	102,586	43,531	(165,983)	-
Impact from change in exchange rate	-	129,268	219,923	66,925	136,728	552,844
Balance as of March 31, 2025	<u>\$ 2,537,243</u>	<u>7,080,690</u>	<u>13,281,141</u>	<u>4,103,737</u>	<u>7,886,310</u>	<u>34,889,121</u>
Depreciation and impairment losses:						
Balance as of January 1, 2026	\$ -	2,138,543	7,301,579	2,700,263	-	12,140,385
Depreciation for the year	-	146,617	258,880	140,031	-	545,528
Disposal	-	-	(1,236)	(16,390)	-	(17,626)
Impact from change in exchange rate	-	50,032	159,789	61,910	-	271,731
Balance as of March 31, 2026	<u>\$ -</u>	<u>2,335,192</u>	<u>7,719,012</u>	<u>2,885,814</u>	<u>-</u>	<u>12,940,018</u>
Balance as of January 1, 2025	\$ -	1,767,377	6,441,062	2,262,719	-	10,471,158
Depreciation for the year	-	90,521	221,938	116,340	-	428,799
Disposal	-	-	(2,856)	(14,531)	-	(17,387)
Impact from change in exchange rate	-	28,646	99,794	36,266	-	164,706
Balance as of March 31, 2025	<u>\$ -</u>	<u>1,886,544</u>	<u>6,759,938</u>	<u>2,400,794</u>	<u>-</u>	<u>11,047,276</u>
Book value:						
January 1, 2026	<u>\$ 2,537,243</u>	<u>7,375,595</u>	<u>8,319,926</u>	<u>1,871,970</u>	<u>10,759,119</u>	<u>30,863,853</u>
March 31, 2026	<u>\$ 5,180,515</u>	<u>12,668,924</u>	<u>8,600,980</u>	<u>1,942,882</u>	<u>8,716,945</u>	<u>37,110,246</u>
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>
March 31, 2025	<u>\$ 2,537,243</u>	<u>5,194,146</u>	<u>6,521,203</u>	<u>1,702,943</u>	<u>7,886,310</u>	<u>23,841,845</u>

On March 31, 2026, December 31, 2025, and March 31, 2025, the property, plant, and equipment of the Consolidated Company were not provided as guarantees for bank loans and pledges of financing lines.

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

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 (19) for capitalized interest.

(7) 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:

	<u>Land</u>	<u>Property and building</u>	<u>Total</u>
Cost of right-of-use assets:			
Balance as of January 1, 2026	\$ 1,971,624	749,580	2,721,204
Enhancements	-	6,176	6,176
Impact from change in exchange rate	<u>54,818</u>	<u>13,115</u>	<u>67,933</u>
Balance as of March 31, 2026	<u><b>\$ 2,026,442</b></u>	<u><b>768,871</b></u>	<u><b>2,795,313</b></u>
Balance as of January 1, 2025	\$ 1,606,431	761,591	2,368,022
Enhancements	-	1,066	1,066
Remeasurement	-	18,852	18,852
Impact from change in exchange rate	<u>34,403</u>	<u>9,830</u>	<u>44,233</u>
Balance as of March 31, 2025	<u><b>\$ 1,640,834</b></u>	<u><b>791,339</b></u>	<u><b>2,432,173</b></u>
Depreciation and impairment losses on right-of-use assets:			
Balance as of January 1, 2026	\$ 139,154	190,141	329,295
Depreciation	8,536	17,428	25,964
Reclassification	1,357	-	1,357
Impact from change in exchange rate	<u>4,158</u>	<u>3,524</u>	<u>7,682</u>
Balance as of March 31, 2026	<u><b>\$ 153,205</b></u>	<u><b>211,093</b></u>	<u><b>364,298</b></u>
Balance as of January 1, 2025	\$ 103,622	128,959	232,581
Depreciation	8,071	17,298	25,369
Impact from change in exchange rate	<u>2,301</u>	<u>1,779</u>	<u>4,080</u>
Balance as of March 31, 2025	<u><b>\$ 113,994</b></u>	<u><b>148,036</b></u>	<u><b>262,030</b></u>
Book value:			
January 1, 2026	<u><b>\$ 1,832,470</b></u>	<u><b>559,439</b></u>	<u><b>2,391,909</b></u>
March 31, 2026	<u><b>\$ 1,873,237</b></u>	<u><b>557,778</b></u>	<u><b>2,431,015</b></u>
January 1, 2025	<u><b>\$ 1,502,809</b></u>	<u><b>632,632</b></u>	<u><b>2,135,441</b></u>
March 31, 2025	<u><b>\$ 1,526,840</b></u>	<u><b>643,303</b></u>	<u><b>2,170,143</b></u>

On March 31, 2026, December 31, 2025, and March 31, 2025, the Consolidated Company's right-of-use assets were not provided as guarantees for bank loans and the amount of financing.

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

(8) Short-term borrowings

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank loans	<u>\$ 12,291,308</u>	<u>9,279,346</u>	<u>7,314,439</u>
Unused short-term credit lines	<u>\$ 29,137,008</u>	<u>22,157,750</u>	<u>17,753,616</u>
Interest rate range	<u>0.79%~4.40%</u>	<u>0.79%~3.55%</u>	<u>1.12%~5.17%</u>

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

(9) Long-term borrowings

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank loans	\$ 12,259,592	10,203,495	7,166,021
Less: amount due within one year	<u>(1,280,704)</u>	<u>(1,984,172)</u>	<u>(1,617,591)</u>
Total	<u>\$ 10,978,888</u>	<u>8,219,323</u>	<u>5,548,430</u>
Unused short-term credit lines	<u>\$ 20,339,261</u>	<u>20,960,502</u>	<u>8,200,399</u>
Interest rate range	<u>1.42%~2.90%</u>	<u>1.42%~3.10%</u>	<u>2.50%~3.10%</u>
Due year	<u>2027~2035</u>	<u>2026~2035</u>	<u>2026~2029</u>

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

The Consolidated Company signs a credit contract with a financial institution. According to the credit contract, during the loan period, the Consolidated Company must maintain the specified current ratio, debt ratio, tangible net worth, interest coverage ratio and other financial ratios on the balance sheet date based on its annual consolidated financial statements audited by CPAs and semi-annual consolidated financial statements reviewed by CPAs. If the loan contract is violated Certain conditions, according to the agreement, should be improved by cash capital increase or other means. As of December 31, 2025, the Consolidated Company did not violate the above financial ratio restrictions.

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

(10) Unsecured convertible bonds

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

	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Bond issuance amount	\$ 9,465,300	9,465,300
Unamortized balance of discounted corporate bonds payable	-	(162,135)
Cumulative redeemed amount	(2,200)	-
Cumulative amount of conversion	(9,463,100)	(3,358,600)
Ending balance of corporate bonds payable	-	5,944,565
Less: amount due within one year	-	(107,577)
Balance of corporate bonds payable- non-current	<b>\$ -</b>	<b>5,836,988</b>
	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Embedded derivative financial instruments - call-back or repurchase rights (presented as financial assets at fair value through profit or loss - current)	<b>\$ -</b>	<b>352</b>
Embedded derivative financial instruments - call-back or repurchase rights (presented as financial assets at fair value through profit or loss - non-current)	<b>\$ -</b>	<b>11,987</b>
Embedded derivative financial instruments - call-back or repurchase rights (presented as financial liabilities at fair value through profit or loss - non-current)	<b>\$ -</b>	<b>19,800</b>
Equity component - conversion right (reported in capital surplus - subscription right)	<b>\$ -</b>	<b>574,879</b>
		<b>January 2025 to March 2025</b>
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)		<b>\$ (13,601)</b>
Interest expenses		<b>\$ 8,903</b>

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

- 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 December 31, 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. In addition, the Company redeemed NTD 2,200 thousand on October 28, 2025, and reclassified the unconverted stock options to capital surplus-others in the amount of NTD 195 thousand. As of December 31, 2025, all creditors holding the aforementioned corporate bonds had exercised their conversion rights.
- 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 December 31, 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> <p>A. If the closing price of the Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;</p> <p>B. 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;</p> <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> <p>A. If the closing price of the Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;</p> <p>B. 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;</p> <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> <p>A. If the closing price of the Company's common shares exceeds 30% of the current conversion price for 30 consecutive business days;</p> <p>B. 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;</p> <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><u>Fifth domestic unsecured convertible corporate bonds</u></b>	<b><u>Sixth domestic unsecured convertible corporate bonds</u></b>	<b><u>Seventh domestic unsecured convertible corporate bonds</u></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 convertible 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 (20) 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.)**

(11) Lease liabilities

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

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Current	<u>\$ 53,479</u>	<u>40,474</u>	<u>44,311</u>
Non-current	<u>\$ 577,704</u>	<u>587,323</u>	<u>652,623</u>

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

The amounts recognized in profit or loss are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Interest expense on lease liability	<u>\$ 8,996</u>	<u>10,097</u>
Expense on short-term lease	<u>\$ 26,801</u>	<u>21,868</u>

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

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Total cash outflow from lease	<u>\$ 48,401</u>	<u>42,218</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.

(12) Other non-current liabilities

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Prepayments	\$ 828,771	817,711	488,108
Guarantee deposits and margins received	<u>48,320</u>	<u>40,784</u>	<u>82,519</u>
Total	<u>\$ 877,091</u>	<u>858,495</u>	<u>570,627</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 365,691 thousand, NTD 355,184 thousand and NTD 361,267 thousand on March 31, 2026, December 31, 2025, and March 31, 2025 respectively. Please refer to Note 9 (2) for details.

(13) 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, 2025 and 2024 and disclose the pension costs for interim periods. The pension costs recognized by the Consolidated Company for the three months ended March 31, 2026 and 2025 were NTD 0.

B. Determined appropriation plan

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

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Operating costs	\$ 97,545	70,847
Total selling expenses	5,475	4,946
Total administrative expenses	14,773	9,073
Total research and development expenses	10,005	6,900
Total	<b>\$ 127,798</b>	<b>91,766</b>

(14) Income tax

The details of income tax expenses of the Consolidated Company from January 1 to March 31, 2026 and 2025 are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Current income tax expense		
Current tax expense recognized in the current year	\$ 1,448,060	946,867
Income tax adjustments on prior years	(17,612)	4,526
	1,430,448	951,393
Deferred income tax expense		
Occurrence and reversal of temporary differences	424,933	248,940
Income tax expenses of continuing operations	<b>\$ 1,855,381</b>	<b>1,200,333</b>

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

The details of the income tax expense recognized in other comprehensive income by the Consolidated Company for the three months ended March 31, 2026 and 2025 are as follows:

	<b>January 2026</b>	<b>January 2025</b>
	<b><u>to March 2026</u></b>	<b><u>to March 2025</u></b>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	<b><u>\$ (276,340)</u></b>	<b><u>(142,792)</u></b>

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 2023.

B. Global minimum tax

The Consolidated Company recognizes top-up tax as current income tax when it is actually incurred, and applies a temporary mandatory exception to the deferred tax accounting treatment related to top-up tax. For accounting policies, please refer to Note 4(18) of the 2025 consolidated report.

The Pillar Two legislation became effective in Malaysia in 2025, where the Consolidated Company operates. As of March 31, 2026, all relevant top-up taxes have been recognized under income tax expense.

(15) Capital and other equity

A. Issuance of common stock

On March 31, 2026, December 31, 2025, and March 31, 2025, 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 358,321 thousand shares, 358,321 thousand shares, and 346,773 thousand shares respectively where all share price on the issued shares have been received.

**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>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</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	11,425,480	11,425,480	5,053,069
Difference between the price and the book value of acquisition or disposal of subsidiary's equity	48	48	48
Conversion right	-	-	574,879
Other	195	195	-
	<b>\$ 11,521,350</b>	<b>11,521,350</b>	<b>5,723,623</b>

C. Retained earnings

According to the Company's Articles of Incorporation, 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.

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

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

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

(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 2025 and 2024 earnings distribution proposals, on March 11, 2026 and February 25, 2025, respectively. The amounts of dividends distributed to owners are as follows:

	2025		2024	
	Payout ratio		Payout	
	(NTD)	Amount	ratio (NTD)	Amount
Dividends distributed to owners of common stock:				
Cash	\$ 25.00	\$ <u>8,958,028</u>	17.00	<u>5,893,695</u>

D. Other equity (net post-tax)

	Exchange differences on translation of foreign financial statements	Equity instrument investment losses measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2026	\$ 622,345	(15,773)	(20,298)	586,274
Exchange differences arising on translation of foreign operations	1,105,360	-	(379)	1,104,981
Loss on non-controlling interests	-	-	(1,016)	(1,016)
Balance as of March 31, 2026	<u>\$ 1,727,705</u>	<u>(15,773)</u>	<u>(21,693)</u>	<u>1,690,239</u>

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

	<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>
January 1, 2025	\$ (28,085)	(15,773)	(16,967)	(60,825)
Exchange differences arising on translation of foreign operations	571,165	-	(235)	570,930
Loss on non-controlling interests	-	-	(1,746)	(1,746)
Balance as of March 31, 2025	<u>\$ 543,080</u>	<u>(15,773)</u>	<u>(18,948)</u>	<u>508,359</u>

(16) Earnings per share

A. Earnings per share - basic

Basic earnings per share for the Consolidated Company for the periods from January 1 to March 31, 2026 and 2025 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

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Net income attributable to common shareholders of the Company	<u>\$ 5,339,793</u>	<u>3,468,900</u>

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

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Weighted average number of common shares outstanding	<u>358,321</u>	<u>346,660</u>

B. Earnings per share - diluted

The diluted earnings per share for the three months ended March 31, 2026 and 2025 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:

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

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

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Net income attributable to the Company's ordinary share shareholders (basic)	\$ 5,339,793	3,468,900
Amount of after-tax effect of interest expense and other income or gains and losses on convertible bonds	-	18,003
Net income attributable to the Company's ordinary share shareholders (diluted)	<b>\$ 5,339,793</b>	<b>3,486,903</b>

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

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Weighted average number of ordinary shares outstanding as of January 1 (basic)	358,321	346,660
Effect of convertible corporate bond conversion	-	11,625
Effect of employee stock dividends	233	562
Weighted average number of ordinary shares outstanding as of March 31 (diluted)	<b>358,554</b>	<b>358,847</b>

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

C. Earnings per share are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Earnings per share - basic	<b>\$ 14.90</b>	<b>10.01</b>
Earnings per share - diluted	<b>\$ 14.89</b>	<b>9.72</b>

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

(17) Revenue from customer contracts

A. Breakdown of income

<b>January 2026 to March 2026</b>			
	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
	<b>department</b>	<b>department</b>	<b>Total</b>
Key market region:			
Taiwan	\$ 2,832,122	2,145	2,834,267
China	-	26,883,193	26,883,193
Other countries	1,528,535	1,821,266	3,349,801
	<b>\$ 4,360,657</b>	<b>28,706,604</b>	<b>33,067,261</b>
Key products:			
Prepreg	\$ 1,676,670	11,807,810	13,484,480
Copper clad laminate	2,564,824	16,792,356	19,357,180
Other	119,163	106,438	225,601
	<b>\$ 4,360,657</b>	<b>28,706,604</b>	<b>33,067,261</b>
<b>January 2025 to March 2025</b>			
	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>
	<b>department</b>	<b>department</b>	<b>Total</b>
Key market region:			
Taiwan	\$ 2,435,748	1,829	2,437,577
China	-	17,512,610	17,512,610
Other countries	1,095,115	634,762	1,729,877
	<b>\$ 3,530,863</b>	<b>18,149,201</b>	<b>21,680,064</b>
Key products:			
Prepreg	\$ 1,387,697	7,857,166	9,244,863
Copper clad laminate	2,054,721	10,229,327	12,284,048
Other	88,445	62,708	151,153
	<b>\$ 3,530,863</b>	<b>18,149,201</b>	<b>21,680,064</b>

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

(18) 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 no less than 35% shall be distributed to entry-level employees) 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 January 1 to March 31, 2026 and 2025 were NTD 185,454 thousand and 123,317 thousand respectively, and the estimated amount of directors' remuneration was NTD 40,181 thousand and 26,718 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 Incorporation. The employee's remuneration is reported as the operating costs or expenses from January 1 to March 31, 2026 and 2025. 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 for 2025 and 2024 was NTD 493,664 thousand and NTD 322,052 thousand respectively, and the amount of directors' remuneration was NTD 106,961 thousand and 69,778 thousand respectively. There is no difference between the amount of employee remuneration and director's remuneration in 2025 and 2024 and the actual distribution approved by the Board of Directors and the relevant information can be inquired at the MOPS.

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

(19) Non-operating income and expenses

A. Total interest income

The details of interest income of the Consolidated Company from January 1 to March 31, 2026 and 2025 are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Bank deposit interest	<u>\$ 69,891</u>	<u>42,821</u>

B. Other gains and losses

The details of other profits and losses of the Consolidated Company from January 1 to March 31, 2026 and 2025 are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Foreign currency exchange (loss) gain	\$ (2,688)	34,305
Gain (loss) on financial assets or liabilities at fair value through profit or loss	9,475	(13,601)
Loss on disposal of property, plant and equipment	(1,790)	(894)
Other gains	<u>126,038</u>	<u>172,681</u>
Other gains and losses, net	<u>\$ 131,035</u>	<u>192,491</u>

C. Financial costs

The details of financial cost of the Consolidated Company from January 1 to March 31, 2026 and 2025 are as follows:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Interest expenses	\$ 137,934	107,560
Less: capitalized interest	<u>(2,696)</u>	<u>-</u>
	<u>\$ 135,238</u>	<u>107,560</u>

(20) 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 (22) of the 2025 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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>Over 2 years</u>
<b>March 31, 2026</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 24,550,900	25,525,974	7,764,819	6,211,781	5,925,557	5,623,817
Accounts payable	31,382,337	31,382,337	31,382,337	-	-	-
Other payables	19,298,486	19,298,486	19,298,486	-	-	-
Lease liabilities	<u>631,183</u>	<u>821,860</u>	<u>44,805</u>	<u>43,989</u>	<u>81,120</u>	<u>651,946</u>
	<b><u>\$ 75,862,906</u></b>	<b><u>77,028,657</u></b>	<b><u>58,490,447</u></b>	<b><u>6,255,770</u></b>	<b><u>6,006,677</u></b>	<b><u>6,275,763</u></b>
<b>December 31, 2025</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 19,482,841	20,202,096	9,328,847	2,215,215	2,707,920	5,950,114
Accounts payable	24,517,506	24,517,506	24,517,506	-	-	-
Other payables	8,767,962	8,767,962	8,767,962	-	-	-
Lease liabilities	627,797	828,700	37,842	38,058	74,349	678,451
Derivative financial liabilities						
Other forward exchange contracts:						
Outflow	314,300	314,300	314,300	-	-	-
Inflow	<u>(304,825)</u>	<u>(304,825)</u>	<u>(304,825)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 53,405,581</u></b>	<b><u>54,325,739</u></b>	<b><u>42,661,632</u></b>	<b><u>2,253,273</u></b>	<b><u>2,782,269</u></b>	<b><u>6,628,565</u></b>
<b>March 31, 2025</b>						
Non-derivative financial liabilities						
Unsecured bank loans	<b><u>\$ 14,480,460</u></b>	<b><u>15,057,551</u></b>	<b><u>3,235,426</u></b>	<b><u>6,011,532</u></b>	<b><u>543,121</u></b>	<b><u>5,267,472</u></b>
Accounts payable	<b><u>18,053,254</u></b>	<b><u>18,053,254</u></b>	<b><u>18,053,254</u></b>	<u>-</u>	<u>-</u>	<u>-</u>
Other payables	<b><u>11,504,123</u></b>	<b><u>11,504,123</u></b>	<b><u>11,504,123</u></b>	<u>-</u>	<u>-</u>	<u>-</u>
Bonds payable	<b><u>5,944,565</u></b>	<b><u>6,106,700</u></b>	<b><u>110,100</u></b>	<u>-</u>	<u>-</u>	<b><u>5,996,600</u></b>
Lease liabilities	<b><u>696,934</u></b>	<b><u>938,870</u></b>	<b><u>42,315</u></b>	<b><u>41,272</u></b>	<b><u>79,124</u></b>	<b><u>776,159</u></b>
	<b><u>\$ 50,679,336</u></b>	<b><u>51,660,498</u></b>	<b><u>32,945,218</u></b>	<b><u>6,052,804</u></b>	<b><u>622,245</u></b>	<b><u>12,040,231</u></b>

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

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.

B. Market risk

(A) Currency risk

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

		<b>March 31, 2026</b>			
		<b>Foreign currency (thousand)</b>	<b>Exchange rate</b>		<b>NTD</b>
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	169,097	USD: NTD	31.9950	5,410,257
		190,893	USD: RMB	6.9119	6,107,633
		19,795	USD: MYR	4.0288	633,345
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		148,466	USD: NTD	31.9950	4,750,180
		195,813	USD: RMB	6.9119	6,265,049
		48,014	USD: MYR	4.0288	1,536,200
CHF		21,524	CHF: USD	1.2497	860,646
		<b>December 31, 2025</b>			
		<b>Foreign currency (thousand)</b>	<b>Exchange rate</b>		<b>NTD</b>
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	153,144	USD: NTD	31.4300	4,813,315
		209,561	USD: RMB	6.9907	6,586,494
		20,532	USD: MYR	4.0364	645,306
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		131,371	USD: NTD	31.4300	4,128,987
		192,991	USD: RMB	6.9907	6,065,708
		39,422	USD: MYR	4.0364	1,239,035
CHF		21,489	CHF: USD	1.2604	851,296

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

March 31, 2025					
		Foreign currency (thousand)	Exchange rate		NTD
<u>Financial asset</u>					
<u>Monetary items</u>					
USD	\$	134,284	USD: NTD	33.2050	4,458,897
		137,355	USD: RMB	7.2611	4,560,888
		1,182	USD: MYR	4.4772	39,237
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		98,927	USD: NTD	33.2050	3,284,873
		155,496	USD: RMB	7.2611	5,163,245
		16,675	USD: MYR	4.4772	553,693
CHF		21,381	CHF: USD	1.1349	805,744

(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 March 31, 2026 and 2025, 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 March 31, 2026 and 2025, will increase or decrease by NTD 9,885 thousand and NTD 7,976 thousand, respectively. The analysis for both periods is based on the same criteria.

(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) from January 1 to March 31, 2026 and 2025 were a loss of NTD 2,688 thousand and a profit of NTD 34,305 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:

		<b>March 31, 2026</b>			
		<b>Fair value</b>			
<b>Carrying amount</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 22,134,504	-	-	-	-
Note receivable and accounts receivable	46,480,388	-	-	-	-
Other receivables	473,068	-	-	-	-
Refundable deposits paid	80,748	-	-	-	-
<b>Total</b>	<b><u>\$ 69,168,708</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	\$ 24,550,900	-	-	-	-
Accounts payable	31,382,337	-	-	-	-
Other payables	19,298,486	-	-	-	-
Guarantee deposits and margins received	48,320	-	-	-	-
Lease liabilities	631,183	-	-	-	-
<b>Total</b>	<b><u>\$ 75,911,226</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

		December 31, 2025			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at</b>					
<b>amortized cost</b>					
Cash and cash equivalents	\$ 20,007,816	-	-	-	-
Note receivable and accounts receivable	36,114,644	-	-	-	-
Other receivables	466,639	-	-	-	-
Refundable deposits paid	84,758	-	-	-	-
<b>Total</b>	<b><u>\$ 56,673,857</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
 <b>Financial liabilities at fair</b>					
<b>value through profit or loss</b>					
Derivative financial liabilities	\$ 9,475	-	9,475	-	9,475
 <b>Financial liabilities measured</b>					
<b>at amortized cost</b>					
Bank loans	19,482,841	-	-	-	-
Accounts payable	24,517,506	-	-	-	-
Other payables	8,767,962	-	-	-	-
Guarantee deposits and margins received	40,784	-	-	-	-
Lease liabilities	627,797	-	-	-	-
Subtotal	53,436,890	-	-	-	-
<b>Total</b>	<b><u>\$ 53,446,365</u></b>	<b><u>-</u></b>	<b><u>9,475</u></b>	<b><u>-</u></b>	<b><u>9,475</u></b>

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

	March 31, 2025				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Call or put rights of corporate bonds	\$ 12,339	-	-	12,339	12,339
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	18,426,736	-	-	-	-
Note receivable and accounts receivable	30,238,774	-	-	-	-
Other receivables	443,659	-	-	-	-
Refundable deposits paid	82,139	-	-	-	-
Subtotal	49,191,308	-	-	-	-
Total	<u>\$ 49,203,647</u>	<u>-</u>	<u>-</u>	<u>12,339</u>	<u>12,339</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Call or put rights of corporate bonds	\$ 19,800	-	-	19,800	19,800
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	14,480,460	-	-	-	-
Accounts payable	18,053,254	-	-	-	-
Other payables	11,504,123	-	-	-	-
Bonds payable	5,944,565	-	-	-	-
Guarantee deposits and margins received	82,519	-	-	-	-
Lease liabilities	696,934	-	-	-	-
Subtotal	50,761,855	-	-	-	-
Total	<u>\$ 50,781,655</u>	<u>-</u>	<u>-</u>	<u>19,800</u>	<u>19,800</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.

Forward Exchange Contracts are evaluated based on the FX Forward Rate.

(C) The transfer between Level 1 and Level 2

There was no transfer from January 1 to March 31, 2026 and 2025.

(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:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets (liabilities) at fair value through profit or loss - embedded derivative financial instruments - call/put option	Binomial tree convertible bond pricing model	<ul style="list-style-type: none"> <li>• Volatility (45.90% as of March 31, 2025)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the volatility, the higher the fair value</li> </ul>

(21) 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 (23) of the 2025 Consolidated Financial Statement.

(22) Capital management

The capital management objectives, policies and procedures of the Consolidated Company are consistent with those disclosed in the 2025 Consolidated Financial Statement; there is no significant change in the aggregated quantitative information of the capital management items and those disclosed in the 2025 Consolidated Financial Statement. For relevant information, please refer to Note 6 (24) of the 2025 Consolidated Financial Statement.

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

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

The Consolidated Company's non-cash investment and financing activities from January 1 to March 31, 2026 and 2025 are as follows:

- A. For the right-of-use assets obtained by leasing, please refer to Note 6 (7) for details.
- B. For convertible bonds converted into ordinary shares, please refer to Note 6 (10) for details.

Reconciliation of liabilities arising from financing activities:

	January 1, 2026	Cash flow	Non-cash changes		March 31, 2026
			Change in exchange rate	Other	
Short-term borrowings	\$ 9,279,346	2,762,331	249,631	-	12,291,308
Long-term borrowings	10,203,495	1,825,830	230,267	-	12,259,592
Lease liabilities	627,797	(12,604)	9,814	6,176	631,183
Total liabilities from financing activities	<u>\$ 20,110,638</u>	<u>4,575,557</u>	<u>489,712</u>	<u>6,176</u>	<u>25,182,083</u>

	January 1, 2025	Cash flow	Non-cash changes		March 31, 2025
			Change in exchange rate	Other	
Short-term borrowings	\$ 6,046,780	1,132,177	135,482	-	7,314,439
Long-term borrowings	4,536,085	2,502,777	127,159	-	7,166,021
Lease liabilities	678,559	(10,253)	8,710	19,918	696,934
Bonds payable	5,969,952	-	-	(25,387)	5,944,565
Total liabilities from financing activities	<u>\$ 17,231,376</u>	<u>3,624,701</u>	<u>271,351</u>	<u>(5,469)</u>	<u>21,121,959</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:

Related party	Relationship with the Consolidated Company
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:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Other related parties	<b>\$ 246</b>	<b>-</b>

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:

<b>Item</b>	<b>Related party categories</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Accounts receivable	Other related parties	<b>\$ -</b>	<b>2,484</b>	<b>-</b>

C. Other related party transactions

<b>Item</b>	<b>Related party categories</b>	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Total administrative expenses	Other related parties	<b>\$ 426</b>	<b>444</b>

(3) Key management personnel transactions

Key management personnel compensation includes:

	<b>January 2026 to March 2026</b>	<b>January 2025 to March 2025</b>
Short-term employee benefits	<b>\$ 82,789</b>	<b>50,590</b>
Post-employment benefits	<b>270</b>	<b>243</b>
	<b>\$ 83,059</b>	<b>50,833</b>

**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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Refundable deposits paid	Deposits for mailbox, leases and natural gas, etc.	<u>\$ 80,748</u>	<u>84,758</u>	<u>82,139</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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unused standby letters of credit			
USD	\$ 42,410	48,267	33,397

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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Total contract price			
USD	\$ 84,838	75,724	46,744
RMB	1,295,334	910,987	779,478
MYR	624,767	624,767	483,549
NTD	5,785,590	5,708,990	-
Unpaid contract price			
USD	\$ 36,760	29,086	28,193
RMB	552,696	299,178	503,661
MYR	99,335	116,556	119,271
NTD	3,908,490	4,534,689	-

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

C. As of March 31, 2026, December 31, 2025, and March 31, 2025, Mega International Commercial Bank (Chung Li Branch) issued letters of guarantee on behalf of the Company in the amounts of NTD 57,000 thousand, NTD 30,000 thousand, and NTD 17,000 thousand, respectively, to the customs to serve as collateral for domestic sales customs duties.

(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 March 31, 2026, 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 365,691 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**

The consolidated subsidiaries, Elite Electronic Material (Kunshan) Co., Ltd. and Elite Electronic Material (Zhongshan) Co., Ltd., resolved by the Board of Directors on April 29, 2026, to acquire land use rights to meet the Group's operational growth needs, in amounts not exceeding RMB 123,000 thousand and RMB 122,000 thousand, respectively.

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

**12. Other**

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

Function Classification	January 2026 to March 2026			January 2025 to March 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	1,118,335	919,288	2,037,623	815,576	661,624	1,477,200
Labor and national health insurance expenses	50,406	22,780	73,186	37,771	16,513	54,284
Pension expenses	97,545	30,253	127,798	70,847	20,919	91,766
Other employee benefit expenses	77,854	48,077	125,931	57,687	32,972	90,659
Depreciation expense	479,735	91,757	571,492	385,708	68,460	454,168
Amortization expense	1,454	10,097	11,551	1,203	12,897	14,100

**13. Notes to Disclosures**

(1) Information on significant transactions

From January 1 to March 31, 2026, 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	1,000,000	1,000,000	-	2.00%	2	-	Operations	-	-	-	14,382,788 (Note 3)	14,382,788 (Note 3)
0	Elite Material Co., Ltd.	Technica USA	Other receivables - related parties	Y	150,000	150,000	150,000	2.00%	2	-	Operations	-	-	-	14,382,788 (Note 3)	14,382,788 (Note 3)
1	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Other receivables - related parties	Y	946,561	-	-	2.00%	2	-	Operations	-	-	-	5,634,379 (Note 4)	5,634,379 (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 Loaning 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 Loaning of Funds: the total amount of loan shall not exceed 30% of the borrowing company's net value, and the limit to a single company shall not exceed 30% of the Company's net value.

Note 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	23,971,314	2,930,845	2,930,845	1,301,605	-	6.11%	47,942,628	Y	N	N
0	"	Elite Material (Penang) SDN. BHD.	2	23,971,314	2,879,550	2,879,550	462,626	-	6.01%	47,942,628	Y	N	N
1	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	4	26,241,976	694,350	694,350	342,296	-	1.32%	52,483,953	N	N	Y
1	"	Elite Material (Penang) SDN. BHD.	4	26,241,976	3,839,400	3,839,400	-	-	7.32%	52,483,953	N	N	N

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): None.

Note: This table lists securities determined by the Company based on the principle of materiality.

### 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	(330,125)	(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.	494,537	6%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	330,125	3%	"	"	"	(494,537)	(4)%	
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Sales	(597,478)	(10)%	"	"	"	717,304	9%	

## 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.	"	Purchase	597,478	6%	"	"	"	(717,304)	(6)%	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Sales	(439,169)	(7)%	"	"	"	549,576	7%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Purchase	439,169	9%	"	"	"	(549,576)	(8)%	
Elite Material Co., Ltd.	Elite Material (Penang) SDN. BHD.	"	Sales	(119,454)	(2)%	"	"	"	120,827	2%	
Elite Material (Penang) SDN. BHD.	Elite Material Co., Ltd.	Parent company and subsidiary	Purchase	119,454	9%	"	"	"	(120,827)	(8)%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	Sales	(136,138)	(1)%	"	"	"	318,303	2%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Purchase	136,138	1%	"	"	"	(318,303)	(2)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	Sales	(288,570)	(5)%	"	"	"	435,321	6%	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	288,570	6%	"	"	"	(435,321)	(7)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Sales	(2,327,443)	(38)%	"	"	"	2,672,579	35%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	2,327,443	23%	"	"	"	(2,672,579)	(20)%	
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Affiliate	Sales	(2,209,331)	(36)%	"	"	"	2,588,042	34%	
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	Purchase	2,209,331	22%	"	"	"	(2,588,042)	(20)%	
Elite Material (Penang) SDN. BHD.	Elite Material Co., Ltd.	Parent company and subsidiary	Sales	(686,423)	(43)%	"	"	"	597,224	42%	
Elite Material Co., Ltd.	Elite Material (Penang) SDN. BHD.	"	Purchase	686,423	15%	"	"	"	(597,224)	(10)%	
Elite Material (Penang) SDN. BHD.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	Sales	(372,719)	(23)%	"	"	"	247,222	18%	
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material (Penang) SDN. BHD.	"	Purchase	372,719	4%	"	"	"	(247,222)	(2)%	

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 rate (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	494,537	2.69	-		159,454	-
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	717,304	5.08	-		110,498	-
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	549,576	3.89	-		104,260	-
Elite Material Co., Ltd.	ELITE Material (Penang) SDN. BHD.	"	120,827	4.66	-		17,402	-
Elite Material Co., Ltd.	EMD Specialty Materials, LLC	"	101,478	2.37	-		7,494	-
Elite Material Co., Ltd. (Note 1)	Technica USA	Parent company and subsidiary	151,145	Not applicable	-		-	-
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	318,303	1.49	-		160,188	-
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	106,366	2.79	-		22,992	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Material Co., Ltd.	"	435,321	3.13	-		95,258	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	"	2,672,579	4.12	-		870,045	-
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	Affiliate	2,588,042	3.75	-		828,436	-
Elite Material (Penang) SDN. BHD.	Elite Material Co., Ltd.	"	597,224	4.77	-		194,593	-
Elite Material (Penang) SDN. BHD.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Parent company and subsidiary	247,222	8.11	-		112,633	-

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 (Zhongshan) Co., Ltd. (Mainland China)	1	Sales Revenue	597,478	Note 3	1.81%
0	Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	1	Sales Revenue	439,169	Note 3	1.33%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	2	Sales Revenue	2,327,443	Note 3	7.04%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	3	Sales Revenue	2,209,331	Note 3	6.68%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	2	Accounts receivable	2,672,579	Note 3	2.04%
1	Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	3	Accounts receivable	2,588,042	Note 3	1.98%
2	Elite Material(Penang) SDN. BHD.	Elite Material Co., Ltd.	2	Sales Revenue	686,423	Note 3	2.08%
2	Elite Material(Penang) SDN. BHD.	Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	2	Sales Revenue	372,719	Note 3	1.13%

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 March 31, 2026 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%	52,568,006	5,887,406	5,887,406	Subsidiary company
"	Grand Wuhan Incorporated	Cayman Island	Investment	602,440	602,440	20,020,000	100.00%	848,468	8,047	8,047	"
"	EMC International Holding Incorporated	"	Investment	2,259,161	2,259,161	76,042,000	100.00%	501,285	(62,461)	(62,461)	"
"	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	1,107,605	1,107,605	34,618,060	100.00%	52,525,423	5,887,026	5,887,026	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
Grand Zhuhai Incorporated	Grand Shanghai Incorporated	British Virgin Islands	Investment	1,083,056	1,083,056	18,200,000	100.00%	31,900,763	3,575,903	3,575,903	Fellow subsidiary company
"	Grand Zhongshan Incorporated	British virgin Islands	Investment	525,902	525,902	16,437,000	100.00%	20,618,590	2,311,069	2,311,069	"
EMC International Holding Incorporated	EMC Special Application Incorporated	Cayman Islands	Investment	2,407,784	2,407,784	75,255,000	100.00%	545,564	(60,384)	(60,384)	Subsidiary of subsidiary company

## 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			
	EMC USA Holding Incorporated	"	Investment	23,420	23,420	732,000	100.00%	(44,293)	(2,077)	(2,077)	"
EMC Special Application Incorporated	EMD Specialty Materials, LLC	USA	Production and sales of Copper Clad Laminate and Prepreg	2,405,932	2,405,932	-	100.00%	545,418	(60,384)	(60,384)	Fellow subsidiary company
EMC USA Holding Incorporated	Technica USA	"	General import and export services	42,297	42,297	2,044,000	56.07%	(44,319)	(3,705)	(2,077)	"
EMD Specialty materials, LLC	Technica USA	"	General import and export services	19,197	19,197	600,000	16.46%	(13,009)	(3,705)	(610)	"
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Elite Material (Penang) SDN. BHD.	Malaysia	Production and sales of Copper Clad Laminate and Prepreg	8,250,934	7,750,011	1,088,692,001	100.00%	8,800,121	157,984	157,984	"

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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Invested company's profit and/or loss this term	The Company's direct or indirect holding percentage	Profit and/or loss recognized this term (Note 2)	Carrying amount as of March 31, 2026	Accumulated inward remittance of earnings as of March 31, 2026
					Outflow	Inflow						
Elite Electronic Material (Kunshan) Co., Ltd. (Mainland China)	Production and sales of Copper Clad Laminate and Prepreg	5,736,948	(2)	650,816	-	-	650,816	5,886,818	100.00%	5,886,818	52,483,936	14,756,506
Elite Electronic Material (Zhongshan) Co., Ltd. (Mainland China)	"	3,714,773	(2)	440,613	-	-	440,613	2,614,680	100.00%	2,614,680	18,781,267	5,410,555
Elite Electronic Material (Huangshi) Co., Ltd. (Mainland China)	"	2,970,721	(2)	601,858	-	-	601,858	593,873	100.00%	593,873	6,971,098	-
Elite Trading (Kunshan) Co., Ltd.	General import and export services	23,145	(3)	-	-	-	-	-	100.00%	-	23,145	-
Elite Semiconductor Material (Zhongshan) Co., Ltd.	Production and sales of Copper Clad Laminate and Prepreg	23,145	(3)	-	-	-	-	(460)	100.00%	(460)	22,678	-

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

Company name	Accumulated investment in Mainland China as of March 31, 2026	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
The Company	1,710,734	14,602,219	28,765,576

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 and USD 50,000 thousand.

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

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

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

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 31.9950 (asset and liability) and 31.5288 (profit and loss) on March 31, 2026.

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 March 31, 2026 (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:

	January 2026 to March 2026				Total
	Domestic department	Foreign department	Other departments	Adjustment and write off	
<b>Income:</b>					
Income from external customers	\$ 4,360,657	28,706,604	-	-	33,067,261
Income from each department	1,546,970	6,292,175	-	(7,839,145)	-
<b>Total income</b>	<b>\$ 5,907,627</b>	<b>34,998,779</b>	<b>-</b>	<b>(7,839,145)</b>	<b>33,067,261</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 5,981,940</b>	<b>10,402,504</b>	<b>17,544,528</b>	<b>(26,734,814)</b>	<b>7,194,158</b>

	January 2025 to March 2025				Total
	Domestic department	Foreign department	Other departments	Adjustment and write off	
<b>Income:</b>					
Income from external customers	\$ 3,530,863	18,149,201	-	-	21,680,064
Income from each department	494,776	2,563,984	-	(3,058,760)	-
<b>Total income</b>	<b>\$ 4,025,639</b>	<b>20,713,185</b>	<b>-</b>	<b>(3,058,760)</b>	<b>21,680,064</b>
<b>Segment gains and losses which shall be disclosed</b>	<b>\$ 3,946,694</b>	<b>6,125,130</b>	<b>11,157,714</b>	<b>(16,562,051)</b>	<b>4,667,487</b>