

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**ELITE MATERIAL CO., LTD.**

**PARENT COMPANY ONLY FINANCIAL STATEMENTS**

**With Independent Auditors' Report  
For the Years Ended December 31, 2025 and 2024**

**Address: No.18, Datong 1st Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.)**  
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The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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## Independent Auditors' Report

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

### Opinion

We have audited the financial statements of Elite Material Co., Ltd. ("the Company"), which comprise the statements of financial position as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as December 31, 2025 and 2024, and its financial performance and cash flows for the year ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1. Revenue recognition

Regarding the accounting policies and explanation for revenue recognition, please refer to Note (4)(o) and Note (6)(o) "Revenue" of the financial statements.

Description of key audit matter:

Revenue is the main indicator for investors and the management to evaluate the company's financial statements or business performance. The accuracy of the timing of revenue recognition significantly impacts the financial statement.

Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.



How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed cut-off test for recognition of revenue over certain period before and after the reporting date to assess the reasonableness to the recognition timing of sales revenue.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. The accountant is responsible for the guidance, supervision and implementation of the audit cases of these investee companies, and is responsible for the formation of Elite Material Co., Ltd.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiang, Hsiao-Ling and Hsu, Shu-Min.

KPMG

Taipei, Taiwan (Republic of China)  
March 11, 2026

#### Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
ELITE MATERIAL CO., LTD.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

(Expressed in Thousand of New Taiwan Dollars)

ASSETS		2025.12.31		2024.12.31		LIABILITIES AND STOCKHOLDERS' EQUITY		2025.12.31		2024.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets:</b>						<b>Current Liabilities:</b>					
1100	Cash and cash equivalents (Note (6)(a))	\$ 618,871	1	3,670,011	8	2100	Short-term borrowings (Note (6)(h))	\$ 1,300,000	2	-	-
1110	Current financial assets at fair value through profit or loss (Note (6)(b) and (j))	-	-	567	-	2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	9,475	-	-	-
						2170	Accounts payable (Note (7))	5,319,667	9	4,253,493	9
1150	Notes receivable, net (Note (6)(c))	43,880	-	28,229	-	2200	Other payables	2,717,985	4	1,926,348	4
1170	Accounts receivable, net (Note (6)(c))	5,389,122	8	4,440,838	9	2220	Other payables to related parties (Note (7))	-	-	708,026	2
1181	Accounts receivable due from related parties (Note (6)(c) and (7))	1,248,998	2	995,021	2	2230	Current tax liabilities	245,225	-	221,765	-
1200	Other receivables (Note (6)(d) and (12))	406,000	1	1,116,239	2	2322	Long-term borrowings, current portion (Note (6)(i))	60,000	-	-	-
1210	Other receivables due from related parties (Note (6)(d) and (7))	139,338	-	768,242	2	2321	Bonds payable, current portion (Note (6)(j))	-	-	138,070	-
1310	Inventories (Note (6)(e))	3,255,500	5	1,877,654	4	2399	Other current liabilities	71,018	-	66,561	-
1470	Other current assets	235,025	1	149,864	-			9,723,370	15	7,314,263	15
		11,336,734	18	13,046,665	27	<b>Non-current liabilities:</b>					
<b>Non-current Assets:</b>						2500	Non-current financial liabilities at fair value through profit or loss (Note (6)(b) and (j))	-	-	12,600	-
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b) and (j))	-	-	18,300	-	2530	Bonds payable (Note (6)(j))	-	-	5,831,882	12
1550	Investments accounted for using equity method (Note (6)(f))	46,693,088	73	31,680,504	64	2540	Long-term borrowings (Note (6)(i))	2,132,843	3	-	-
1600	Property, plant and equipment (Note (6)(g))	5,644,601	9	4,235,251	9	2570	Deferred tax liabilities (Note (6)(l))	1,511,188	2	867,046	2
1840	Deferred tax assets (Note (6)(l))	16,325	-	18,866	-	2600	Other non-current liabilities (Note (6)(f))	2,196	-	9,533	-
1900	Other non-current assets (Note (8))	90,530	-	92,914	-			3,646,227	5	6,721,061	14
1975	Net defined benefit assets, non-current (Note (6)(k))	43,822	-	53,641	-			13,369,597	20	14,035,324	29
		52,488,366	82	36,099,476	73	<b>Total liabilities</b>					
						<b>Equity (Note (6)(m)):</b>					
						3100	Capital stock	3,583,211	6	3,466,329	7
						3200	Capital surplus	11,521,350	18	5,690,867	11
						Retained earnings:					
						3310	Legal reserve	4,966,823	8	4,010,652	8
						3320	Special reserve	43,858	-	859,153	2
						3350	Unappropriated retained earnings	29,733,689	47	21,127,674	43
						3400	Other equity interest	606,572	1	(43,858)	-
						<b>Total equity</b>		50,455,503	80	35,110,817	71
<b>Total assets</b>		<b>\$ 63,825,100</b>	<b>100</b>	<b>49,146,141</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$ 63,825,100</b>	<b>100</b>	<b>49,146,141</b>	<b>100</b>

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
ELITE MATERIAL CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME**

**For the Years Ended December 31, 2025 and 2024**

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

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenue (Note (6)(o) and (7))</b>	\$ 17,955,133	100	15,473,986	100
5000	<b>Operating costs (Note (6)(e) and (7))</b>	<u>(14,489,168)</u>	<u>(81)</u>	<u>(12,436,550)</u>	<u>(80)</u>
	<b>Gross profit from operations</b>	3,465,965	19	3,037,436	20
5910	Less: Unrealized profit from sales	(9,979)	-	(15,550)	-
5920	Add: Realized profit on from sales	<u>15,550</u>	<u>-</u>	<u>10,491</u>	<u>-</u>
		<u>3,471,536</u>	<u>19</u>	<u>3,032,377</u>	<u>20</u>
	<b>Operating expenses (Note (7)):</b>				
6100	Selling expenses	(437,642)	(2)	(403,405)	(3)
6200	Administrative expenses	(1,361,074)	(8)	(917,268)	(6)
6300	Research and development expenses	<u>(710,019)</u>	<u>(4)</u>	<u>(642,546)</u>	<u>(4)</u>
6300	<b>Total operating expenses</b>	<u>(2,508,735)</u>	<u>(14)</u>	<u>(1,963,219)</u>	<u>(13)</u>
	<b>Net operating income</b>	<u>962,801</u>	<u>5</u>	<u>1,069,158</u>	<u>7</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note (6)(q) and (7))	66,279	-	36,978	-
7020	Other gains and losses, net (Note (6)(q))	(21,476)	-	88,440	1
7370	Share of profit of associates and joint ventures accounted for using equity method	14,889,779	83	9,184,986	59
7050	Finance costs (Note (6)(j) and (q))	<u>(42,533)</u>	<u>-</u>	<u>(36,333)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>14,892,049</u>	<u>83</u>	<u>9,274,071</u>	<u>60</u>
	<b>Profit from continuing operations before tax</b>	15,854,850	88	10,343,229	67
7950	<b>Income tax expenses (Note (6)(l))</b>	<u>(1,205,943)</u>	<u>(7)</u>	<u>(764,780)</u>	<u>(5)</u>
	<b>Net income</b>	<u>14,648,907</u>	<u>81</u>	<u>9,578,449</u>	<u>62</u>
	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss (Note (6)(k) and (l))</b>				
8311	(Losses) gains on remeasurements of defined benefit plans	(10,401)	-	11,756	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	22,173	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>2,080</u>	<u>-</u>	<u>(2,352)</u>	<u>-</u>
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>	<u>(8,321)</u>	<u>-</u>	<u>31,577</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	813,037	5	972,922	6
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(l))	<u>(162,607)</u>	<u>(1)</u>	<u>(179,800)</u>	<u>(1)</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>650,430</u>	<u>4</u>	<u>793,122</u>	<u>5</u>
	<b>Other comprehensive income (net of tax)</b>	<u>642,109</u>	<u>4</u>	<u>824,699</u>	<u>5</u>
	<b>Total comprehensive income</b>	<u>\$ 15,291,016</u>	<u>85</u>	<u>10,403,148</u>	<u>67</u>
9750	<b>Basic earnings per share (Note (6)(n))(dollars)</b>	<u>\$ 41.67</u>		<u>27.81</u>	
9850	<b>Diluted earnings per share (Note (6)(n))(dollars)</b>	<u>\$ 40.81</u>		<u>27.30</u>	

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
ELITE MATERIAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2025 and 2024  
(Expressed in Thousand of New Taiwan Dollars)

	<u>Capital Stock</u>		<u>Retained earnings</u>			<u>Other equity interest</u>		<u>Total equity</u>
	<u>Ordinary Shares</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Retained Earnings</u>	<u>Exchange Differences on Translation of Foreign Statements</u>	<u>Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income</u>	
<b>Balance at January 1, 2024</b>	\$ 3,431,793	4,361,746	3,462,000	549,290	15,863,815	(821,207)	(37,946)	26,809,491
Net income for the year ended December 31, 2024	-	-	-	-	9,578,449	-	-	9,578,449
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	9,404	793,122	22,173	824,699
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	9,587,853	793,122	22,173	10,403,148
Earnings distribution:								
Legal reserve	-	-	548,652	-	(548,652)	-	-	-
Special reserve	-	-	-	309,863	(309,863)	-	-	-
Cash dividends on ordinary share	-	-	-	-	(3,439,332)	-	-	(3,439,332)
Recognition of equity component due to conversion of convertible bonds	-	568,626	-	-	-	-	-	568,626
Conversion of convertible bonds	34,536	760,447	-	-	-	-	-	794,983
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	48	-	-	(26,147)	-	-	(26,099)
<b>Balance at December 31, 2024</b>	3,466,329	5,690,867	4,010,652	859,153	21,127,674	(28,085)	(15,773)	35,110,817
Net income for the year ended December 31, 2025	-	-	-	-	14,648,907	-	-	14,648,907
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	(8,321)	650,430	-	642,109
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	14,640,586	650,430	-	15,291,016
Earnings distribution:								
Legal reserve	-	-	956,171	-	(956,171)	-	-	-
Special reserve reversal	-	-	-	(815,295)	815,295	-	-	-
Cash dividends on ordinary share	-	-	-	-	(5,893,695)	-	-	(5,893,695)
Conversion of convertible bonds	116,882	5,830,288	-	-	-	-	-	5,947,170
Other	-	195	-	-	-	-	-	195
<b>Balance at December 31, 2025</b>	\$ <b>3,583,211</b>	<b>11,521,350</b>	<b>4,966,823</b>	<b>43,858</b>	<b>29,733,689</b>	<b>622,345</b>	<b>(15,773)</b>	<b>50,455,503</b>

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

ELITE MATERIAL CO., LTD.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousand of New Taiwan Dollars)

	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 15,854,850	10,343,229
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	267,800	242,615
Amortization expense	10,041	13,581
Net profit on financial assets or liabilities at fair value through profit or loss	(30,292)	(26,642)
Interest expense	16,886	20,707
Interest income	(66,279)	(36,978)
Other income	(6,630)	-
Share of loss of associates and joint ventures accounted for using equity method	(14,889,779)	(9,184,986)
Gain on disposal of property, plant and equipment	(26)	(478)
Amortized discounted corporate bonds payable-interest expense	25,647	15,626
<b>Total adjustments to reconcile profit (loss)</b>	<u>(14,672,632)</u>	<u>(8,956,555)</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Notes receivable	(15,651)	31,023
Accounts receivable	(948,284)	(945,530)
Accounts receivable due from related parties	(253,977)	(670,120)
Other receivable	705,071	34,349
Other receivable due from related parties	(7,980)	138,740
Inventories	(1,377,846)	(438,022)
Other current assets	(85,161)	(5,738)
Other non-current assets	3,885	(14,982)
<b>Total changes in operating assets</b>	<u>(1,979,943)</u>	<u>(1,870,280)</u>
<b>Changes in operating liabilities:</b>		
Accounts payable	1,066,174	1,140,701
Other payables	821,332	562,328
Other payables to related parties	(708,026)	(7,955)
Other current liabilities	(1,697)	37,112
Net defined benefit assets	(582)	(683)
<b>Total changes in operating liabilities</b>	<u>1,177,201</u>	<u>1,731,503</u>
<b>Total changes in operating assets and liabilities</b>	<u>(802,742)</u>	<u>(138,777)</u>
<b>Total adjustments</b>	<u>(15,475,374)</u>	<u>(9,095,332)</u>
Cash inflow generated from operations	379,476	1,247,897
Interest received	72,948	29,889
Dividends received	2,170,518	1,854,428
Interest paid	(14,899)	(21,511)
Income taxes paid	(696,328)	(414,958)
<b>Net cash flows from operating activities</b>	<u>1,911,715</u>	<u>2,695,745</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	(1,477,311)	-
Acquisition of property, plant and equipment	(1,698,629)	(314,876)
Disposal of property, plant and equipment	26	478
Refundable deposits	(5,115)	(2,676)
Decrease (increase) in other receivables	635,383	(755,383)
Acquisition of intangible assets	(8,934)	(4,916)
<b>Net cash flows used in investing activities</b>	<u>(2,554,580)</u>	<u>(1,077,373)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	1,300,000	(1,100,000)
Proceeds from issuing bonds	-	6,418,253
Repayments of bonds	(2,200)	-
Proceeds from long-term borrowings	2,392,843	-
Repayments of long-term borrowings	(200,000)	(600,000)
Guarantee deposits received	(1,654)	(3,088)
Payment of lease liabilities	(3,569)	(2,974)
Cash dividends paid	(5,893,695)	(3,439,332)
<b>Net cash flows (used in) from financing activities</b>	<u>(2,408,275)</u>	<u>1,272,859</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(3,051,140)</u>	<u>2,891,231</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>3,670,011</u>	<u>778,780</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 618,871</u>	<u>3,670,011</u>

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
**ELITE MATERIAL CO., LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousand of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Organization and Business**

Elite Material Co., Ltd. (the "Company") was incorporated on March 24, 1992 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The main operating activities are the manufacturing and selling of copper clad laminates, electronic-industrial specialty chemical and raw materials, work-in-process, and finished goods of electronic components. The manufacturing and selling of printed circuit board is the main source of sales revenue.

The Company's common shares were traded on the Taipei Exchange (TPEX) on December 26, 1996, and its shares were publicly listed and traded on the Taiwan Stock Exchange (TSE) on November 27, 1998. The Company's registered office is on No.18, Datong 1st Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.).

**(2) Approval Date and Procedures of the Consolidated Financial Statements**

The Board of Directors approved and issued the financial statements on March 11, 2026.

**(3) New Standards and Interpretations Adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 "Insurance Contracts" and amendments to 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—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	<p>January 1, 2027            note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

**(4) Summary of Significant Accounting Policies**

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

1. Basis of measurement

Except for the following significant account, the financial statements have been prepared on a historical cost basis:

- 1) Financial assets measured at fair value through profit or loss in fair value ;
- 2) The net defined benefit liabilities (or assets) is recognized as the fair value of plan assets, net of aggregation of the present value of the defined benefit obligation, with a limit based on a defined benefit assets as disclosed in Note 4(p).

2. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

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(c) Foreign Currency

1. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of investment in an associate of a joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, Exchange differences arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

(d) Assets and liabilities classified as current and non-current

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Time deposits with banks that have original maturities of less than one year are held to meet short-term cash commitments rather than for investment or other purposes. These deposits can be readily converted into fixed amounts of cash and are subject to insignificant risk of changes in value; therefore, they are classified as cash and cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

The Acquisition or sale of financial assets is in accordance with the customary transactions, and the company classifies as financial assets for external purposes, and all acquisition and sales are uniformly accounted for on the transaction date or settlement date.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

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3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. Trade receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however they are included in the "trade receivables" line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable and guarantee deposit paid).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. The difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due;

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- the lender of the borrow, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity, or when neither transferring nor retaining substantially all the risks and rewards of ownership and not retaining control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

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The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss, and reported under non-operating income and expenses.

On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognizing of financial liabilities

The Company derecognizes financial liabilities when their contractual obligations are fulfilled, cancelled, or expire. When the terms of a financial liability are modified and the cash flows of the modified liability differ significantly, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all costs of purchase and other costs incurred in bringing them to their present location and condition. Inventory cost is calculated using the weighted-average-cost formula.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes, of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of undated Company's interests in the associate.

When the Company's share of losses of an associated equals or exceeds its interests in an associate, it discounts recognizing its share of further losses. After the recognized interest is redacted to zero. Additional losses are provided for and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transactions.

(j) Property, plant, and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	2 years~ 41 years
2) Machineries	2 years~ 19 years
3) Miscellaneous equipment	3 years~ 14 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

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(l) Intangible assets

1. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Softwares 1 year~ 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment – non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for liabilities arising from sales allowances due to product defects is recognized at the time of sale. The provision is estimated and measured on related probabilities of historical experience data and all possible results.

(o) Revenue

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods - electronic components

The Company manufactures and sells electronic components to computer, automobile, infrastructure and tele-communication manufacturers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company's obligation to provide a refund for faulty products is recognized at the time of sale. Accumulated experience is used to estimate such returns at the time of sale. The amount estimated is recognized as a provision for warranty at reporting date.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

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(p) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

2. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

Income taxes expenses include current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

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The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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(r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders. The basic earnings per share are calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding, after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds.

(s) Operating segments

Please refer to the consolidated financial statements of Elite Material Co., Ltd. and its subsidiaries for the years ended December 31, 2025 and 2024 for operating segments information.

**(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty**

In preparing these parent company only financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that do not have significant effects on the amounts recognized in the parent company only financial statements.

**(6) Summary of Major Accounts**

(a) Cash and cash equivalents

	<u>2025.12.31</u>	<u>2024.12.31</u>
Cash on hand	\$ 457	429
Savings accounts	618,414	583,615
Time deposits	-	2,836,789
Cash equivalents	-	249,178
	<u>\$ 618,871</u>	<u>3,670,011</u>

Please refer to Note (6)(r) for the interest analysis of financial assets and liabilities.

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Financial asset mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Embedded derivative - call or put option in an unsecured convertible bond	\$ -	18,867
Financial liabilities mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Embedded derivative – call or put option in an unsecured convertible bond	\$ -	12,600
Forward foreign exchange contract	9,475	-
Total	<u>\$ 9,475</u>	<u>12,600</u>

The Company uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Company exposures arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward foreign exchange contracts:

	<u>2025.12.31</u>		
	<u>Amount</u>	<u>Currency</u>	<u>Maturity dates</u>
	<u>(in thousand)</u>		
Forward exchange sold	USD 10,000	USD to NTD	2026.01.12

There were no such derivative financial instruments as of December 31, 2024.

As of December 31, 2025 and 2024, the Company's financial assets and liabilities at fair value through profit or loss had not been pledged as collateral.

(c) Notes and accounts receivable

	<u>2025.12.31</u>	<u>2024.12.31</u>
Notes receivable	\$ 44,288	28,637
Accounts receivables	6,639,439	5,437,178
Less: Loss allowance	(1,727)	(1,727)
	<u>\$ 6,682,000</u>	<u>5,464,088</u>

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The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan were determined as follows:

	<b>2025.12.31</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average</b>	<b>Loss allowance provision</b>
Current	\$ 6,640,359	0.02%	1,612
1 to 30 days past due	42,776	0.27%	115
31 to 120 days past due	<u>592</u>	0.00%	<u>-</u>
	<b><u>\$ 6,683,727</u></b>		<b><u>1,727</u></b>
	<b>2024.12.31</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average</b>	<b>Loss allowance provision</b>
Current	\$ 5,441,211	0.03%	1,665
1 to 30 days past due	12,003	0.52%	62
31 to 120 days past due	<u>12,601</u>	0.00%	<u>-</u>
	<b><u>\$ 5,465,815</u></b>		<b><u>1,727</u></b>

The Company's notes receivable and accounts receivable had not been pledged as collateral.

(d) Other receivables

	<b>2025.12.31</b>	<b>2024.12.31</b>
Claims receivable	\$ 349,959	349,959
Other receivables	56,041	767,448
Other receivables due from related parties	139,338	768,242
Less: Loss allowance	<u>-</u>	<u>(1,168)</u>
	<b><u>\$ 545,338</u></b>	<b><u>1,884,481</u></b>

On January 15, 2023, the Company suffered a major fire incident that caused damage to some of Company's buildings, equipment, construction in progress, other assets, and inventories. The impaired assets were written off, and a disaster loss of \$537,959 thousand was recognized in the same year. The Company had obtained relevant property insurance coverage and is currently in negotiation with the insurance company regarding the claim settlement. Based on confirmations obtained from the insurance company and its adjuster, it is virtually certain that the insurance compensation will be received; accordingly, the Company recognized an insurance receivable, measured up to the amount of the related disaster losses for each affected asset. There were no material changes during the period from January 1 to December 31, 2025. For additional information, please refer to Note 12(b) to the financial statements.

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(e) Inventories

	<b>2025.12.31</b>	<b>2024.12.31</b>
Materials	\$ 2,372,073	1,301,884
Work-in-process	157,705	117,196
Finished goods	725,722	458,574
	<b>\$ 3,255,500</b>	<b>1,877,654</b>

As of December 31, 2025 and 2024, the details of operating cost were as follows:

	<b>For the years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 14,595,591	12,499,832
Loss on inventory valuation and obsolescence	11,212	7,808
Revenue from sale of scraps	(117,635)	(71,090)
Total	<b>\$ 14,489,168</b>	<b>12,436,550</b>

Losses on inventory valuation and obsolescence are due to obsolescence or out of use of inventories, which result in that the net realizable value being lower than the cost. Therefore, they are classified as operating costs.

As of December 31, 2025 and 2024, the Company's inventories were not pledged as collateral.

(f) Investments accounted for using equity method

The investments accounted for using the equity method as of the end of the financial reporting period are as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Subsidiaries	<b>\$ 46,693,088</b>	<b>31,677,907</b>
Investments accounted for using the equity method	\$ 46,693,088	31,680,504
Equity method investments credit balance	-	(2,597)
	<b>\$ 46,693,088</b>	<b>31,677,907</b>

For subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2025.

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(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2025 and 2024, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machineries</u>	<u>Other equipment</u>	<u>Equipment awaiting inspection and construction in progress</u>	<u>Total</u>
Cost:						
Balance at January 1, 2025	\$ 2,537,243	847,163	2,537,011	855,808	377,085	7,154,310
Additions	-	-	-	-	1,673,577	1,673,577
Disposals	-	(561)	(30,305)	(7,884)	-	(38,750)
Reclassification	-	36,392	137,509	48,143	(222,044)	-
Balance at December 31, 2025	<u>\$ 2,537,243</u>	<u>882,994</u>	<u>2,644,215</u>	<u>896,067</u>	<u>1,828,618</u>	<u>8,789,137</u>
Balance at January 1, 2024	\$ 2,537,243	827,150	2,358,216	784,020	418,769	6,925,398
Additions	-	-	-	-	302,384	302,384
Disposals	-	(1,406)	(68,271)	(3,795)	-	(73,472)
Reclassification	-	21,419	247,066	75,583	(344,068)	-
Balance at December 31, 2024	<u>\$ 2,537,243</u>	<u>847,163</u>	<u>2,537,011</u>	<u>855,808</u>	<u>377,085</u>	<u>7,154,310</u>
Depreciation:						
Balance at January 1, 2025	\$ -	462,696	1,845,558	610,805	-	2,919,059
Depreciation for the year	-	45,705	154,590	63,932	-	264,227
Disposals	-	(561)	(30,305)	(7,884)	-	(38,750)
Balance at December 31, 2025	<u>\$ -</u>	<u>507,840</u>	<u>1,969,843</u>	<u>666,853</u>	<u>-</u>	<u>3,144,536</u>
Balance at January 1, 2024	\$ -	422,047	1,772,348	558,551	-	2,752,946
Depreciation for the year	-	42,055	141,481	56,049	-	239,585
Disposals	-	(1,406)	(68,271)	(3,795)	-	(73,472)
Balance at December 31, 2024	<u>\$ -</u>	<u>462,696</u>	<u>1,845,558</u>	<u>610,805</u>	<u>-</u>	<u>2,919,059</u>
Carrying amounts:						
At December 31, 2025	<u>\$ 2,537,243</u>	<u>375,154</u>	<u>674,372</u>	<u>229,214</u>	<u>1,828,618</u>	<u>5,644,601</u>
At January 1, 2024	<u>\$ 2,537,243</u>	<u>405,103</u>	<u>585,868</u>	<u>225,469</u>	<u>418,769</u>	<u>4,172,452</u>
At December 31, 2024	<u>\$ 2,537,243</u>	<u>384,467</u>	<u>691,453</u>	<u>245,003</u>	<u>377,085</u>	<u>4,235,251</u>

As of December 31, 2025 and 2024, the property, plant and equipment were not pledged as collateral for long-term debt and financing.

To expand its production capacity, the Company acquired related equipment and construction in progress. For details of the significant construction contracts, please refer to Note 9(a).

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(h) Short-term borrowings

The short-term borrowings were summarized as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Unsecured bank loans	<u>\$ 1,300,000</u>	<u>-</u>
Unused short-term credit lines	<u>\$ 2,955,026</u>	<u>5,385,312</u>
Range of interest rates	<u>1.75%~1.77%</u>	<u>-</u>

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

(i) Long-term borrowings

	<b>2025.12.31</b>	<b>2024.12.31</b>
Unsecured bank loans	\$ 2,192,843	-
Less: current portion	(60,000)	-
Total	<u>\$ 2,132,843</u>	<u>-</u>
Unused long-term credit lines	<u>\$ 10,005,740</u>	<u>4,440,000</u>
Range of interest rates	<u>1.42%~1.97%</u>	<u>-</u>
Due year	<u>2026~2035</u>	<u>-</u>

For the exposure information of the Company's rate, foreign currency and liquidity risk, please refer to Note(6)(r).

The Company signed a loan contract with the financial institution. According to the provisions of the contract, the Company's financial statements must maintain specific current ratios, debt ratios, net tangible assets, and interest coverage ratios on the balance sheet date during the loan period. If such financial ratios breached specific conditions of the loan contract, they shall be improved by means of cash capital increase or other means in accordance with the agreement. As of December 31, 2025 and 2024, the Company did not violate any of the above financial ratio restrictions.

(j) Unsecured convertible bonds

The detail of unsecured convertible bonds were as follow:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Total convertible corporate bonds issued	\$ 9,465,300	9,465,300
Unamortized discounted corporate bonds payable	-	(171,748)
Cumulative redeemed amount	(2,200)	-
Cumulative converted amount	<u>(9,463,100)</u>	<u>(3,323,600)</u>
Balance of corporate bonds issued at year-end	-	5,969,952
Less: current portion	-	(138,070)
Bonds payable - non current	<u>\$ -</u>	<u>5,831,882</u>

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	<u>2025.12.31</u>	<u>2024.12.31</u>
Embedded derivative — call and put options, included in financial assets at fair value through profit or loss - current	\$ <u>-</u>	<u>567</u>
Embedded derivative — call and put options, included in financial assets at fair value through profit or loss - non-current	\$ <u>-</u>	<u>18,300</u>
Embedded derivative — call and put options, included in financial liabilities at fair value through profit or loss - non-current	\$ <u>-</u>	<u>12,600</u>
Equity component – conversion options (included in capital surplus – stock options)	\$ <u>-</u>	<u>577,116</u>
	<b><u>For the years ended December 31</u></b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>
Embedded derivative Instruments - gains and losses from revaluation at fair value of call and put options (recognized as gain or loss from financial assets (liabilities) at fair value through profit or loss under non-operating income and expenses)	\$ <u>39,767</u>	<u>26,642</u>
Interest expense	\$ <u>25,647</u>	<u>15,626</u>

1. On July 31, 2024, the Company's board of directors resolved to issue the seventh domestic unsecured convertible bonds with a total face value of \$3,000,000 thousand. The bonds were issued at 110.94% of their face value, resulting in an actual borrowing amount of \$3,328,253 thousand. This issuance was approved by the Financial Supervisory Commission and was listed on the Taipei Exchange on October 9, 2024. As of December 31, 2025, all holders of the above corporate bonds had exercised their conversion rights.
2. On July 31, 2024, the Company's board of directors resolved to issue the sixth domestic unsecured convertible bonds with a total face value of \$3,000,000 thousand. The bonds were issued at 103% of their face value, resulting in an actual borrowing amount of \$3,090,000 thousand. This issuance was approved by the Financial Supervisory Commission and was listed on the Taipei Exchange on September 25, 2024. In addition, on October 28, 2025, the Company redeemed \$2,200 thousand of the bonds, and the unconverted warrants were reclassified to capital surplus – others in the amount of \$195 thousand. As of December 31, 2025, all holders of the above corporate bonds had exercised their conversion rights.

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3. On December 21, 2021, the Company's board of directors resolved to issue the fifth domestic unsecured convertible bonds with a total face value of \$3,465,300 thousand. The bonds were issued at 101% of their face value, resulting in an actual borrowing amount of \$3,499,953 thousand. This issuance was approved by the Financial Supervisory Commission and was listed on the Taipei Exchange on April 25, 2022. Additionally, bondholders have the right to exercise the put option within the specified period according to the issuance regulations. Therefore, starting from April 25, 2024, the company classified these bonds as current liabilities. This classification does not imply that bondholders will necessarily demand repayment within the following year. As of December 31, 2025, all holders of the above corporate bonds had exercised their conversion rights.

The Company issued convertible bonds at face value, with the main issuance terms listed as follows:

	<b>The Fifth Domestic Unsecured Convertible Bonds</b>	<b>The Sixth Domestic Unsecured Convertible Bonds</b>	<b>The seventh Domestic Unsecured Convertible Bonds</b>
Issue amount	\$3,465,300 thousand	\$3,000,000 thousand	\$3,000,000 thousand
Issuance date	2022.04.25	2024.09.25	2024.10.09
Issued price	Issued at 101% of the face value	Issued at 103% of the face value	Issued at 110.94% of the face value
Coupon Rate	0%	0%	0%
Issuance period	2022.04.25~2027.04.25	2024.09.25~2029.09.25	2024.10.09~2029.10.09
Redemption rights of convertible bonds	From the day following the three-month anniversary of issuance (July 26, 2022) until forty days before the expiration of the issuance period (March 16, 2027), can only be applied under the following conditions: A. When the closing price of the common stock of the Company exceeds the current conversion price by 30% (inclusive) for thirty consecutive trading days; B. When the total amount of bonds that have not been converted falls below 10% of the original issuance amount after the convertible bonds have been requested for conversion by the creditors;	From the day following the three-month anniversary of issuance (December 26, 2024) until forty days before the expiration of the issuance period (August 16, 2029), can only be applied under the following conditions: A. When the closing price of the common stock of the Company exceeds the current conversion price by 30% (inclusive) for thirty consecutive trading days; B. When the total amount of bonds that have not been converted falls below 10% of the original issuance amount after the convertible bonds have been requested for conversion by the creditors;	From the day following the three-month anniversary of issuance (January 10, 2025) until forty days before the expiration of the issuance period (August 30, 2029), can only be applied under the following conditions: A. When the closing price of the common stock of the Company exceeds the then-current conversion price by 30% (inclusive) for thirty consecutive trading days; B. When the total amount of bonds that have not been converted falls below 10% of the original issuance amount after the convertible bonds have been requested for conversion by the creditors;

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	<b>The Fifth Domestic Unsecured Convertible Bonds</b>	<b>The Sixth Domestic Unsecured Convertible Bonds</b>	<b>The seventh Domestic Unsecured Convertible Bonds</b>
Redemption rights of convertible bonds	The Company may send a registered 'Bond Redemption Notice' to creditors one month before the expiration date (the aforementioned period is calculated from the date the Company sends the notice, and the expiration date is the bond redemption base date). The Company shall also request the Taipei Exchange to announce the redemption and redeem the outstanding convertible bonds at face value in cash within five business days after the bond redemption base date. The bond redemption base date must not fall within the period when the convertible bonds are suspended from conversion.	The Company may send a registered 'Bond Redemption Notice' to creditors one month before the expiration date (the aforementioned period is calculated from the date the Company sends the notice, and the expiration date is the bond redemption base date). The Company shall also request the Taipei Exchange to announce the redemption and redeem the outstanding convertible bonds at face value in cash within five business days after the bond redemption base date. The bond redemption base date must not fall within the period when the convertible bonds are suspended from conversion.	The Company may send a registered 'Bond Redemption Notice' to creditors one month before the expiration date (the aforementioned period is calculated from the date the Company sends the notice, and the expiration date is the bond redemption base date). The Company shall also request the Taipei Exchange to announce the redemption and redeem the outstanding convertible bonds at face value in cash within five business days after the bond redemption base date. The bond redemption base date must not fall within the period when the convertible bonds are suspended from conversion.
Put option of convertible bonds.	Thirty days before the redemption base date after three years from issuance (March 26, 2025), creditors may request the Company to redeem the convertible bonds they hold in cash at face value. The Company shall process the redemption request and redeem the convertible bonds in cash within five business days after the redemption base date.	Thirty days before the redemption base date after three years from issuance (August 26, 2027), creditors may request the Company to redeem the convertible bonds they hold in cash at face value. The Company shall process the redemption request and redeem the convertible bonds in cash within five business days after the redemption base date.	There are no redemption clauses stipulated for the Company's bonds.
Conversion period of convertible bonds	Bondholders, from July 26, 2022 (the day following the three-month anniversary of the issuance of the convertible bonds), until April 25, 2027 (the expiration date)	Bondholders, from December 26, 2024 (the day following the three-month anniversary of the issuance of the convertible bonds), until September 25, 2029 (the expiration date).	Bondholders, from January 10, 2025 (the day following the three-month anniversary of the issuance of the convertible bonds), until October 9, 2029 (the expiration date).

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	<b>The Fifth Domestic Unsecured Convertible Bonds</b>	<b>The Sixth Domestic Unsecured Convertible Bonds</b>	<b>The seventh Domestic Unsecured Convertible Bonds</b>
Conversion price of convertible bonds	The conversion price for the fifth issuance of five-year unsecured convertible bonds is set at \$263 per share. This price will be adjusted if there are changes in the total number of common shares of the Company, distribution of cash dividends on common shares, conversion prices lower than the market price per share, or issuance of securities with conversion rights into common shares. Due to the dividend record dates on September 6, 2024, and September 1, 2023, the conversion price was adjusted from \$241.8 to \$236.2 and from \$246.8 to \$241.8, respectively, in accordance with Article 11 of the Company's domestic unsecured convertible bond issuance and conversion regulations. This bond does not have a reset clause.	The conversion price for the sixth issuance of five-year unsecured convertible bonds was initially set at \$607.5 per share. The conversion price is subject to adjustment upon changes in the total number of the Company's outstanding common shares, distributions of cash dividends on common shares, conversion price becomes lower than the market price per share, or the issuance of securities that are convertible into common shares. Due to the dividend record date on September 5, 2025, the conversion price was adjusted from \$607.5 to \$598.6 in accordance with Article 11 of the Company's domestic sixth unsecured convertible bond issuance and conversion regulations. The bond does not have a reset clause.	The conversion price for the seventh issuance of five-year unsecured convertible bonds is set at \$490.7 per share. This price will be adjusted if there are changes in the total number of the Company, distribution of cash dividends on common shares, conversion prices lower than the market price per share, or issuance of securities with conversion rights into common shares. This bond does not have a reset clause.

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

(k) Employee benefits

1. Defined benefit plans

The Company determined the movement in the present value of the defined benefit obligations and fair value of plan assets as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Present value of defined benefit obligation	\$ 89,115	71,749
Fair value of plan assets	(132,937)	(125,390)
Net defined benefit assets	<b>\$ (43,822)</b>	<b>(53,641)</b>

The Company makes defines benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

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1) Composition of plan assets

The Company sets aside pension funds in accordance with the regulations of the Council of Labor Affairs, and the pension funds are managed by the Pension Supervisory Committee. The annual budget for the allocation of the minimum income cannot be lower than the income calculated based on the interest rate of the banks' two-year time deposit in accordance with the Management and Utilization of Labor Pension Funds regulations.

The Company's Bank of Taiwan pension reserve account balance amounted to \$131,272 thousand at the end of the reporting period. The information used to calculate pension fund assets includes the asset allocation and yield of the fund. Please refer to the information published on the website of the Council of Labor Affairs and the Labor Pension Supervisory Committee.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligation at January 1	\$ 71,749	86,799
Current service costs and interest	1,889	1,382
Remeasurement on the net defined benefit assets		
— Actuarial losses (gains) arising from experience adjustments	13,620	(1,297)
— Actuarial losses arising from changes in financial assumptions	5,984	736
Benefit paid	(4,127)	(15,871)
Defined benefit obligation at December 31	<u>\$ 89,115</u>	<u>71,749</u>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ 125,390	128,001
Adjustment for prior periods	75	-
Interest income	2,471	2,065
Remeasurement on the net defined benefit assets		
— Return on plan assets (excluding current interest)	9,128	11,195
Benefit paid	(4,127)	(15,871)
Fair value of plan assets at December 31	<u>\$ 132,937</u>	<u>125,390</u>

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4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	<u>2025</u>	<u>2024</u>
Current service costs	\$ 564	46
Net interest of net defined benefit assets	<u>(1,146)</u>	<u>(729)</u>
	<u>\$ (582)</u>	<u>(683)</u>

5) Remeasurement on the net defined benefit liabilities recognized in other comprehensive income

The Company's remeasurement on the net defined benefit liabilities recognized in other comprehensive income as follows:

	<u>2025</u>	<u>2024</u>
Cumulative amount at January 1	\$ (7,497)	4,259
Recognized during the period	<u>10,401</u>	<u>(11,756)</u>
Cumulative amount at December 31	<u>\$ 2,904</u>	<u>(7,497)</u>

6) Actuarial assumptions

The following are the Company's principal actuarial assumptions of Present Value of defined benefit obligations:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Discount rate	1.75 %	2.00 %
Future salary increases	3.00 %	2.50 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$0.

The weighted average duration of the defined benefit obligation is 12.32 years.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including discount rate and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<u>Impact on defined benefit obligations</u>	
	<u>Increase</u>	<u>Decrease</u>
December 31, 2025		
Discount rate (change of 0.25%)	(2,105)	2,189
Future salary increasing rate (change of 0.25%)	2,116	(2,046)

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	<u>Impact on defined benefit obligations</u>	
	<u>Increase</u>	<u>Decrease</u>
December 31, 2024		
Discount rate (change of 0.25%)	(1,600)	1,657
Future salary increasing rate (change of 0.25%)	1,614	(1,567)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024, respectively.

2. Defined contribution plans

The Company's defined contribution plan complies with the Labor Pension Act, contributing 6% of each employee's monthly wages to their individual pension accounts at the Bureau of Labor Insurance. Under this plan, the Company has no further legal or constructive obligation to make additional payments after contributing the fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2025 and 2024, the Company recognized pension expense \$46,594 thousand and \$40,460 thousand, respectively, paid under the defined contribution pension plan to the Bureau of the Labor Insurance.

(l) Income taxes

1. Income tax expense

The components of income tax in the years 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current income tax expense:		
Current period	\$ 798,475	666,341
Adjustment for prior periods	(78,688)	(109,911)
	<u>719,787</u>	<u>556,430</u>
Deferred tax expense:		
Origination and reversal of temporary differences	486,156	208,350
Income tax expense	<u>\$ 1,205,943</u>	<u>764,780</u>

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Income tax expense recognized in other comprehensive income:

	<u>2025</u>	<u>2024</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ <u>2,080</u>	<u>(2,352)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ <u>(162,607)</u>	<u>(179,800)</u>

The reconciliation of income tax and profit before tax was as follows:

	<u>2025</u>	<u>2024</u>
Profit excluding income tax	\$ <u>15,854,850</u>	<u>10,343,229</u>
Income tax using the Company's domestic tax rate	\$ 3,170,970	2,068,646
Non-deductible expenses	(4,273)	(1,138)
Deductible temporary differences	(2,058,423)	(1,252,251)
Overestimate from prior periods	(78,688)	(109,911)
Undistributed earnings additional tax	<u>176,357</u>	<u>59,434</u>
Income tax expense	\$ <u>1,205,943</u>	<u>764,780</u>

2. Deferred tax assets and liabilities

1) Unrecognized Deferred Tax Liabilities

As of December 31, 2025 and 2024, deferred tax liabilities are not recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The relevant amounts are as follow:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Consolidated amount of taxable temporary differences associated with investments in subsidiaries	\$ <u>35,106,615</u>	<u>24,814,501</u>
Amounts are not recognized as deferred tax liabilities	\$ <u>7,021,323</u>	<u>4,962,900</u>

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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 are as follows:

	<b>Cumulative translation adjustment</b>	<b>Unrealized gain on investment income</b>	<b>Defined Benefit Plans</b>	<b>Others</b>	<b>Total</b>
<b>Deferred Tax Liabilities:</b>					
Balance at January 1, 2025	\$ -	(856,267)	(9,186)	(1,593)	(867,046)
Debited (Credited) in income statement	-	(485,429)	(117)	(5,090)	(490,636)
Debited (Credited) in equity	(155,586)	-	2,080	-	(153,506)
Balance at December 31, 2025	<u>\$ (155,586)</u>	<u>(1,341,696)</u>	<u>(7,223)</u>	<u>(6,683)</u>	<u>(1,511,188)</u>
Balance at January 1, 2024	\$ -	(657,191)	(6,698)	(893)	(664,782)
Debited (Credited) in income statement	-	(199,076)	(136)	(700)	(199,912)
Debited (Credited) in equity	-	-	(2,352)	-	(2,352)
Balance at December 31, 2024	<u>\$ -</u>	<u>(856,267)</u>	<u>(9,186)</u>	<u>(1,593)</u>	<u>(867,046)</u>
<b>Deferred Tax Assets:</b>					
	<b>Current provisions</b>	<b>Allowance for inventory valuation and obsolescence losses</b>	<b>Cumulative translation adjustment</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2025	\$ 7,171	4,674	7,021	-	18,866
Debited (Credited) in income statement	343	2,242	-	1,895	4,480
Debited (Credited) in equity	-	-	(7,021)	-	(7,021)
Balance at December 31, 2025	<u>\$ 7,514</u>	<u>6,916</u>	<u>-</u>	<u>1,895</u>	<u>16,325</u>
Balance at January 1, 2024	\$ 2,386	3,113	201,605	-	207,104
Debited (Credited) in income statement	4,785	1,561	(14,784)	-	(8,438)
Debited (Credited) in equity	-	-	(179,800)	-	(179,800)
Balance at December 31, 2024	<u>\$ 7,171</u>	<u>4,674</u>	<u>7,021</u>	<u>-</u>	<u>18,866</u>

3. Assessment of tax

The Company's tax returns for the years through 2023 were assessed by the Taipei National Tax Administration.

4. Global Minimum Tax

When the company incurs additional tax, it is recognized as current income tax. The accounting treatment for deferred income tax related to the additional tax is subject to a temporary mandatory exemption. For details on the accounting policy, please refer to Note 4 (q).

In Malaysia, the Company's operating jurisdiction, implemented the Pillar Two legislation in 2025. As of December 31, 2025, the Company had no current income tax impacts arising from the enactment of this legislation.

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(m) Capital and other equity

1. Issuance of ordinary shares

As of December 31, 2025 and 2024, the total value of nominal ordinary shares amounted to \$6,000,000 thousand. The par value of each share is \$10 dollars. In total, there were 358,321 and 346,632 thousand of ordinary shares issued. All issued shares were paid up upon issuance.

For the years ended December 31, 2025 and 2024, convertible bonds issued by the Company amounting to \$6,139,500 thousand and \$824,000 thousand, respectively, were converted into 11,689 thousand shares and 3,453 thousand shares of common stock, respectively. For the 10,903 thousand shares converted in 2025 and 2,042 thousand shares in 2024, the related registration procedures were completed.

2. Capital surplus

The balance of capital surplus was as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Additional paid in capital from ordinary shares	\$ 95,627	95,627
Premium from convertible bonds	11,425,480	5,018,076
Difference arising from subsidiary's share price and its carrying value	48	48
Convertible option	-	577,116
Other	195	-
	<u>\$ 11,521,350</u>	<u>5,690,867</u>

According the R.O.C company Act, capital reserves can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

3. Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The earning distribution shall be appropriated with adding 10%-70% of the distributable earning after accumulating the 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 earnings 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.

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To consider the characteristics of industrial growth and improve the Company's financial structure, the annual earnings 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.

Dividends and bonuses distributed by the Company in whole or in part of the legal reserve and capital surplus are distributed in cash shall be authorized by the Board of Directors meeting attended by more than 2/3 of the Directors with a simple majority of the Directors in session and reported to the General Meeting of Shareholders.

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

1) Legal reserve

When there is a surplus in the annual general accounts, the income tax shall be paid first and the past losses shall be compensated, and 10% of the statutory reserve shall be withdrawn in accordance with the law.

2) Special reserve

In accordance with Article 41 of the Securities and Exchange Act, it is necessary to set aside special surplus reserves or retain a portion of earnings as decided by the shareholders' meeting. Special surplus reserves shall be provisioned in accordance with the law. In the event of changes in laws and regulations or the elimination of the reasons for setting aside special surplus reserves due to the application of laws and regulations, they may be reversed and distributed to retained earnings.

3) Earnings distribution

The earnings distribution for 2024 and 2023 was resolved by the general meeting of shareholders held on February 25, 2025, and February 29, 2024, respectively.

The dividend distribution to shareholders is as follows:

	2024		2023	
	Dividend per Share (TWDS)	Amount	Dividend per Share (TWDS)	Amount
Dividends distributed to ordinary shareholders				
Cash	\$ 17.00	\$ <u>5,893,695</u>	10.00	<u>3,439,332</u>

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4. Other equity(net of tax)

	<b>Foreign currency translation differences for foreign operations</b>	<b>Losses on equity instruments at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1, 2025	\$ (28,085)	(15,773)	(43,858)
Exchange difference on translation of foreign financial statements	650,430	-	650,430
Balance at December 31, 2025	<u>\$ 622,345</u>	<u>(15,773)</u>	<u>606,572</u>
Balance at January 1, 2024	\$ (821,207)	(37,946)	(859,153)
Exchange difference on translation of foreign financial statements	793,122	-	793,122
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	22,173	22,173
Balance at December 31, 2024	<u>\$ (28,085)</u>	<u>(15,773)</u>	<u>(43,858)</u>

(n) Earnings per share

1. Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2025 and 2024, were based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, calculated as follows:

1) Profit attributable to ordinary shareholders

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company	<u>\$ 14,648,907</u>	<u>9,578,449</u>

2) Weighted - average number of ordinary shares

	<u>2025</u>	<u>2024</u>
Issued ordinary shares at January 1	346,633	343,179
Effect of conversion of convertible notes	4,935	1,279
Weighted average number of ordinary shares at December 31	<u>351,568</u>	<u>344,458</u>

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2. Diluted earnings per share

The calculation of diluted earnings per share for the years ended December 31, 2025 and 2024, were based on profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary shareholders of the Company (basic)	\$ 14,648,907	9,578,449
Effect of interest expense and other gains or losses on convertible bonds	<u>(11,296)</u>	<u>(8,812)</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 14,637,611</u>	<u>9,569,637</u>

2) Weighted-average number of ordinary shares (diluted)

	<u>2025</u>	<u>2024</u>
Weighted-average number of ordinary shares (basic)	351,568	344,458
Effect of convertible bond	6,753	5,538
Effect of employee stock compensation	<u>383</u>	<u>583</u>
Weighted average number of ordinary shares (diluted) at December 31	<u>358,704</u>	<u>350,579</u>

For calculation of the dilutive effect of the stock option, the average market value is assessed based on the quoted market price where the Company's option is outstanding.

3. Earnings per share were as follow:

	<u>2025</u>	<u>2024</u>
Basic earnings per share	<u>\$ 41.67</u>	<u>27.81</u>
Diluted earnings per share	<u>\$ 40.81</u>	<u>27.30</u>

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(o) Revenue from contracts with customers

1. Disaggregation of revenue

	<b>For the years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Primary geographical markets		
Taiwan	\$ 9,666,239	9,333,130
China	2,454,535	2,410,901
Other	5,834,359	3,729,955
	<b>\$ 17,955,133</b>	<b>15,473,986</b>
Major products		
Prepreg	\$ 6,245,780	5,167,469
Copper clad laminate	8,797,352	7,464,460
Other	2,912,001	2,842,057
	<b>\$ 17,955,133</b>	<b>15,473,986</b>

(p) Rewards of employees, directors and supervisors

On May 14, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall first be used to offset any accumulated losses incurred by the Company. The remainder, if any, shall be allocated 3% as employee remuneration (including a minimum of 35% to base-level employees) and up to 1.2% as remuneration for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of subsidiaries who meet certain specified requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company had profit in a given fiscal year, the profit should first be used to offset any accumulated losses incurred by the Company. The remainder, if any, should be allocated 3% as employee remuneration and no more than 1.2% as remuneration for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of subsidiaries who met certain specified requirements.

For the years ended December 31, 2025 and 2024, rewards of employees of \$493,664 thousand and \$322,052 thousand, and directors of \$106,961 thousand and \$69,778 thousand, respectively, were estimated and recognized as current expense. These amounts were calculated using the Company's profit before tax before rewards of employees and directors for the years ended December 31, 2025 and 2024, and using the earnings allocation method which was stated under the Company's article. These rewards were charged to profit or loss under operating costs or operating expenses for the years ended December 31, 2025 and 2024.

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Related information on distributions of remuneration to employees and directors can be accessed from the Market Observation Post System. There is no difference between the rewards of employees and directors that was decided by the Board of Directors and the estimated financial reports amounts disclosed within of 2025 and 2024.

(q) Non-operating income and expenses

1. Interest income

The details of the Company's interest income for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest income	<u>\$ 66,279</u>	<u>36,978</u>

2. Other gains and losses

The details of the Company's other gains and losses for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Foreign currency exchange (loss) gain	\$ (67,981)	67,083
Gain on financial liabilities at fair value through profit or loss	30,292	26,642
Other profits and loss	<u>16,213</u>	<u>(5,285)</u>
Other gains and losses	<u>\$ (21,476)</u>	<u>88,440</u>

3. Finance costs

The details of the Company's finance costs for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest expense	<u>\$ 42,533</u>	<u>36,333</u>

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(r) Financial instruments

1. Credit risk

1) Credit risks exposure

As of December 31, 2025 and 2024, the maximum exposure to credit risk arising from failure of performance of the counter-party and from financial guarantee made by the Company were as follows:

- The carrying amount of financial assets recognized in the financial statements;
- Financial guarantee made by the Company amounting to USD\$ 181,603 thousand,\$ 30,000 thousand, and USD\$ 171,603 thousand,\$ 17,000 thousand, respectively.

2. Liquidity risk

The following are the contractual maturities of financial liabilities of the Company, including estimated interest payments and excluding the impact of netting arrangements:

	<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>More than 2 years</u>
<b>Balance at December 31, 2025</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 3,492,843	3,772,793	1,380,401	17,199	173,209	2,201,984
Accounts payable	5,319,667	5,319,667	5,319,667	-	-	-
Other payables	2,717,985	2,717,985	2,717,985	-	-	-
Lease liabilities	3,613	3,644	1,846	1,798	-	-
Derivative financial liabilities						
Other forward foreign exchange contracts:						
Outflows	314,300	314,300	314,300	-	-	-
Inflows	(304,825)	(304,825)	(304,825)	-	-	-
	<u>\$ 11,543,583</u>	<u>11,823,564</u>	<u>9,429,374</u>	<u>18,997</u>	<u>173,209</u>	<u>2,201,984</u>
<b>Balance at December 31, 2024</b>						
Non-derivative financial liabilities						
Accounts payable	\$ 4,253,493	4,253,493	4,253,493	-	-	-
Other payables	2,634,374	2,634,374	2,634,374	-	-	-
Bonds payable	5,969,952	6,141,700	141,700	-	-	6,000,000
Lease liabilities	6,116	6,225	1,556	1,556	3,113	-
	<u>\$ 12,863,935</u>	<u>13,035,792</u>	<u>7,031,123</u>	<u>1,556</u>	<u>3,113</u>	<u>6,000,000</u>

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

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3. Currency risk

1) Currency risk exposure

The Company's significant exposure to foreign currency risk was as follows:

	2025.12.31			2024.12.31		
	Foreign currency (thousand of dollars)	Exchange rate	TWD	Foreign currency (thousand of dollars)	Exchange rate	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 193,485	31.430	6,081,231	184,912	32.785	6,062,333
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	162,302	31.430	5,101,149	147,094	32.785	4,822,472

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, bank loans, accounts payable and other payable that are denominated in foreign currency. A 1% appreciation or depreciation of the TWD against the USD and CNY as at December 31, 2025 and 2024, would have increased or decreased net income by \$7,936 thousand and \$10,138 thousand, respectively. This analysis assumes that all other variables remain constant.

3) Foreign exchange gain and loss on monetary items

The foreign exchange gains (losses) of Company monetary items converted into the functional currency amount and converted to parent Company's functional currency Taiwan Dollar exchange rate information were as follows:

	2025		2024	
	Foreign exchange (losses) gains	Average exchange rate	Foreign exchange (losses) gains	Average exchange rate
TWD	\$ (67,981)	-	67,083	-

4. Interest rate analysis

The interest rate exposure of the Company's financial assets and liabilities is described on liquidity risk management.

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The following sensitivity analysis is based on the exposure to interest rate risk of the financial assets and liabilities on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Company's internal management reported the increases or decreases in the interest rates and the exposure to changes in interest rates of 0.5% is considered by management to be a reasonable change of interest rate.

If the interest rate increases or decreases by 0.5%, the Company's net income will decrease increase by \$13,971 thousand and \$0 for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate borrowing.

5. Fair value

1) The kinds of financial instruments and fair value

Financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income is measured on a recurring basis. The fair value of financial assets and liabilities were as follows (including information on fair value hierarchy, but excluding measurements that have similarities to fair value but are not fair value and those fair value cannot be reliably measured or inputs are unobservable in active markets):

	<b>2025.12.31</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 618,871	-	-	-	-
Notes and accounts receivable	6,682,000	-	-	-	-
Other receivables	545,338	-	-	-	-
Refundable deposits	16,427	-	-	-	-
<b>Total</b>	<b>\$ 7,862,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 9,475	-	9,475	-	9,475
Financial liabilities measured at amortized cost					
Bank loans	3,492,843	-	-	-	-
Accounts payable	5,319,667	-	-	-	-
Other payables	2,717,985	-	-	-	-
Guarantee deposit received	2,196	-	-	-	-
Lease liabilities	3,613	-	-	-	-
Subtotal	11,536,304	-	-	-	-
<b>Total</b>	<b>\$ 11,545,779</b>	<b>-</b>	<b>9,475</b>	<b>-</b>	<b>9,475</b>

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	<b>2024.12.31</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit of loss					
Redemption and repurchase option of bonds	\$ 18,867	-	-	18,867	18,867
Financial assets measured at amortized cost					
Cash and cash equivalents	3,670,011	-	-	-	-
Notes and accounts receivable	5,464,088	-	-	-	-
Other receivables	1,884,481	-	-	-	-
Refundable deposits	11,312	-	-	-	-
Subtotal	<u>11,029,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><b>\$ 11,048,759</b></u>	<u>-</u>	<u>-</u>	<u><b>18,867</b></u>	<u><b>18,867</b></u>
Financial liabilities at fair value through profit or loss					
Redemption and repurchase option of bonds	\$ 12,600	-	-	12,600	12,600
Financial liabilities measured at amortized cost					
Accounts payable	4,253,493	-	-	-	-
Other payables	2,634,374	-	-	-	-
Bonds payable	5,969,952	-	-	-	-
Guarantee deposit received	3,850	-	-	-	-
Lease liabilities	6,116	-	-	-	-
Sub-total	<u>12,867,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><b>\$ 12,880,385</b></u>	<u>-</u>	<u>-</u>	<u><b>12,600</b></u>	<u><b>12,600</b></u>

2) Valuation techniques for financial instruments measured at fair value

2.1) Non-derivative financial instruments

If a financial instrument is regarded as being quoted in an active market, the fair value is based on the quoted price in the active market. The market price announced by the major exchange and the OTC trading center of the central government bond is the basis to the fair value of listed equity instruments and debt instruments with active market.

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A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a financial instrument does not meet the above conditions, then it is considered to be without quoted prices in active market. In general, wide bid-ask spreads, significant increase in bid-ask spreads or low trading volume are all indicators of an inactive market.

For financial instruments other than those actively traded in a market, fair value is measured using valuation techniques or by reference to quoted prices obtained from counterparties. Valuations derived from such techniques may be based on the current fair values of other financial instruments with substantially similar terms and characteristics, discounted cash flow analyses, or other valuation methodologies, including valuation models that incorporate market data available as of the reporting date (such as OTC reference yield curves or Reuters average quoted commercial paper rates).

The fair values of the financial instruments held by the Company that do not have quoted prices in an active market are disclosed by category and nature as follows:

- Equity instruments without quoted prices:

The fair value is estimated using the market comparable companies method, with the main assumption based on the multiplier of equity derived from the estimated pre tax EBITDA of the investee, as well as the quoted market prices of comparable foreign listed (OTC) companies. This estimate has been adjusted for the discount impact of the lack of market liquidity of the equity securities.

2.2) Derivative financial instruments

Valued using widely accepted valuation models by market participants, such as discounted cash flow and option pricing models.

3) Transfers between Level 1 and Level 2

There was no transfer from Level 1 Level 2 in 2025 and 2024.

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

The Company's financial instruments that use Level 3 inputs to measure fair value include "financial asset (liabilities) measured at fair value through profit or loss - Embedded derivative - call and put options".

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Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets (liabilities) at fair value through profit or loss / Embedded derivative financial instruments - Call and put options	Binomial tree convertible bond pricing model	· Volatility (49.44% as of 2024.12.31)	· The higher the volatility, the higher the fair value

(s) Financial risk management

1. Overview

The Company have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of structure of risk management. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of structure of risk management in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

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3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment.

1) Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms are offered. The Company's review includes external ratings, when available, and in some cases bank references. Credit limits are established for each customer, which represent the maximum open amount without requiring approval from the General Manager's office; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash basis.

The Company established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss incurred but not yet identified. The collective loss allowance is determined based on historical data on payment statistics for similar financial assets.

2) Bank deposit

The credit risk exposure in the bank deposits and transaction contract of foreign derivation instruments is measured and monitored by the General Manager's office. The Company only deals with financial institutions; therefore, there are no significant doubts regarding default on the above financial instruments, and as a result, there is no significant credit risk.

4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements. The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash flows on financial liabilities over the succeeding 90 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2025 and 2024, the Company's unused credit line were amounted to \$12,960,766 thousand and \$9,825,312 thousand, respectively.

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5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the New Taiwan Dollar (TWD), and US Dollar (USD). Besides, the Company uses natural hedging principle to hedge by controlling the net amount of each currency of the Company in accordance with the condition of the exchange rate market. The Company hedges the currency risk with forward foreign currency whose mature date is in a year from report date and currency swap contract.

The interest is denominated in the currency used in the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily the TWD, and USD. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied in these circumstances.

2) Interest rate risk

The Company's borrowings were on the basis of floating interest rate. The Company is not involved in the situation of changing floating interest rate into fixed rate with interest rate swap agreement. The Company periodically assessed the borrowing rates of the banks and every currency to make provisions for interest-changed rate risk. In addition, the Company creates favorable relationship with banks to get lower financial costs from borrowings in order for it to strengthen its working capital to lower its dependency on bank borrowings, as well as situation of changing floating interest rate and scatter interest-changed rate risk.

3) Other market price risk

The Company does not enter into any commodity contracts other than to meet the Company's expected usage and sales requirements; such contracts are not settled on a net basis.

(t) Capital management

The Company maintains and manages its capital to meet the minimum paid-in capital required by the competent authority, and to optimize the balance of liabilities and equity to maximize shareholders' return.

The capital structure of the Company is composed of net debt (i.e. borrowings less cash and cash equivalent) and equity (i.e. share capital, capital reserve, retained earnings and other equity items).

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The principal management of the Company reviews the capital structure of the Company on an annual basis, including considering the costs and associated risks of various types of capital. Based on the recommendations of key management, the Company will balance its overall capital structure by borrowing short-term borrowings from financial institutions.

(u) Investing and financing activities not affecting current cash flow

The Company investing and financing activities which did not affect the current flow in the years ended December 31, 2025 and 2024.

1. Convertible bonds converted into common stock, please refer to Note (6)(j).

2.Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flow	Non-cash changes			December 31, 2025
			Acquisition	Foreign exchange movement	Other	
Short-term borrowings	\$ -	1,300,000	-	-	-	1,300,000
Long-term borrowings	-	2,192,843	-	-	-	2,192,843
Bonds payable	5,969,952	(2,200)	-	-	(5,967,752)	-
Lease liabilities	6,116	(3,569)	-	-	1,066	3,613
Total liabilities from financing activities	<u>\$ 5,976,068</u>	<u>3,487,074</u>	<u>-</u>	<u>-</u>	<u>(5,966,686)</u>	<u>3,496,456</u>

	January 1, 2024	Cash flow	Non-cash changes			December 31, 2024
			Acquisition	Foreign exchange movement	Other	
Short-term borrowings	\$ 1,100,000	(1,100,000)	-	-	-	-
Long-term borrowings	600,000	(600,000)	-	-	-	-
Bonds payable	930,543	6,418,253	-	-	(1,378,844)	5,969,952
Lease liabilities	-	(2,974)	-	-	9,090	6,116
Total liabilities from financing activities	<u>\$ 2,630,543</u>	<u>4,715,279</u>	<u>-</u>	<u>-</u>	<u>(1,369,754)</u>	<u>5,976,068</u>

**(7) Related-party Transactions**

(a) Names and relationship with related parties

The followings are subsidiaries and other entities that have had transactions with the Company during the periods covered in the parent company only financial statements:

Name of related party	Relationship with the Company
EMC OVERSEAS HOLDING INCORPORATED	The Company's subsidiaries
Grand Wuhan Incorporated	The Company's subsidiaries
EMC INTERNATIONAL HOLDING INCORPORATED	The Company's subsidiaries

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<u>Name of related party</u>	<u>Relationship with the Company</u>
Grand Zhuhai Incorporated	The Company's sub-subsidiaries
Grand Shanghai Incorporated	The Company's sub-subsidiaries
Grand Zhongshan Incorporated	The Company's sub-subsidiaries
EMC SPECIAL APPLICATION INCORPORATED	The Company's sub-subsidiaries
Elite Electronic Material (Kunshan) Co., Ltd.	The Company's sub-subsidiaries
Elite Electronic Material (Zhongshan) Co., Ltd.	The Company's sub-subsidiaries
Elite Electronic Material (Huangshi) Co., Ltd.	The Company's sub-subsidiaries
EMD SPECIALTY MATERIALS, LLC	The Company's sub-subsidiaries
EMC USA HOLDING INCORPORATED	The Company's sub-subsidiaries
ELITE MATERIAL(PENANG) SDN. BHD.	The Company's sub-subsidiaries
TECHNICA USA	The Company's sub-subsidiaries (Note 1)

Note 1: On January 1, 2024, EMD SPECIALTY MATERIALS, LLC invested 30% in TECHNICA, increasing the company's shareholding ratio to 60%. Therefore, on January 1, 2024, it changed from an associate to a subsidiary.

(b) Significant transactions with related parties

1. Sales

The amounts of significant sales by the Company to related parties were as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Sub-subsidiaries	<u>\$ 2,835,927</u>	<u>2,538,629</u>

The selling price for related parties and general customers are negotiated by both parties. The credit terms ranged from 90 to 120 days, which approximated those for routine sales transactions; the royalties are negotiated by both parties.

2. Purchases

The amounts of purchases by the Company from related parties were as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Sub-Subsidiaries	<u>\$ 2,822,666</u>	<u>1,734,705</u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from 90 to 120 days, which were no different from the payment terms given by other vendors.

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3. Receivables from related parties

The receivables from related parties were as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Accounts receivable	Elite Electronic Material (Kunshan) Co., Ltd.	\$ 485,956	423,479
Accounts receivable	Elite Electronic Material (Huangshi) Co., Ltd.	352,595	149,404
Accounts receivable	Elite Electronic Material (Zhongshan) Co., Ltd.	222,752	362,341
Accounts receivable	Sub-Subsidiaries	187,695	59,797
Other receivable	Sub-Subsidiaries	19,338	12,859
		<u>\$ 1,268,336</u>	<u>1,007,880</u>

The receivables from related parties were uncollateralized, and no provisions for doubtful debt were required after the assessment by the management.

4. Payables to related parties

The payables to related parties were as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Accounts payable	Elite Electronic Material (Kunshan) Co., Ltd.	\$ 89,333	29,997
Accounts payable	Elite Electronic Material (Huangshi) Co., Ltd.	302,261	628,084
Accounts payable	ELITE MATERIAL (PENANG) SDN. BHD.	553,051	-
Accounts payable	Sub-Subsidiaries	27,517	5,796
Other payables	Elite Electronic Material (Kunshan) Co., Ltd.	-	359,845
Other payables	Elite Electronic Material (Zhongshan) Co., Ltd.	-	347,544
Other payables	Sub-Subsidiaries	-	637
		<u>\$ 972,162</u>	<u>1,371,903</u>

5. Loans to related parties

The loans to related parties were as follow:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Sub-Subsidiaries	<u>\$ 120,000</u>	<u>755,383</u>

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As of December 31, 2025 and 2024, interest receivable from related parties amounted to \$420 thousand and \$1,921 thousand, respectively, and was presented under “Other receivables – related parties.” The loans to related parties are unsecured and no recognition for impairment loss were required after the assessment by the management.

6. Guarantee

As of December 31, 2025 and 2024, the amounts of guarantees provided by the Company to its subsidiaries amounted to \$5,707,790 thousand and \$5,626,012 thousand, respectively, of which \$1,689,778 thousand and \$1,338,320 thousand had been utilized by the subsidiaries.

7. Other transactions to related parties

<u>Account</u>	<u>Relationship</u>	<u>For the years ended December 31,</u>	
		<u>2025</u>	<u>2024</u>
Selling expenses	Sub-Subsidiaries	\$ <u>521</u>	<u>4,695</u>
Interest income	Sub-subsidiaries	\$ <u>12,217</u>	<u>2,928</u>

(c) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 188,291	130,955
Termination benefits	<u>993</u>	<u>677</u>
	\$ <u>189,284</u>	<u>131,632</u>

**(8) Pledged Assets**

The following assets were restricted in use:

<u>Assets</u>	<u>Purpose of Pledge</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Refundable deposits	Performance bonds, rental deposits, and natural gas deposits	\$ <u>16,427</u>	<u>11,312</u>

**(9) Significant Contingencies and Commitments**

(a) Major commitments and contingencies were as follows:

1. Unused standby letters of credit

	<u>2025.12.31</u>	<u>2024.12.31</u>
Unused standby letters of credit		
USD	25,281	12,977

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2. The significant contracts for engineering construction and purchase of properties in order to extend factories and machineries by the Company, were as follows:

	<b>2025.12.31</b>
Total contract price	
USD	\$ 9,180
TWD	5,708,990
Unpaid contract price	
USD	\$ 6,426
TWD	4,534,689

3. As of December 31, 2025 and 2024, the amounts of Performance Letter of Guarantee issued by Mega International Commercial Bank-Zhongli Branch for the purpose of Customs for guaranty of domestic tariff were \$30,000 thousand and \$17,000 thousand.

**(10) Significant Losses from Disasters: None.**

**(11) Significant Subsequent Events**

- (a) On January 27, 2026, the Board of Directors resolved that the Company intends to acquire land for production and operational purposes, with a planned acquisition amount of \$2,780,000 thousand.
- (b) On March 11, 2026, the Board of Directors resolved that, in response to the Company's business growth, a new plant in Guanyin is planned to be constructed, with an estimated investment amount of approximately \$12,404,335 thousand.

**(12) Others**

- (a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

Categorized as  Nature	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	783,273	1,297,840	2,081,113	708,481	873,077	1,581,558
Labor and health insurance	60,636	46,701	107,337	55,672	37,196	92,868
Pension	26,082	19,930	46,012	24,453	15,324	39,777
Remuneration of directors	-	107,570	107,570	-	70,286	70,286
Others employee benefits	56,916	32,231	89,147	44,663	22,295	66,958
Depreciation	225,801	41,999	267,800	208,946	33,669	242,615
Amortization	87	9,954	10,041	-	13,581	13,581

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As of December 31, 2025 and 2024, the additional information about the numbers of employees and employee benefit were as follows:

	<u>2025</u>	<u>2024</u>
Number of employees	<u>1,235</u>	<u>1,129</u>
Number of directors who were not employees	<u>8</u>	<u>7</u>
The average employee benefit	<u>\$ 1,894</u>	<u>1,587</u>
The average salaries and wages	<u>\$ 1,696</u>	<u>1,410</u>
Adjustment of average salaries and wages	<u>20.28 %</u>	
Supervisors' remuneration	<u>\$ -</u>	<u>-</u>

1. The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

The remunerations to directors, managers and employees are in accordance with the principles of fairness and competition. In addition, the wages of the employees of the Company are paid based on the grade table set according to the complexity of their work, the degree of their responsibilities, and the professional skills required. Furthermore, the remuneration of the Company's directors and employees is determined by reference to the Company's overall operating performance, future risks and development trends of the industry, as well as the individual's performance achievement rate and contribution to the Company; reasonable remuneration is also taken into consideration.

2. The Company did not have supervisors, therefore, there was no remunerations of supervisors.

(b) Other Matters:

On January 15, 2023, the Company experienced a major fire incident that resulted in damage to certain buildings, equipment, construction in progress, other assets, and inventories. The Company wrote off the impaired buildings, equipment, construction in progress, other assets, and inventories, recognizing disaster losses totaling \$537,959 thousand. The amount of disaster compensation recognized represents the best estimate based on the evidence available as of the reporting date; however, as the actual claim amount remains subject to further negotiation, there may be contingent liabilities that cannot be reliably measured and have therefore not been recognized.

The Company had obtained relevant property insurance and is currently negotiating the claim settlement with the insurance company. Based on confirmations obtained from the insurer and its adjuster, it is virtually certain that the Company will receive compensation; accordingly, an insurance recovery was recognized as insurance income and insurance receivables totaling \$537,959 thousand in 2023, with the recognized amount not exceeding the related disaster losses for each asset. As the insurance claim process involves damage assessment, the Company is not yet able to fully determine the final amount of compensation. Any additional recoveries will be recognized only when it becomes virtually certain that such amounts will be received. As of December 31, 2025, the Company had collected partial compensation of \$188,000 thousand.

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**(13) Additional Disclosures**

**(a) Information on significant transactions**

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2025:

**1. Fund financing to other parties:**

(Expressed in thousand of New Taiwan dollars, unless otherwise specified)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Elite Material Co., Ltd.	EMD SPECIALTY MATERIALS, LLS	Other receivables-related parties	Y	2,000,000	1,000,000	-	2.00%	2	-	Operating demand	-	-	-	15,136,650 (Note 3)	15,136,650 (Note 3)
0	Elite Material Co., Ltd.	TECHNICA USA	Other receivables-related parties	Y	250,000	150,000	120,000	2.00%	2	-	Operating demand	-	-	-	15,136,650 (Note 3)	15,136,650 (Note 3)
1	Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	Other receivables-related parties	Y	955,757	939,664	-	2.00%	2	-	Operating demand	-	-	-	4,698,294 (Note 4)	4,698,294 (Note 4)

Note 1: The number is filled as follows:

- 0 is the Company.
- Subsidiaries are numbered as 1 sequentially.

Note 2:1. Having dealings with the Company.

- Those who have the needs in short-term financing.

Note 3: The company with business contact, the total amount of fund financing cannot exceed 30% of the Company's net asset value.

Note 4: The company with business contact, The total maximum financing amount cannot exceed 30% of the lender's net asset value, while the maximum financing amount for a single company cannot exceed 30% of the lender's net value.

Note 5: The total amount cannot exceed 100% of the Company's net worth in its latest financial statements.

**2. Guarantees and endorsements for other parties:**

(Expressed in thousand of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of company	Counter-party		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent Company endorsement/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsement/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	Elite Material Co., Ltd.	EMD SPECIALTY MATERIALS, LLS	2	25,227,751	2,879,090	2,879,090	1,284,468	-	5.71 %	50,455,503	Y	N	N
0	Elite Material Co., Ltd.	ELITE MATERIAL (PENANG) SDN. BHD	2	25,227,751	2,988,450	2,828,700	405,310	-	5.61 %	50,455,503	Y	N	N
1	Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	4	7,830,490	457,300	-	-	-	- %	15,660,981	N	N	Y
2	Elite Electronic Material (Kunshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	4	22,620,460	2,106,901	674,400	345,234	-	1.49 %	45,240,921	N	N	Y
2	Elite Material Co., Ltd.	ELITE MATERIAL (PENANG) SDN. BHD	4	22,620,460	3,984,600	3,771,600	-	-	8.34 %	45,240,921	N	N	N

Note 1: 0 is the Company.

- The investee company are numbered as 1 sequentially.

Note 2: There are the following 7 types of relationship between the endorser and the object of the endorsement guarantee, and the type can be indicated:

- Entities with business relationship with the Company.
- A subsidiary in which the Company directly holds more than 50% of its voting shares.
- A investee in which the Company and subsidiary holds more than 50% of its voting shares.

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4. A parent company in which the Company directly or Subsidiaries indirectly holds more than 90% of its voting shares.
5. Companies in same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 3: According to the company's endorsement and guarantee procedures: The total amount of the company's external endorsements and guarantees shall not exceed 100% of the net worth of the company's most recent financial statements, and the limit for endorsements and guarantees to a single enterprise shall not exceed 50% of the net worth of the company's most recent financial statements.

**3. Information regarding securities held at balance sheet date: None.**

Note: This schedule lists the securities that the company has determined, based on the materiality principle, require disclosure.

**4. Purchases from and sales to related parties with the dollar amount exceeding \$100 million or 20% or more of paid-in capital:**

**(In thousand of New Taiwan Dollars)**

Name of company	Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase /Sale	Amount	Percentage of total purchases /sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable)	
Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	Parent and subsidiary companies	Sale	(1,150,630)	(6)%	Monthly settlement of 90 to 120 days	The selling price is not significantly different from that offered to regular customers.	The credit terms granted to related parties are not significantly different from those granted to other customers.	485,956	7 %	
Elite Electronic Material (Kunshan) Co., Ltd.	Elite Material Co., Ltd.	"	Purchase	1,150,630	4 %	"	"	"	(485,956)	(5)%	
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	Sale	(634,955)	(4)%	"	"	"	222,752	3 %	
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Material Co., Ltd.	"	Purchase	634,955	3 %	"	"	"	(222,752)	(3)%	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	"	Sale	(667,338)	(4)%	"	"	"	352,595	5 %	
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Material Co., Ltd.	"	Purchase	667,338	5 %	"	"	"	(352,595)	(6)%	
Elite Material Co., Ltd.	ELITE MATERIAL (PENANG) SDN. BHD.	"	Sale	(161,121)	(1)%	"	"	"	84,267	1 %	
ELITE MATERIAL (PENANG) SDN. BHD.	Elite Material Co., Ltd.	"	Purchase	161,121	8 %	"	"	"	(84,267)	(6)%	
Elite Material Co., Ltd.	EMD SPECIALTY MATERIALS, LLS	"	Sale	(221,883)	(1)%	"	"	"	103,428	2 %	
EMD SPECIALTY MATERIALS, LLS	Elite Material Co., Ltd.	"	Purchase	221,883	21 %	"	"	"	(103,428)	(44)%	
Elite Electronic Material (Kunshan) Co., Ltd.	Elite Material Co., Ltd.	"	Sale	(168,695)	- %	"	"	"	89,333	1 %	

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Name of company	Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase /Sale	Amount	Percentage of total purchases /sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable)	
Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	Parent and subsidiary companies	Purchase	168,695	1 %	Monthly settlement of 90 to 120 days	The selling price is not significantly different from that offered to regular customers.	The credit terms granted to related parties are not significantly different from those granted to other customers.	(89,333)	(2)%	
Elite Electronic Material (Kunshan) Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	Sale	(680,666)	(2)%	"	"	"	414,846	2 %	
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	"	Purchase	680,666	3 %	"	"	"	(414,846)	(5)%	
Elite Electronic Material (Kunshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	"	Sale	(231,151)	(1)%	"	"	"	25,665	- %	
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	"	Purchase	231,151	2 %	"	"	"	(25,665)	- %	
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Material Co., Ltd.	"	Sale	(128,324)	- %	"	"	"	27,062	- %	
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	Purchase	128,324	1 %	"	"	"	(27,062)	(1)%	
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	"	Sale	(501,928)	(2)%	"	"	"	102,008	1 %	
Elite Electronic Material (Kunshan) Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	Purchase	501,928	2 %	"	"	"	(102,008)	(1)%	
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	Associates	Sale	(372,654)	(1)%	"	"	"	36,220	- %	
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	Purchase	372,654	3 %	"	"	"	(36,220)	(1)%	
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Material Co., Ltd.	Parent and subsidiary companies	Sale	(1,345,585)	(8)%	"	"	"	302,261	5 %	

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**(Expressed in Thousand of New Taiwan Dollars, Unless Otherwise Specified)**

Name of company	Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase /Sale	Amount	Percentage of total purchases /sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable)	
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	Parent and subsidiary companies	Purchase	1,345,585	10 %	Monthly settlement of 90 to 120 days	The selling price is not significantly different from that offered to regular customers.	The credit terms granted to related parties are not significantly different from those granted to other customers.	(302,261)	(6)%	
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Electoronic Material (Kunshan) Co., Ltd.	"	Sale	(5,061,063)	(31)%	"	"	"	1,849,971	32 %	
Elite Electoronic Material (Kunshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	"	Purchase	5,061,063	17 %	"	"	"	(1,849,971)	(17)%	
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	Associates	Sale	(6,111,700)	(38)%	"	"	"	2,126,757	36 %	
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	"	Purchase	6,111,700	28 %	"	"	"	(2,126,757)	(26)%	
ELITE MATERIAL (PENANG) SDN. BHD.	Elite Material Co., Ltd.	Parent and subsidiary companies	Sale	(1,021,238)	(64)%	"	"	"	553,130	59 %	
Elite Material Co., Ltd.	ELITE MATERIAL (PENANG) SDN. BHD.	"	Purchase	1,021,238	7 %	"	"	"	(553,130)	(10)%	
ELITE MATERIAL (PENANG) SDN. BHD.	Elite Electoronic Material (Kunshan) Co., Ltd.	"	Sale	(185,632)	(12)%	"	"	"	120,476	13 %	
Elite Electoronic Material (Kunshan) Co., Ltd.	ELITE MATERIAL (PENANG) SDN. BHD.	"	Purchase	185,632	1 %	"	"	"	(120,476)	(1)%	
ELITE MATERIAL (PENANG) SDN. BHD.	Elite Electronic Material (Zhongshan) Co., Ltd.	Associates	Sale	(185,458)	(12)%	"	"	"	48,015	5 %	
Elite Electronic Material (Zhongshan) Co., Ltd.	ELITE MATERIAL (PENANG) SDN. BHD.	"	Purchase	185,458	1 %	"	"	"	(48,015)	(1)%	

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**(Expressed in Thousand of New Taiwan Dollars, Unless Otherwise Specified)**

5. Accounts receivable from related parties for which the dollar amount exceeds \$100 million or 20% or more of paid-in capital:

(In thousand of New Taiwan Dollars)

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover times	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
Elite Material Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	Parent and subsidiary	485,956	2.53	-		329,378	-
Elite Material Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	222,752	2.17	-		114,205	-
Elite Material Co., Ltd.	Elite Electronic Material (Huangshi) Co., Ltd.	"	352,595	2.66	-		296,113	-
Elite Material Co., Ltd.	EMD SPECIALTY MATERIALS, LLC	"	103,428	2.72	-		64,160	-
Elite Material Co., Ltd.(Note 1)	TECHNICA USA	"	120,420	Not applicable.	-		-	-
Elite Electronic Material (Kunshan) Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	"	414,846	1.58	-		192,655	-
Elite Electronic Material (Zhongshan) Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	"	102,008	5.71	-		61,624	-
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Material Co., Ltd.	"	302,261	2.89	-		180,157	-
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Electronic Material (Kunshan) Co., Ltd.	"	1,849,971	4.45	-		1,080,718	-
Elite Electronic Material (Huangshi) Co., Ltd.	Elite Electronic Material (Zhongshan) Co., Ltd.	Associates	2,126,757	3.31	-		1,379,513	-
ELITE MATERIAL(PENANG) SDN. BHD.	Elite Material Co., Ltd.	Parent and subsidiary	553,130	3.69	-		421,009	-
ELITE MATERIAL(PENANG) SDN. BHD.	Elite Electronic Material (Kunshan) Co., Ltd.	"	120,476	3.08	-		120,476	-

Note 1: Recorded under other receivable due from related parties.

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**(Expressed in Thousand of New Taiwan Dollars, Unless Otherwise Specified)**

(b) Information on investees:

For the year ended December 31, 2025, the following was the information on investees (excluding investees in Mainland China) :

(Amounts Expressed in thousand of New Taiwan Dollars, Except for Share Data)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses) (Note 4)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value (Note 4)			
Elite Material Co., Ltd.	EMC OVERSEAS HOLDING INCORPORATED	British virgin Islands	Investment business	1,179,111	1,179,111	36,256,950	100.00 %	45,312,388	15,834,021	15,834,021	Subsidiary
"	Grand Wuhan Incorporated	Cayman Islands	Investment business	602,440	602,440	20,020,000	100.00 %	825,464	35,165	35,165	"
"	EMC INTERNATIONAL HOLDING INCORPORATED	"	Investment business	2,259,161	781,850	76,042,000	100.00 %	555,236	(979,407)	(979,407)	"
"	Li Cheng Tech Co., Ltd.	Taiwan	Electronics, Telecommunications equipment, Wholesale, Retails, Batteries, Power generation and Distribution machinery manufacturing business	173,694	173,694	16,412,918	33.50 %	-	-	-	Note 3
EMC OVERSEAS HOLDING INCORPORATED	Grand Zhuhai Incorporated	Cayman Islands	Investment business	1,088,046	1,088,046	34,618,060	100.00 %	45,281,453	15,832,560	15,832,560	Sub-subsiary
"	Li Cheng Tech Co., Ltd.	Taiwan	Electronics, Telecommunications equipment, Wholesale, Retails, Batteries, Power generation and Distribution machinery manufacturing business	7,311	7,311	250,000	1.53 %	-	-	-	Note 3
Grand Zhuhai Incorporated	Grand Shanghai Incorporated	British Virgin Islands	Investment business	1,063,930	1,063,930	18,200,000	100.00 %	27,500,699	9,616,918	9,616,918	Third tier subsidiary
"	Grand Zhongshan Incorporated	British virgin Islands	Investment business	516,615	516,615	16,437,000	100.00 %	17,774,845	6,215,690	6,215,690	"
EMC INTERNATIONAL HOLDING INCORPORATED	EMC SPECIAL APPLICATION INCORPORATED	Cayman Islands	Investment business	2,365,265	825,195	75,255,000	100.00 %	596,125	(971,044)	(971,044)	Sub-subsiary
"	EMC USA HOLDING INCORPORATED	"	Investment business	23,007	23,007	732,000	100.00 %	(41,440)	(8,166)	(8,166)	"
EMC SPECIAL APPLICATION INCORPORATED	EMD SPECIALTY MATERIALS,LLC	USA	Copper clad laminate and prepreg business	2,363,445	823,375	-	100.00 %	595,981	(488,241)	(488,241)	Third tier subsidiary
EMC USA HOLDING INCORPORATED	TECHNICA USA	"	Import/export business	41,550	41,550	2,044,000	56.07 %	(41,465)	(14,649)	(8,214)	"
EMD SPECIALTY MATERIALS,LLC	TECHNICA USA	"	Import/export business	18,858	18,858	600,000	16.46 %	(12,172)	(14,649)	(2,411)	"
Elite Electronic Material (Kunshan) Co., Ltd.	ELITE MATERIAL(PENANG) SDN. BHD.	Malaysia	Copper clad laminate and prepreg business	7,527,338	3,540,909	1,026,941,001	100.00 %	8,027,195	4,924	4,924	"

Note 1: The amounts of book value recognized using the equity method ,including investment income (losses) and cumulative translation adjustments, etc.

Note 2: The financial statements were audited by the parent company's Certified Public Accountant in Taiwan and are measured using the equity method.

Note 3: The investment was fully impaired, and all related impairment losses were recognized, reducing the carrying amount to zero as of 2005.

Note 4: The difference between the ending balance and the net equity value is mainly due to the unrealized gross profit.

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**(Expressed in Thousand of New Taiwan Dollars, Unless Otherwise Specified)**

(c) Information on investment in Mainland China:

1. Information on investment in Mainland China:

(Amounts Expressed in thousand of New Taiwan Dollars)

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan (R.O.C.)	Investment Flows		Accumulated Outflow of Investment from Taiwan	Net income (loss) of the investee	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Elite Electronic Material (Kunshan) Co., Ltd.	Copper clad laminate and prepreg business	3,995,637	(2)	650,816	-	-	650,816	15,825,060	100.00 %	15,825,055	45,240,817	14,756,506
Elite Electronic Material (Zhongshan) Co.Ltd.	"	3,608,040	(2)	440,613	-	-	440,613	5,567,449	100.00 %	5,567,449	15,650,638	5,410,555
Elite Electronic Material (Huangshi) Co., Ltd.	"	2,885,366	(2)	601,858	-	-	601,858	1,660,326	100.00 %	1,660,326	6,071,918	-

2. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Approved investment (amount) by Ministry of Economic Affairs Investment Commission	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission
1,710,734	14,602,219	30,273,301

Note 1: There are three investment approach of categories:

- (1) Direct Investment in Mainland China.
- (2) Investment in Mainland China by a third party.
- (3) Other approach.

Note 2: The financial statements were audited by the parent company's Certified Public Accountant in Taiwan.

Note 3: The difference between the paid-in capital of Elite Electronic Material (Kunshan) Co. Ltd. and the investment amount remitted from Taiwan amounted to USD\$6,012 thousand, USD\$24,846 thousand and USD\$16,000 thousand, which was invested overseas by the subsidiary, also USD\$10,000 thousand, and USD\$35,000 thousand, which were recognized as capital increase out of earnings, respectively, and capital surplus of USD\$ 20,000 thousand.

Note 4: The difference between the paid-in capital of Elite Electronic Material (Zhongshan) Co. Ltd. Amounted to USD\$6,255 thousand, which was recognized as capital increase out of earnings, and the investment amount remitted from Taiwan amounted to CNY\$649,959 thousand, which was invested overseas by the subsidiary.

Note 5: The difference between the paid-in capital of Taiguang Electronic Materials (Huangshi) Co., Ltd. and the funds remitted from Taiwan is due to a direct investment of CNY\$510,000 thousand by an overseas subsidiary.

Note 6: The difference between the paid-in capital and investment amount remitted from Taiwan amounted to USD\$110 thousand, which was invested overseas by the subsidiary.

Note 7: The items in the balance sheet and those in the income statements were translated at the exchange rate of \$31.4300 and \$31.3196, respectively, for the year ended December 31, 2025.

Note 8: The difference between the ending balance and the equity net value is mainly due to unrealized sales gross profit.

3. Significant transactions:

Please refer to the related disclosures above captioned as "Related information on material transaction items" for direct or indirect significant transactions between the Company and its investees in Mainland China for the year ended December 31, 2025. (The transactions were eliminated in the consolidated financial statements.)

**(14) Segment Information**

Please refer to the consolidated financial statements of the year ended 2025.

**Elite Material Co., Ltd.**  
**STATEMENT OF CASH AND CASH EQUIVALENTS**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Cash	Cash on hand	\$ <u>457</u>
Saving accounts	Check account deposits	1,073
	Saving accounts	242,875
	Foreign deposits (USD\$11,581 thousand, CNY\$2,328 thousand)	374,466
	Subtotal	<u>618,414</u>
		<u><u>\$ 618,871</u></u>

**STATEMENT OF NOTES RECEIVABLES**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<b>Client name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
A Company	Current portion	\$ 19,366	
B Company	"	8,567	
C Company	"	5,533	
D Company	"	4,576	
E Company	"	2,980	
Others	"	3,266	Those included in others individually dose not exceed 5% of the account balance.
Less: Loss allowance		<u>(408)</u>	
Total		<u><u>\$ 43,880</u></u>	

**Elite Material Co., Ltd.**  
**STATEMENT OF ACCOUNT RECEIVABLES**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Related-parties:			
Elite Electronic Material (Kunshan) Co., Ltd.		\$ 485,956	
Elite Electronic Material (Huangshi) Co., Ltd.		352,595	
Elite Electronic Material (Zhongshan) Co., Ltd.		222,752	
Others		<u>187,695</u>	Those included in others individually dose not exceed 5% of the account balance.
Sub total		<u>1,248,998</u>	
Non-related-parties:			
F Company		1,280,976	
G Company		748,123	
H Company		671,938	
I Company		545,967	
J Company		378,259	
K Company		338,881	
Others		<u>1,426,297</u>	Those included in others individually dose not exceed 5% of the account balance.
Sub total		<u>5,390,441</u>	
Total		6,639,439	
Less: Loss allowance		<u>(1,319)</u>	
Accounts receivable, net		<u>\$ 6,638,120</u>	

**Elite Material Co., Ltd.**  
**STATEMENT OF INVENTORY**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>		<u>Note</u>
	<u>Cost</u>	<u>Net Realizable Value</u>	
Materials	\$ 2,347,752		
Less: Loss allowance	<u>(2,609)</u>		
Sub total	<u>2,345,143</u>	<u>2,391,871</u>	
Supplies	<u>26,930</u>	<u>26,930</u>	
Work in progress	158,471		
Less: Loss allowance	<u>(766)</u>		
Sub total	<u>157,705</u>	<u>174,302</u>	
Finished goods	584,374		
Less: Loss allowance	<u>(31,206)</u>		
Sub total	<u>553,168</u>	<u>711,391</u>	
Inventory in-transit	<u>172,554</u>	<u>172,554</u>	
Inventory, net	<u>\$ 3,255,500</u>		

**STATEMENT OF OTHER CURRENT ASSETS**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Tax Refund Receivable	Business Tax Refund Receivable	\$ 168,122	
Prepayments	Prepaid Insurance, etc.	66,214	
Others		<u>689</u>	
		<u>\$ 235,025</u>	

**Elite Material Co., Ltd.**

**STATEMENT OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

**December 31, 2025**

**(In Thousand of New Taiwan Dollars)**

Investee Company	Beginning Balance		Increase		Decrease		Ending Balance			Market Price or Net Value		Pledged as collateral	Note
	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Number of shares (thousand)	Proportion of shareholding	Amount	Unit price	Total price		
EMC OVERSEAS HOLDING INCORPORATED	36,257	\$ 30,856,264	-	14,456,124	-	-	36,257	100.00 %	45,312,388	-	45,322,904	No	Note 1
Grand Wuhan Incorporated	20,020	824,240	-	1,224	-	-	20,020	100.00 %	825,464	-	825,464	No	
EMC INTERNATIONAL HOLDING INCORPORATED	27,042	(2,597)	49,000	557,833	-	-	76,042	100.00 %	555,236	-	554,699	No	Note 1
Licheng Technology (Stock) Company	16,413	-	-	-	-	-	16,413	33.50 %	-	-	-	No	Note 2
		<u>\$ 31,677,907</u>		<u>15,015,181</u>		<u>-</u>			<u>46,693,088</u>		<u>46,703,067</u>		

Note1: The difference between the ending balance and the net equity value is mainly due to the unrealized gross profit.

Note 2: The investment was fully impaired, and all related impairment losses were recognized, reducing the carrying amount to zero as of 2005.

**Elite Material Co., Ltd.**  
**STATEMENT OF OTHER NON-CURRENT ASSETS**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Supplies inventory	Parts and other consumable spare materials, etc.	\$ 44,848	
Intangible assets	computer software, etc.	18,527	
Refundable deposit		16,427	
Others		<u>10,728</u>	
Total		<u>\$ 90,530</u>	

**Elite Material Co., Ltd.**  
**STATEMENT OF SHORT-TERM BORROWINGS**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Type of loans</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Range of Interest Rates</u>	<u>Loan Commitments</u>	<u>Collaterals or Pledged Assets</u>	<u>Note</u>
Short-term loans	Financial institution	\$ <u><u>1,300,000</u></u>	2025.9.22~2026.3.20	1.75%~1.77%	2,955,026	None	

**Elite Material Co., Ltd.**  
**STATEMENT OF ACCOUNT PAYABLES**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Suppliers</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Related-parties:			
ELITE MATERIAL(PENANG) SDN.BHD.		\$ 553,051	
Elite Electronic Material (Huangshi) Co., Ltd.		302,261	
Elite Electronic Material (Kunshan) Co., Ltd.		89,333	
Others		<u>27,517</u>	
Sub total		<u>972,162</u>	
Non-related-parties:			
A Company		682,103	
B Company		469,222	
C Company		407,897	
D Company		327,004	
Others		2,461,279	Those included in others individually dose not exceed 5% of the account balance.
Sub total		<u>4,347,505</u>	
Total		<u>\$ 5,319,667</u>	

**Elite Material Co., Ltd.**  
**STATEMENT OF OTHER PAYABLES**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Other payables	Payables for equipment	\$ 46,470
	Payroll payables and bonuses payable	1,158,007
	Work in progress-outsourced payable	478,307
	Employees compensations payable	493,664
	Directors' compensations payable	106,961
	Pension expenses payable	23,961
	Other expenses payable	<u>410,615</u>
Total		<u>\$ 2,717,985</u>

**STATEMENT OF OTHER CURRENT LIABILITIES**  
**December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Liability reserve		\$ 37,569	
Temporary receipts		16,154	
Receipts under custody	Withheld Salary Income Tax, Labor Insurance, National Health Insurance, etc.	13,156	
Others		<u>4,139</u>	
		<u>\$ 71,018</u>	

**Elite Material Co., Ltd.**

**STATEMENT OF LONG-TERM BORROWINGS**

**December 31, 2025**

**(In Thousand of New Taiwan Dollars)**

<u>Creditor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Contract Period</u>	<u>Interest</u>	<u>Collaterals or Pledged Assets</u>	<u>Note</u>
A Bank	Financial institution	\$ 1,144,728	2025.08.11~2035.07.15	1.62%~1.97%	None	
B Bank	Financial institution	848,115	2025.07.15~2035.07.15	1.42 %	"	
C Bank	Financial institution	140,000	2025.09.22~2027.09.22	1.89 %	"	
D Bank	Financial institution	<u>60,000</u>	2025.03.06~2028.03.06	1.96 %	"	
Sub total		2,192,843				
Less:Current portion		<u>(60,000)</u>				
Total		<u><u>\$ 2,132,843</u></u>				

**Elite Material Co., Ltd.**

**STATEMENT OF OTHER NON-CURRENT LIABILITIES**

**December 31, 2025**

**(In Thousand of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Guarantee deposits received	Performance guarantee deposit	<u>\$ 2,196</u>	

**STATEMENT OF NET REVENUE**

**For the Year Ended December 31, 2025**

**(In Thousand of New Taiwan Dollars)**

<b>Item</b>	<b>Quantity</b>	<b>Amount</b>	<b>Note</b>
Prepreg	18,353,719	\$ 6,245,780	
Copper clad laminate	9,198,092	8,797,352	
Others		<u>2,912,001</u>	
		<u>\$ 17,955,133</u>	

**Elite Material Co., Ltd.**  
**STATEMENT OF OPERATING COSTS**  
**For the Year Ended December 31, 2025**  
(In Thousand of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Materials, beginning of the year	\$ 1,293,244	
Plus: Purchases	10,812,004	
Less: Material sold	(2,335,319)	
Materials, end of the year	(2,347,752)	
Transferred to manufacturing expenses	(115,819)	
Transferred to operating expenses	(53,434)	
Direct materials		7,252,924
Direct labor		592,260
Manufacturing expenses		2,250,078
Total Manufacturing costs		10,095,262
Plus: Work-in-process, beginning of the year	118,216	
Purchased work-in-process	30,992	
Less: Work-in-process, end of the year	(158,471)	
Transferred to manufacturing expenses	(51,342)	
Transferred to operating expenses	(175,320)	(235,925)
Cost of finished goods		9,859,337
Plus: Finished goods, beginning of the year	474,492	
Purchased finished goods	2,787,091	
Less: Finished goods, end of the year	(756,928)	
Transferred to manufacturing expenses	(10,390)	
Transferred to operating expenses	(93,330)	2,400,935
		12,260,272
Cost of goods sold—Material sold		2,335,319
Loss on inventory valuation and obsolescence		11,212
Revenue from sales of scraps		(117,635)
Costs of sales		<b>\$ 14,489,168</b>

**Elite Material Co., Ltd.**  
**STATEMENT OF SELLING EXPENSES**  
**For the Year Ended December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Commission expenses		\$ 210,814	
Shipping expenses		77,658	
Payroll expenses		53,076	
Advertising expenses		51,061	
Other expenses		45,033	Those included in others individually dose not exceed 5% of the account balance.
Total		<u>\$ 437,642</u>	

**STATEMENT OF ADMINISTRATIVE EXPENSES**  
**For the Year Ended December 31, 2025**  
(In Thousand of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Payroll expenses		\$ 968,615	
Remuneration of directors		106,961	
Other expenses		285,498	Those included in others individually dose not exceed 5% of the account balance.
Total		<u>\$ 1,361,074</u>	

**Elite Material Co., Ltd.**

**STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES**

**For the Year Ended December 31, 2025**

**(In Thousand of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Research and development expenses		\$ 285,290	
Payroll expenses		276,149	
Other expenses		148,580	Those included in others individually dose not exceed 5% of the account balance.
Total		<u>\$ 710,019</u>	