Stock Code: 2458

# ELAN MICROELECTRONICS CORPORATION

**Parent-company-only Financial Statements**

**With Independent Auditors' Report**
**For the Years Ended December 31, 2024 and 2023**

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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
ELAN MICROELECTRONICS CORPORATION:

**Opinion**

We have audited the parent-company-only financial statements of ELAN MICROELECTRONICS CORPORATION("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and parent-company-only notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended 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 Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Other Matter**

We did not audit the financial statements of Top Taiwan X Venture Capital Co., Ltd., which represented investment in accounted for using the equity method of the Company. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Top Taiwan X Venture Capital Co., Ltd., is based solely on the report of another auditor. The investment in Top Taiwan X Venture Capital Co., Ltd. accounted for using the equity method constituted 1.95% and 1.77% of the total assets at December 31, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method constituted 1.80% and 0.38% of the total profit before tax for the years ended December 31, 2024 and 2023, respectively.

**Key Audit Matters**

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

1. Valuation of inventories

   Refer to Note (4)(g) for accounting policy on inventory, Note (5) for accounting estimations and assumption uncertainty of inventory valuation, and Note (6)(d) for the write-down of inventories to net realizable value.

   Description of key audit matter:

   Inventories are measured at the lower of cost and net realizable value. Due to the rapid changes in the economy and the environment, and the production technology update, the cost of inventories is at the risk of exceeding its net realizable value.

   How the matter was addressed in our audit:

   For the valuation of the inventories, we understand the Company's policy on the write-down of inventories and evaluate whether the methods and assumptions used to provide an allowance for the write-down of inventories are reasonable. Also, we obtain the calculation details of the provision for the write-down of inventories, and check whether those details are consistent with the accounting records. In addition, we performed procedures including sampling to examine the accuracy of inventory aging report and the net realizable value report.

2. Revenue recognition

   Refer to Note (4)(o) and (6)(q) for accounting policy of revenue recognition.

   Description of key audit matter:

   The major business activities of the Company are the manufacture and sale of integrated circuits. The Company also offers research and development services with respect to the products presented above. Test of revenue recognition is one of the key audit matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management, and thus, needs significant attention in our audit.

   How the matter was addressed in our audit:

   We understand the main revenue types and transaction conditions, and evaluate whether the timing of revenue recognition is correct; check the sales contracts of major sales objects, and test the Company's internal control methods regarding shipment operations and revenue recognition processes; perform trend analysis of the ten largest customers, so as to assess whether there is any material abnormality; select shipments for a period before and after the balance sheet date of the Company, and check relevant vouchers and forms to determine whether the sales revenue is included in the appropriate period of the financial statements.

**Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the 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 (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision, and performance of the Company audit.

We 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 parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lu, Chien-Hui and Lee, Fang-Yi.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

**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 Parent-Company-Only Financial Statements Originally Issued in Chinese)

# ELAN MICROELECTRONICS CORPORATION

## Balance Sheets

## December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars)

| | Assets | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | **Current assets:** | | | | |
| 1100 | Cash and cash equivalents (note (6)(a)) | $ 2,466,660 | 17 | 1,799,265 | 14 |
| 1110 | Current financial assets at fair value through profit or loss (note (6)(b)) | 20,448 | - | 20,162 | - |
| 1136 | Current financial assets at amortised cost, net (notes (6)(a) and (8)) | 863,580 | 6 | 1,203,520 | 9 |
| 1172 | Notes and accounts receivable, net (note (6)(c)) | 1,193,360 | 8 | 1,071,013 | 8 |
| 1181 | Accounts receivable due from related parties (notes (6)(c) and (7)) | 15,717 | - | 29,202 | - |
| 1200 | Other receivables (notes (6)(c) and (7)) | 987,688 | 7 | 930,747 | 7 |
| 1310 | Inventories, net (note (6)(d)) | 1,577,314 | 11 | 1,909,882 | 15 |
| 1410 | Prepayments and other current assets | 145,511 | 1 | 35,576 | - |
| | | 7,270,278 | 50 | 6,999,367 | 53 |
| | **Non-current assets:** | | | | |
| 1510 | Non-current financial assets at fair value through profit or loss (note (6)(b)) | 1,181,006 | 8 | 1,233,525 | 9 |
| 1517 | Non-current financial assets at fair value through other comprehensive income (note (6)(e)) | 256,378 | 2 | 408,947 | 3 |
| 1535 | Non-current financial assets at amortised cost, net (notes (6)(a) and (8)) | 7,400 | - | 7,400 | - |
| 1551 | Investments accounted for using equity method (notes (6)(f) and (g)) | 1,874,432 | 13 | 1,966,039 | 15 |
| 1600 | Property, plant and equipment (note (6)(h)) | 2,768,468 | 19 | 1,493,529 | 11 |
| 1755 | Right-of-use assets (note (6)(i)) | 779,520 | 5 | 809,485 | 6 |
| 1780 | Intangible assets (note (6)(j)) | 286,281 | 2 | 374,976 | 3 |
| 1840 | Deferred tax assets (note (6)(n)) | 47,879 | - | 52,400 | - |
| 1900 | Guarantee deposits (note (9)) | 54,813 | 1 | 58,171 | - |
| | | 7,256,177 | 50 | 6,404,472 | 47 |
| | **Total assets** | $ 14,526,455 | 100 | 13,403,839 | 100 |

| | Liabilities and Equity | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | **Current liabilities:** | | | | |
| 2170 | Accounts payable (note (7)) | $ 1,000,490 | 7 | 1,163,259 | 9 |
| 2206 | Employee bonus payable (note (6)(t)) | 557,000 | 4 | 425,000 | 3 |
| 2230 | Current tax liabilities | 487,121 | 3 | 229,739 | 2 |
| 2280 | Current lease liabilities (note (6)(l)) | 14,889 | - | 18,108 | - |
| 2300 | Other current liabilities (notes (7) and (9)) | 1,253,759 | 9 | 1,311,875 | 10 |
| | | 3,313,259 | 23 | 3,147,981 | 24 |
| | **Non-Current liabilities:** | | | | |
| 2540 | Total long-term borrowings (note (6)(k)) | 468,640 | 3 | 468,640 | 3 |
| 2570 | Deferred tax liabilities (note (6)(n)) | 20,420 | - | - | - |
| 2640 | Net defined benefit liability, non-current (note (6)(m)) | 238,215 | 2 | 268,783 | 2 |
| 2580 | Non-current lease liabilities (note (6)(l)) | 677,164 | 5 | 683,453 | 5 |
| 2645 | Guarantee deposits received | 8,573 | - | 9,285 | - |
| 2650 | Credit balance of investments accounted for using equity method (note (6)(f)) | 26,904 | - | 6,120 | - |
| | | 1,439,916 | 10 | 1,436,281 | 10 |
| | **Total liabilities** | 4,753,175 | 33 | 4,584,262 | 34 |
| | **Equity attributable to owners of parent:** (notes (6)(f) and (o)) | | | | |
| 3100 | Capital stock | 3,038,804 | 21 | 3,038,804 | 23 |
| 3200 | Capital surplus | 1,139,143 | 8 | 936,880 | 7 |
| | Retained earnings: | | | | |
| 3310 | Legal reserve | 3,118,289 | 21 | 2,902,314 | 21 |
| 3350 | Undistributed earnings | 3,357,098 | 23 | 2,934,268 | 22 |
| | | 6,475,387 | 44 | 5,836,582 | 43 |
| 3400 | Other equity | (31,059) | - | 113,796 | 1 |
| 3500 | Treasury shares | (848,995) | (6) | (1,106,485) | (8) |
| | **Total equity** | 9,773,280 | 67 | 8,819,577 | 66 |
| | **Total liabilities and equity** | $ 14,526,455 | 100 | 13,403,839 | 100 |

See accompanying notes to parent-company-only financial statements.

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

# ELAN MICROELECTRONICS CORPORATION

## Statements of Comprehensive Income

## For the years ended December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | Amount | % | Amount | % |
| 4000 | **Operating revenue** (notes (6)(r) and (7)) | $12,336,983 | 100 | 11,294,860 | 100 |
| 5000 | **Operating costs** (notes (6)(d) and (7)) | 6,166,469 | 50 | 6,032,341 | 53 |
| 5900 | **Gross profit from operations** | 6,170,514 | 50 | 5,262,519 | 47 |
| 5920 | Add: Realized (unrealized) profit from sales | 6,273 | - | 6,550 | - |
| | **Gross profits** | 6,176,787 | 50 | 5,269,069 | 47 |
| 6000 | **Operating expenses:** (notes (6)(c), (j), (7), (9) and (12)) | | | | |
| 6100 | Selling expenses | 516,224 | 4 | 512,369 | 5 |
| 6200 | Administrative expenses | 371,510 | 3 | 332,683 | 3 |
| 6300 | Research and development expenses | 2,028,315 | 16 | 1,761,317 | 16 |
| 6450 | Impairment loss (gain) determined in accordance with IFRS 9 | (1,261) | - | 3,702 | - |
| | | 2,914,788 | 23 | 2,610,071 | 24 |
| 6900 | **Operating income** | 3,261,999 | 27 | 2,658,998 | 23 |
| 7000 | **Non-operating income and expenses:** | | | | |
| 7100 | Interest income (note (6)(s)) | 51,834 | - | 30,203 | - |
| 7010 | Other income (notes (6)(s) and (7)) | 230,031 | 2 | 85,813 | 1 |
| 7020 | Other gains and losses (notes (6)(g) and (s)) | (60,930) | - | (28,220) | - |
| 7050 | Finance costs | (11,123) | - | (11,189) | - |
| 7070 | Share of (loss) of subsidiaries and associates accounted for using equity method (note (6)(f)) | (72,854) | (1) | (126,615) | (1) |
| | | 136,958 | 1 | (50,008) | - |
| 7900 | **Profit before tax** | 3,398,957 | 28 | 2,608,990 | 23 |
| 7950 | Less: Income tax expenses (note (6)(n)) | 663,062 | 5 | 465,470 | 4 |
| | **Net profit** | 2,735,895 | 23 | 2,143,520 | 19 |
| 8300 | **Other comprehensive income (loss):** | | | | |
| 8310 | **Items that may not be reclassified subsequently to profit or loss: (note (6)(m) and (o))** | | | | |
| 8311 | Gains on remeasurements of defined benefit plans | 28,940 | - | 17,657 | - |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | (146,336) | (1) | 103,356 | 1 |
| 8330 | Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will not be reclassified | 333 | - | (1,425) | - |
| 8349 | Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | | (117,063) | (1) | 119,588 | 1 |
| 8360 | **Items that may be reclassified subsequently to profit or loss: (note (6)(o))** | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 2,243 | - | (691) | - |
| 8380 | Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | 38 | - | 53 | - |
| 8399 | Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - |
| | Components of other comprehensive income that will be reclassified to profit or loss | 2,281 | - | (638) | - |
| 8300 | **Other comprehensive income (loss), net** | (114,782) | (1) | 118,950 | 1 |
| 8500 | **Comprehensive income** | **$ 2,621,113** | **22** | **2,262,470** | **20** |
| | **Earnings per share (expressed in dollars)** (note (6)(q)) | | | | |
| 9710 | Basic earnings per share | **$ 9.57** | | **7.53** | |
| 9850 | Diluted earnings per share | **$ 9.45** | | **7.46** | |

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-company-only Financial Statements Originally Issued in Chinese)

# ELAN MICROELECTRONICS CORPORATION

## Statements of Changes in Equity

## For the years ended December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars)

| | Ordinary shares | Capital surplus | Retained earnings: Legal reserve | Retained earnings: Unappropriated retained earnings | Other equity: Exchange differences on translation of foreign financial statements | Other equity: Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Treasury shares | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2023** | $ 3,038,804 | 838,428 | 2,679,726 | 3,428,146 | (4,706) | 15,784 | (1,106,485) | 8,889,697 |
| Net profit | - | - | - | 2,143,520 | - | - | - | 2,143,520 |
| Other comprehensive income | - | - | - | 16,232 | (638) | 103,356 | - | 118,950 |
| Total comprehensive income | - | - | - | 2,159,752 | (638) | 103,356 | - | 2,262,470 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve appropriated | - | - | 222,588 | (222,588) | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | (2,431,042) | - | - | - | (2,431,042) |
| Other changes in capital surplus: | | | | | | | | |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | - | 101,803 | - | - | - | - | - | 101,803 |
| Changes in ownership interests in subsidiaries | - | (3,351) | - | - | - | - | - | (3,351) |
| **Balance at December 31, 2023** | 3,038,804 | 936,880 | 2,902,314 | 2,934,268 | (5,344) | 119,140 | (1,106,485) | 8,819,577 |
| Net profit | - | - | - | 2,735,895 | - | - | - | 2,735,895 |
| Other comprehensive income | - | - | - | 29,273 | 2,281 | (146,336) | - | (114,782) |
| Total comprehensive income | - | - | - | 2,765,168 | 2,281 | (146,336) | - | 2,621,113 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve appropriated | - | - | 215,975 | (215,975) | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | (2,127,163) | - | - | - | (2,127,163) |
| Other changes in capital surplus: | | | | | | | | |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | - | 88,589 | - | - | - | - | - | 88,589 |
| Changes in ownership interests in subsidiaries | - | 47,749 | - | - | - | - | - | 47,749 |
| Share-based payment awards | - | 65,827 | - | - | - | - | - | 65,827 |
| Treasury stock transferred to employees | - | 98 | - | - | - | - | 257,490 | 257,588 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | 800 | - | (800) | - | - |
| **Balance at December 31, 2024** | **$ 3,038,804** | **1,139,143** | **3,118,289** | **3,357,098** | **(3,063)** | **(27,996)** | **(848,995)** | **9,773,280** |

See accompanying notes to parent-company-only financial statements.

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

# ELAN MICROELECTRONICS CORPORATION

## Statements of Cash Flows

## For the years ended December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollars)

| | | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| **Profit before tax** | $ | 3,398,957 | 2,608,990 |
| **Adjustments:** | | | |
| **Adjustments to reconcile profit:** | | | |
| Depreciation expense | | 124,168 | 118,331 |
| Amortization expense | | 142,782 | 139,835 |
| Expected credit loss (gain) | | (1,261) | 3,702 |
| Net loss on financial assets at fair value through profit or loss | | 146,997 | 33,584 |
| Interest expense | | 11,123 | 11,189 |
| Interest income | | (51,834) | (30,203) |
| Dividend income | | (116,718) | (34,438) |
| Share-based payment awards | | 65,827 | - |
| Share of loss of subsidiaries and associates accounted for using equity method | | 72,854 | 126,615 |
| Gain on disposal of property, plant and equipment | | - | (1,029) |
| Impairment loss and disposal loss on inventory | | 59,702 | 140,719 |
| Others | | (6,273) | (6,550) |
| **Total adjustments to reconcile profit** | | 447,367 | 501,755 |
| **Changes in operating assets and liabilities:** | | | |
| Increase in notes and accounts receivable (including Related-party) | | (107,601) | (492,773) |
| Decrease in inventories | | 272,866 | 1,405,369 |
| Increase in other receivables | | (56,752) | (308,311) |
| Increase in other current assets | | (109,935) | (3,685) |
| Increase (decrease) in notes and accounts payable | | (162,767) | 476,351 |
| Increase in other current liabilities | | 73,884 | 439,400 |
| Decrease in net defined benefit liability | | (1,628) | (21,523) |
| **Total adjustments** | | 355,434 | 1,996,583 |
| Cash inflow generated from operations | | 3,754,391 | 4,605,573 |
| Interest received | | 51,645 | 29,704 |
| Interest paid | | (11,123) | (11,189) |
| Income taxes paid | | (380,739) | (536,759) |
| **Net cash flows from operating activities** | | 3,414,174 | 4,087,329 |
| **Cash flows from (used in) investing activities:** | | | |
| Dividends received | | 416,678 | 95,037 |
| (Increase) decrease in financial assets at amortized cost | | 339,940 | (966,830) |
| Acquisition of current financial assets at fair value through profit or loss | | - | (23,073) |
| Proceeds from disposal of current financial assets at fair value through profit or loss | | - | 97,035 |
| Acquisition of non-current financial assets at fair value through profit or loss | | (97,828) | (16,471) |
| Proceeds from capital reduction and liquidation of financial assets at fair value through profit or loss | | 3,064 | 34,057 |
| Proceeds from disposal of non-current financial assets at fair value through other comprehensive income | | 6,233 | - |
| Acquisition of investments accounted for using equity method | | (115,200) | (64,595) |
| Proceeds from capital reduction of investments accounted for using equity method | | - | 10,500 |
| Acquisition of property, plant and equipment | | (1,363,662) | (684,558) |
| Proceeds from disposal of property, plant and equipment | | - | 1,112 |
| Acquisition of intangible assets | | (54,087) | (267,581) |
| (Increase) decrease in refundable deposits | | 3,358 | (2,934) |
| **Net cash flows (used in) from investing activities** | | (861,504) | (1,788,301) |
| **Cash flows from used in financing activities:** | | | |
| Increase in long-term borrowings | | - | 468,640 |
| Decrease in guarantee deposits received | | (712) | (60) |
| Payment of lease liabilities | | (14,988) | (15,270) |
| Cash dividends paid | | (2,127,163) | (2,431,043) |
| Price of treasury stock transferred to employee | | 257,588 | - |
| **Net cash flows used in financing activities** | | (1,885,275) | (1,977,733) |
| **Net increase in cash and cash equivalents** | | 667,395 | 321,295 |
| **Cash and cash equivalents at the beginning of period** | | 1,799,265 | 1,477,970 |
| **Cash and cash equivalents at the end of period** | $ | **2,466,660** | **1,799,265** |

See accompanying notes to parent-company-only financial statements.

## (1) Company history

Elan Microelectronics Corp. (hereinafter referred to as the "Company") was incorporated on May 5, 1994, under the approval of Ministry of Economic Affair, Republic of China ("R.O.C."). The Company is located at the Hsinchu Science Park. The major business activities of the Company are the manufacture and sale of embedded microcontrollers and systems, digital signal processors, computer peripheral control integrated circuits and systems, fingerprint recognition devices, and credit card applications. The Company also offers research and development services with respect to the products presented above. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) on September 17, 2001. Pursuant to the resolution of the shareholders' meeting held on June 13, 2008, the Company acquired Elantech Devices Corp. (Elantech). The Company was the surviving company, and Elantech was dissolved in the merger effective from October 1, 2008. Elantech was incorporated on September 18, 2003 as a company limited by shares under the Company Act of the R.O.C.. Elantech was located at Zhonghe District, New Taipei City. The major business activities of Elantech are the research, manufacture, and sale of wireless and wired communication equipment and electronic modules.

## (2) Approval date and procedures of the financial statements:

The financial statements were authorized for issuance by the Board of Directors on February 27, 2025.

## (3) New standards, amendments 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, 2024:

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

(b) The impact of IFRS issued 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, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

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(c) The impact of IFRS 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:

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|---|---|---|
| IFRS 18 "Presentation and Disclosure in Financial Statements" | 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.<br>● 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.<br>● 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.<br>● 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. | January 1, 2027 |

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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 following 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 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- 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”

**(4) Summary of material accounting policies:**

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

(a) Statement of Compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial instruments at fair value through other comprehensive income are measured at fair value; and

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

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(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at 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 translation.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income which is recognized in other comprehensive income.

(ii) Foreign operations

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

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation, 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 joint venture that includes a foreign operation, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) 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.

(Continued)

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The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It 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.

(f) Financial instruments

Accounts 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 accounts 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. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

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.

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

(Continued)

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the 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 and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company; therefore, those receivables are measured at FVOCI. However, they are included in the ‘ accounts receivables’ line item.

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 instrument-by-instrument basis.

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.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. 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.

(Continued)

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, financial assets measured at amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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 accounts receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 360 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. 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). ECLs are discounted at the effective interest rate of the financial asset.

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At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. 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 more than 360 days past due;
- the lender of the borrower, 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. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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 when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain 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.

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(ii) 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) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise short-term loans and borrowings, accounts payable and other payables, are measured at fair value plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized as finance cost under non-operating revenue and expenses. 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) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The costs of inventories weighted-average principle include expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(h) Investments 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 proportionate share.

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

When the Company's share of losses of an associate equals or exceeds its interest in an associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced 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.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued. If

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the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

In a business combination achieved in stages, the Company remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Company may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Company had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

(i) Investment in subsidiaries

In preparing the separate financial statement of the Company, investee companies controlled by the Company are accounted for using the equity method. Under the equity method, the Company's profit or loss and other comprehensive income are the same as the profit or loss and other comprehensive income attributable to the owners in the consolidated financial statements. The equity balance in the separate financial statements is the same as the equity balance in the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions.

(j) Property, plant and equipment

(i) 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.

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(ii) 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.

(iii) 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: 2~50 years

2) Machineries and equipment: 2~6 years

3) Transportation and office equipment: 1~6 years

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

(k) Leases

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.

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

1) fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) 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:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) 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

4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

5) there are 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 of machinery office and transportation that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

— the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

(Continued)

— the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

— any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and

— there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(l) Intangible assets

(i) Recognition and measurement

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

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) 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.

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(iii) Amortization

The depreciable amount is the cost of an asset, less its residual value.

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:

| | |
|---|---|
| Patents | 1~3 years |
| Computer software cost | 1~3 years |

Amortization method, amortization period, and residual value for an intangible asset are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment – non derivative financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) 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.

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.

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(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 interest expense.

(o) 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.

(i) Sale of goods

The Company outsources its manufacturing process and subsequently sells its Integrated Circuits to customers. 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 recognizes accounts receivables upon the delivery of products, because the Company has unconditional rights to recovery of the consideration at that point in time.

(ii) Services

The Company provides product design and development services to its customers, and recognizes revenue during the reporting period when services are rendered. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is based on the percentage of actual cost incurred over the total costs.

(iii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Government grants

The Company recognizes an unconditional government grant as other income when the grant becomes receivable. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(Continued)

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(q) Employee benefits

(i) Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

The Company that belongs to domestic firms should comply with the Labor Pension Act (hereinafter as “the Act”), which took effect on July 1, 2005. In accordance with the Act, the pension benefits of employees who elect to follow the Act and employees who are retired after the effective date of the Act adopt a defined contribution scheme, whereby the Company makes monthly contributions to the employees’ individual pension accounts of no less than 6% of the employees’ monthly wages. The amounts contributed are recognized as expense in the current period.

(ii) Defined benefit plan

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.

(iii) Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed when the related services are provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(r) Income taxes

Income taxes comprise 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 shall be recognized in profit or loss.

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, if any. 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:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and (i) that affects neither accounting nor taxable profits (losses) at the time of the transaction; (ii) there are no equivalent taxable and deductible temporary differences.

(ii) 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

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

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

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) 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.

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; such reductions are reversed when the probability of future taxable profits improves.

(s) Business acquisition

The Company measured the acquisition cost of acquiring Elantech in accordance with the Statement of Financial Accounting Standards No. 25 "Business Combinations" and the Accounting Research and Development Foundation Interpretations 97 (075) and 91 (187). The stock issued by the Company is traded in an active market; therefore, the fair value of the stock issued by the Company should be used to determine the fair value of the net assets of the acquired corporation. The acquisition cost was measured in two ways. For stock acquired from non-affiliated companies, accounting was determined by using the purchase method; for stock acquired from affiliated companies, the purchase price was determined by the book value of the affiliated companies' investment in Elantech. The Company recognized the difference between the acquisition cost and the fair value of tangible assets and identifiable intangible assets, less, the liabilities, and recorded it as goodwill.

(t) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee stock options and convertible bonds settled using shares that have yet to be approved by the shareholders' meeting.

(u) Operating segments

The Company has disclosed information about operating segments in its consolidated financial statement. Hence no segmental information was disclosed in the separate financial statements.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

In preparing these consolidated financial statements, management has made judgments and, estimates about the future, including climate-related risks and opportunities, and assumptions 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.

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**ELAN MICROELECTRONICS CORPORATION**

**Notes to Parent-company-only Financial Statements**

The financial statement does not contain any information on accounting policies that involve significant judgements and have a significant impact on the amounts recognized.

The relevant information on uncertainties of assumptions and estimates, which have significant risks that will cause major adjustments to the carrying amounts of assets and liabilities in the following year, is deemed as the inventory evaluation. As inventories are measured at the lower of cost and net realizable value, the Company estimates the amount of inventories for normal wear and tear, obsolescence or unmarketable value at each reporting date and either reduces the cost of inventories to net realizable value or records the cost of inventories based on the age of inventories. The value of inventories is mainly determined based on the sales price. Due to the rapid industrial transformation, there may be significant changes in the value of inventories. Please refer to note (6)(d).

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows: Judgment of whether the Company has substantive control over its investees

(a) The Company holds 24.69% of the outstanding voting shares of Uniband Electronic Corp. and is the single largest shareholder of the investee. Although the remaining 75.31% of Uniband Electronic Corp.'s shares are not concentrated within specific shareholders, the Company still cannot obtain more than half of the total number of Uniband Electronic Corp.'s directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Company has significant influence on Uniband Electronic Corp.

(b) The Company holds 23.08% of the outstanding voting shares of Finger Pro. Incorporation and is the single largest shareholder of the investee. Although the remaining 76.92% of Finger Pro. Incorporation's shares are not concentrated within specific shareholders, the Company still cannot obtain more than half of the total number of Finger Pro. Incorporation's directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Company has significant influence on Finger Pro. Incorporation.

(c) The Company holds 39.83% of the outstanding voting shares of Metanoia Communications Inc. (Metanoia) , making it the single largest shareholder, 33.14% of Metanoia Communications Inc. is concentrated in specific shareholders, and the remaining 27.03% is composed of many individuals (employees) and investment companies. Since the specific shareholders are currently in the management of Metanoia and hold more than half of the seats on the Board of Directors, thus having control. And the Company, which cannot obtain more than half of the seats on the Board of Directors of Metanoia, decided to quit the operating team. Therefore, it is determined that the Company has no control over Metanoia but only has significant influence on it. Please refer to Note (6)(g) for details.

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**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Petty cash | $ 74 | 74 |
| Checking and demand deposits | 801,006 | 932,771 |
| Time deposits with maturities of three months or less | 2,536,560 | 2,077,340 |
| Less:Restricated dedosits (recorded as current and non-current financial assets measured at amortized cost) (Note (8)) | (72,980) | (68,820) |
| Time deposits (recorded as current financial assets measured at amortized cost) with original maturities of over three months | (798,000) | (1,142,100) |
| | **$ 2,466,660** | **1,799,265** |

(i) The interest rate range of the time deposit of the Company is as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Interest rate range | **1.28% ~ 4.65%** | **0.85%~ 5.54%** |
| Due date | **January 2025~ December 2025** | **January 2024~ December 2024** |

(ii) For the disclosure of the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities, please refer to Note (6)(u).

(iii) The Company did not recognize impairment loss on current and non current financial assets at amortized cost for the twelve months ended December 31, 2024 and 2023. Please refer to note (6)(u) for the information on credit risk of the Company.

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current: | | |
| Domestic | | |
| Certificates of beneficial interest | **$ 20,448** | **20,162** |
| Non-current: | | |
| Domestic | | |
| Non-publicly traded stocks | $ 954,621 | 1,038,121 |
| Foreign | | |
| Certificates of beneficial interest | 226,385 | 251,266 |
| Total | **$ 1,181,006** | **1,233,525** |

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**ELAN MICROELECTRONICS CORPORATION**

**Notes to Parent-company-only Financial Statements**

(i) The Company invests in certificates of beneficial interests and short term commercial papers issued by City Credit Investment Bank Limited (CCIB) and City Credit Asset Management Co., Ltd. (CCAM). According to the official announcement on their website prior to March 27, 2023, the principal redemptions for all products will be temporarily suspended starting from January 1, 2023. Furthermore, any trading of the ongoing principal redemptions as of January 1, 2023 will be suspended. The Company evaluated both of the above companies' continuity of operations as a going concern, which involved the fair expression of its asset value, resulting in a financial asset loss of $101,781 thousand to be recognized at end of December, 2023. There is no circumstance during 2024.

(ii) As of December 31, 2024 and December 31, 2023, the Company's financial assets at fair value through profit or loss were not pledged as collateral for its loans.

(iii) Please refer to Note (6)(u) for the disclosure of the financial asset category and fair value measurement of the Company.

(c) Notes and accounts receivable

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Notes receivable | $ 10,357 | 3,463 |
| Accounts receivable - fair value through other comprehensive income | 702,356 | 830,811 |
| Accounts receivable - measured at amortized cost | 519,860 | 290,847 |
| Less: Loss allowance | (23,496) | (24,906) |
| | **$ 1,209,077** | **1,100,215** |

The Company has assessed a portion of its accounts receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivables were measured at fair value through other comprehensive income.

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, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The allowance for doubtful accounts were determined as follows:

| | December 31, 2024 | | |
|---|---|---|---|
| | Gross carrying amount | Weighted-average loss rate | Expected credit loss |
| Current | $ 1,166,101 | 0.29% | 3,423 |
| 1 to 30 days past due | 39,448 | 1.33% | 523 |
| 31 to 60 days past due | 6,209 | 9.25% | 574 |
| 61 to 90 days past due | 3,027 | 46.28% | 1,401 |
| More than 90 days past due | 17,788 | 50%~100% | 17,575 |
| | **$ 1,232,573** | | **23,496** |

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**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

| | December 31, 2023 | | |
|---|---|---|---|
| | Gross carrying amount | Weighted-average loss rate | Expected credit loss |
| Current | $ 1,088,718 | 0.48% | 5,268 |
| 1 to 30 days past due | 13,373 | 1.44% | 193 |
| 31 to 60 days past due | 3,957 | 9.41% | 372 |
| 61 to 90 days past due | - | 49.35% | - |
| More than 90 days past due | 19,073 | 50%~100% | 19,073 |
| | **$ 1,125,121** | | **24,906** |

The movement in the allowance for notes and accounts receivable was as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at January 1 | $ 24,906 | 21,832 |
| Impairment loss recognized (reversed) | (1,261) | 3,702 |
| Amounts written off | (149) | (628) |
| Balance at December 31 | **$ 23,496** | **24,906** |

The Company entered into non-recourse factoring agreements with different financial institutions to sell its accounts receivables. Under the agreements, the Company does not have the responsibility to assume the default risk of the transferred accounts receivables. The Company derecognized the above accounts receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amounts receivable from the financial institutions were recognized as "other receivables" upon the derecognition of those accounts receivables.

| December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|
| **Purchaser** | **Accounts derecognized** | **Factoring Line** | **Advanced Amount** | **Amount Recognized in Other Receivables** | **Range of Interest Rate** | **Collateral** |
| Far Eastern International Bank Co., Ltd.<br>KGI Bank<br>O-Bank | **$ 931,068** | **2,961,600** | **-** | **931,068** | **0.04%~0.075%** | None |

| December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|
| **Purchaser** | **Accounts derecognized** | **Factoring Line** | **Advanced Amount** | **Amount Recognized in Other Receivables** | **Range of Interest Rate** | **Collateral** |
| Far Eastern International Bank Co., Ltd.<br>KGI Bank<br>Entie Commercial Bank, Ltd. | **$ 858,034** | **2,878,400** | **-** | **858,034** | **0.05%~0.10%** | None |

The Company has deducted the advanced amount from the accounts receivable in accordance with the condition of derecognition as of December 31, 2024 and 2023. The remaining amount has been reclassified into other receivables. The Company did not recognize impairment loss on other receivables for the years ended December 31, 2024 and 2023, and other information on credit risk is disclosed in Note (6)(u).

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**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

The Company's notes receivable, accounts receivable, and other receivables have not been pledged as guarantees on December 31, 2024 and December 31, 2023.

(d) Inventories

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Raw materials | $ 554,325 | 757,036 |
| Work in progress | 776,716 | 875,500 |
| Finished goods | 246,273 | 277,346 |
| | $ **1,577,314** | **1,909,882** |

The details of the cost of sales are as follows:

| | 2024 | 2023 |
|---|---|---|
| Inventory that has been sold | $ 6,110,376 | 5,891,001 |
| Write-down of inventories | 59,702 | 140,719 |
| Others | (3,609) | 621 |
| | $ **6,166,469** | **6,032,341** |

As of December 31, 2024 and 2023, the Company had not provided any inventories as collateral for its loans.

(e) Financial assets at fair value through other comprehensive income

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Equity investments at fair value through other comprehensive income: | | |
| Listed stocks | $ 238,700 | 386,750 |
| Emerging stocks | 17,678 | 22,197 |
| | $ **256,378** | **408,947** |

(i) The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities were held for long-term strategic purposes instead of for trading.

(ii) There were no disposals of strategic investments and transfers of any accumulative gain or loss within equity relating to these investments as of December 31, 2023. The Company sold its shares at a fair value of $6,233 thousand during 2024, wherein the Company realized a gain of $800 thousand, which was reclassified from other comprehensive income to retained earnings.

(iii) For market risk, please refer to note (6)(u).

(iv) As of December 31, 2024 and 2023, the Company had not provided any financial assets at fair value through other comprehensive income as collateral for its loans.

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(f) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Subsidiaries | $ 1,525,590 | 1,605,285 |
| Associates | 348,842 | 360,754 |
| Investments accounted for using equity method | $ **1,874,432** | **1,966,039** |
| Credit balance of investments accounted for using equity method | $ **26,904** | **6,120** |

(i) Subsidiaries

A summary of the Company's financial information for its subsidiaries at the reporting date was as follows:

| | 2024 | 2023 |
|---|---|---|
| The Company's share of gain of subsidiaries accounted for using equity method | $ **38,530** | **(91,848)** |

Please refer to the consolidated financial statements for the year ended December 31, 2024 for further details.

(ii) Associates

The related information on the original cost investments of the associates was as follows:

| | | | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|---|---|
| | Nature of the relationship | Main operating location / Registered Country of the Company | Amount | Share-holding (%) | Amount | Share-holding (%) |
| Metanoia Communications Inc. (Metanoia) | Research, design, develop, manufacture and sale on client chips. | R.O.C. | $ 62,499 | 39.14Note | 118,467 | 46.89 |
| Top Taiwan X Venture Capital Co., Ltd. | Venture capital | R.O.C. | 282,730 | 30.00 | 237,360 | 30.00 |
| Uniband Electronic Corp. | Manufactures and sells electronic devices | R.O.C. | 3,613 | 24.69 | 4,927 | 24.69 |
| Tong Fu Investment Corporation. | Investment holding | R.O.C. | - | 46.73 | - | 46.73 |
| Lighting Device Technologies Crop. | Research, design, develop, manyfacture and sale on LED chips | R.O.C. | - | 45.07 | - | 45.07 |
| Finger Pro. Incorporation | Manufactures and sells electronic devices | R.O.C. | - | 23.08 | - | 23.08 |
| | | | $ **348,842** | | **360,754** | |

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**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

Note: Metanoia participated in a cash capital increase on May 17, 2024. The Company's total shareholding percentage was decreased to 39.14%.

A summary of the Company’s financial information on investment accounted for using equity method at the reporting date is as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| The Company’s share of gain of associates accounted for using equity method | $ | **(111,384)** | **(34,767)** |

The Company’s financial information for investments accounted for using the equity method that are individually insignificant was as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Attributable to the Company: | | | |
| Loss from continuing operations | $ | (111,384) | (34,767) |
| Other comprehensive loss | | 38 | 53 |
| Comprehensive loss | $ | **(111,346)** | **(34,820)** |

Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have been reviewed.

(iii) Pledges

As of December 31, 2024 and 2023, the Company had not provided any investments accounted for using the equity method as collateral for its loans.

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(g) Loss control of subsidiaries

The Company lost control over Metanoia Communications Inc.(Metanoia) and its subsidiary (Metanoia EU) due to a board election change in June 2023.

1) The detailed assets and liabilities of Metanoia and its subsidiary as of June 30, 2023 are as follows:

| | |
|---|---|
| Cash and cash equivalents | $ 102,385 |
| Accounts receivables | 18,729 |
| Other receivables | 19,448 |
| Inventories | 50,557 |
| Prepayments | 29,102 |
| Property, plant and equipment | 56,783 |
| Intangible assets | 143,911 |
| Right-of-use assets | 6,506 |
| Guarantee deposits | 992 |
| Accounts payable | (27,908) |
| Other current liabilities | (57,328) |
| Carrying amount of net assets | **$ 343,177** |
| Goodwii | **$ 16,238** |

2) Loss on disposal of a subsidiary

| | |
|---|---|
| Consideration paid by cash | $ - |
| Loss on disposal | (102,385) |
| | **$ (102,385)** |

3) The Company's disposal losses on the remaining 47.71% equity of Metanoia, measured at a post evaluation fair value, have no significant impact on the financial statements.

(h) Property, plant and equipment

The movements of cost and accumulated depreciation of property, plant and equipment were as follows:

| | Land | Buildings | Machinery and equipment | Office and transportation equipment | Equipment awaiting examination | Total |
|---|---|---|---|---|---|---|
| Cost: | | | | | | |
| Balance as of January 1, 2024 | $ 230,790 | 1,165,103 | 663,434 | 147,610 | 663,965 | 2,870,902 |
| Additions | - | - | 43,262 | 7,002 | 1,313,398 | 1,363,662 |
| Derecognized | - | - | (8,125) | (2,054) | - | (10,179) |
| Reclassification | - | - | 15,289 | - | (15,289) | - |
| Balance as of December 31, 2024 | **$ 230,790** | **1,165,103** | **713,860** | **152,558** | **1,962,074** | **4,224,385** |

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## Notes to Parent-company-only Financial Statements

| | | Land | Buildings | Machinery and equipment | Office and transportation equipment | Equipment awaiting examination | Total |
|---|---|---|---|---|---|---|---|
| Balance as of January 1, 2023 | $ | 230,790 | 1,165,013 | 574,448 | 147,428 | 78,867 | 2,196,546 |
| Derecognized | | - | 90 | 49,936 | 4,497 | 630,035 | 684,558 |
| Effect of exchange rate changes | | - | - | (5,601) | (4,315) | - | (9,916) |
| | | - | - | 44,651 | - | (44,937) | (286) |
| Balance as of December 31, 2023 | $ | **230,790** | **1,165,103** | **663,434** | **147,610** | **663,965** | **2,870,902** |
| Accumulated depreciation: | | | | | | | |
| Balance as of January 1, 2024 | $ | - | 754,925 | 501,505 | 120,943 | - | 1,377,373 |
| Depreciation | | - | 19,296 | 58,402 | 11,025 | - | 88,723 |
| Derecognized | | - | - | (8,125) | (2,054) | - | (10,179) |
| Balance as of December 31, 2024 | $ | **-** | **774,221** | **551,782** | **129,914** | **-** | **1,455,917** |
| Balance as of January 1, 2023 | $ | - | 734,931 | 453,194 | 113,802 | - | 1,301,927 |
| Depreciation | | - | 19,994 | 53,912 | 11,373 | - | 85,279 |
| Reclassification | | - | - | (5,601) | (4,232) | - | (9,833) |
| Balance as of December 31, 2023 | $ | **-** | **754,925** | **501,505** | **120,943** | **-** | **1,377,373** |
| Carrying value: | | | | | | | |
| Balance as of December 31, 2024 | $ | **230,790** | **390,882** | **162,078** | **22,644** | **1,962,074** | **2,768,468** |
| Balance as of December 31, 2023 | $ | **230,790** | **410,178** | **161,929** | **26,667** | **663,965** | **1,493,529** |

(i) Due to the needs of future operations of the Company, the construction of the new building, at the amount of $589,705 thousand, started in 2023, wherein the Company paid $1,285,826 thousand for the construction payment for the years ended December 31, 2024, resulting in the capitalized amount of the borrowing costs of the Company in 2024 and 2023 to be $6,044 thousand and $3,359 thousandd, with the weighted average annual interest rate of 1.29% and 1.2%.

(ii) As of December 31, 2024 and 2023, the Company had not provided any property, plant and equipment as collateral for its loans.

(i) Right-of-use assets

The Company leases many assets including land, buildings, machinery and office equipment. Information about leases for which the Company as a lessee is presented below:

| | | Land | Buildings | Machinery and equipment | Office equipment | Total |
|---|---|---|---|---|---|---|
| Cost: | | | | | | |
| Balance as of January 1, 2024 | $ | 842,736 | 34,630 | 948 | 22,037 | 900,351 |
| Additions | | - | - | - | 5,480 | 5,480 |
| Derecognized | | - | - | - | (7,000) | (7,000) |
| Balance as of December 31, 2024 | $ | **842,736** | **34,630** | **948** | **20,517** | **898,831** |

(Continued)

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

| | | Land | Buildings | Machinery and equipment | Office equipment | Total |
|---|---|---|---|---|---|---|
| Balance as of January 1, 2023 | $ | 842,736 | 34,630 | 948 | 10,062 | 888,376 |
| Additions | | - | - | 948 | 15,036 | 15,984 |
| Derecognized | | - | - | (948) | (3,061) | (4,009) |
| Balance as of December 31, 2023 | $ | **842,736** | **34,630** | **948** | **22,037** | **900,351** |
| Accumulated depreciation and impairment losses: | | | | | | |
| Balance at January 1, 2024 | $ | 71,719 | 9,844 | 132 | 9,171 | 90,866 |
| Depreciation | | 22,006 | 4,805 | 316 | 8,318 | 35,445 |
| Derecognized | | - | - | - | (7,000) | (7,000) |
| Balance as of December 31, 2024 | $ | **93,725** | **14,649** | **448** | **10,489** | **119,311** |
| Balance at January 1, 2023 | $ | 49,713 | 5,039 | 764 | 6,307 | 61,823 |
| Depreciation | | 22,006 | 4,805 | 316 | 5,925 | 33,052 |
| Derecognized | | - | - | (948) | (3,061) | (4,009) |
| Balance as of December 31, 2023 | $ | **71,719** | **9,844** | **132** | **9,171** | **90,866** |
| Book value: | | | | | | |
| Balance as of December 31, 2024 | $ | **749,011** | **19,981** | **500** | **10,028** | **779,520** |
| Balance as of December 31, 2023 | $ | **771,017** | **24,786** | **816** | **12,866** | **809,485** |

As of December 31, 2024 and 2023, the Company did not provide any Right-of-use assets as collateral for its loans.

(j) Intangible assets

The movements of cost and accumulated amortization of intangible assets were as follows:

| | | Goodwill | Technical Know-how | Computer software | Total |
|---|---|---|---|---|---|
| Cost: | | | | | |
| Balance as of January 1, 2024 | $ | 160,600 | 110,363 | 326,649 | 597,612 |
| Additions | | - | 14,473 | 39,614 | 54,087 |
| Derecognized | | - | (9,425) | (31,851) | (41,276) |
| Balance as of December 31, 2024 | $ | **160,600** | **115,411** | **334,412** | **610,423** |
| Balance as of January 1, 2023 | $ | 160,600 | 65,929 | 296,960 | 523,489 |
| Additions | | - | 50,445 | 217,136 | 267,581 |
| Reclassifications | | - | - | 286 | 286 |
| Derecognized | | - | (6,011) | (187,733) | (193,744) |
| Balance as of December 31, 2023 | $ | **160,600** | **110,363** | **326,649** | **597,612** |

## ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

| | Goodwill | Technical Know-how | Computer software | Total |
|---|---|---|---|---|
| Accumulated amortization: | | | | |
| Balance as of January 1, 2024 | $ - | 71,400 | 151,236 | 222,636 |
| Additions | - | 30,284 | 112,498 | 142,782 |
| Derecognized | - | (9,425) | (31,851) | (41,276) |
| Balance as of December 31, 2024 | **$ -** | **92,259** | **231,883** | **324,142** |
| Balance as of January 1, 2023 | $ - | 56,716 | 219,829 | 276,545 |
| Additions | - | 20,695 | 119,140 | 139,835 |
| Derecognized | - | (6,011) | (187,733) | (193,744) |
| Balance as of December 31, 2023 | **$ -** | **71,400** | **151,236** | **222,636** |
| Book value: | | | | |
| Balance as of December 31, 2024 | **$ 160,600** | **23,152** | **102,529** | **286,281** |
| Balance as of December 31, 2023 | **$ 160,600** | **38,963** | **175,413** | **374,976** |

(i) The amortization of intangible assets recognized under operation costs and operating expenses for the years ended 2024 and 2023 were $142,782 thousand and $139,835 thousand, respectively.

(ii) The additional intangible assets of the Company from January 1 to December 31, 2024 were all purchased from non related parties and it's mainly for the development of Electronic Design Automation (EDA) and Technology License Agreement.

(iii) Impairment testing for goodwill

1) For the Company’ s impairment testing purposes, goodwill has been allocated to the operating units testing purpose. The units are the minimum level for the Company ’ s goodwill, which should not be higher than the Company’s operating divisions.

The carrying amounts of goodwill were as follow:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Laptop input device business cash-generating units | **$ 160,600** | **160,600** |

2) The recoverable amounts of laptop input device business and network communication business cash-generating unit (CGU) were based on their value-in-use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The key assumptions used in the estimation of the value-in-use were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Average revenue growth rate | 2.2 % | 3.0 % |
| Discount rate | 7.56 % | 11.28 % |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

The key assumptions represents the management's valuation of the future industry trends, wherein the external, internal and also historical information, were considered. There was no impairment loss incurred as of December 31, 2024 and 2023.

(k) Long and short-term loans

(i) Short-term borrowings

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured bank loans | $ - | - |
| Unused short-term credit lines | $ 2,470,000 | 2,567,000 |

(ii) Long-term borrowings

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured bank loans | $ 468,640 | 468,640 |
| Range of interest rate | 1.20%~1.325% | 1.2% |
| Unused long-term credit lines | $ 6,251,360 | 6,251,360 |

1) The Company signed long term dedicated loan contracts with certain banks on December 3, 2021, to build factories, with a credit period of ten years. The dedicated loan has a grace period of three years, and the monthly principal and interest are evenly amortized.

2) Refer to the note (6)(u) for the assets and liabilities with interest rate risk and sensitivity analysis of its financial liabilities of the Company.

(l) Lease liabilities

The lease liabilities were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current | $ 14,889 | 18,108 |
| Non-current | $ 677,164 | 683,453 |

For the maturity analysis, please refer to note (6)(u).

The amounts recognized in profit or loss were as follows:

| | 2024 | 2023 |
|---|---|---|
| Interest on lease liabilities | $ 11,117 | 11,188 |
| Expenses relating to short-term leases | $ 4,281 | 5,066 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | $ 1,253 | 1,192 |

The amounts recognized in the statement of cash flows for the Company were as follows:

| | 2024 | 2023 |
|---|---|---|
| Total cash outflow for leases | $ 31,639 | 32,716 |

(i) Real estate leases

The Company leases land and buildings for its office space. The lease of land typically run for a period of 20 to 40 years, and of buildings for 2 to 19 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. Some leases provide for additional rent payments that are based on changes in local price indices.

(ii) Other leases

The Company leases machinery and equipment, with lease terms of 1 to 3 years. These leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. The Company leases its office and transportation equipment, with lease terms ranging from 1 to 3 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term. These leases are short-term or leases of low-value items which the Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(m) Employee benefits

(i) Defined benefit plans

Reconciliations of defined benefit obligations and plan assets at fair value were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Present value of defined benefit obligations | $ 385,501 | 397,643 |
| Fair value of plan assets | (147,286) | (128,860) |
| Net defined benefit liabilities | $ 238,215 | 268,783 |

The Company makes defined 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.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Labor Pension Fund Supervisory Committee. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two year time deposits with interest rates offered by local banks.

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

The Company' s Bank of Taiwan labor pension reserve account balance amounted to $147,286 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Labor Pension Fund Supervisory Committee.

2) Movements in present value of the defined benefit obligations

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

| | | 2024 | 2023 |
|---|---|---|---|
| Defined benefit obligations at January 1 | $ | 397,643 | 410,994 |
| Current service cost and interest cost | | 6,414 | 7,534 |
| Remeasurements of net defined benefit liabilities (assets) | | | |
| —Actuarial loss (gain) arising from financial assumptions | | (12,647) | 4,709 |
| —Actuarial loss (gain) arising from experience adjustments | | (5,909) | (21,708) |
| Benefits paid | | - | (3,886) |
| Defined benefit obligations at December 31 | **$** | **385,501** | **397,643** |

3) Movements of plan assets

The movements in the fair value of plan assets for the Company were as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Fair value of plan assets at January 1 | $ | 128,860 | 103,029 |
| Interest income | | 2,104 | 1,708 |
| Remeasurements of net defined benefit liabilities (assets) | | | |
| —Return on plan assets excluding interest income | | 10,384 | 658 |
| Contributions paid by the employer | | 5,938 | 25,825 |
| Benefits paid | | - | (2,360) |
| Fair value of plan assets at December 31 | **$** | **147,286** | **128,860** |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

4) Expenses recognized in profit or loss

The Company's expenses recognized in profit or loss for the years ended December 31, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---|---|
| Current service costs | $ 349 | 737 |
| Net interest of net liabilities for defined benefit obligations | 3,961 | 5,089 |
| | **$ 4,310** | **5,826** |

| | 2024 | 2023 |
|---|---|---|
| Operating cost | $ 349 | 461 |
| Selling expenses | 368 | 487 |
| Administration expenses | 227 | 334 |
| Research and development expenses | 3,366 | 4,544 |
| | **$ 4,310** | **5,826** |

5) Remeasurement of net defined benefit liabilities (assets) recognized in other comprehensive income

The Company's remeasurement of net defined benefit liabilities (assets) recognized in other comprehensive income for the years ended December 31, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at January 1 | $ (57,634) | (39,977) |
| Recognized | (28,940) | (17,657) |
| Balance at December 31 | **$ (86,574)** | **(57,634)** |

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount rate | 2.000% | 1.625% |
| Future salary increase rate | 5.000% | 5.000% |

The expected allocation payment to be made by the Company to the defined benefit plans for one-year period after the reporting date was $6,026 thousand.

As of December 31, 2024 and 2023, the weighted-average lifetime of the defined benefits plans were 12.20 years and 13.14 years.

(Continued)

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

7) Sensitivity analysis

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

| | Impact on the defined benefit obligations | |
|---|---|---|
| | Increase by 0.25% | Decrease by 0.25% |
| December 31, 2024 | | |
| Discount rate | $ (8,100) | 8,361 |
| Future salary increasing rate | 7,879 | (7,683) |
| December 31, 2023 | | |
| Discount rate | (9,342) | 9,657 |
| Future salary increasing rate | 9,076 | (8,836) |

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions 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 2024 and 2023.

(ii) Defined contribution plans

The Company's expenses incurred from the contributions to the Bureau of Labor Insurance for the and years ended December 31, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| Operating cost | $ 8,208 | 8,004 |
| Selling expenses | 5,045 | 4,936 |
| Administration expenses | 4,127 | 4,357 |
| Research and development expenses | 46,179 | 44,505 |
| | **$ 63,559** | **61,802** |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(n) Income taxes

(i) The components of income tax were as follow:

| | | 2024 | 2023 |
|---|---|---|---|
| Current tax expense | | | |
| Current period | $ | 625,761 | 492,957 |
| Adjustment for prior period | | 12,360 | (17,410) |
| Current tax expense | $ | 638,121 | 475,547 |
| Deferred tax expense (benefit) | | 24,941 | (10,077) |
| Income tax expense | **$** | **663,062** | **465,470** |

Reconciliation of income tax and profit before tax for the years ended December 31, 2024 and 2023 is as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Income before income tax | **$** | **3,398,957** | **2,608,990** |
| Income tax using the Company's domestic tax rate | $ | 679,791 | 521,798 |
| Suspension of tax-exempt gain on disposal of domestic securities | | 160 | 397 |
| Prior year's income tax adjustment | | 12,360 | (17,410) |
| Investment tax credit | | (71,773) | (49,719) |
| Change in unrecognized temporary differences | | 24,300 | 21,900 |
| Investment income from domestic securities | | (6,384) | 5,425 |
| Tax-free dividends | | (21,717) | (6,887) |
| Additional tax on undistributed earnings | | 17,203 | 4,430 |
| Others | | 29,122 | (14,464) |
| Total | **$** | **663,062** | **465,470** |

The Company did not recognize income tax directly under other comprehensive income for the years ended December 31, 2024 and 2023.

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**Notes to Parent-company-only Financial Statements**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

| | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Realized valuation losses on long-term investment | $ | 88,700 | 62,300 |
| Tax-deductible loss carry forward | | 86,400 | 86,100 |
| Provision for decline in value of inventories | | 40,000 | 41,800 |
| Others | | 3,200 | 3,800 |
| | $ | **218,300** | **194,000** |

Regarding the deductible temporary differences from investment tax credit, the deferred tax assets have not been recognized in respect of these items because it is not probable that the future taxable gain on disposal of securities will be available against which the Company can utilize the benefits therefrom.

2) Recognized deferred tax assets and liabilities

Movements of recognized deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 were as follows:

Deferred Tax Liabilities:

| | | Fair Value Gains | Unrealized Exchange Loss | Total |
|---|---|---|---|---|
| Balance at January 1, 2024 | $ | - | - | - |
| Recognized in profit or loss | | - | (20,420) | (20,420) |
| Balance at December 31, 2024 | **$** | **-** | **(20,420)** | **(20,420)** |
| Balance at January 1, 2023 | $ | (2,523) | - | (2,523) |
| Recognized in profit or loss | | 2,523 | - | 2,523 |
| Balance at December 31, 2023 | **$** | **-** | **-** | **-** |

Deferred Tax Assets:

| | | Decline in Value of Inventories | Others | Total |
|---|---|---|---|---|
| Balance at January 1, 2024 | $ | 41,774 | 10,626 | 52,400 |
| Recognized in profit or loss | | (1,799) | (2,722) | (4,521) |
| Balance at December 31, 2024 | **$** | **39,975** | **7,904** | **47,879** |
| Balance at January 1, 2023 | $ | 36,029 | 8,817 | 44,846 |
| Recognized in profit or loss | | 5,745 | 1,809 | 7,554 |
| Balance at December 31, 2023 | **$** | **41,774** | **10,626** | **52,400** |

(Continued)

## ELAN MICROELECTRONICS CORPORATION
### Notes to Parent-company-only Financial Statements

(iii) The Company’s tax returns for the year through 2021 were assessed by the tax authorities.

(o) Capital and other equity

As of December 31, 2024 and 2023, the authorized capital of the Company amounted to $4,800,000 thousand, divided into 303,880 thousand ordinary shares, with a par value of $10 per share. The issued shares were composed of common stocks only and have been fully paid up.

| | For the years ended December 31 | |
|---|---|---|
| | Common Stocks | |
| (In thousands of shares) | **2024** | **2023** |
| Outstanding at January 1 | 284,585 | 284,585 |
| Treasury stock transferred to employees | 1,639 | - |
| Outstanding at December 31 | **286,224** | **284,585** |

(i) Capital surplus

The balances of capital surplus were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Additional paid-in capital | $ 231,051 | 231,051 |
| Treasury share transactions | 715,698 | 611,281 |
| Difference arising from subsidiary’s share price and its carrying value | 142,297 | 94,548 |
| Employee stock option | 50,097 | - |
| | **$ 1,139,143** | **936,880** |

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) 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. However, when the legal reserve amounts to the authorized capital, this shall not apply. Aside from the aforesaid legal reserve, the Company may appropriate another sum as a special reserve according to operation needs and legal requirements, 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. For dividends of at least

## ELAN MICROELECTRONICS CORPORATION
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50% of current period earnings and undistributed prior period earnings, the cash dividends shall not be less than 10% of the total amount dividends.The Company amended the Articles of Association on May 31, 2023, and the profit distribution can be done after the end of each half of the fiscal year.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Rule issued by the Financial Supervisory Commission a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The Company's profit distribution plan for the 2023, 2022 and the cash dividend per share have been resolved by the Board of Directors as follows:

| | For the six month ended December 31, 2024 | For the six month ended June 30, 2024 | For the six month ended December 31, 2023 | For the six month ended June 30, 2023 | 2022 |
|---|---|---|---|---|---|
| Shareholders meeting resolution date | - | - | - | - | May 31 2023 |
| Board resolution date | February 27, 2025 | August 12, 2024 | February 22, 2024 | August 3, 2023 | February 22, 2022 |
| Cash dividend | $ 1,124,357 | $ 1,215,522 | 911,641 | 607,761 | 1,823,282 |
| Cash dividend per share | $ 3.70 | 4.06 | 3.05 | 2.04 | 6.13 |

Relevent information on the above mentioned distribution can be inquired at the Market Observation Post System.

(iii) Treasury shares

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Shares (in thousands) | Amounts | Shares (in thousands) | Amounts |
| Shares transferred to employees | 5,218 | $ 820,020 | 6,857 | 1,077,510 |
| Shares held by subsidiaries | 12,438 | 28,975 | 12,438 | 28,975 |
| | **17,656** | **$ 848,995** | **19,295** | **1,106,485** |

**ELAN MICROELECTRONICS CORPORATION**
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1) The Company purchased shares as treasury stock for the purpose of transferring to employees in accordance with the requirements under section 28(2) of the Securities and Exchange Act. The movements of treasury stock were as follow:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Shares (in thousands) | Amounts | Shares(in thousands) | Amounts |
| Beginning balance | 6,857 | $ 1,077,510 | 6,857 | 1,077,510 |
| Treasury stock transferred to employees | (1,639) | (257,490) | - | - |
| Ending balance (Beginning balance) | **5,218** | **$ 820,020** | **6,857** | **1,077,510** |

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and should not hold any shareholder rights before their transfer.

On January 15, 2024, the Company passed the resolution of the board of directors and transferred all treasury shares to employees in installments at the repurchase price. The number of shares transferred was 6,857,000 shares and the transfer amount was $1,077,920 thousand. The Company has been transferred 1,639,000 shares with a transfer price of $157.2 per share for the year ended December 31, 2024. As of December 31, 2024, The Company has been received $257,588 thousand.

2) Elan Investment Corp., a subsidiary of the Company, invested in Elantech before the Company acquired Elantech, and held the Company' s stock after the Company' s acquisition of Elantech. For the years ended December 31, 2024 and 2023, the information on the Company's stock held by Elan Investment Corp. was as follows:

| | For the years ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Shares (in thousands) | Acquisition cost | Total market value | Shares (in thousands) | Acquisition cost | Total market value |
| Opening balance | 12,438 | $ 28,975 | 2,021,207 | 12,438 | 28,975 | 1,069,685 |
| Effects of valuation change | - | - | (143,039) | - | - | 951,522 |
| Ending balance | **12,438** | **$ 28,975** | **1,878,168** | **12,438** | **28,975** | **2,021,207** |

The Company transferred cash dividend revenue received by Elan Investment Corp. amounting to $88,589 thousand and $101,803 thousand to capital surplus-treasury stock in 2024 and 2023, respectively.

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**Notes to Parent-company-only Financial Statements**

(iv) Other equity

The movements of other equity were as follows:

| | For the years ended December 31, 2024 | | |
|---|---|---|---|
| | Foreign exchange differences arising from foreign operation | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
| Balance as of January 1 | $ (5,344) | 119,140 | 113,796 |
| Exchange differences on foreign operations: | | | |
| The Company | 906 | - | 906 |
| Subsidiaries | 1,337 | - | 1,337 |
| Associates | 38 | - | 38 |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income: | | | |
| The Company | - | (146,336) | (146,336) |
| The Company-disposal | - | (800) | (800) |
| Balance as of December 31 | **$ (3,063)** | **(27,996)** | **(31,059)** |

| | For the years ended December 31, 2023 | | |
|---|---|---|---|
| | Foreign exchange differences arising from foreign operation | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
| Balance as of January 1 | $ (4,706) | 15,784 | 11,078 |
| Foreign exchange differences: | | | |
| The Company | 5 | - | 5 |
| Subsidiaries | (696) | - | (696) |
| Associates | 53 | - | 53 |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income: | | | |
| The Company | - | 103,356 | 103,356 |
| Balance as of December 31 | **$ (5,344)** | **119,140** | **113,796** |

(p) Stock-based payments

(i) Elan passed the resolution of the board of directors on August 2, 2021, to buy back 6,857,000 treasury shares for the transferred employees, and on January 15, 2024, the board of directors resolved to implement the plan to transfer treasury shares to employees. This plan used the Black-Scholes option evaluation model to estimate the fair value of the grant date stock options. Information on each assumption is listed below:

**ELAN MICROELECTRONICS CORPORATION**
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| | 2024 treasury stock transferred to employees plan |
|---|---|
| Strlloe Price (in dollars) | $ 157.2 |
| Expected volatility | 36.94 % |
| Risk-free interest rate | 1.12 % |
| Expected duration | 0.16year |
| Fair value at grant date (in dollars) | 9.6 |

| | For the years ended December 31, 2024 | | For the years ended December 31, 2023 | |
|---|---|---|---|---|
| **Stock option in 2019** | **Number of options (in thousand)** | **Weighted average exercise price (in dollars)** | **Number of options (in thousand)** | **Weighted average exercise price (in dollars)** |
| Outstanding at January 1 | - | $ - | - | - |
| Granted during the year | 6,857 | 157.20 | - | - |
| Exercised during the year | (1,639) | 157.20 | - | - |
| Outstanding at December 31 | **5,218** | **$ 157.20** | **-** | **-** |
| Exercisable at December 31 | **5,218** | | **-** | |

Elan recognized share-based payment costs of $65,827 thousand and $0 for the years ended December 31, 2024 and 2023, respectively, which were recognized under operation costs and operation expenses, depending on the nature of them.

(q) Earnings per share

The Company’s earnings per share for the years ended December 31, 2024 and 2023 were calculated as follows:

(i) Basic earnings per share:

| | 2024 | 2023 |
|---|---|---|
| Net profit attributable to ordinary shareholders of the Company | $ **2,735,895** | **2,143,520** |
| Weighted average number of ordinary shares outstanding (in thousands) | **285,814** | **284,585** |
| Earnings per share | $ **9.57** | **7.53** |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(ii) Diluted earnings per share:

| | 2024 | 2023 |
|---|---|---|
| Net profit attributable to ordinary shareholders of the Company (diluted) | $ 2,735,895 | 2,143,520 |
| Weighted average number of ordinary shares outstanding (in thousands) | 285,814 | 284,585 |
| Effect of dilutive potential ordinary shares (in thousands) | | |
| －employee share bonus | 3,735 | 2,890 |
| Weighted average number of ordinary shares outstanding (diluted)(in thousands) | 289,549 | 287,475 |
| Diluted earnings per share | $ 9.45 | 7.46 |

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

| | 2024 | 2023 |
|---|---|---|
| Taiwan | $ 886,458 | 690,798 |
| Mainland China | 2,182,171 | 1,613,998 |
| Hong Kong | 9,067,331 | 8,910,696 |
| America | 10,771 | - |
| Europe | - | 194 |
| Other | 190,252 | 79,174 |
| | $ 12,336,983 | 11,294,860 |
| Main products: | | |
| Consumer Touch Control Integrated Circuit | $ 3,189,447 | 2,447,755 |
| Laptop Input Device | 9,103,615 | 8,800,250 |
| Development and other income | 43,921 | 46,855 |
| | $ 12,336,983 | 11,294,860 |

(ii) Contract balances

For details on accounts receivable and allowance for impairment, please refer to note (6)(c).

(s) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

| | 2024 | 2023 |
|---|---|---|
| Interest income from bank deposits | $ 51,834 | 30,203 |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(ii) Other income

| | | 2024 | 2023 |
|---|---|---|---|
| Rent income | $ | 7,259 | 5,702 |
| Dividend income | | 116,718 | 34,437 |
| Government grants | | 46,298 | 27,717 |
| Reimbursement income | | 36,926 | 2,754 |
| Others | | 22,830 | 15,203 |
| Total | $ | **230,031** | **85,813** |

(iii) Other gains and losses

| | | 2024 | 2023 |
|---|---|---|---|
| Foreign exchange gains | $ | 86,206 | 4,477 |
| Gains (losses) on financial asset at fair value through profit or loss | | (146,997) | 68,197 |
| Losses on financial asset at fair value through profit or loss | | - | (101,781) |
| Gain on disposals of property, plant and equipment | | - | 1,029 |
| Miscellaneous disbursement | | (139) | (142) |
| Total | $ | **(60,930)** | **(28,220)** |

(t) Employee compensation and directors' and supervisors' remuneration

According to the Company’s Articles of Incorporation, once the Company has annual profit, it should appropriate no less than 10% of the profit as employees compensation and less than 2% as directors' and supervisors' remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the years ended December 31, 2024 and 2023, the amounts of employees’ bonuses were estimated at $506,000 thousand and $386,000 thousand, respectively. The amounts of compensation to directors and supervisors were estimated at $51,000 thousand and $39,000 thousand, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These bonuses and compensation were expensed under operating costs or operating expenses during 2024 and 2023. Related information would be available at the Market Observation Post System website. There were no differences between the distribution amounts of bonuses and compensation decided by the Board mentioned above and the estimated amounts of the Company’s Consolidated Financial Statements for 2024 and 2023.

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The major customers of the Company are centralized in the high-tech computer industry. To minimize credit risk, the Company periodically evaluates the financial positions of clients and the possibility of collecting accounts receivables. Where necessary, the Company will require the customers to provide guarantees or collateral against their debts.

As of December 31, 2024 and 2023, 89% and 88%, respectively, of accounts receivable were due from the ten largest customers. Thus, credit risk was significantly concentrated.

3) Receivables and debt securities

For credit risk exposure in respect of notes and accounts receivable, please refer to note (6)(c).

Other financial assets at amortized cost, including time deposits with maturities of more than three months and other receivables, are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(f). There was no loss allowance provision for the years ended December 31, 2024 and 2023, respectively.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

| | Carrying amount | Con-tractual cash flows | Within 6 months | 6-12 months | 1-2 years | 2-5 years | Over 5 years |
|---|---|---|---|---|---|---|---|
| **December 31, 2024** | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Notes and accounts payable | $ 1,000,490 | 1,000,490 | 1,000,490 | - | - | - | - |
| Other payable | 882,782 | 882,782 | 882,782 | - | - | - | - |
| Lease liabilities | 692,053 | 878,533 | 8,479 | 13,356 | 19,309 | 49,060 | 788,329 |
| Long-term borrowings | 468,640 | 502,121 | 3,105 | 19,823 | 73,747 | 216,577 | 188,869 |
| Deposits Received | 8,573 | 8,573 | 8,573 | - | - | - | - |
| | **$ 3,052,538** | **3,272,499** | **1,903,429** | **33,179** | **93,056** | **265,637** | **977,198** |

(Continued)

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

| | Carrying amount | Con-tractual cash flows | Within 6 months | 6-12 months | 1-2 years | 2-5 years | Over 5 years |
|---|---|---|---|---|---|---|---|
| **December 31, 2023** | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Notes and accounts payable | $ 1,163,259 | 1,163,259 | 1,163,259 | - | - | - | - |
| Other payables | 955,494 | 955,494 | 955,494 | - | - | - | - |
| Lease liabilities | 701,561 | 899,044 | 7,903 | 17,307 | 19,622 | 49,855 | 804,357 |
| Long-term borrowings | 468,640 | 498,867 | 2,812 | 2,812 | 16,776 | 213,800 | 262,667 |
| Deposits Received | 9,285 | 9,285 | 9,285 | - | - | - | - |
| | $ 3,298,239 | 3,525,949 | 2,138,753 | 20,119 | 36,398 | 263,655 | 1,067,024 |

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Foreign currency | Exchange rate | TWD | Foreign currency | Exchange rate | TWD |
| Financial assets: | | | | | | |
| Monetary item | | | | | | |
| USD | $ 84,098 | 32.79 | 2,757,815 | 84,494 | 30.71 | 2,594,876 |
| Non-monetary item | | | | | | |
| USD | 650 | 35.11 | 22,822 | 650 | 35.11 | 22,822 |
| Financial liabilities: | | | | | | |
| Monetary item | | | | | | |
| USD | 48,770 | 32.79 | 1,599,319 | 56,743 | 30.71 | 1,742,578 |

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the retranslation of foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD as of December 31, 2024 and 2023 would have increased (decreased) the net profit after tax by $46,340 thousand and $34,092 thousand for the years ended December 31, 2024 and 2023, respectively, with all other variables remaining constant. The analysis is performed on the same basis in 2024 and 2023.

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. The foreign exchange gain (including realized and unrealized portions) amounted to $86,206 thousand and loss amounted to $4,477 thousand for the years ended December 31, 2024 and 2023, respectively.

(iv) Interest rate analysis

The Company's exposure to interest rate risk of financial assets and liabilities was disclosed in the "Liquidity Risk" section of the note.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments on reporting date. For variable rates on assets and liabilities, the sensitivity analysis assumes the variable rates on assets and liabilities are outstanding for the whole year on the reporting date. The Company's internal department reported the increases/decreases in the interest rates and the exposure to changes in interest rates on 0.5% on behalf of the Company's key management so as to allow the key management to assess the reasonableness of the changes in the interest rates.

If the interest rate increases/decreases by 0.5%, the Company's net income will increase/decrease by $30 thousand for the years ended December 31, 2024 and 2023, respectively, with all other variable factors remaining unchanged. This was mainly due to the Company's time deposits and borrowings at variable rates.

(v) Other market price risk

For the years ended December 31, 2024 and 2023, the sensitivity analyses of the changes in the securities price at the reporting date were performed on the same basis for the profit and loss as illustrated below:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Prices of securities at the reporting date** | **Other comprehensive income after tax** | **Net income** | **Other comprehensive income after tax** | **Net income** |
| **Increase 5%** | **$ 10,255** | **48,058** | **16,358** | **49,341** |
| **Decrease 5%** | **$ (10,255)** | **(48,058)** | **(16,358)** | **(49,341)** |

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | | Fair Value | | | |
| | Book value | Level 1 | Level 2 | Level 3 | total |
| Financial assets at fair value through profit or loss (current and non-current) | $ 1,201,454 | 20,448 | - | 1,181,006 | 1,201,454 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks | 256,378 | 238,700 | - | 17,678 | 256,378 |
| Accounts receivable | 702,356 | - | - | - | - |
| Subtotal | 958,734 | 238,700 | - | 17,678 | 256,378 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | 2,466,660 | - | - | - | - |
| Notes and accounts receivable | 530,217 | - | - | - | - |
| Other receivables | 987,688 | - | - | - | - |
| Financial assets measured at amortized cost (current and non-current) | 870,980 | - | - | - | - |
| Guarantee deposits | 54,813 | - | - | - | - |
| Subtotal | 4,910,358 | - | - | - | - |
| Total | **$ 7,070,546** | **259,148** | **-** | **1,198,684** | **1,457,832** |
| Financial liabilities measured at amortized cost | | | | | |
| Notes and accounts payable | $ 1,000,490 | - | - | - | - |
| Other payables | 882,782 | - | - | - | - |
| Lease liabilities (current and non-current) | 692,053 | - | - | - | - |
| Guarantee deposits received | 468,640 | - | - | - | - |
| Guarantee deposits received | 8,573 | - | - | - | - |
| Total | **$ 3,052,538** | **-** | **-** | **-** | **-** |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | | Fair Value | | | |
| | Book value | Level 1 | Level 2 | Level 3 | total |
| Financial assets at fair value through profit or loss (current and non-current) | $ 1,253,687 | 20,162 | - | 1,233,525 | 1,253,687 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks | 408,947 | 386,750 | - | 22,197 | 408,947 |
| Accounts receivable | 830,811 | - | - | - | - |
| Subtotal | 1,239,758 | 386,750 | - | 22,197 | 408,947 |

(Continued)

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | | Fair Value | | | |
| | Book value | Level 1 | Level 2 | Level 3 | total |
| Financial assets measured at amortized cost | | | | | |
| Notes and accounts receivable | $ 1,799,265 | - | - | - | - |
| Other receivables | 294,310 | - | - | - | - |
| Financial assets measured at amortized cost (current and non-current) | 930,747 | - | - | - | - |
| Guarantee deposits | 1,210,920 | - | - | - | - |
| Guarantee deposits | 58,171 | - | - | - | - |
| Subtotal | 4,293,413 | - | - | - | - |
| Total | $ 6,786,858 | 406,912 | - | 1,255,722 | 1,662,634 |
| Financial liabilities measured at amortized cost | | | | | |
| Notes and accounts payable | $ 1,163,259 | - | - | - | - |
| Other payables | 955,494 | - | - | - | - |
| Lease liabilities (current and non-current) | 701,561 | - | - | - | - |
| Long-term borrowings | 468,640 | - | - | - | - |
| Guarantee deposits received | 9,285 | - | - | - | - |
| Total | $ 3,298,239 | - | - | - | - |

2) Valuation techniques for financial instruments measured at fair value

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. Whether transactions are taking place ' regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

If the Company' s financial instruments do not have an active market, their fair value classifications are determined to be equity instruments with no observable prices, and their fair values are estimated by comparing with competitors whose market prices are available. The main assumption used in this estimation is to calculate the product of the earnings before interest, tax, depreciation and amortization and the price to earnings ratio of listed companies on the stock market. This estimate is discounted by the fact that the equity is not readily available to be traded because there is no active market.

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

3) Transfers between Level 1 and Level 2

There were no transfers of financial instruments made between any level for the years ended December 31, 2024 and 2023.

4) Reconciliation of Level 3 fair values

| | Non derivative mandatorily measured at fair value through profit or loss (held-for-trading financial assets) | Financial assets at fair value through other comprehensive income | Total |
|---|---|---|---|
| Opening balance, January 1, 2024 | $ 1,233,525 | 22,197 | 1,255,722 |
| Total gains and losses recognized: | | | |
| In profit or loss | (147,283) | - | (147,283) |
| In other comprehensive income | - | 1,714 | 1,714 |
| Purchased | 97,828 | - | 97,828 |
| Disposal | - | (6,233) | (6,233) |
| Liquidation and capital reduction for redistribution to shareholders | (3,064) | - | (3,064) |
| Ending Balance, December 31, 2024 | **$ 1,181,006** | **17,678** | **1,198,684** |
| Opening balance, January 1, 2023 | $ 1,185,788 | 13,096 | 1,198,884 |
| Total gains and losses recognized: | | | |
| In profit or loss | 65,324 | - | 65,324 |
| In other comprehensive income | - | 9,101 | 9,101 |
| Purchased | 16,471 | - | 16,471 |
| Capital reduction for redistribution to shareholders | (34,058) | - | (34,058) |
| Ending Balance, December 31, 2023 | **$ 1,233,525** | **22,197** | **1,255,722** |

For the years ended December 31, 2024 and 2023, the total gains and losses that were included in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

| | 2024 | 2023 |
|---|---|---|
| Total gains and losses recognized: | | |
| In profit or loss, and presented in "other gains and losses" | $ (147,283) | 65,324 |
| In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income" | 1,714 | 9,101 |

(Continued)

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

5) 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 assets measured at fair value through profit or loss – equity investments".

Quantified information of significant unobservable inputs was as follows:

| Item | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|---|---|
| Financial assets at fair value through profit or loss<br>- equity investments without an active market | Market Comparison Method | · Price-to-book ratio (December 31, 2024 and December 31, 2023: 1.46 and 1.38)<br>· Liquidity discount (December 31, 2024 and December 31, 2023: 30.00% and 27.94%) | The estimated fair value would increase (decrease) if:<br>· the price-to-book ratio were higher (lower);<br>· the liquidity discount were lower (higher); |
| Financial assets at fair value through profit or loss - equity investments without an active market | Net Asset Value Method | Net Asset Value | · The estimated fair value would increase (decrease) if net asset value were higher (lower) |

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by the following percentages to reflect reasonably possible alternative assumptions would have the following effects:

| | Input | Increase or decrease | Profit or loss Favorable | Profit or loss Unfavorable |
|---|---|---|---|---|
| **December 31, 2024** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity investments without an active market | Valuation multiples | 10% | $ 400 | (400) |
| | Liquidity discount | 10% | 175 | (175) |
| | Net Asset Value | 10% | 117,696 | (117,696) |
| **December 31, 2023** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity investments without an active market | Valuation multiples | 10% | 450 | (450) |
| | Liquidity discount | 10% | 175 | (175) |
| | Net Asset Value | 10% | 122,888 | (122,888) |

(v) Financial risk management

(i) Overview

The Company has exposure 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 risk exposures, please refer to respective notes in the report.

(ii) Risk Management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Company's finance department provides business services to meet other departments' requests and negotiate all necessary transactions on financial markets. In addition, all significant financial activities have to be examined and approved by the Board of Directors. The Company' s financial activities must be in accordance with the overall financial risk management, segregation of duties, and other related policies of the Company. The Company' s audit committee continues to review the amount of the risk exposure in accordance with the Company's policy and the risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

(iii) 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 securities.

1) Accounts receivable and other receivables

The finance department has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company' s review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the finance department. Customers that fail to meet the Company' s benchmark creditworthiness may transact with the Company only on a prepayment basis.

Trade and other receivables mainly relate to a wide range of customers from different industries and geographic regions. To minimize the credit risk, the Company continues to assess the financial condition and credit risk of its customers. Allowance for doubtful accounts is recognized if necessary.

(Continued)

The account of allowance for doubtful receivables was created by the Company in order to reflect the estimate of the losses had been incurred on accounts receivable and other receivables. The abovementioned account mainly consists of specific losses, relating to significant risk, which were measured individually and other unidentified losses which were measured by grouping similar assets together. The measurement of losses by grouping similar assets together was based on the statistical data of payment history of similar financial assets.

2) Investments

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Company’s finance department. As the Company deals with the banks and other external parties with good credit standing financial institutions, the management believes that the Company do not have any compliance issues, and therefore, there is no significant credit risk.

(iv) 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 much 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 manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that 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 optimising the return.

1) Currency risk

The Company is exposed to currency risk on sales and purchase that are denominated in a currency other than the respective functional currencies of the Company’s entities, primarily US Dollars (USD). Natural hedge was adopted to minimize the Company’s currency risk. The Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

Interest risk is the risk that changes in market interest rates will affect the fair value of the Company’s financial instruments. For detailed information of interest rate risk exposure, please refer to the liquidity risk management of the note.

3) Other market price risk

The Company is exposed to other market price risk due to investments of stocks from listed entities. These investments are classified as long-term strategic investment other than held-for-trading investments. The Company was not actively involved in trading these investments.

(w) Capital management

The Company meets its objectives to manage its capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders and interest of other related parties and to maintain an optimal capital structure to reduce the cost of capital.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence, and to sustain future development of the business. Capital consists of all equity (i.e. ordinary shares, capital surplus, retained earnings, and other equity) and net liabilities. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

After being approved by the Board of Directors, the Company purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily, the shares are intended to be used for issuing shares under the Company's share option program. Buy-and-sell decisions are made on a specific transaction basis by the Board of Directors.

The Company's debt-to-equity ratios at the end of the reporting period as at December 31, 2024 and 2023 were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Total liabilities | $ 4,753,175 | 4,584,262 |
| Less: cash and cash equivalents | (2,466,660) | (1,799,265) |
| Net debt | **$ 2,286,515** | **2,784,997** |
| Total equity | **$ 9,773,280** | **8,819,577** |
| Debt-to-equity ratio | **23.40 %** | **31.58 %** |

Management believes that the objectives, policies and processes of capital management of the Company has been applied consistently with those described in the report for the year ended December 31, 2023. In addition, there are no significant changes in the summary quantitative information of capital management and those disclosed in the 2023 report. Please refer to Note 6(v) of the report for the year ended December 31, 2023 for further details.

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

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows:

(i) For right-of-use assets under leases, please refer to note (6)(i).

# ELAN MICROELECTRONICS CORPORATION
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(ii) Reconciliation of liabilities arising from financing activities were as follows:

| | January 1, 2024 | Cash flows | Non-cash changes: Foreign exchange movement | Non-cash changes: Others | December 31, 2024 |
|---|---|---|---|---|---|
| Long-term borrowings | $ 468,640 | - | - | - | 468,640 |
| Lease liabilities | 701,561 | (14,988) | - | 5,480 | 692,053 |
| Guarantee deposits received | 9,285 | (712) | - | - | 8,573 |
| **Total liabilities from financial activities** | **$ 1,179,486** | **(15,700)** | **-** | **5,480** | **1,169,266** |

| | January 1, 2023 | Cash flows | Non-cash changes: Foreign exchange movement | Non-cash changes: Others | December 31, 2023 |
|---|---|---|---|---|---|
| Long-term borrowings | $ - | 468,640 | - | - | 468,640 |
| Lease liabilities | 700,847 | (15,270) | - | 15,984 | 701,561 |
| Guarantee deposits received | 9,345 | (60) | - | - | 9,285 |
| **Total liabilities from financial activities** | **$ 710,192** | **453,310** | **-** | **15,984** | **1,179,486** |

**(7) Related-party transactions:**

(a) Names and relationship with related parties

The following are entities that have had transactions with related party during the periods covered in the financial statements.

| Name of related party | Relationship with the Company |
|---|---|
| Elan H.K. Microelectronics Corporation | A subsidiary |
| Elan Investment Corp. | A subsidiary |
| Avisonic Technology Corp. | A subsidiary |
| Eminent Electronic Technology Corp. Ltd. | A subsidiary |
| PiXORD Corporation | A subsidiary |
| JPUP Electron Co., Ltd. | A subsidiary |
| Chimei Motor Electonic Corp. Ltd. | A subsidiary |
| Metanoia Communications Inc. | Metanoia was originally a subsidiary of the Company. However, the Company lost conrtol over Matanoia on June 30, 2023;hence it beacme an asscoicated enterprise of the Group from the date. |
| Key management personnel | All directors, supervisors, president and vice president |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(b) Significant transactions with related parties

(i) Sales

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

| | 2024 | 2023 |
|---|---|---|
| Subsidiaries-Elan H.K. | $ **279,376** | **320,747** |

The prices for sales to related parties were similar to those for general customers. The credit terms were approximately 30 to 60 days.

(ii) Raw materials purchasing services and other operating income

| | 2024 | 2023 |
|---|---|---|
| Associates -Metanoia | $ 310 | 1,207 |
| Subsidiaries-Avisonic | 661 | 260 |
| Subsidiaries-Eminent | 4,643 | 9,010 |
| | $ **5,614** | **10,477** |

(iii) Rent income

| | 2024 | 2023 |
|---|---|---|
| Subsidiaries-PiXORD | $ 1,629 | 1,629 |
| Subsidiaries-Avisonic | 1,363 | 1,363 |
| Subsidiaries-Eminent | 2,139 | 2,182 |
| | $ **5,131** | **5,174** |

(iv) Purchases and operating expenses

The amounts of purchases by the Company from related parties and operating expenses paid to related parties were as follows:

| | 2024 | 2023 |
|---|---|---|
| Subsidiaries-JPUP | $ 1,198 | 2,133 |
| Subsidiaries-Chimei | 3,220 | - |
| Subsidiaries-PiXORD | 135 | 9 |
| | $ **4,553** | **2,142** |

The price of purchases from the related parties mentioned above were not significantly different than the purchase terms with other third-party suppliers. The payment terms were approximately 15 to 45 days, and this was not significantly different than the payment terms with other third-party suppliers, either.

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(v) Commission expenses

The Company' s related parties provided overseas marketing and aftersales services to their customers, and thus the Company makes commission payments based on the amount of sales made. The amounts of commission expenses recognized in operating expenses (marketing expenses) during 2024 and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| Subsidiaries-ELAN H.K. | $ 248,396 | 246,129 |

(vi) Receivable from related parties

The receivables from related parties were as follows:

| Accounts | Types of related parties | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Accounts receivable | Subsidiaries-Elan H.K. | $ 15,644 | 28,384 |
| Accounts receivable | Subsidiaries-Eminent | 73 | 818 |
| Other receivables | Associates -Metanoia | - | - |
| Other receivables | Subsidiaries-Avisonic | 4,068 | 2,568 |
| Other receivables | Subsidiaries-PiXORD | 228 | 446 |
| Other receivables | Subsidiaries-Eminent | 2,935 | 27,892 |
| | | $ 22,948 | 60,108 |

(vii) Payables to related parties

The payables to related parties were as follows:

| Accounts | Types of related parties | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Accounts payable | Subsidiaries-JPUP | $ 154 | 302 |
| Accounts payable | Subsidiaries-Elan H.K. | 17,139 | 19,776 |
| | | $ 17,293 | 20,078 |

(viii) Prepaid to related parties

The prepaid to related parties were as follows:

| Accounts | Types of related parties | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Other prepaid expenses | Subsidiaries-PiXORD | $ 4,140 | 4,254 |
| | Subsidiaries-Chimei | 3,579 | - |
| Other prepaid expenses | | $ 7,719 | 4,254 |

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(c) Key management personnel compensation

| | | 2024 | 2023 |
|---|---|---|---|
| Short-term employee benefits | $ | 100,627 | 83,324 |
| Post-employment benefits | | 287 | 295 |
| Share-based payment | | 3,811 | - |
| | $ | 104,725 | 83,619 |

The short-term employee benefits include remuneration to employees and directors. Please refer to Note (6)(t) for further details.

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

| Pledged assets | Pledged to secure | | December 31, 2024 | December 31, 2023 |
|---|---|---|---|---|
| Current financial assets at amortized cost (Certificate Deposit) | Guarantee of the creditors of the purchase transactions | $ | 65,580 | 61,420 |
| Non-current financial assets at amortized cost (Certificate Deposit) | Use land guarantee for Hsinchu Science Park Bureau | | 7,400 | 7,400 |
| | | $ | 72,980 | 68,820 |

**(9) Commitments and contingencies:**

(a) In addition to the description in Note (6)(k), as follows:

(i) The Company entered into performance guarantee agreements with financial institutions for the Company’s obligation to pay for the goods purchased and the tax payable on bonded raw materials, commodities, fuel, and semi-finished products shipped outside the bond areas for domestic sales, demonstration, repair or testing. As of December 31, 2024 and 2023, the financial institutions had issued performance guarantees amounting to $3,000 thousand.

(ii) As of December 31, 2024 and 2023, the refundable notes payable for short-term borrowings amounted to $2,470,000 thousand and $2,570,000 thousand, respectively.

(b) As of December 31, 2024 and 2023, the refundable notes payable for lease amounted to $600 thousand.

(c) The Company signed capacity guarantee contracts with a supplier, stipulating the minimum quantity to be purchased by the Company. As of December 31, 2024 and 2023, the Company paid the security deposit of $20,000 thousand and $27,000 thousand in accordance with the contract, which was recognized under 「other current assets」 and 「guarantee deposits」.

**ELAN MICROELECTRONICS CORPORATION**
**Notes to Parent-company-only Financial Statements**

(d) Government grant

Based on the implementation of "Advanced AI Driver Assistance System (ADAS) and Smart Cockpit System Development Plan" by the Ministry of Economic Affairs, the Company entered into a project agreement with Taipei Computer Business Association and obtained the subsidy of $91,730 thousand. According to the agreement, the Company will recognize the income based on the progress of the project, which runs between December 1, 2022 and May 31, 2025. As of 2024 and 2023, the subsidy recognized, amounting to $41,144 thousand and $23,620 thousand respectively, was classified as other income. As of December 31, 2024 and 2023, the subsidy of $26,966 thousand and $41,144 thousand, respectively, which had been received by the Company was recognized as "Other Current Liabilities". As of December 31, 2024 and 2023, the financial institutions have issued performance guarantee amounting to $50,001 thousand and $64,764, respectively.

(e) As of December 31, 2024 and 2023, the total amount of the building contract signed by the Company was $43,000 thousand and the payable amount in the following years will amount to $$12,208 thousand.

(f) The Company signed a project contract at April 28, 2023 (including civil, mechanical and electrical engineering) with Leeming Construction Co., Ltd., a non related party, to build a factory and office building in the International AI Smart Park in Hsinchu County, at the total contract amount of $5,858,000 thousand. (tax included), as of December 31, 2024 and 2023, the unrecognized contract commitment amount is $3,888,692 thousand and $5,238,809 thousand, respectively.

(g) Litigation and actions

On March 20, 2024, the Company filed a lawsuit with the Intellectual Property and Commercial Court against FocalTech Systems Co ., Ltd. (FocalTech), claiming that the products manufactured and sold by FocalTech which were applied to touch pads were within the scope of the Invention Patent No. 1662460, which is owned by the Company and have infringed the Company's patent rights. Therefore, the Court is petitioned to prohibit the defendant from using, manufacturing and selling the products involved in the case, and to request damages. As of December 31, 2024, the case was still pending before the Intellectual Property and Commercial Court.

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

**(11) Subsequent events: None.**

## ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

### (12) Others:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

| | For the years ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits | | | | | | |
| Salaries and wages | $ 328,977 | 1,757,656 | 2,086,633 | 260,854 | 1,533,363 | 1,794,217 |
| Labor and health insurance | 26,719 | 98,710 | 125,429 | 22,798 | 96,049 | 118,847 |
| Pension expenses | 8,557 | 59,312 | 67,869 | 8,466 | 59,162 | 67,628 |
| Remuneration of directors | - | 54,790 | 54,790 | - | 42,940 | 42,940 |
| Others | 22,586 | 42,622 | 65,208 | 19,525 | 37,221 | 56,746 |
| Depreciation | 45,760 | 78,408 | 124,168 | 44,361 | 73,970 | 118,331 |
| Amortization | 3,986 | 138,796 | 142,782 | 8,865 | 130,970 | 139,835 |

For the years ended December 31, 2024 and 2023, the total numbers of employees and employee benefits were as follows:

| | 2024 | 2023 |
|---|---|---|
| Number of employees | 1,069 | 991 |
| Number of directors who were not employees | 7 | 7 |
| The average employee benefits | $ 2,208 | 2,071 |
| The average salaries and wages | $ 1,965 | 1,823 |
| The adjustment rate of average employee salaries | 7.79 % | 4.41 % |
| Supervisors' remuneration | $ - | - |

The Company's compensation policy for directors, supervisors, executive officers, and employees, is as follows:

(a) Directors and executive officers: Compensation to directors and executives, pursuant to the Company's Articles of Incorporation, shall be determined with reference to industry peers, individual performance, accomplishment, and contribution. The payment shall be reviewed by the Compensation Committee and approved by the Board of Directors.

(b) Employee compensation: The salary and wage of employees, pursuant to the Company's Articles of Incorporation, shall be determined with reference to the Company's overall operating performance, employees' seniority, capability, and performance.

(c) Performance and holiday bonuses of employees: Employee bonuses shall be determined based on individual performance and the Company's overall operating performance.

(d) Annual employee salary adjustment: Annual adjustment to employee salary shall be determined with reference to the Company's overall operating performance, domestic economic growth rate, price index, the annual salary adjustment standards, and individual performance.

(Continued)

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

**(13) Other disclosures:**

(a) Information on significant transactions:

The followings are 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, 2024:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| | Stock: | | | | | | | |
| Elan InvestmentCorp. | Finemat Applied Materials Co., Ltd. | - | Non-current financial assets at fair value through profit or loss | 8,900 | $ 333,764 | 13.41% | $ 333,764 | |
| Elan Investment Corp. | Elan Microelectronics Corporation | Subsidiary | Non-current financial assets at fair value through other comprehensive income | 12,438 | 1,878,168 | 4.09% | 1,878,168 | |
| Elan Microelectronics Corporation | ThroughTek Co., Ltd. | - | Non-current financial assets at fair value through other comprehensive income | 883 | 17,678 | 3.30% | 17,678 | |
| Elan Microelectronics Corporation | Macroblock, Inc. | - | Non-current financial assets at fair value through other comprehensive income | 3,500 | 238,700 | 7.87% | 238,700 | |
| | | | | | $ 2,468,310 | | $ 2,468,310 | |
| | Certificates of beneficial interest: | | | | | | | |
| Elan Microelectronics Corporation | Fubon Chi-Hsiang Money Market Fund | - | Current financial assets at fair value through profit or loss | 1,252 | $ 20,448 | - | $ 20,448 | |
| Elan Microelectronics Corporation | Diversified FX Trading Segregated Portfolio | - | Current financial assets at fair value through profit or loss | 218 | - | - | - | Note |
| Elan Microelectronics Corporation | Vertex Growth (SG) LP | - | Non-current financial assets at fair value through other comprehensive income | - | 194,954 | - | 194,954 | |
| Elan Microelectronics Corporation | Vertex Growth II (SG) LP | - | Non-current financial assets at fair value through profit or loss | - | 31,430 | - | 31,430 | |
| Elan InvestmentCorp. | FSITC US Top 100 Bond Fund Acc TWD | - | Current financial assets at fair value through profit or loss | 1,500 | 14,844 | - | 14,844 | |
| Elan InvestmentCorp. | FSITC Global Wealthy Nations Bond Fund Acc TWD | - | Current financial assets at fair value through profit or loss | 2,629 | 26,168 | - | 26,168 | |
| Elan InvestmentCorp. | FSITC Global Video Gaming & eSports Fund | - | Current financial assets at fair value through profit or loss | 500 | 8,105 | - | 8,105 | |
| Elan InvestmentCorp. | FSITC Global Health & Weight Loss Fund | - | Current financial assets at fair value through profit or loss | 500 | 4,930 | - | 4,930 | |
| Elan InvestmentCorp. | FSITC Taiwan Core Strategic Construction Fund | - | Current financial assets at fair value through profit or loss | 1,000 | 15,170 | - | 15,170 | |
| Elan InvestmentCorp. | Nomura Global Short Duration Bond Fund TWD | - | Current financial assets at fair value through profit or loss | 9,484 | 106,167 | - | 106,167 | |
| Elan InvestmentCorp. | Nomura Global Financial Bond Fund Acc TWD | - | Current financial assets at fair value through profit or loss | 3,589 | 38,135 | - | 38,135 | |
| Elan InvestmentCorp. | Taishin Global Multi-asset Fund of Funds A TWD | - | Current financial assets at fair value through profit or loss | 1,000 | 14,080 | - | 14,080 | |

(Continued)

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| Elan InvestmentCorp. | Taishin Global Disruptive Innovation Fund | - | Current financial assets at fair value through profit or loss | 1,500 | 29,970 | - | 29,970 | |
| Elan InvestmentCorp. | Taishin North American Income Trust Fund-A | - | Current financial assets at fair value through profit or loss | 1,943 | 54,531 | - | 54,531 | |
| Elan InvestmentCorp. | Taishin ESG Emerging Markets Bond Fund A TWD | - | Current financial assets at fair value through profit or loss | 3,003 | 27,449 | - | 27,449 | |
| Elan InvestmentCorp. | Taishin Short Duration Emerging High Yield Bond Fund A-TWD | - | Current financial assets at fair value through profit or loss | 4,200 | 44,276 | - | 44,276 | |
| Elan Microelectronics Corporation | Diversified FX Trading Segregated Portfolio | - | Current financial assets at fair value through profit or loss | 589 | - | - | - | Note |
| | | | | | $ 630,657 | | 630,657 | |
| | Short-term commercial papers: | | | | | | | |
| Elan Microelectronics Corporation | Global Strategic FX Arbitrage Note | - | Current financial assets at fair value through profit or loss | 195 | $ - | - | $ - | Note |
| Elan Microelectronics Corporation | Multi-Manager FX Trading Note (M2) | - | Current financial assets at fair value through profit or loss | 44 | - | - | - | Note |
| Elan Microelectronics Corporation | Global Strategic FX Arbitrage Note (SERIES II) | - | Current financial assets at fair value through profit or loss | 100 | - | - | - | Note |
| | Non-publicly traded stocks: | | | | | | | |
| Elan Microelectronics Corporation | Chino-Excel Technology Corporation | - | Non-current financial assets at fair value through other comprehensive income | 823 | $ - | 1.48% | $ - | |
| Elan Microelectronics Corporation | Panther technology Co., Ltd. | - | Non-current financial assets at fair value through other comprehensive income | 340 | 5,204 | 0.94% | 5,204 | |
| Elan Microelectronics Corporation | XINCE Co., Ltd. | - | Non-current financial assets at fair value through other comprehensive income | 2,866 | - | 9.40% | - | |
| Elan Microelectronics Corporation | TOP TAIWAN VII VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through other comprehensive income | 178 | 2,404 | 6.12% | 2,404 | |
| Elan Microelectronics Corporation | TOP TAIWAN VIII VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through other comprehensive income | 435 | 5,286 | 4.17% | 5,286 | |
| Elan Microelectronics Corporation | Midastouch Research Corporation | - | Non-current financial assets at fair value through other comprehensive income | 2,500 | 4,050 | 8.16% | 4,050 | |
| Elan Microelectronics Corporation | TOP TAIWAN IX VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through other comprehensive income | 2,625 | 48,628 | 6.25% | 48,628 | |
| Elan Microelectronics Corporation | Inno Bridge Venture Capital | - | Non-current financial assets at fair value through other comprehensive income | 800 | 2,124 | 11.35% | 2,124 | |
| Elan Microelectronics Corporation | Startek Engineering Inc. | - | Non-current financial assets at fair value through other comprehensive income | 189 | - | 0.53% | - | |
| Elan Microelectronics Corporation | North Star Venture Capital | - | Non-current financial assets at fair value through other comprehensive income | 3,000 | 47,185 | 10.00% | 47,185 | |
| Elan Microelectronics Corporation | TOP TAIWAN XI VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through other comprehensive income | 3,413 | 36,136 | 6.25% | 36,136 | |

(Continued)

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| Elan Microelectronics Corporation | Genius Vision Digital Inc. | - | Non-current financial assets at fair value through other comprehensive income | 495 | - | 1.54% | - | |
| Elan Microelectronics Corporation | Lyra Semiconductor Incorporated | - | Non-current financial assets at fair value through other comprehensive income | 1,440 | - | 5.87% | - | |
| Elan Microelectronics Corporation | TOP TAIWAN XII VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through other comprehensive income | 25,000 | 261,147 | 18.52% | 261,147 | |
| Elan Microelectronics Corporation | Waltop International Corporation | - | Non-current financial assets at fair value through other comprehensive income | 7 | - | 0.24% | - | |
| Elan Microelectronics Corporation | Taiwania Capital Buffalo Fund V, LP. | - | Non-current financial assets at fair value through profit or loss | - | 40,556 | 3.19% | 40,556 | |
| Elan Microelectronics Corporation | TOP TAIWAN XIII VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through profit or loss | 15,000 | 148,848 | 17.44% | 148,848 | |
| Elan Microelectronics Corporation | TOP TAIWAN XIV VENTURE CAPITAL CO., LTD. | - | Non-current financial assets at fair value through profit or loss | 29,000 | 282,682 | 13.30% | 282,682 | |
| Elan Microelectronics Corporation | Cruise 10 Co., Ltd | - | Non-current financial assets at fair value through profit or loss | 2,625 | 40,404 | 10.14% | 40,404 | |
| Elan Microelectronics Corporation | North Star Venture II Capital | - | Non-current financial assets at fair value through other comprehensive income | 3,000 | 29,968 | 10.00% | 29,968 | |
| Elan InvestmentCorp. | Panther Technology Co., Ltd. | - | Non-current financial assets at fair value through profit or loss | 1,396 | 21,354 | 3.88% | 21,354 | |
| Elan InvestmentCorp. | RISE Technology Com | - | Non-current financial assets at fair value through profit or loss | 769 | - | 3.23% | - | |
| Elan InvestmentCorp. | Pica 8 - Preferred shares | - | Non-current financial assets at fair value through profit or loss | 342 | - | 1.75% | - | |
| Elan InvestmentCorp. | Arplanet Digital Technology Co., Ltd. | - | Non-current financial assets at fair value through profit or loss | 128 | - | 2.91% | - | |
| Elan InvestmentCorp. | ZQAM Communications Corporation - Preferred shares | - | Non-current financial assets at fair value through profit or loss | 75 | 398 | 0.71% | 398 | |
| Elan InvestmentCorp. | e-Formula Technologies, Inc. | - | Non-current financial assets at fair value through profit or loss | 550 | - | 2.06% | - | |
| Elan InvestmentCorp. | ALGOLREALITY CO., LTD. - Preferred shares | - | Non-current financial assets at fair value through profit or loss | 100 | - | 13.04% | - | |
| Elan InvestmentCorp. | Vita Genomics, Inc. | - | Non-current financial assets at fair value through profit or loss | 406 | - | 1.13% | - | |
| Elan InvestmentCorp. | Cognito Health International Inc. | - | Non-current financial assets at fair value through profit or loss | 1,010 | - | 1.13 | - | |
| Elan InvestmentCorp. | Taiwan Intelligent Connect Co., Ltd. - Preferred shares | - | Non-current financial assets at fair value through profit or loss | 10,000 | 1,022 | 14.29% | 1,022 | |
| Elan InvestmentCorp. | Genius Vision Digital Inc. | - | Non-current financial assets at fair value through profit or loss | 370 | - | 1.16% | - | |
| | | | | | $ 977,396 | | $ 977,396 | |

Note 1: In the first quarter of 2023, 168,774 thousand of financial asset impairment has been provided

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

| Name of company | Name of property | Transaction date | Transaction amount | Status of payment | Counter-party | Relationship with the Company | If the counter-party is a related party, disclose the previous transfer information | | | | References for determining price | Purpose of acquisition and current condition | Others |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Owner | Relationship with the Company | Date of transfer | Amount | | | |
| Elan Microelectronics Corporatio | New factory in Zhubei AI Park | 2023.4.28 | 5,858,000 (Tax included) | 1,969,308 (Tax included) | LeeMing Construction CO., LTD. | none | - | - | - | - | Not applicable due to commissioned construction of leased land | To meet the needs of future operations | none |

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

| Name of company | Related party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/Accounts receivable (payable) | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchase/ Sale | Amount | Percentage of total purchases/sales | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/accounts receivable (payable) | |
| Elan Microelectronics Corporation | Elan (H.K.) | Subsidiary | Sale | 279,376 | 2.26 % | Open Account 45 Days | - | | 15,644 | 1.27% | |

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(b) Information on investees:

The followings are the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Share of profits/losses of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| Elan Microelectronics Corporation | Elan (H.K.) Microelectronics Corp. Ltd. | Hong Kong, China | Sale and after-sales service | 123,272 | 123,272 | 29,328 | 100.00 % | 500,083 | 87,900 | 87,900 | Note 1 |
| Elan Microelectronics Corporation | Elan Investment Corp. | Taipei, Taiwan | Investment holding | 500,000 | 500,000 | 50,000 | 100.00 % | 785,714 | 58,827 | 58,827 | Note 1 |
| Elan Microelectronics Corporation | Elan Information Technology Group | California, USA | Sale, after-sales service and provide new informational skills | 22,822 | 22,822 | 65 | 100.00 % | 12,051 | (3,122) | (3,122) | Note 1 |
| Elan Microelectronics Corporation | JUPU Electronic Co., Ltd. | New Taipei City, Taiwan | Wholesale and installation of electronic devices, data storage and equipment process | 7,840 | 7,840 | 784 | 49.00 % | (9,477) | (6,850) | (3,356) | Note 1 |
| Elan Microelectronics Corporation | Metanoia Communications Inc. | Hsin-Chu, Taiwan | Research, design, development, manufacture and sales of Discrete Multi-Tone (DMT) chip and client chip, PON to OLT and ONU chip and GHN chip, a new generation home network | 665,865 | 665,865 | 47,363 | 39.14 % | 62,499 | (413,119) | (171,393) | Note 3 |
| Elan Microelectronics Corporation | Avisonic Technology Corp. | Hsin-Chu, Taiwan | Research, design, develop, manufacture and sale on digital image-process chips | 224,746 | 224,746 | 20,569 | 83.40 % | (17,427) | (26,958) | (22,451) | Note 1 |
| Elan Microelectronics Corporation | Tong fu Investment Corp. | Hsin-Chu, Taiwan | Investment holding | 26,070 | 26,070 | 3,000 | 46.73 % | - | - | - | Note 2 |
| Elan Microelectronics Corporation | Lighting Device Technologies Corp. | Hsin-Chu, Taiwan | Research, design, develop, manufacture and sale on LED chips | 11,712 | 11,712 | 1,805 | 45.07 % | - | - | - | Note 2 |
| Elan Microelectronics Corporation | PiXORD Corporation | Hsin-Chu, Taiwan | Research, design, develop, manufacture and sale on Webcam and server | 151,137 | 151,137 | 14,647 | 92.27 % | 16,824 | (24,856) | (23,332) | Note 1 |
| Elan Microelectronics Corporation | EMINENT ELECTRONIC TECHNOLOGY CORP. LTD. | Hsin-Chu, Taiwan | Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments | 52,100 | 52,100 | 4,113 | 18.01 % | 1,438 | (124,687) | (22,554) | Note 1 |
| Elan Microelectronics Corporation | TOP TAIWAN X VENTURE CAPITAL CO., LTD. | Taipei, Taiwan | Venture capital | 199,500 | 199,500 | 19,950 | 30.00 % | 282,730 | 204,433 | 61,330 | |
| Elan Microelectronics Corporation | Uniband Electronic Corp. | Hsin-Chu, Taiwan | Manufactures and sells electronic devices | 50,000 | 50,000 | 2,500 | 24.69 % | 3,613 | (5,350) | (1,321) | |

(Continued)

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount December 31, 2024 | Original investment amount December 31, 2023 | Balance as of December 31, 2024 Shares (thousands) | Balance as of December 31, 2024 Percentage of ownership | Balance as of December 31, 2024 Carrying value | Share of profits/losses of investee | Share of profits/losses of investee | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Elan Microelectronics Corporation | Finger Pro. Incorporation | Hsin-Chu, Taiwan | Manufactures and sells electronic devices | 6,000 | 6,000 | 600 | 23.08 % | - | - | - | Note 2 |
| Elan Microelectronics Corporation | Chimei Motor Electonic CO., LTD. | Taipei, Taiwan | Image recognition, automotive electronic manufacturing and wholesaling business | 343,850 | 228,650 | 14,050 | 46.83 % | 209,480 | (61,014) | (33,382) | Note 1 |
| Elan Investment Corp. | Avisonic Technology Corp. | Hsin-Chu, Taiwan | Research, design, develop, manufacture and sale on digital image-process chips | 15,754 | 15,754 | 1,575 | 6.39 % | (1,304) | (26,958) | (1,720) | Note 1 |
| Elan Investment Corp. | RONG CHENG Technology | Hsin-Chu, Taiwan | Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments | 77,706 | 77,706 | 8,000 | 38.46 % | - | - | - | Note 2 |
| Elan Investment Corp. | PiXORD Corporation | Hsin-Chu, Taiwan | Research, design, develop, manufacture and sale on Webcam and server | 9,990 | 9,990 | 987 | 6.22 % | 1,134 | (24,856) | (1,573) | Note 1 |
| Elan Investment Corp. | Metanoia Communications Inc. | Hsin-Chu, Taiwan | Research, design, development, manufacture and sales of Discrete Multi-Tone (DMT) chip and client chip, PON to OLT and ONU chip and GHN chip, a new generation home network | 10,211 | 10,211 | 831 | 0.69 % | 15,695 | (413,119) | (3,013) | Note 3 |
| Elan Investment Corp. | EMINENT ELECTRONIC TECHNOLOGY CORP. LTD. | Hsin-Chu, Taiwan | Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments | 38,481 | 38,481 | 2,138 | 9.36 % | 1,358 | (124,687) | (11,721) | Note 1 |
| Elan H.K. | Power Asia Investment Corporation | Republic of Mauritius | Investment business | 89,572 | 89,572 | 2,861 | 100.00 % | 24,241 | (6,268) | (6,268) | Note 1 |
| Chimei Motor Electronic CO., LTD. | CHIMEI MOTOR ELECTRONICS (SAMOA) CO., LTD. | Somoa | Investment holding | 52,555 | 52,555 | 1,750 | 100.00 % | 20,719 | (4,751) | (4,751) | Note 1 |

Note1: Investments in subsidiaries the Company has control over have been eliminated at the Group level from long term investment.

Note2: The full amount has been included in impairment loss.

Note3: Investee companies that lose control on June 30, 2023.

(c) Information on investment in mainland China:

(i) The name of investees in Mainland China, the main businesses and products, and other information:

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2024 | Investment flows Outflow | Investment flows Inflow | Accumulated outflow of investment from Taiwan as of December 31, 2024 | Net income (losses) of the investee | Percentage of ownership | Investment income (losses) recognized | Carrying value as of December 31, 2024 | Accumulated inward remittance of earnings as of December 31, 2024 | The investment returns repatriated as of the end of this year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Elan Microelectronics (Shanghai) Co., Ltd. | Provide technical support and information service | 52,095 | ( 2 ) | 52,095 | - | - | 52,095 | (59) | 100.00% | 100 | (59) | 20,320 | - |
| Elan Microelectronics (Shenzhen) Co., Ltd. | Provide technical support and information service | 34,670 | ( 2 ) | 34,670 | - | - | 34,670 | (6,223) | 100.00% | 100 | (6,223) | 3,402 | - |
| Gianteye Technology (Shanghai) CO., LTD. | Development of advanced driver assistance systems and wholesale of automotive electronic products | 52,555 | ( 2 ) | 52,555 | - | - | 52,555 | (4,751) | 100.00% | 100 | (4,751) | 20,691 | - |

Note 1: Method of investment:

(1) Direct investment in Mainland China.

(2) Indirect investment in Mainland China through a holding company established in other countries (Power Asia Investment Corporation).

(3) Others

Note 2: The investment income (losses) from Elan Shanghai and Elan Shenzhen are calculated on the reviewed financial statements in the same period.

# ELAN MICROELECTRONICS CORPORATION
## Notes to Parent-company-only Financial Statements

(ii) Limitation on investment in Mainland China:

| Company Name | Accumulated Investment in Mainland China as of December 31, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|---|---|---|---|
| Elan Microelectronics Corporation | 86,765(USD2,500,000) | 98,333(USD2,500,000) | 5,863,968 |
| Chimei Motor Electonic Co., LTD. | 52,555(USD1,750,000) | 68,103(USD2,250,000) | 136,480 |

Note: The investment limit was calculated on the official document No. 09704604680 announced by the MOEAIC on August 29, 2008.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:

No shareholders owned more than 5% equity interest in the Company.

**(14) Segment information:**

Please refer to the consolidated financial statements of 2024.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of cash and cash equivalents**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollar unless otherwise specified)**

| Item | Description | Amount |
|---|---|---|
| Petty cash | | $ 74 |
| Demand deposits | | 255,380 |
| Checking deposits | | 16,349 |
| Foreign currency deposits | USD14,615,308.02 | 479,236 |
| | RMB8,586,942.76 | 38,470 |
| | JPY55,123,498 | 11,571 |
| Time deposits | | 1,600,000 |
| Foreign currency time deposits | USD2,000,000 | 65,580 |
| | | **$ 2,466,660** |

Note：The exchange rates of foreign currencies to NTD as of December 31, 2024 were as follows:

USD: 32.79

JPY: 0.2099

CNY: 4.48

**ELAN MICROELECTRONICS CORPORATION**

**Statement of financial assets measured at fair value through profit or loss - current**

**December 31, 2024**

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

| Name of financial instruments | Description | Shares or units (thousand) | Acquisition cost | Fair value | | Collateral |
|---|---|---|---|---|---|---|
| | | | | Unit price | Total amount | |
| －Beneficiary certificate | Fubon Chi-Hsiang Money Market Fund | 1,252 | 20,000 | 16.33 | 20,448 | None |
| －Beneficiary certificate | Diversified FX Trading Segregated Portfolio | 218 | 20,809 | - | - | 〃 |
| －Short-term notes and bills | Global Strategic FX Arbitrage Note | 195 | 32,679 | - | - | 〃 |
| －Short-term notes and bills | Multi-Manager FX Trading Note (M2) | 44 | 12,795 | - | - | 〃 |
| －Short-term notes and bills | Global Strategic FX Arbitrage Note (USD) (SERIES II) | 100 | 29,080 | - | - | 〃 |
| | | | $ 115,363 | | 20,448 | |

**ELAN MICROELECTRONICS CORPORATION**

**Statement of trade receivables**

**December 31, 2024**

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

| Client name | Description | Amount |
|---|---|---|
| ULTRA SOURCE TRADING HONG KONG LTD. | Operating revenue | $ 346,484 |
| Silicon Application Corp. | 〃 | 306,160 |
| Lite-On Technology (Changzhou) Co., Ltd. | 〃 | 147,265 |
| Mao-Ray Electronics (DongGuan) Co., Ltd. | 〃 | 65,264 |
| Others (Note) | 〃 | 367,400 |
| Subtotal | | 1,232,573 |
| Less: Allowance for impairment | | (23,496) |
| | | **$ 1,209,077** |

Note：The amount of individual item in others does not exceed 5% of the account balance and is not presented separately.

**Statement of other receivables**

| Item | Amount |
|---|---|
| Receivables from factoring agreements | $ 931,068 |
| Others (Note) | 56,620 |
| Total | **$ 987,688** |

Note：The amount of individual item in others does not exceed 5% of the account balance and is not presented separately.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of inventories**

**December 31, 2024**

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

| Item | Amount: Cost | Amount: Net realizable value | Note |
|---|---|---|---|
| Finished goods | $ 246,273 | 593,067 | Market price is measured at net realizable value |
| Work in progress | 776,716 | 2,426,094 | 〃 |
| Raw materials | 554,325 | 570,190 | 〃 |
| Subtotal | $ 1,577,314 | 3,589,351 | |

Notes: The net amount after deducting the inventory write-down.

**Statement of financial assets measured at fair value through other comprehensive income - non-current**

**For the year ended December 31, 2024**

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

| | Beginning Balance | | Increase | | Decrease | | Ending Balance | | |
|---|---|---|---|---|---|---|---|---|---|
| Name of financial instrument | Shares or units | Fair value | Shares or units | Amount | Shares or units | Amount | Shares or units | Fair value | Collateral |
| ThroughTek Co., Ltd. | 1,077 | $ 22,197 | - | - | 194 | 4,519 | 883 | 17,678 | None |
| Macroblock, Inc. | 3,500 | 386,750 | - | - | - | 148,050 | 3,500 | 238,700 | |
| | | $ 408,947 | | - | | 152,569 | | 256,378 | |

**ELAN MICROELECTRONICS CORPORATION**

**Statement of changes in financial liabilities at fair value through profit or loss - non-current**

**For the year ended December 31, 2024**

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

| | Beginning Balance | | Increase | | Decrease | | Others (Note) | | Ending Balance | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name of financial instrument** | **Shares** | **Fair value** | **Shares** | **Amount** | **Shares** | **Amount** | **Shares** | **Amount** | **Shares** | **Percentage of ownership** | **Fair value** | **Collateral** |
| North Star Venture Capital | 3,000 | $ 37,656 | - | - | - | - | - | 9,529 | 3,000 | 10.00 | 47,185 | None |
| TOP TAIWAN XI VENTURE CAPITAL CO., LTD. | 3,412 | 82,646 | - | - | - | - | - | (46,510) | 3,412 | 6.25 | 36,136 | 〃 |
| Panther technology Co., Ltd. | 340 | 6,061 | - | - | - | - | - | (857) | 340 | 0.94 | 5,204 | 〃 |
| Vertex Growth II(SG)LP | - | 14,783 | - | 15,934 | - | - | - | 713 | - | - | 31,430 | 〃 |
| Vertex Growth (SG) LP | - | 222,924 | - | 1,894 | - | - | - | (29,864) | - | - | 194,954 | 〃 |
| TOP TAIWAN XIV VENTURE CAPITAL CO., LTD. | 29,000 | 288,989 | - | - | - | - | - | (6,307) | 29,000 | 13.30 | 282,682 | 〃 |
| Waltop International Corporation | 7 | - | - | - | - | - | - | - | 7 | 0.24 | - | 〃 |
| Cruise 10 Co., Ltd | 625 | 3,081 | 2,000 | 50,000 | - | - | - | (12,677) | 2,625 | 10.14 | 40,404 | 〃 |
| TOP TAIWAN VI VENTURE CAPITAL CO., LTD. | 84 | 167 | - | - | 84 | 166 | - | (1) | - | - | - | 〃 |
| TOP TAIWAN VII VENTURE CAPITAL CO., LTD. | 178 | 4,228 | - | - | - | - | - | (1,824) | 178 | 6.12 | 2,404 | 〃 |
| TOP TAIWAN VIII VENTURE CAPITAL CO., LTD. | 725 | 12,291 | - | - | 290 | 2,898 | - | (4,107) | 435 | 4.17 | 5,286 | 〃 |
| Midastouch Research Corporation | 2,500 | 4,650 | - | - | - | - | - | (600) | 2,500 | 8.16 | 4,050 | 〃 |
| InnoBridge Venture Capital | 800 | 2,389 | - | - | - | - | - | (265) | 800 | 11.35 | 2,124 | 〃 |
| TOP TAIWAN IX VENTURE CAPITAL CO., LTD. | 2,625 | 62,638 | - | - | - | - | - | (14,010) | 2,625 | 6.25 | 48,628 | 〃 |
| Startek Engineering Inc. | 189 | - | - | - | - | - | - | - | 189 | 0.53 | - | 〃 |
| Genius Digital Vision Inc. | 495 | - | - | - | - | - | - | - | 495 | 1.54 | - | 〃 |
| Lyra Semiconductor Incorporated | 1,440 | - | - | - | - | - | - | - | 1,440 | 5.87 | - | 〃 |
| TOP TAIWAN XII VENTURE CAPITAL CO., LTD. | 25,000 | 301,512 | - | - | - | - | - | (40,365) | 25,000 | 18.52 | 261,147 | 〃 |
| North Star Venture II Capital | - | - | 3,000 | 30,000 | - | - | - | (32) | 3,000 | 10.00 | 29,968 | 〃 |
| Taiwania Capital Buffalo Fund V, LP. | - | 47,103 | - | - | - | - | - | (6,547) | - | 3.19 | 40,556 | 〃 |
| TOP TAIWAN XIII VENTURE CAPITAL CO., LTD. | 15,000 | 142,407 | - | - | - | - | - | 6,441 | 15,000 | 17.44 | 148,848 | 〃 |
| Total | | $ 1,233,525 | | 97,828 | | 3,064 | | (147,283) | | | 1,181,006 | |

Note: Other changes are due to gain and loss on financial assets measured at fair value through profit or loss.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of changes in investments accounted for using the equity method**

**For the year ended December 31, 2024**

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

| | Beginning Balance | | Increase | | Decrease | | Others | | Ending Balance | | | Market | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of investee | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Percentage of ownership | Amount | Prices or Net Assets Value | Collateral |
| Elan Information Technology Group | 65 | $ 14,267 | - | - | - | - | - | (2,216) | 65 | 100.00 | 12,051 | 12,051 | None |
| Elan (H.K.) Microelectronics Corp. | 29,328 | 404,354 | - | - | - | - | - | 95,729 | 29,328 | 100.00 | 500,083 | 505,255 | 〃 |
| Elan Investment Corp. | 50,000 | 919,972 | - | - | - | - | - | (134,258) | 50,000 | 100.00 | 785,714 | 2,663,882 | 〃 |
| JPUP Electron Co., Ltd. | 784 | (6,120) | - | - | - | - | - | (3,357) | 784 | 49.00 | (9,477) | (9,477) | 〃 |
| Metanoia Communications Inc. | 47,363 | 118,467 | - | - | - | - | - | (55,968) | 47,363 | 39.14 | 62,499 | 62,774 | 〃 |
| Avisonic Technology Corp. | 20,569 | 4,939 | - | - | - | - | - | (22,366) | 20,569 | 83.40 | (17,427) | (16,592) | 〃 |
| Tong fu Investment Corp. | 3,000 | - | - | - | - | - | - | - | 3,000 | 46.73 | - | 6,878 | 〃 |
| Lighting Device Technologies Corp. | 1,805 | - | - | - | - | - | - | - | 1,805 | 45.07 | - | - | 〃 |
| PiXORD Corporation | 14,646 | 40,157 | - | - | - | - | - | (23,333) | 14,646 | 92.27 | 16,824 | 17,222 | 〃 |
| EMINENT ELECTRONIC TECHNOLOGY CORP. LTD. | 4,113 | 23,962 | - | - | - | - | - | (22,524) | 4,113 | 18.01 | 1,438 | 2,614 | 〃 |
| TOP TAIWAN X VENTURE CAPITAL CO., LTD. | 19,950 | 237,360 | - | - | - | - | - | 45,370 | 19,950 | 30.00 | 282,730 | 282,730 | 〃 |
| Uniband Electronic Corp. | 2,500 | 4,927 | - | - | - | - | - | (1,314) | 2,500 | 24.69 | 3,613 | 3,613 | 〃 |
| Finger Pro. Incorporation | 600 | - | - | - | - | - | - | - | 600 | 23.08 | - | - | 〃 |
| Chimei Motor Electronics. | 9,250 | 197,634 | 4,800 | 115,200 | - | - | - | (103,354) | 14,050 | 46.83 | 209,480 | 106,203 | 〃 |
| | | $ 1,959,919 | | 115,200 | | - | | (227,591) | | | 1,847,528 | 3,637,153 | |

Note 1: "Others" include gains and losses of equity-accounted investees, movements in translation adjustment, difference in recognized net value of new issued shares without proportionate subscription, changes in equity interests in investees, and unrealized profits from intercompany sales.

Note 2: Market prices or information on net assets are calculated based on audited financial statements and unaudited financial statements of investees.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of changes in property, plant and equipment**

**For the year ended December 31, 2024**

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

Please refer to note (6)(h) for further information on Property, Plant and Equipment.

**Statement of changes in accumulated depreciation of property, plant and equipment**

Please refer to note (6)(h) for further information on accumulates depreciation of Property, Plant and Equipment.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of changes in right-of-use assets**

**For the year ended December 31, 2024**

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

Please refer to note (6)(i) for further information on right-of-use assets.

**Statement of changes in accumulated depreciation of right-of-use assets**

Please refer to note (6)(i) for further information on accumulated depreciation of right-of-use assets.

**Statement of changes in intangible assets**

Please refer to note (6)(j) for further information on intangible assets.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of trade payables**

**December 31, 2024**

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

| Vendor Name | Description | Amount |
|---|---|---|
| UNITED MICROELECTRONICS CORP. | Operating cost | $ 154,868 |
| TAIWAN PCB TECHVEST CO.,LTD | 〃 | 89,813 |
| Huizhou Glorysky Electronics Co., Ltd. | 〃 | 71,863 |
| Chongqing Sichuan Instrument Microcircuit Co., Ltd. | 〃 | 57,238 |
| PACIFIC GLOBAL SYSTEAMS LIMITED | 〃 | 49,828 |
| KUNSHAN PRECISE ELECTRONICE CO.,LTD. | 〃 | 49,576 |
| Others (Note) | 〃 | 527,304 |
| | | **$ 1,000,490** |

Note：The amount of individual item included within “Others” does not exceed 5% of the account balance and is not presented separately.

**Statement of other current liabilities**

| Item | Description | Amount |
|---|---|---|
| Salaries, bonuses and incentives payable | | $ 270,413 |
| Business promotion payable | | 591,433 |
| Others (Note) | | 391,913 |
| | | **$ 1,253,759** |

Note：The amount of individual item included within “Others” that does not exceed 5% of the account balance, and is not presented separately.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of lease liabilities**

**December 31, 2024**

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

| Item | Lease term | Weighted-average rate | | Amount |
|---|---|---|---|---|
| Land | 2019.01~2061.04 | 1.60 % | $ | 663,752 |
| Buildings | 2021.05~2039.01 | 1.60 % | | 20,453 |
| Machinery and equipment | 2023.08~2026.07 | 1.60 % | | 506 |
| Office equipment | 2021.09~2027.10 | 1.60 % | | 7,342 |
| Total | | | | 692,053 |
| Less: lease liabilities - current | | | | (14,889) |
| Lease liabilities - non-current | | | $ | **677,164** |

**Statement of operating revenue**

**For the year ended December 31, 2024**

| Item | Quantity (in thousand units/pieces) | ʼerage unit pri | | Amount |
|---|---|---|---|---|
| Consumer Touch Control Business Unit | 100,391 | 31.87 | $ | 3,213,382 |
| Laptop Input Device Business Unit | 96,608 | 94.23 | | 9,185,437 |
| Subtotal | | | | 12,398,819 |
| Less: Sales return | | | | (74,981) |
| Sales discounts and allowances | | | | (30,776) |
| Net sales | | | | 12,293,062 |
| Research and development revenue | | | | 10,038 |
| Other operating revenue | | | | 33,883 |
| Total | | | $ | **12,336,983** |

Note: The amount of an individual item not exceeding 5% of the account balance is not presented separately.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of operating costs**

**For the year ended December 31, 2024**

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

| Item | Amount |
|---|---|
| Raw materials used | |
| Raw materials, beginning of year | $ 867,829 |
| Add: Raw material purchased | 4,078,193 |
| Less: Transferred to research expenses, write-offs and purchases on behalf of subsidiaries | (244,534) |
| Raw materials, ending of year | (668,261) |
| Subtotal | 4,033,227 |
| Direct labor | 177,308 |
| Manufacturing expenses | 1,794,310 |
| Manufacturing cost | 6,004,845 |
| Add: Work in process, beginning of year | 1,019,938 |
| Work in process purchased | (1,131) |
| Less: Transferred to research expenses, and write-offs | (16,253) |
| Work in process, end of year | (922,804) |
| Cost of finished goods | 6,084,595 |
| Add: Finished goods, beginning of year | 439,986 |
| Finished goods purchased | 23,690 |
| Less: Transferred to samples, research expenses and write-offs | (42,773) |
| Finished goods, end of year | (395,122) |
| Cost of goods sold | 6,110,376 |
| Other costs： | |
| Allowance for inventory write-downs and obsolescence | 59,702 |
| Other operating costs | (3,609) |
| | 56,093 |
| Operating costs | **$ 6,166,469** |

**ELAN MICROELECTRONICS CORPORATION**

**Statement of selling expenses**

**For the year ended December 31, 2024**

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

| Item | Description | Amount |
|---|---|---|
| Commission expense | | $ 308,706 |
| Employee benefits | | 144,762 |
| Others (Note) | | 62,756 |
| Total | | **$ 516,224** |

Note: The amount of individual item in others does not exceed 5% of the account balance and is not presented separately.

**Statement of administrative expenses**

| Item | Description | Amount |
|---|---|---|
| Employee benefits | | $ 253,436 |
| Depreciation and amortization | | 43,753 |
| Professional service fees | | 21,350 |
| Others (Note) | | 52,971 |
| Total | | **$ 371,510** |

Note: The amount of individual item in others does not exceed 5% of the account balance and is not presented separately.

**ELAN MICROELECTRONICS CORPORATION**

**Statement of research and development expense**

**For the year ended December 31, 2024**

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

| Item | Description | Amount |
|---|---|---|
| Employee benefits | | $ 1,614,892 |
| Depreciation and amortization | | 171,353 |
| Others (Note) | | 242,070 |
| Total | | **$ 2,028,315** |

Note：The amount of individual item in others does not exceed 5% of the account balance and is not presented separately.