

Stock Code: 2458

ELAN MICROELECTRONICS CORP.
2023 Annual Shareholders' Meeting
Meeting Agenda

Date: May 31, 2023

1F, No. 12, Innovation 1st Rd., Hsinchu Science Park, Hsinchu
30076, Taiwan

(Elan's meeting room)

(Type of meeting to be held: physical shareholders' meeting)

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ELAN MICROELECTRONICS CORP.

2023 Annual Shareholders' Meeting

Meeting Agenda

1. Declare the meeting open
2. Speech by the Chairman
3. Reporting matters
4. Acknowledgements
5. Discussion items
6. Provisional motions
7. Adjournment

ELAN MICROELECTRONICS CORP.

2023 Annual Shareholders' Meeting

Meeting Agenda

1. Time: 9: 00 a.m., Wednesday, May 31, 2023

2. Place: 1F, No. 12, Innovation 1st Rd., Hsinchu Science Park, Hsinchu 30076, Taiwan (Meeting room on the first floor of our company)

(Type of meeting to be held: physical shareholders' meeting)

3. Chairman: YEH, I-Hau

4. Chairman's Speech

5. Reporting matters

1. 2022 Business Report

2. The Audit Committee Reviewed Report on the Financial Statements for the fiscal year 2022.

3. Report on the Profit Distribution for the fiscal year 2022.

4. Report on the distribution of employees' compensation and directors' remuneration in 2022

5. Report on the implementation of the Treasury Stock Buyback

6. Acknowledgements

1. Acknowledgement of the 2022 Business Report and Financial Statements

7. Discussion items

(1) Amendment to the Articles of Incorporation

8. Provisional motions

9. Adjournment

Reporting matters

1. 2022 Business Report

Please refer to Appendix 1 (page 8) of this manual for the Company's annual business report for 2022.

2. The Audit Committee Reviewed Report on the Financial Statements for the fiscal year 2022.

Please refer to Appendix 2 (page 12) of this manual for the Audit Committee Review Report on the Financial Statements for the fiscal year 2022.

3. Report on the Profit Distribution for the fiscal year 2022.

1. The net profit of the Company for the full year of 2022 was NT\$2,151,675,887, the provision of legal surplus reserve NT \$222,587,682, the addition of undistributed earnings at the beginning of the period NT\$1,202,269,381 and the actuarial profit and loss impact of pension of NT\$74,200,935. The total profit distributable is NT\$3,205,558,521 and the cash dividends to be distributed to shareholders are NT\$1,823,282,352 (NT\$6 per share).
2. The cash dividend shall be calculated up to NT\$1 according to the distribution ratio. The sum of the cash dividend less than dollar shall be deducted, and the total amount of the cash dividend less than dollar shall be recognized in the company's other income.
3. The company's 2022 annual profit distribution plan was adopted by the board of directors on February 22, 2023, and authorized the chairman of the board to set another dividend base date and other matters. If the company's share capital changes affect the number of outstanding shares and the dividend rate of shareholders changes and needs to be amended later, the chairman of the board is authorized to handle relevant matters with full power.

ELAN Microelectronics Corp.

Profit distribution table

2022

Unit: NT\$

Beginning balance		1,202,269,381
Plus: Pension actuarial profit and loss impact (including subsidiaries)	74,200,935	
Accumulated earnings at the beginning of the period		<u>1,276,470,316</u>
Plus: After-tax net profit of this year	2,151,675,887	
Subtotal:		<u>3,428,146,203</u>
Less: provision for legal surplus reserve.	222,587,682	
Earnings available for distribution		<u>3,205,558,521</u>
Distribution items:		
Shareholder dividend - Cash (NT\$6/share)	1,823,282,352	
Undistributed earnings at the end of the period		<u>1,382,276,169</u>

4. The main content of the company's 2022 year profit distribution is as follows:

Year of the dividend	Board resolution date	Cash dividends to be distributed to shareholders	Remarks
First distribution of earnings of 2022 year	February 22, 2023	NT\$ 911,641,176(NT\$ 3 per share)	Dividend distributed on April 26, 2023
Second distribution of earnings of 2022 year	Another date for the company to convene the board of directors	NT\$ 911,641,176(NT\$ 3 per share)	The record date of dividend will be announce then.

4. Report on the distribution of employees' compensation and directors' remuneration in 2022

(1) According to Article 29 of the Articles of Association.

(2) The Company's profit in 2022 was NT\$ 3,170,091,593 (that is, the profit before tax before the distribution of employees' compensation and directors' remuneration), and the employee compensation was NT\$ 334,000,000 (10.54%) and the director remuneration was NT\$ 41,000,000 (1.29%), all of which were paid in cash.

5. Report on the implementation of Treasury Stock Buyback

Buyback Period	Buyback for the 13 th time
Purpose of the buyback	Transfer of shares to employees
Period of application for buyback	Aug. 6, 2021-Oct. 5, 2021
Number of shares bought back (Unit: Thousand)	10,000 thousand shares
Buyback prices (NT\$)	NT\$140-200
Number of shares bought back (Unit: Thousand)	6,857,000 shares
The average buyback price per share (NT\$)	NT\$157.14
Number of shares cancelled or transferred (Unit: Thousand)	0 share
Cumulative treasury shares held (Unit: Thousand)	6,857,000 shares

Acknowledgements

Proposal No.1: (proposed by the board of directors)

Cause of action: Acknowledgement of the 2022 Business Report and Financial Statements.

Explanation: 1. The company's individual financial reports, the Business Report and consolidated financial statements for 2022 and 2021 have been audited by CHOU, PAO-LIEN and TSENG, MEI-YU of KPMG, and an unqualified audit report was issued, which was passed by the resolution of the board of directors on February 22, 2023, and sent to the audit committee for audit.

2. Please refer to Appendix 3 (Page 13) of this manual for recognition of the financial statements and consolidated financial statements verified by accountants.

Resolution:

Discussion items

Proposal No. 1: (proposed by the board of directors)

Cause of action: Amendment to the Articles of Incorporation

Explanation: In response to the company's operational needs and the revision of laws and regulations, the company's articles of association are revised. Please refer to Appendix 4 (page 29) for a comparison table of the amendments to the Articles of Association.

Resolution:

Provisional motions

Adjournment

Appendix 1

2022 Business Report

1. 2022 Operating results

In 2022, due to external factors such as inflationary pressure, Russia-Ukraine war, lockdown in mainland China, and interest rate spikes, the overall market demand has significantly decreased, estimating annual double digit decline to reach 194 million units. The company's operating focus is on the notebook computer market, which has also been significantly affected, resulting in an annual decrease of 29.9% in revenue and a lower after-tax profit than in 2021.

Although the number of products shipped in 2022 is less than that in the previous year, at present, our company still leads the global peers in the parts of notebook computers, such as touchpad module, touch screen chip and pointing device, capturing the main market share. The next challenge is to aim at fingerprint identification products, and it is expected that in the next two to three years, we will be the fourth notebook computer parts product to win the first place in the world ahead of our peers. Although the performance of fingerprint revenue in 2022 is not as good as expected, we believe that the penetration rate of fingerprint identification in the notebook computer market is relatively low. Based on the consideration of information security and the continuous and strong promotion of Window 11, the product trend of adopting fingerprint with internal keys in notebook computers should be assured. Therefore, it is estimated that its penetration rate will continue to rise in the next few years, which will help the operational performance.

At present, the global economic environment is still grim, and the external market competition is still fierce. The company is still striving to actively strengthen the chip design technology and engineering, effectively reduce costs, and continuously optimize the product mix. In 2022, our revenue reached NT\$12.44 billion, the gross profit margin remained at a high level of 46.8%, the net operating profit rate reached 23.7%, and the pre-tax surplus reached NT\$2.80 billion.

In 2022, the company won the 2022 Gold Award of disaster-free working hour Record Activities of Public Institutions by the Industrial Safety and Health Association of the Republic of China, and the 10th place in the Taiwan Large Enterprises' Ranking of TOP 5000-Integrated Circuit Design Industry in 2022 Edition by the Taiwan National Credit Bureau. The company once again won the "Environmental Sensing Advanced AI Driver Assistance System (ADAS) and Intelligent Cockpit System Development Program" sponsored by the Ministry of Economic Affairs through the A+ Enterprise Innovation Research and Development Plan of the grant amount of NT\$136 million, the company accounted for about 67% of the total grant

amount.

2. Summary of the business plan for 2023

At this stage, the inflation pressure in 2023 is slightly relieved compared with last year, and the external environment is slightly improved, such as the lifting of lockdown in mainland China from the pandemic and the curbed interest rate increase, which brings a glimmer of light to the market. According to the information collection of major notebook brand manufacturers in the world and the analysis of relevant research institutions, the demand of notebook industry is still lower than that in 2022, and the estimated total shipment volume is between 175 million and 180 million units. However, under the premise that the destocking of the market continues and the follow-up is expected to gradually improve, in order to cope with this market phenomenon, the Company continues to deepen the deployment of new products and applications in the notebook industry, and expand the products in the non-notebook industry to enhance the overall operating performance.

Fingerprint products are still our relatively promising potential products this year. Because Window 11 emphasizes that MOC (Match-On-Chip) should be adopted in this year regardless of consumer or commercial models, and the penetration rate of fingerprints in notebook computers is low, with the blessing of both parties, the market prospect this year is promising.

Haptics Pad touchpad products can be gradually promoted to brand manufacturers at competitive prices under the adjustment of stacking and function optimization, which will expand the utilization rate of its models and contribute to the operating performance this year. Secondly, with the advent of large-size touchpad, the increase in average selling price is also beneficial to the revenue performance of touchpad.

Touch screen chips used in notebook computers, whether in the SLOC of On Cell or the LTDI touch integrated driver chip solution of In-cell, are being promoted. At the same time, the cross-industry touch field is also actively planned, and it is expected that their performance will be brought into play one by one, which will help the revenue of touch screen chips to rise.

At the same time, in terms of non-notebook products, the area dimming control chip of vehicle display, the touch-driven integrated chip of vehicle display, and the precise touch chip applied to mobile phones are all being developed one by one, which is expected to gradually show their operational performance.

Steady development of business strategy, with the concept of sustainable management to implement corporate social responsibility, taking into account the business value and social

value of enterprises, in order to play a greater role in economy, environment and society, and create higher value and well-being for all stakeholders.

Chairman: YEH, I-Hau

General Manager: YEH, I-Hau

Chief Accounting Officer: CHEN, Yi-Lin

Appendix 2

Audit Committee review report

The financial statements and consolidated financial statements of the Company for the year of 2022 submitted by the Board of Directors have been audited by certified public accountants CHOU, PAO-LIEN and TSENG, MEI-YU of KPMG, and the audit report, together with the business report and the earnings distribution proposal, has been audited by this audit committee, and it is found that there is no discrepancies. Please check the above report according to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law.

ELAN Microelectronics Corporation

Coordinator of the Audit Committee: SHAW, Ming-Fu

February 22, 2023

Independent Auditors' Report

To the Board of Directors

ELAN MICROELECTRONICS CORPORATION:

Opinion

We have audited the financial statements of ELAN MICROELECTRONICS CORPORATION (“the Company”), which comprise the statement of financial position as of December 31, 2022 and 2021, and the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 2.08% of the total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates accounted for using the equity method constituted (1.76)% and 0.51% of the total profit before tax for the years ended December 31, 2022 and 2021, respectively.

Key Audit Matters

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

1. 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 valuation of the inventories, we reviewed inventory aging reports, analyzed inventory turnovers and changes in its aging inventory for each period to assess the reasonableness of the Company's inventory provision rate, evaluated reasonableness of the accounting policy, delved into the sales price adopted by management in valuation, and reviewed the sales and valuation which was based on the net realizable value used to assess the policy of management's estimation of inventory provision.

2. Revenue recognition

Refer to Note 4(o) and 6(p) 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:

Our audit procedures in this area included, among others: testing the effectiveness of related controls of revenue recognition and reviewing relevant sales documents to evaluate whether the revenue recognition was consistent with the accounting policy; performing trend analysis of the ten largest customers, so as to assess whether there was material abnormality, if any; testing the sales transactions before and after the end of the year and relevant documents to evaluate the accuracy of the amount and period of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 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 Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group 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 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 Chou, Pao-Lian and Tseng, May-Yu.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)
ELAN MICROELECTRONICS CORPORATION

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (notes 6(a) and (s))	\$ 1,477,970	12	2,910,238	18	2170	Accounts payable (notes 6(s) and 7)	686,908	6	1,692,409	10
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (s))	193,032	2	160,028	1	2206	Employee bonus payable (note 6(r))	375,000	3	821,000	5
1172	Notes and accounts receivable, net (notes 6(c) and (s))	592,624	5	1,707,040	11	2230	Current tax liabilities	290,950	2	979,161	6
1181	Accounts receivable due from related parties (notes 6(c), (s) and 7)	18,520	-	42,649	-	2280	Current lease liabilities (notes 6(k) and (s))	13,508	-	11,706	-
1200	Other receivables (notes 6(c), (s) and 7)	621,937	5	1,156,907	7	2300	Other current liabilities (notes 6(s), 7 and 9)	922,473	8	906,441	6
1310	Inventories, net (note 6(d))	3,455,970	28	2,202,115	14			2,288,839	19	4,410,717	27
1410	Prepayments and other current assets	31,891	-	3,825	-						
1476	Current financial assets at amortized cost (notes 6(a), (s) and 8)	236,690	2	1,710,600	11						
		6,628,634	54	9,893,402	62						
Non-current assets:											
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (s))	1,185,788	10	1,009,519	6						
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(e) and (s))	305,591	3	491,824	3						
1535	Non-current financial assets at amortised cost, net (notes 6(a), (s) and 8)	7,400	-	7,200	-	3100	Capital stock	3,038,804	25	3,038,804	19
1551	Investments accounted for using equity method (notes 6(f) and (g))	1,996,090	17	2,492,260	15	3200	Capital surplus	838,428	7	631,181	4
1600	Property, plant and equipment (note 6(h))	894,619	7	864,262	5		Retained earnings:				
1755	Right-of-use assets (note (i))	826,553	7	829,693	5	3310	Legal reserve	2,679,726	22	2,159,576	13
1780	Intangible assets (note 6(j))	246,944	2	279,425	2	3350	Undistributed earnings	3,428,146	28	5,824,804	36
1840	Deferred tax assets (note 6(m))	44,846	-	39,994	-			6,107,872	50	7,984,380	49
1900	Other non-current assets (note 6(s))	55,236	-	177,776	1	3400	Other equity	11,078	-	195,094	1
1960	Prepaid investment (note 6(f))	-	-	147,848	1	3500	Treasury shares	(1,106,485)	(9)	(1,106,485)	(7)
		5,563,067	46	6,339,801	38			8,889,697	73	10,742,974	66

(English Translation of Financial Statements Originally Issued in Chinese)

ELAN MICROELECTRONICS CORPORATION**Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p) and 7)	\$ 12,435,555	100	17,742,077	100
5000	Operating costs (notes 6(d) and 7)	6,609,214	53	8,820,971	50
5900	Gross profit from operations	5,826,341	47	8,921,106	50
5920	Add: Realized (unrealized) profit from sales	(12,510)	-	(3,101)	-
	Gross profits	5,813,831	47	8,918,005	50
6000	Operating expenses: (notes 6(c), (j), 7, 9 and 12)				
6100	Selling expenses	785,591	6	906,782	5
6200	Administrative expenses	314,107	3	415,016	2
6300	Research and development expenses	1,768,219	14	1,967,455	11
6450	Impairment gain determined in accordance with IFRS 9	(5,895)	-	(7,077)	-
		2,862,022	23	3,282,176	18
6900	Operating income	2,951,809	24	5,635,829	32
7000	Non-operating income and expenses:				
7100	Interest income (note 6(q))	25,317	-	23,054	-
7010	Other income (notes 6(q) and 7)	139,459	1	50,460	-
7020	Other gains and losses (notes 6(g) and (q))	89,250	1	153,593	1
7050	Finance costs	(11,239)	-	(8,294)	-
7070	Share of gain of subsidiaries and associates accounted for using equity method (note 6(f))	(399,504)	(3)	236,712	1
		(156,717)	(1)	455,525	2
7900	Profit before tax	2,795,092	23	6,091,354	34
7950	Less: Income tax expenses (note 6(m))	643,416	5	988,908	6
	Net profit	2,151,676	18	5,102,446	28
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Losses on remeasurements of defined benefit plans	73,884	1	(27,049)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(186,233)	(1)	235,262	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	317	-	82,910	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(112,032)	-	291,123	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	2,207	-	(323)	-
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	10	-	(3)	-
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	2,217	-	(326)	-
8300	Other comprehensive income (loss), net	(109,815)	-	290,797	1
8500	Comprehensive income	\$ 2,041,861	18	5,393,243	29
	Earnings per share (expressed in dollars) (note 6(o))				
9710	Basic earnings per share	<u>\$ 7.56</u>		<u>17.64</u>	
9850	Diluted earnings per share	<u>\$ 7.44</u>		<u>17.34</u>	

See accompanying notes to 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, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary shares	Capital surplus	Retained earnings		Other equity		Treasury shares	Total equity
			Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2021	\$ 3,038,804	519,638	1,825,597	3,692,218	(6,597)	9,937	(28,975)	9,050,622
Net profit	-	-	-	5,102,446	-	-	-	5,102,446
Other comprehensive income	-	-	-	(27,093)	(326)	318,216	-	290,797
Total comprehensive income	-	-	-	5,075,353	(326)	318,216	-	5,393,243
Appropriation and distribution of retained earnings:								
Cash dividends of ordinary share	-	-	-	(2,734,924)	-	-	-	(2,734,924)
Legal reserve appropriated	-	-	333,979	(333,979)	-	-	-	-
			333,979	(3,068,903)				(2,734,924)
Other changes in capital surplus:								
Purchase of treasury share	-	-	-	-	-	-	(1,077,510)	(1,077,510)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	111,944	-	-	-	-	-	111,944
Changes in ownership interests in subsidiaries	-	(401)	-	-	-	-	-	(401)
Disposal of investments in equity instruments designated at fair value through other comprehensive income by subsidiaries	-	-	-	126,136	-	(126,136)	-	-
Balance at December 31, 2021	3,038,804	631,181	2,159,576	5,824,804	(6,923)	202,017	(1,106,485)	10,742,974
Net profit	-	-	-	2,151,676	-	-	-	2,151,676
Other comprehensive income	-	-	-	74,201	2,217	(186,233)	-	(109,815)
Total comprehensive income	-	-	-	2,225,877	2,217	(186,233)	-	2,041,861
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	520,150	(520,150)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(4,102,385)	-	-	-	(4,102,385)
Other changes in capital surplus:								
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	171,792	-	-	-	-	-	171,792
Changes in ownership interests in subsidiaries	-	35,455	-	-	-	-	-	35,455
Balance at December 31, 2022	\$ 3,038,804	838,428	2,679,726	3,428,146	(4,706)	15,784	(1,106,485)	8,889,697

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ELAN MICROELECTRONICS CORPORATION**Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax	\$ 2,795,092	6,091,354
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	110,485	88,331
Amortization expense	108,953	92,034
Expected credit gain	(5,895)	(7,077)
Net profit on financial assets at fair value through profit or loss	104,598	(200,710)
Interest expense	11,239	8,294
Interest income	(25,317)	(23,054)
Dividend income	(93,807)	(27,433)
Share of loss (profit) of subsidiaries and associates accounted for using equity method	399,504	(236,712)
(Gain) loss on disposal of property, plant and equipment	(2,698)	51
Gain on disposal of investment properties	-	(6,254)
Loss on adjustments to lease	160	-
Impairment loss and disposal loss on inventory	144,731	105,789
Other operating costs	107,740	-
Reversal of impairment loss	-	(3,930)
Others	30,231	3,103
Total adjustments to reconcile profit	<u>889,924</u>	<u>(207,568)</u>
Changes in operating assets and liabilities:		
Decrease in notes and accounts receivable	1,144,440	383,267
Increase in inventories	(1,398,586)	(628,776)
Decrease in other receivables	535,004	299,656
(Increase) decrease in other current assets	(28,066)	4,348
Decrease in notes and accounts payable	(1,005,501)	(118,832)
(Decrease) increase in other current liabilities	(418,735)	30,125
Decrease in net defined benefit liability	(12,944)	(14,529)
Total adjustments	<u>(294,464)</u>	<u>(252,309)</u>
Cash inflow generated from operations	2,500,628	5,839,045
Interest received	25,283	23,170
Interest paid	(11,239)	(8,294)
Income taxes paid	(1,335,023)	(784,831)
Net cash flows from operating activities	<u>1,179,649</u>	<u>5,069,090</u>
Cash flows from (used in) investing activities:		
Dividends received	825,177	170,140
Decrease in financial assets at amortized cost	1,473,710	985,450
Acquisition of current financial assets at fair value through profit or loss	(109,616)	(20,000)
Proceeds from disposal of current financial assets at fair value through profit or loss	82,105	351,606
Acquisition of non-current financial assets at fair value through profit or loss	(353,706)	(240,162)
Proceeds from capital reduction and liquidation of financial assets at fair value through profit or loss	44,548	15,803
Acquisition of investments accounted for using equity method	(439,811)	(59,703)
Decrease (increase) in prepayments for investments	147,848	(147,848)
Proceeds from disposal of subsidiaries	-	33,111
Proceeds from capital reduction of investments accounted for using equity method	30,000	3,930
Acquisition of property, plant and equipment	(127,824)	(94,923)
Acquisition of intangible assets	(74,154)	(59,908)
Decrease (increase) in refundable deposits	14,800	(160,524)
Net cash flows from investing activities	<u>1,513,077</u>	<u>776,972</u>
Cash flows used in financing activities:		
Decrease in guarantee deposits received	(1,452)	(92)
Payment of lease liabilities	(21,157)	(179,864)
Cash dividends paid	(4,102,385)	(2,734,924)
Payments to acquire treasury shares	-	(1,077,510)
Net (decrease) cash flows used in financing activities	<u>(4,124,994)</u>	<u>(3,992,390)</u>
Net increase in cash and cash equivalents	(1,432,268)	1,853,672
Cash and cash equivalents at the beginning of period	2,910,238	1,056,566
Cash and cash equivalents at the end of period	<u><u>\$ 1,477,970</u></u>	<u><u>2,910,238</u></u>

See accompanying notes to financial statements.

Independent Auditors' Report

To the Board of Directors of
ELAN MICROELECTRONICS CORPORATION:

Opinion

We have audited the consolidated financial statements of ELAN MICROELECTRONICS CORPORATION ("the Company"), and its subsidiaries (together referred to as "the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts 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 1.79% and 1.99% of the consolidated total assets on December 31, 2022 and 2021, respectively, and the related share of profit of associates accounted for using the equity method constituted (1.82)% and 0.51% of the consolidated total profit before tax for the years then ended, respectively.

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with other matter paragraph.

Key Audit Matters

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

1. Inventory valuation

Refer to Note 4(h) 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 valuation of the inventories, we reviewed inventory aging reports, analyzed inventory turnovers and changes in its aging inventory for each period to assess the reasonableness of the Group's inventory provision rate, evaluated the reasonableness of accounting policy, delved into the sales price adopted by management in valuation, and reviewed the sales and valuation which was based on the net realizable value used to assess the policy of management's estimation of inventory provision.

2. Revenue recognition

Refer to Note 4(n) and 6(t) for accounting policy of revenue recognition.

Description of key audit matter:

The major business activities of the Group are the manufacture and sale of integrated circuits. The Group 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:

Our audit procedures in this area included, among others: testing the effectiveness of related controls of revenue recognition and reviewing relevant sales documents to evaluate whether the revenue recognition was consistent with the accounting policy; performing trend analysis of the ten largest customers, so as to assess whether there was material abnormality, if any; testing the sales transactions before and after the end of the year and relevant documents to evaluate the accuracy of the amount and period of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 Chou, Pao-Lian and Tseng, May-Yu.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 2,663,688	20	4,254,507	25	2100	Short-term borrowings (notes 6(l), (w) and 9)	\$ 80,000	1	30,000	-
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	522,248	4	772,628	4	2170	Accounts payable (note 6(w))	721,448	6	1,706,452	10
1136	Current financial assets at amortised cost, net (notes 6(a), (w) and 8)	266,390	2	1,725,450	10	2206	Employee bonus payable (note 6(v))	375,000	3	821,000	5
1170	Notes and accounts receivable, net (notes 6(c) and (w))	719,408	6	1,794,193	11	2230	Current tax liabilities	309,291	2	1,020,464	6
1200	Other receivables (notes 6(c) and (w))	760,826	6	1,176,985	7	2280	Current lease liabilities (notes 6(n) and (w))	29,525	-	21,687	-
1310	Inventories, net (note 6(d))	3,730,924	28	2,314,145	14	2325	Current preference share liabilities (note 6(m))	40,000	-	-	-
1410	Prepayments and other current assets (note 9)	58,797	-	32,053	-	2399	Other current liabilities (note 6(w))	1,063,518	8	1,253,154	8
		<u>8,722,281</u>	<u>66</u>	<u>12,069,961</u>	<u>71</u>			<u>2,618,782</u>	<u>20</u>	<u>4,852,757</u>	<u>29</u>
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (w))	1,475,757	11	1,577,319	9	2570	Deferred tax liabilities	3,365	-	1,067	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(e) and (w))	305,591	3	491,824	3	2580	Non-current lease liabilities (notes 6(n) and (w))	705,770	5	671,682	4
1536	Non-current financial assets at amortized cost (notes 6(a), (w) and 8)	7,400	-	7,200	-	2640	Net defined benefit liability, non-current	309,479	2	396,993	2
1551	Investments accounted for using equity method (note 6(f))	246,691	2	346,697	2	2645	Guarantee deposits received (note 6(w))	65,212	-	36,641	-
1600	Property, plant and equipment (note 6(i))	990,675	7	952,324	6			<u>1,083,826</u>	<u>7</u>	<u>1,106,383</u>	<u>6</u>
1755	Right-of-use assets (note 6(j))	860,010	6	838,550	5		Total liabilities	<u>3,702,608</u>	<u>27</u>	<u>5,959,140</u>	<u>35</u>
1780	Intangible assets (notes 6(g) and (k))	604,707	5	424,650	3		Equity attributable to owners of parent: (notes 6(f) and (q))				
1840	Deferred tax assets	45,688	-	39,994	-	3100	Capital stock	<u>3,038,804</u>	<u>23</u>	<u>3,038,804</u>	<u>18</u>
1900	Other non-current assets (notes 6(w) and 9)	66,030	-	184,489	1	3200	Capital surplus	<u>838,428</u>	<u>7</u>	<u>631,181</u>	<u>4</u>
		<u>4,602,549</u>	<u>34</u>	<u>4,863,047</u>	<u>29</u>		Retained earnings:				
						3310	Legal reserve	2,679,726	20	2,159,576	13
						3350	Undistributed earnings	<u>3,428,146</u>	<u>26</u>	<u>5,824,804</u>	<u>34</u>
								<u>6,107,872</u>	<u>46</u>	<u>7,984,380</u>	<u>47</u>
						3400	Other equity	<u>11,078</u>	<u>-</u>	<u>195,094</u>	<u>1</u>
						3500	Treasury shares	<u>(1,106,485)</u>	<u>(8)</u>	<u>(1,106,485)</u>	<u>(7)</u>
							Total equity attributable to owners of parent:	8,889,697	68	10,742,974	63
Total assets		<u><u>\$ 13,324,830</u></u>	<u><u>100</u></u>	<u><u>16,933,008</u></u>	<u><u>100</u></u>	36XX	Non-controlling interests	<u>732,525</u>	<u>5</u>	<u>230,894</u>	<u>2</u>
							Total equity	<u>9,622,222</u>	<u>73</u>	<u>10,973,868</u>	<u>65</u>
							Total liabilities and equity	<u><u>\$ 13,324,830</u></u>	<u><u>100</u></u>	<u><u>16,933,008</u></u>	<u><u>100</u></u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Total operating revenue (notes 6(t) and 14)	13,030,484	100	18,327,973	100
5000	Total operating costs (notes 6(d) and (o))	<u>7,043,240</u>	<u>54</u>	<u>9,212,132</u>	<u>50</u>
5900	Gross profit from operations	5,987,244	46	9,115,841	50
5920	Add: Realized profit from sales	<u>-</u>	<u>-</u>	<u>559</u>	<u>-</u>
5950	Gross profits	<u>5,987,244</u>	<u>46</u>	<u>9,116,400</u>	<u>50</u>
6000	Operating expenses: (notes 6(c), (o), (r) and 12)				
6100	Selling expenses	587,057	4	612,778	3
6200	Administrative expenses	457,021	4	529,698	3
6300	Research and development expenses	2,165,151	17	2,315,472	13
6450	Impairment gains determined in accordance with IFRS 9	<u>(6,446)</u>	<u>-</u>	<u>(6,773)</u>	<u>-</u>
		<u>3,202,783</u>	<u>25</u>	<u>3,451,175</u>	<u>19</u>
6900	Net Operating income	<u>2,784,461</u>	<u>21</u>	<u>5,665,225</u>	<u>31</u>
7000	Non-operating income and expenses:				
7100	Interest income (note 6(u))	34,464	-	18,824	-
7010	Other income (notes 6(g) and (u))	144,776	1	60,228	-
7020	Other gains and losses (notes 6(h) and (u))	(196,074)	(1)	295,630	2
7050	Finance costs (notes 6(m) and (n))	(13,933)	-	(9,845)	-
7770	Shares of gain of associates accounted for using equity method (note 6(f))	<u>(50,722)</u>	<u>-</u>	<u>31,087</u>	<u>-</u>
		<u>(81,489)</u>	<u>-</u>	<u>395,924</u>	<u>2</u>
7900	Profit before income tax	2,702,972	21	6,061,149	33
8110	Less: Income tax expenses (note 6(p))	<u>669,559</u>	<u>5</u>	<u>1,033,611</u>	<u>6</u>
	Net profit	<u>2,033,413</u>	<u>16</u>	<u>5,027,538</u>	<u>27</u>
8300	Other comprehensive income (loss): (notes 6(f) and (q))				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	74,491	1	(27,149)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(186,233)	(1)	318,216	2
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(111,742)</u>	<u>-</u>	<u>291,067</u>	<u>2</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	2,352	-	(503)	-
8370	Shares of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	10	-	(3)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>2,362</u>	<u>-</u>	<u>(506)</u>	<u>-</u>
8300	Other comprehensive income (loss), net	<u>(109,380)</u>	<u>-</u>	<u>290,561</u>	<u>2</u>
8500	Comprehensive income	<u><u>1,924,033</u></u>	<u><u>16</u></u>	<u><u>5,318,099</u></u>	<u><u>29</u></u>
	Net profit (loss) attributable to:				
8610	Owners of parent	2,151,676	17	5,102,446	27
8620	Non-controlling interests	<u>(118,263)</u>	<u>(1)</u>	<u>(74,908)</u>	<u>-</u>
		<u><u>2,033,413</u></u>	<u><u>16</u></u>	<u><u>5,027,538</u></u>	<u><u>27</u></u>
	Comprehensive income (loss) attributable to:				
8710	Owners of the parent	2,041,861	17	5,393,243	29
8720	Non-controlling interests	<u>(117,828)</u>	<u>(1)</u>	<u>(75,144)</u>	<u>-</u>
		<u><u>1,924,033</u></u>	<u><u>16</u></u>	<u><u>5,318,099</u></u>	<u><u>29</u></u>
	Earnings per share (expressed in dollars) (note 6(s))				
9710	Basic earnings per share			<u><u>7.56</u></u>	<u><u>17.64</u></u>
9850	Diluted earnings per share			<u><u>7.44</u></u>	<u><u>17.34</u></u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings		Other equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares			
Balance at January 1, 2021	\$ 3,038,804	519,638	1,825,597	3,692,218	(6,597)	9,937	(28,975)	9,050,622	222,434	9,273,056
Net profit	-	-	-	5,102,446	-	-	-	5,102,446	(74,908)	5,027,538
Other comprehensive income	-	-	-	(27,093)	(326)	318,216	-	290,797	(236)	290,561
Total comprehensive income	-	-	-	5,075,353	(326)	318,216	-	5,393,243	(75,144)	5,318,099
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	333,979	(333,979)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(2,734,924)	-	-	-	(2,734,924)	-	(2,734,924)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	111,944	-	-	-	-	-	111,944	-	111,944
Purchase of treasury share	-	-	-	-	-	-	(1,077,510)	(1,077,510)	-	(1,077,510)
Issuance of shares for non-controlling interests	-	-	-	-	-	-	-	-	90,097	90,097
Changes in non-controlling interests	-	(401)	-	-	-	-	-	(401)	(6,493)	(6,894)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	126,136	-	(126,136)	-	-	-	-
Balance at December 31, 2021	3,038,804	631,181	2,159,576	5,824,804	(6,923)	202,017	(1,106,485)	10,742,974	230,894	10,973,868
Net profit	-	-	-	2,151,676	-	-	-	2,151,676	(118,263)	2,033,413
Other comprehensive income	-	-	-	74,201	2,217	(186,233)	-	(109,815)	435	(109,380)
Total comprehensive income	-	-	-	2,225,877	2,217	(186,233)	-	2,041,861	(117,828)	1,924,033
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	520,150	(520,150)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(4,102,385)	-	-	-	(4,102,385)	-	(4,102,385)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	171,792	-	-	-	-	-	171,792	-	171,792
Issuance of shares for non-controlling interests	-	-	-	-	-	-	-	-	304,546	304,546
Changes in non-controlling interests	-	35,455	-	-	-	-	-	35,455	314,913	350,368
Balance at December 31, 2022	\$ 3,038,804	838,428	2,679,726	3,428,146	(4,706)	15,784	(1,106,485)	8,889,697	732,525	9,622,222

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax	\$ 2,702,972	6,061,149
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	166,503	128,163
Amortization expense	160,130	129,186
Expected credit gain	(6,446)	(6,773)
Net loss (profit) on financial assets at fair value through profit or loss	416,264	(345,647)
Interest expense	13,933	9,845
Interest income	(34,464)	(18,824)
Dividend income	(93,807)	(33,674)
Share-based payment transactions	1,363	1,057
Share of profit of associates accounted for using equity method	50,722	(31,087)
(Gain) loss on disposal of property, plant and equipment	438	346
Gain on disposal of investments	-	(6,254)
Gain on a bargain purchase	-	(1,201)
Gain on adjustments to lease	(160)	-
Impairment loss and disposal loss on inventory	168,586	121,362
Other operating costs	107,740	-
Reversal of impairment loss	-	(3,930)
Others	17,724	-
Total adjustments to reconcile profit	<u>968,526</u>	<u>(57,431)</u>
Changes in operating assets and liabilities:		
Decrease in notes and accounts receivable	1,114,428	363,617
Increase in inventories	(1,452,465)	(659,265)
Increase in prepayments and other current assets	(8,036)	(9,164)
Decrease in other receivables	471,264	297,585
Decrease in notes and accounts payable	(1,004,765)	(117,843)
Increase (decrease) in other current liabilities	(649,577)	216,936
Decrease in net defined benefit liability	<u>(13,023)</u>	<u>(19,612)</u>
Cash inflow generated from operations	2,129,324	6,075,972
Interest received	34,169	18,941
Interest paid	(13,295)	(9,845)
Income taxes paid	<u>(1,384,129)</u>	<u>(822,498)</u>
Net cash flows from operating activities	<u>766,069</u>	<u>5,262,570</u>
Cash flows from (used in) investing activities:		
Dividends received	114,206	37,682
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	-	130,744
Acquisition of current financial assets at fair value through profit or loss	(125,152)	(218,318)
Proceeds from disposal of current financial assets at fair value through profit or loss	285,256	432,035
Acquisition of non-current financial assets at fair value through profit or loss	(353,706)	(240,162)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	3,900	-
Proceeds from capital reduction and liquidation of financial assets at fair value through profit or loss	40,648	15,803
Decrease in financial assets at amortized cost	1,458,860	1,010,200
Net cash flow from acquisition of subsidiaries	53,108	2,337
Proceeds from disposal of subsidiaries	-	19,637
Proceeds from capital reduction of investments accounted for using equity method	30,000	3,930
Acquisition of property, plant and equipment	(169,384)	(153,479)
Proceeds from disposal of property, plant and equipment	1,098	2
Acquisition of intangible assets	(88,903)	(105,775)
Decrease (increase) in refundable deposits	3,921	(158,038)
(Increase) decrease in other non-current assets	<u>(2,091)</u>	<u>2,175</u>
Net cash flows from investing activities	<u>1,251,761</u>	<u>778,773</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	62,000	10,000
Decrease in short-term borrowings	(12,000)	(20,000)
Repayments of long-term debt	(24,679)	-
Increase (decrease) in guarantee deposits received	28,570	(2,778)
Payment of lease liabilities	(38,827)	(193,516)
Cash dividends paid	(3,930,593)	(2,622,980)
Payments to acquire treasury shares	-	(1,077,510)
Change in non-controlling interests	<u>304,546</u>	<u>90,097</u>
Net cash flows used in financing activities	<u>(3,610,983)</u>	<u>(3,816,687)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2,334</u>	<u>(490)</u>
Net (decrease) increase in cash and cash equivalents	(1,590,819)	2,224,166
Cash and cash equivalents at the beginning of period	<u>4,254,507</u>	<u>2,030,341</u>
Cash and cash equivalents at the end of period	<u><u>\$ 2,663,688</u></u>	<u><u>4,254,507</u></u>

See accompanying notes to financial statements.

Appendix 4

Comparison table of revised articles of association

Article	Amended article	Current article	Explanation
Article 2	<p>The business of the Company is as follows:</p> <p>1.CC01080 electronic parts manufacturing industry.</p> <p>2.CC01110 computer and its peripheral equipment manufacturing industry.</p> <p>3.CA02990 other metal products manufacturing industry (operating outside the restricted area).</p> <p>4.F401010 international trade industry.</p> <p>(research, development, production and sales of the following products.</p> <p><u>1. Built-in microcontroller and system</u></p> <p><u>2. Digital signal processor and system</u></p> <p><u>3. Computer peripheral control integrated circuit and system</u></p> <p><u>4. LCD driver integrated circuit and system</u></p> <p><u>5. Fingerprint identification device and credit card application</u></p> <p><u>6.Advanced Driver Assistance System with Artificial Intelligence (ADAS)</u></p> <p>(Concurrently engaged in import and export trade business related to the company's business.)</p> <p>7. Application of Edge AI</p>	<p>The business of the Company is as follows:</p> <p>1.CC01080 electronic parts manufacturing industry.</p> <p>2. CC01110 computer and its peripheral equipment manufacturing industry.</p> <p>3.CA02990 other metal products manufacturing industry (operating outside the restricted area).</p> <p>4.F401010 international trade industry.</p> <p>5.F401021 telecommunications control RF equipment input industry</p> <p>(research, development, production and sales of the following products.</p> <p><u>1.Neural network and fuzzy processor. (Neural-Fuzzy IC)</u></p> <p><u>2. Digital signal processor.</u></p> <p><u>3. 8-bit reduced instruction microcontroller. (8-Bit DISC Micro-Controller)</u></p> <p><u>4. Application-specific integrated circuits. (ASIC)</u></p> <p>5. (Concurrently engaged in import and export trade business related to the company's business.)</p> <p>When the Company reinvests as a limited liability shareholder of another</p>	<p>In response to the company's operational needs.</p> <p>F401021</p> <p>Telecom-controlled RF equipment import industry.</p> <p>According to the announcement of the Commercial Department of the Ministry of Economic Affairs, the code of this business item has been deleted because there is no provision for issuing the business license for telecom-controlled RF equipment import industry in the Telecommunications Administration Law.</p>

Article	Amended article	Current article	Explanation
	<p>image recognition in intelligent transportation (Concurrently engaged in import and export trade business related to our business.)</p> <p>When the Company reinvests as a limited liability shareholder of another company, its total investment may exceed 40% of the paid-in share capital of the Company. In addition, due to business needs, the Company may provide external guarantee to relevant peers and endorsement guarantee for loans to relevant institutions and financial institutions.</p>	<p>company, its total investment may exceed 40% of the paid-in share capital of the Company. In addition, due to business needs, the Company may provide external guarantee to relevant peers and endorsement guarantee for loans to relevant institutions and financial institutions.</p>	
Article 3	The head office of the Company is located in Hsinchu Science Park, and branches or offices can be established at home and abroad by resolution of the board of directors when necessary.	The head office of the Company is located in Hsinchu Science Industrial Park, and branches or offices can be established at home and abroad by resolution of the board of directors when necessary.	In collaboration with the reorganization of the address of the science park and omitted the word "industry"
Article 28	<p>At the end of the fiscal year of the Company, the board of directors shall prepare the following statements and submit them to the shareholders' general meeting for recognition:</p> <ol style="list-style-type: none"> 1. Business report. 2. The financial statements. 3. Proposal on surplus distribution or loss allocation. <p>The Company's profit</p>	<p>At the end of the fiscal year of the Company, the board of directors shall prepare the following statements and submit them to the shareholders' general meeting for recognition:</p> <ol style="list-style-type: none"> 1. Business report. 2. The financial statements. 3. Proposal on surplus distribution or loss allocation. <p>The Company's profit</p>	The number of earnings distributions is clearer

Article	Amended article	Current article	Explanation
	distribution or loss allocation shall be made after the end of each half fiscal year.	distribution or loss allocation shall be made after the end of each half fiscal year.	
Article	<div> <div>The Articles of Association was concluded on April 28, 1994.</div> <div>The following is omitted</div> <div>The 23rd amendment will be made on May 31, 2023.</div> </div>	<div> <div>The Articles of Association was concluded on April 28, 1994.</div> <div>The following is omitted</div> </div>	Added the date of the 23rd amendment.

Attachment 1

Rules of Procedure for Shareholders' Meeting of ELAN Micoelectronics Corporation

1. Unless otherwise stipulated in laws or articles of association, the shareholders' meeting of this Company shall be conducted in accordance with these Rules.
2. The term "shareholder" as mentioned in these Rules refers to the shareholder himself and the representative entrusted by the shareholder to attend.
3. The Company shall specify in the notice of meeting the time, place and other matters needing attention of accepting shareholders, solicitors and entrusted agents (hereinafter referred to as shareholders). If the shareholders' meeting is held by video conference, the method of shareholders' participation and exercise of rights, the handling method when the video conference platform or participation by video conference is hindered due to force majeure, and the date and other matters needing attention when the meeting needs to be postponed or resumed; if a video shareholders' meeting is held, it shall also record the appropriate alternative measures provided to shareholders who have difficulties in participating by video.
The registration time for accepting shareholders mentioned in the preceding paragraph shall be at least 30 minutes before the start of the meeting; the reporting place should be clearly marked, and adequate and competent personnel should be sent to handle it; the video conference of the shareholders' meeting shall be accepted and reported on the video conference platform of the shareholders' meeting 30 minutes before the meeting starts. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.
The number of voting rights present is calculated according to the signature book or the sign-in card paid by shareholders when signing in. If the attendance card is handed over to the Company, it shall be deemed that the shareholders (or agents) listed in the attendance card are present in person, and the Company is not responsible for the confirmation. The attendance and voting at the shareholders' meeting shall be based on the shares.
4. The location of the shareholders' meeting of the Company shall be the location of the Company or a place convenient for shareholders to attend and suitable for convening the shareholders' meeting, and the starting time of the meeting shall not be earlier than 9: 00 am or later than 3: 00 pm.
When the Company holds a video shareholders' meeting, it is not limited by the location mentioned in the preceding paragraph. The chairman and the recorder should be in the same place in Taiwan, and the chairman should announce the address of the place at the meeting.
5. The company may appoint entrusted lawyers, accountants or relevant personnel to attend the

shareholders' meeting as nonvoting delegates. The meeting personnel handling the shareholders' meeting shall wear identification cards or armbands.

6. The Company shall record and videotape the whole process of shareholder registration, meeting progress and voting and counting from the time of accepting shareholder registration.

The audio-visual materials mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

If the shareholders' meeting is held by video conference, the Company shall record and keep the information of shareholders' registration, reporting, questioning, voting and the results of the company's vote counting, and continuously record and videotape the whole video conference.

The materials and audio-visual recordings mentioned in the preceding paragraph shall be properly kept by this company during their existence, and the audio-visual recordings shall be provided to those entrusted with video conference services for preservation.

7. When the meeting time has expired, the chairman shall immediately announce the meeting, and at the same time announce relevant information such as non-voting rights and shares present.

However, if shareholders representing more than half of the total issued shares are not present, the chairman may announce the postponement of the meeting, and the number of postponements shall be limited to two times, and the total postponement time shall not exceed one hour. If the shareholders representing more than one third of the total issued shares are still not present after two delays, the chairman will announce the resignation meeting; if the shareholders' meeting is held by video conference, the Company shall also announce the resignation meeting on the video conference platform of the shareholders' meeting.

If the delay mentioned in the preceding paragraph is still insufficient for two times and shareholders representing more than one third of the total number of issued shares are present, they may make a false resolution in accordance with the first paragraph of Article 175 of the Company Law, and notify all shareholders of the false resolution to convene a shareholders' meeting within one month. Where the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 3.

8. Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors. Any change in the method of convening the shareholders' meeting of the Company shall be resolved by the board of directors, and shall be made at the latest before the notice of the shareholders' meeting is sent.

The Company shall, 30 days before the general shareholders' meeting or 15 days before the

provisional shareholders' meeting, make the notice of the shareholders' meeting, the paper of power of attorney, the cause of action and explanatory materials of various proposals such as recognition, discussion, election or dismissal of directors into electronic files and send them to the public information observatory. Twenty-one days before the general shareholders' meeting or the 15 days before the provisional shareholders' meeting, the shareholders' meeting manual and supplementary materials will be made into electronic files and sent to the public information observatory. Fifteen days before the shareholders' meeting, the minutes of the shareholders' meeting and supplementary materials for the meeting shall be prepared for shareholders to read at any time, displayed in the company and the professional stock agency appointed by the company, and distributed at the shareholders' meeting site.

The notice and announcement shall specify the reasons for convening; if the notification is approved by the counterpart, it may be done electronically.

Selection or dismissal of directors, change of articles of association, reduction of capital, application to stop public offering, director's competition permit, conversion of surplus to capital, conversion of reserve to capital, dissolution, merger and division of the company or the items in Paragraph 1 of Article 185 of the Company Law, Article 26-1, Article 43-6 of the Securities Exchange Act, Article 56-1 and Article 60-2 of the Guidelines for the Offering and Issuance of Securities by Issuers shall be listed in the reasons for convening and their main contents shall be explained. Its main contents may be placed on the website designated by the competent securities authority or the company, and its website shall be specified in the notice.

The reason for convening the shareholders' meeting has stated the comprehensive re-election of directors and the date of appointment. After the re-election of the shareholders' meeting is completed, the date of appointment may not be changed by provisional motion or other means at the same meeting.

Shareholders holding more than 1% of the total number of issued shares may propose to the Company a resolution for the general meeting of shareholders, with one proposal limited, and any proposal with more than one item shall not be included in the resolution. In addition, the board of directors may not classify the proposal put forward by shareholders as a proposal under any of the circumstances mentioned in Item 4 of Article 172-1 of the Company Law. Shareholders may put forward a proposal to urge the company to improve public interests or fulfill its social responsibilities. The procedure shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. Any proposal with more than one item shall not be included in the proposal.

The company shall announce the acceptance of shareholders' proposal, written or electronic acceptance method, acceptance place and acceptance period before the suspension of stock transfer before the shareholders' general meeting; the acceptance period shall not be less than

ten days.

The proposal put forward by shareholders is limited to 300 words, and if it exceeds 300 words, the proposal will not be listed; the proposing shareholders shall attend the shareholders' general meeting in person or entrust others to participate in the discussion of the proposal.

The company shall notify the proposer shareholder of the results of the handling before the notice of convening the shareholders' meeting, and list the proposals conforming to the provisions of this article in the notice of meeting. For shareholders' proposals that are not listed, the board of directors shall explain the reasons for not being listed in the shareholders' meeting.

9. When a shareholder speaks, the attendance card number (or shareholder's account number) and name shall be stated in the speech slip, and the gist and order of the speech shall be determined by the chairman. Shareholders present who only mentioned the speech note but did not speak shall be regarded as not speaking. If the content of the speech is inconsistent with that recorded in the speech note, the content of the speech shall prevail. When shareholders present speak, other shareholders shall not interfere with their speeches except with the consent of the chairman and the speaking shareholders, and the chairman shall stop those who violate it.

Where the shareholders' meeting is held by video conference, shareholders who participate by video conference may ask questions in writing on the video conference platform of the shareholders' meeting after the chairman announces the meeting and before announcing adjournment of the meeting. The number of questions for each proposal shall not exceed two times, and each time is limited to 200 words. The provisions in the preceding paragraph shall not apply.

If the question mentioned in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to expose the question on the video conference platform of the shareholders' meeting for public information.

10. Without the consent of the chairman, each shareholder shall not speak for more than two times for the same proposal, and each time shall not exceed two minutes. If a shareholder speaks in violation of the provisions of the preceding paragraph or beyond the scope of the topic, the chairman may stop him from speaking.
11. When a legal person is entrusted to attend the shareholders' meeting, the legal person may only appoint one representative to attend. If the shareholders' meeting is held by video conference, the shareholder who wants to attend by video conference shall register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held by video conference, the Company shall upload the proceedings manual, annual report and other relevant materials to the video conference

platform of the shareholders' meeting at least 30 minutes before the meeting starts, and keep the disclosure until the end of the meeting.

12. After attending the shareholders' speeches, the chairman may reply in person or designate relevant personnel.
13. When, in the opinion of the Chairman, discussion of a bill has reached the point where it is possible to put it to the vote, he may adjourn the discussion and put it to the vote.
14. Shareholders may, at each shareholder's meeting, present a power of attorney issued by the Company, specifying the scope of authorization, and entrust an agent to attend the shareholders' meeting.

A shareholder may issue a power of attorney, limited to one person, which shall be sent to the Company five days before the meeting of the shareholders meeting. In case of duplicate power of attorney, the first one to be sent shall prevail. However, the statement before the revocation of the prior power of attorney is not subject to this limitation.

After the power of attorney has been served on the Company, a shareholder who wishes to attend the shareholders' meeting in person shall, two days prior to the meeting, give notice in writing to the Company of the revocation of the power of attorney; if the cancellation is delayed, the voting right of the entrusted agent shall prevail.

The Company shall exercise its voting rights electronically and may exercise its voting rights in writing when holding meetings of shareholders; if the voting right is exercised in writing or electronically, the method of exercise shall be specified in the notice of convening of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the provisional motion and amendment of the original motion at the meeting shall be deemed a waiver and therefore the Company should refrain from making the provisional motion and amendment of the original motion.

Where the voting rights mentioned in the preceding paragraph are exercised in writing or electronically, the expression of intention shall be delivered to the company two days before the shareholders' meeting. If the expression of intention is duplicated, the one delivered first shall prevail. However, this restriction does not apply to those who express their intention before the declaration is revoked.

A shareholder who has exercised his voting right in writing or electronically, if he wishes to attend the meeting in person or by video, shall, two days before the meeting of the shareholders, revoke the aforesaid expression of intention to exercise the voting right in the same manner as the exercise of the voting right; if the cancellation is delayed, the voting right exercised in writing or electronically shall prevail. If the voting right is exercised in

writing or electronically and an agent is authorized by proxy to attend the shareholders' meeting, the voting right to be exercised by the entrusted agent shall prevail.

After the power of attorney has been served on the Company, a shareholder wishing to attend the shareholders' meeting by video conference shall give a written notice to the Company two days prior to the meeting of the shareholders. If the cancellation is delayed, the voting right of the entrusted agent shall prevail.

- 14-1 The number of shares solicited, the number of shares represented by the entrusted agent and the number of shares attended by the shareholders in writing or electronically, the Company shall, on the day of the meeting of the shareholders, make a statistical table in the prescribed form, which shall be clearly disclosed at the meeting; if the shareholders' meeting is held by video conference, the Company shall upload the aforesaid information to the video conference platform at least 30 minutes prior to the beginning of the meeting and continue to disclose it until the end of the meeting.

When the Company holds a video conference of shareholders' meeting and announces the meeting, it shall disclose the attendance rights of shareholders on the video conference platform. The same applies if there are other statistics on the attendance weight in the meeting.

15. When the meeting is in progress, the Chairman may, at his discretion, declare a break.

16. Each shareholder shall have one vote; except those who are subject to restrictions or who are not entitled to vote as listed in item 2 of Article 179 of the Company Law.

When the Company holds a meeting of shareholders, it may exercise its voting motion and, unless otherwise provided by the Company Law and the articles of Association, pass it with the consent of more than half of the votes of the shareholders present.

When there are amendments or substitutes to the same bill, the Chairman shall determine the order of voting with the original bill. If one of the bills has been passed, the other bills shall be considered vetoed and shall not be voted on.

The supervisors and counting officers for the voting of motions shall be appointed by the Chairman, provided that the supervisors shall have the status of shareholders.

The counting of votes or election motions at the shareholders' meeting shall be done in a public place at the meeting, and the results of the voting shall be announced on the spot after the counting of the votes, including the counting weights, and shall be recorded.

Where the shareholders' meeting is held by video conference, the votes shall be counted in one go and the result of the vote and election shall be announced after the Chairman has declared the voting closed.

Any shareholder, solicitor or fiduciary agent who has registered to attend the shareholders' meeting by video in accordance with the provisions of Article 3 and wishes to attend the physical shareholders' meeting in person shall, two days prior to the meeting, cancel his registration in the same manner as if he had registered it; if the cancellation is delayed, the shareholders' meeting can only be attended by video.

A person who has exercised his voting right in writing or electronically, has not revoked his expression of intention, and has participated in the shareholders' meeting by video, shall not exercise his voting right in respect of, or propose amendments to, or exercise his voting right in respect of amendments to, the original motion, except for temporary motions.

When the shareholders' meeting elects directors and supervisors, it shall conduct the election in accordance with the relevant election rules set by the Company, and shall announce the election results on the spot, including the names of the elected directors and independent directors, the names of the elected directors and the names of the unsuccessful directors and supervisors, and the number of electoral powers obtained.

17. When there are amendments or substitutes to the same bill, the Chairman shall determine the order of voting with the original bill. If one of the bills has been passed, the other bills shall be considered vetoed and shall not be voted on.
18. The Chairman may direct pickets (or security guards) to assist in the maintenance of order at the meeting. Picket officers (or security guards) should wear "picket" armbands when they are present to assist in maintaining order.
19. Matters decided at the shareholders' meeting shall be made into a record, signed or sealed by the chairman, and the record shall be distributed to all shareholders within 20 days after the meeting. Proceedings may be prepared and distributed electronically.

The distribution of the minutes of the proceedings mentioned in the preceding paragraph may be made by public announcement by entering the open information observatory.

The minutes shall be recorded in accordance with the year, month, day and place of the meeting, the name of the Chairman, the method of decision, the gist of the proceedings and their results, and shall be kept in perpetuity during the existence of the Company.

Where the shareholders' meeting is held by video conference, except for the matters to be recorded in accordance with the preceding paragraph, it shall also record the time and end of the shareholders' meeting, the method of holding the meeting, the name of the chairman and the name of the record, the appropriate alternative measures for shareholders who have difficulty in attending the shareholders' meeting by video, and the method and circumstances of dealing with the event of force majeure in which the shareholders' meeting is called to the video meeting platform or in which the participation by video is blocked.

20. If the shareholders' meeting is held by video conference, the Company shall, immediately after

the close of voting, disclose the voting results of the motions and election results on the video conference platform as required, and shall continue to disclose the results for at least 15 minutes after the chairman announces the meeting is adjourned.

21. If the shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting and provide relevant services immediately before and during the meeting to assist in dealing with technical problems of communication.

Where the shareholders' meeting is held by video conference, the Chairman shall, when announcing the meeting, separately announce that, except for the cases where there is no need to postpone or renew the meeting as set out in Article 44-20 of the Guidelines for the Handling of the shares of a publicly issued company, before the Chairman declares the meeting to be adjourned due to force majeure, obstacles occur to the platform of the video conference or to participation by video conference for more than 30 minutes, Article 182 of the Company Law shall not apply to the date on which the shareholders' meeting is adjourned or renewed.

When the shareholders' meeting is postponed or resumed in accordance with the provisions of the preceding paragraph, there is no need to discuss and make a resolution on the proposal that has been voted and counted and announced the voting results or the elected list of directors and supervisors.

If the Company postpones or extends the meeting in accordance with the provisions of Item 2, it shall, in accordance with the provisions of Item 4 of Article 44-20 of the Guidelines for the handling of shares of a publicly issued stock company, conduct the relevant preparatory work in accordance with the date of the original shareholders' meeting and the provisions of the respective articles, and the shareholders whose transfer of shares is suspended at the original shareholders' meeting shall have the right to attend the shareholders' meeting.

During the period set forth in the following paragraph of Article 12, item 3 of Article 13, and item 2 of Article 44-5, Article 44-15, and item 1 of Article 44-17 (1) of the Rules for the Use of Power of Attorney by a publicly issued Company at a Shareholders' meeting, the Company shall handle the date of the shareholders' meeting to be postponed or renewed in accordance with the provisions of Item 2.

If the Company holds an auxiliary video shareholders meeting and the meeting cannot be continued in accordance with item 2, if the total number of shares present at the meeting still reaches the statutory quota decided by the shareholders after deducting the number of shares present at the meeting by video, the shareholders' meeting shall continue and there

is no need to postpone or renew the meeting in accordance with item 2.

When the Company holds a video meeting of shareholders, it shall provide appropriate alternatives for shareholders who have difficulty attending the meeting by video.

Article 22: These Rules shall come into force after being adopted by the shareholders' meeting, and shall be the same when amended.

Attachment 2

ELAN Microelectronics Corporation

Articles of Association

Chapter I General Rules

Article 1: The company was organized in accordance with the provisions of the Company Law and named as ELAN MICROELECTRONICS CORPORATION. The English name of the company is Elan Microelectronics Corporation.

Article 2: The Company's business is as follows:

1. CC01080 electronic components manufacturing industry.
2. CC01110 Computer and peripheral equipment manufacturing industry.
3. CA02990 Other metal products manufacturing industry (outside the restricted area).
4. F401010 International Trade Industry.
5. F401021 RF equipment input industry controlled by telecommunications (Research, development, production and sales of the following products:
 1. Quasi-neural networks and fuzzy processors. (Neural-Fuzzy. IC)
 2. Digital signal processor.
 3. 8-bit reduced instruction microcontroller. (8-Bit DISC Micro-Controller)
 4. Integrated circuit for specific purposes. (ASIC)
 5. Concurrently engaged in import and export trade related to the company's business.)

When the company reinvests as a limited liability shareholder of another company, the total amount of all its investments may exceed 40 percent of the paid-in capital stock of the company. In addition, the Company may, for business needs, issue external guarantees to relevant trade partners and endorsement guarantees for loans to relevant organs and financial institutions.

Article 3: The Company has its head office in Hsinchu Science Park, and may set up branches or offices at home and abroad by resolution of the board of directors when necessary.

Chapter 2 Shares

Article 5: The total capital of the Company is set at NT\$4,800 million, which is divided into 480 million shares, each with a denomination of NT\$10, and issued in installments. The unissued shares are authorized to be issued by the board of directors according to actual needs. Within the total amount of shares mentioned in the preceding paragraph, 45 million shares may be reserved for corporate bonds with warrants, special shares

with warrants and warrants to exercise subscription rights.

Article 5-1: Where the shares lawfully purchased by the Company are to be transferred to employees, if the shares are to be transferred to employees at a price lower than the average price of the shares actually purchased in accordance with the relevant laws, such transfer shall be made with the consent of more than two-thirds of the voting rights of the shareholders represented by more than half of the total number of shares issued.

When the Company issues employee stock option certificates, if it intends to issue them at a price lower than the closing price on the date of issuance in accordance with relevant laws and regulations, it shall be approved by shareholders representing more than half of the total issued shares and two-thirds of the voting rights of the shareholders present.

Article 5-2: The transfer of shares purchased by the Company in accordance with the Company Law may include employees of controlling or affiliated companies who meet certain conditions.

Stock warrants issued to employees of the Company may include employees of controlling or affiliated companies who meet certain conditions.

When the Company issues new shares, the employees who underwrite the shares may include the employees of the controlling or subordinate company who meet certain conditions.

The new shares issued by the Company to limit the rights of employees may include the employees of controlling or affiliated companies who meet certain conditions.

Article 6: Shares issued by the Company may not be printed, but should be registered with the central depository of securities.

Article 7: Shareholders shall state their name and address to the Company, fill in a seal card and send it to the Company for checking. In case of loss of the seal, a guarantor shall be required to report the loss to the Company in writing, and the shareholder can replace the seal with a new one by posting it in the daily newspaper of the place where the Company is located and declaring it invalid.

Article 8: The Company shall handle the stock affairs related to shareholders in accordance with the Company Law and the stock affairs handling standards of publicly issued stock companies, unless otherwise stipulated by laws and securities authorities.

Article 9: -

Article 10 The transfer of shares under a new name shall cease within sixty (60) days before the regular meeting of the shareholders, within thirty (30) days before the meeting of the provisional meeting of the shareholders, or within five (5) days before the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3 Shareholders Meeting

Article 11 There are two types of shareholders' meetings: general meetings and provisional meetings. General meetings are held once a year, and if they are held within six months after the end of each fiscal year, the provisional meetings are held when necessary in accordance with the law. The meeting of the shareholders of the Company may be held by video conference or other means announced by the central competent authority. If the shareholders' meeting is held by video conference, the shareholders who participate in the meeting by video conference shall be deemed to have attended the meeting in person.

Article 12: When the shareholders' meeting is held, the chairman shall preside over the meeting. In the absence of the chairman, the chairman shall appoint one of the directors to act as the chairman. In the absence of such appointment, the directors shall appoint one of each other to act as the chairman.

Article 13: If a shareholder is unable to attend a shareholders' meeting for any reason, he may, in accordance with Article 177 of the Company Law, issue a power of attorney and appoint an agent to attend the meeting.

Article 13-1: Shareholders may exercise their voting rights in writing or electronically when the Company holds a shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, any provisional motion or amendment to the original motion at the meeting shall be deemed as a waiver. Such expression of intention shall be handled in accordance with the provisions of the Company Law Article 177-2.

Article 14: The shareholders of the Company shall have one vote per share, but those who are in accordance with Article 179 of the Company Law shall not have the right to vote.

Article 15: Unless otherwise stipulated in relevant laws and regulations, the resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be carried out with the consent of more than half of the voting rights of the shareholders present.

Article 16: Minutes of the resolutions of the shareholders' meeting shall be made, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the minutes mentioned in the preceding paragraph may be made by public announcement.

The minutes of the meeting shall record the date and place of the meeting, the name of the chairman and the resolution method, and shall also record the essentials and results of the meeting. The minutes of the meeting shall be kept with the signature

book of the shareholders present and the power of attorney for proxy.

Chapter 4 Directors and Supervisors

Article 17: The Company shall have 7-9 directors, who shall be selected by the shareholders' meeting on persons with capacity for a term of three years and may be re-elected. The number of independent directors in the quota mentioned in the preceding paragraph shall not be less than three, and shall not be less than one-fifths of the number of directors.

The election of directors adopts the candidate nomination system in Article 192 of the Company Law. Relevant matters such as the acceptance method and announcement of the nomination of director candidates shall be handled in accordance with the relevant laws and regulations of the Company Law and the Securities Exchange Act. Independent directors and non-independent directors shall be elected together to calculate the number of elected places respectively.

Article 17- 1: The Board of Directors of the Company may, as required by the operation of the business, establish a remuneration committee or other functional committees.

Article 17-2: The Company establishes an audit committee in accordance with the provisions of the Securities and Exchange Act.

Article 18: If the board of directors shall hold a provisional meeting of shareholders within 60 days to make up for the vacancy of one third of the directors, the term of office shall be limited to the period of replacement.

Article 19: If a director's term of office expires before he is re-elected, his executive duties shall be extended until the time when the re-elected director takes office.

Article 20: The directors shall form a board of directors, which shall be attended by two thirds or more of the directors and approved by more than half of the directors present, and shall elect one of them as the chairman of the board of directors and shall carry out all the business of the company in accordance with laws, articles of association, the shareholders' meeting and the resolutions of the board of directors. The directors may be notified of the meeting in writing, by E-mail or by fax. The board of directors shall have access to video footage, and any director who participates in the meeting by video footage shall be deemed to have attended in person.

Article 21: The following business policies of the Company shall be adopted by the resolution of the board of directors:

Change the articles of association.

The establishment or removal of branches.

To examine the budget and final accounts.

The appointment and dismissal of corporate accountants and lawyers.

The transfer of the company to other ventures or its shares shall be approved by more than 20% (inclusive) of the paid-in capital of the company. If the amount is

less than 20% of the paid-in capital of the company, the chairman shall be authorized to handle it, but it shall be approved by the board of directors at the latest time afterwards.

Approval of major capital expenditure plans.

Proposed capital increase and decrease plan.

Approval of major transactions between the company and its relations.

Approval of important contracts or other important matters.

Other powers as granted by statute and by the shareholders' meeting.

Except for the first meeting of the Board of Directors in accordance with Article 203 of the Company Law, the rest shall be convened by the chairman of the board and act as chairman. If the chairman is unable to perform his duties for any reason, the chairman shall appoint one of the directors to act for him; if the chairman is not appointed, the directors shall appoint one of the directors to act for him.

Article 22: Unless otherwise stipulated in the Company Law, a meeting of the board of directors shall be attended by more than half of the directors, which shall be carried out with the consent of more than half of the directors present. If the directors are unable to attend for some reason, they may issue a power of attorney, listing the scope of authorization of the reasons for convening the meeting, and entrust other directors to attend the board of directors on their behalf, provided that one person is entrusted by one person.

Article 23: The minutes of the board meeting shall be made, signed or sealed by the chairman, and distributed to all directors within 20 days after the meeting. The preparation and distribution of the minutes mentioned in the preceding paragraph may be done electronically. The minutes of proceedings shall record the essentials and results of the proceedings, and shall be kept with the signature book of directors present and the power of attorney for proxy.

Article 24: —

Article 24-1: The remuneration of directors (including independent directors) of the Company shall be assessed by the Remuneration Committee on their participation in the operation of the Company and their contribution value, and the Board of Directors shall be authorized to pay the remuneration according to the assessment of the Remuneration Committee and the normal level of the same industry.

The Company may purchase liability insurance for the directors in respect of their legal liability in respect of the scope of their business during their term of office, and the scope of such insurance shall be authorized by the Board of Directors to decide.

Chapter 5 Managers and Staff

Article 25: The Company may, by resolution of the Board of Directors, have a Chief Executive

Officer, a general manager and a number of deputy general managers, whose appointment and removal shall be governed by Article 29 of the Company Law.

Chapter 6 Final Accounts

Article 28: At the end of the fiscal year of the Company, the board of directors shall prepare the following statements and submit them to the shareholders' general meeting for recognition:

1. Business report.
2. Financial statements.
3. Proposal on surplus distribution or loss allocation.

The Company's profit distribution or loss allocation shall be made after the end of each half fiscal year.

Article 29: If the Company makes profits in the year, it shall set aside not less than 10 percent for the remuneration of employees and not more than 2 percent for the remuneration of directors. However, if the company still has accumulated losses, it shall reserve the compensatory amount in advance.

Article 29-1: If there is a surplus in the company's annual final accounts, the company shall first pay taxes to make up for the accumulated losses, and then withdraw 10% as the statutory surplus reserve, except when the statutory surplus reserve has reached the paid-in capital of the company; in addition, according to the company's operating needs and laws and regulations, special surplus reserve shall be set aside. If there is surplus and the surplus has not been distributed at the beginning of the same period, the board of directors shall draw up a surplus distribution plan, and in the case of issuing new shares, it shall be submitted to the shareholders' meeting for resolution and distribution.

In accordance with the provisions of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or all or part of the statutory surplus reserve and capital reserve as stipulated in item 1 of Article 241 of the Company Law in cash after more than two thirds of the directors are present and more than half of the directors are present, and report to the shareholders' meeting. Dividend distribution ratio is as follows:

The amount of surplus to be distributed in the current year shall not be less than 50 percent of the accumulated distributable surplus; the cash dividend shall not be less than 10% of the total dividend.

The payment of stock or cash to employees may include employees of controlling or affiliated companies who meet certain conditions.

Chapter 7 Supplementary Provisions

Article 30: The organizational rules and working rules of the Company shall be set forth separately.

Article 31: Matters not stipulated in the Articles of Association shall be handled in accordance with the Company Law and other laws and regulations.

Article 32: The Articles of Association was established on April 28, 1994.

The 1st amendment was made on July 14, 1994.

The 2nd amendment was made on June 14, 1997.

The 3rd amendment was made on May 18, 1998.

The 4th amendment was made on June 23, 1999.

The 5th amendment was made on March 30, 2000.

The 6th amendment was made on June 20, 2001.

The 7th amendment was made on June 26, 2002.

The 8th amendment was made on June 3, 2003.

The 9th amendment was made on June 1, 2004.

The 10th amendment was made on June 12, 2006.

The 11th amendment was made on June 11, 2007.

The 12th amendment was made on June 13, 2008

The 13th amendment was made on June 9, 2010.

The 14th amendment was made on June 12, 2012.

The 15th amendment was made on June 13, 2013.

The 16th amendment was made on June 24, 2014.

The 17th amendment was made on June 2, 2015.

The 18th amendment was made on June 8, 2016.

The 19th amendment was made on June 20, 2017.

The 20th amendment was made on June 11, 2018.

The 21st amendment was made on June 10, 2019.

The 22nd amendment was made on June 15, 2022

ELAN Microelectronics Corporation

Chairman: Yeh, I-Hau

Attachment 3

Current Shareholding of all Directors

1. In accordance with Article 26 of the Securities Exchange Act and the shareholding ratio of directors and supervisors of publicly issuing companies and the Implementation Rules for Checking:

(1) The paid-in capital of the Company is 303,880,392 shares.

(2) The total number of shares held by all directors of the Company shall not be less than 12,155,215 shares issued by the Company.

2. The number of shares held by the directors of the Company as of the closing date of this shareholders' meeting in the book records is as follows:

Title	Name	Appointment date	Term	Shareholders roster as of the share transfer suspension date	
				Number of shares held	Percentage
Chairman	YEH, I-Hau	July 02, 2021	3 years	6,000,895	1.97%
Director	Yulong Investment Co., Ltd. Representative: YEH, Tsung-Ying	July 02, 2021	3 years	7,083,059	2.33%
Director	YEN, Kuo-Lung	July 02, 2021	3 years	2,002,555	0.66%
Director	Zonglong Investment Co., Ltd. Representative: WEI, Chi-Lin	July 02, 2021	3 years	3,078,903	1.01%
Director	CHIU, Te-Chen	July 02, 2021	3 years	0	0
Independent Director	LIN, Hsien-Ming	July 02, 2021	3 years	0	0
Independent Director	SHAW, Ming-Fu	July 02, 2021	3 years	0	0
Independent Director	TANG, Chuan-Yi	July 02, 2021	3 years	0	0
Independent	LU,	July 02, 2021	3 years	0	0

Director	Fang-Cheng				
Total				18,165,412	5.98%

Note: The share transfer suspension date of the current annual general meeting of shareholders is from April 2, 2023 to May 31, 2023.

Attachment 4

Information on the Distribution of Employee Compensation and Directors' and Supervisors' Remuneration

The company's 2022 annual earnings distribution plan was approved by the board of directors, and the information about the employee remuneration and directors' remuneration to be distributed is as follows:

(1) The amount of employee remuneration and directors' remuneration to be distributed:

1. Employee remuneration: NT\$334,000,000.
2. Directors' remuneration: NT\$41,000,000.

1. There is no difference between the amount of employee remuneration and directors' remuneration proposed by the board of directors and the annual estimated amount of recognized expenses.