

TWSE Stock Code: **2458**

ELAN MICROELECTRONICS CORP.

2025 Annual Shareholders' Meeting Meeting Agenda

Date: May 28, 2025

Place: 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)

Table of Contents

Meeting procedure	1
Agenda.....	2
Reporting matters.....	3
Acknowledgement	5
Discussion items	6
Other matters.....	7
Provisional motions	9
 Appendix	
1. Business Report.....	10
2. Review Report of Audit Committee.....	13
3. Certified Public Accountants' Audit Report and Financial Statements.....	14
 Attachment	
1. Rules and Procedures of Shareholders' Meeting	30
2. Articles of Incorporation	38
3. Shareholdings of All Directors	46
4. Information on the Distribution of Employee Compensation and Directors' and Supervisors' Remuneration	47

ELAN MICROELECTRONICS CORP.

Procedure for the 2025 Annual Meeting of Shareholders

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

ELAN MICROELECTRONICS CORP.

2025 Annual Shareholders' Meeting

Meeting Agenda

- 1. Time:** 09: 00 a.m., (Wednesday) May 28, 2025
- 2. Place:** 1F, No. 12, Innovation 1st Rd., Hsinchu Science Park, Hsinchu, 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. 2024 Business Report
 2. The Audit Committee Reviewed Report on the Financial Statements for the Fiscal Year 2024.
 3. Report on the Profit Distribution for the Fiscal Year 2024.
 4. Report on the Distribution of Employees' Compensation and Directors' Remuneration for the Fiscal Year 2024
 5. Report on the Implementation of the Treasury Stock Buyback
- 6. Acknowledgement**
 1. Adoption of the 2024 Business Report and Financial Statements
- 7. Discussion items**
 1. Amendments to the Company's Articles of Incorporation
- 8. Other Matters**
 1. Release of Restrictions on Competitive Activities of the Company's Directors
- 9. Provisional motions**
- 10. Adjournment**

Reporting matters

1. 2024 Business Report

Please refer to Attachment 1 (page 10) of this manual for the Company's annual business report for the fiscal year 2024.

2. The Audit Committee Reviewed Report on the Financial Statements for the fiscal year 2024

Please refer to Attachment 2 (page 13) of this manual for the Audit Committee Review Report on the Financial Statements for the fiscal year 2024.

3. Report on the Profit Distribution for the fiscal year 2024.

- (1) The Company's net profit for the fiscal year of 2024 was NT\$2,735,894,530, with a special reserve of NT\$31,060,424, add the beginning retained earnings of NT\$1,806,651,621 and the effect of actuarial gains and losses on pensions (including subsidiaries) of NT\$29,272,854, and the unrealized gains and losses on the sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings of NT\$801,100. The total distributable earnings were NT\$4,541,559,681, and the Company plans to distribute cash dividends of NT\$2,339,879,019 (NT\$7.7 per share) to shareholders. When profits are distributed, priority will be given to the profit for the fiscal year of 2024.
- (2) The cash dividends for the profit distribution shall be calculated based on the distribution ratio up to the amount of NT Dollars. Any amount less than NTD 1 will be rounded down. The total amount of any fractional amount less than NTD 1 shall be recognized in the Company's other income.
- (3) The Company's profit distribution for the fiscal year of 2024 is summarized as follows:

The earnings year to which the dividend belongs	Board Resolution Date	Cash Dividends To Be Distributed To Shareholders	Remarks
Distribution of earnings of first half of 2024	August 12, 2024	NT\$1,215,521,568 (Cash EPS) NT\$ 4.06989	Dividends distributed on October 18, 2024
Distribution of earnings of second half of 2024	February 27, 2025	NT\$1,124,357,451 (Cash EPS) NT\$3.763396	Dividends distributed on April 17, 2025

ELAN Microelectronics Corp.
PROFIT DISTRIBUTION TABLE
For The Year 2024

(Unit: NT\$)

Beginning retained earnings		1,806,651,621
Add: effect of actuarial gains and losses on pensions (including subsidiaries)	29,272,854	
Add; Unrealized gains and losses on the sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings	801,100	
Accumulated earnings at the beginning of the period		<u>1,836,725,575</u>
Add: After-tax net profit of this year	2,735,894,530	
Subtotal:		<u>4,572,620,105</u>
Less: Special reserve	31,060,424	
Distributable net profit		<u>4,541,559,681</u>
Distributable items:		
Dividend to shareholders - Cash (NT\$7.7/share)	2,339,879,019	
Undistributed earnings at the end of the period		<u>2,201,680,662</u>

4. Report on the Distribution of Employees' Compensation and Directors' Remuneration for the Fiscal Year 2024

- (1) According to Article 29 of the Articles of Incorporation.
- (2) The Company's profit in 2024 was NT\$ 3955,245,364 (i.e. the profit before tax before the distribution of employees' compensation and directors' remuneration), the employee compensation provided was NT\$506,000,000 (12.79 %) and the directors' remuneration provided was NT\$ 51,000,000 (1.29 %), and the distributable profits were paid by 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 Shares)	10,000 thousand shares
Buyback prices (NT\$)	NT\$140-200
Number of shares bought back (Unit: Thousand Shares)	6,857,000 shares
The average buyback price per share (NT\$)	NT\$157.14
Number of shares cancelled or transferred (Unit: Thousand shares)	1,738,000 shares
Cumulative treasury shares held (Unit: Thousand Shares)	5,119,000 shares

Acknowledgement

Proposal No.1:(proposed by the Board of Directors)

Subject: Adoption of the 2024 Business Report and Financial Statements.

Explanation:

1. The Company's Unconsolidated Financial Reports, the Business Report and Consolidated Financial Statements for 2024 and 2023 were audited by the CPAs LU, Chien-Hui and LEE, Fang-Yi of the Certified Public Accountant firm KPMG in Taiwan, and an unqualified audit report was issued, which have been was passed by the resolution of the Board of Directors on February 27, 2025, and submitted to by the audit committee for audit.
2. Please refer to Attachment 3 (Page 14) 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)

Subject: Amendments to the Company’s “Articles of Incorporation”

Explanation:

1. In order to comply with the amendments of the current applicable laws and regulations, the compensation distributed to grassroots employees shall be included in the employee compensation stipulated in the current Articles of Incorporation.
2. A proposed comparative table for the current and amended Articles of Incorporation is attached as follows for approval.

Article	Amended Articles	Current Articles	Description
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 annual meeting of shareholders for recognition:</p> <ol style="list-style-type: none"> 1. Business Report. 2. Financial statements. 3. Proposal on surplus distribution or loss allocation. <p>The Company's profit distribution or loss allocation shall be made after the end of each half fiscal year.</p> <p><u>Profit distribution in cash shall be adopted by resolution of the board of directors in accordance with Article 228-1 and Paragraph 5 of Article 240 of the Company Act and reported to the shareholders' meeting. It is not necessary to submit it to the shareholders' meeting for approval.</u></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 annual meeting of shareholders for recognition:</p> <ol style="list-style-type: none"> 1. Business Report. 2. Financial statements. 3. Proposal on surplus distribution or loss allocation. <p>The Company's profit distribution or loss allocation shall be made after the end of each half fiscal year.</p>	Amendment is made in accordance with the relevant laws and regulations

(Continued)

Article	Amended Articles	Current Articles	Description
Article 29	<p>If the Company makes profits in the year, it shall set aside not less than 10 percent for the compensation 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.</p> <p><u>For the employee compensation amount referred to in the preceding paragraph, no less than 3% shall be distributed as the compensation to grassroots employees.</u></p>	<p>If the Company makes profits in the year, it shall set aside not less than 10 percent for the compensation 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.</p>	Amendment is made in accordance with the relevant laws and regulations
Article 32	<p>The Articles of Incorporation was established on April 28, 1994. The 1st amendment was made on July 14, 1994. (omitted) The 23rd amendment was made on May 31, 2023 <u>The 24th amendment was made on May 28, 2025.</u></p>	<p>The Articles of Incorporation was established on April 28, 1994. The 1st amendment was made on July 14, 1994. (omitted) The 23rd amendment was made on May 31, 2023</p>	Add: The 24th amendment was made on May 28, 2025.

(Concluded)

Other matters

Proposal:

Subject: Release of Restrictions on Competitive Activities of the Company's Directors

Explanation:

- (1) According to Article 209 of the Company Act, if the Company's newly appointed directors and their representatives invest for themselves or others or engage in other activities that are within the scope of the company's business, they shall explain to the meeting of shareholders the essential contents of such an act and secure its approval, provided that the Company's interests are not harmed.
- (2) The Director candidates nominated by the Board of Directors may be found to hold positions in companies with the same or similar business items as the Company. Therefore, the following list of prospective Directors who should be released from restrictions on competitive activities shall be submitted to the annual meeting of shareholders for approval in accordance with Article 209 of the Company Act.

List of Company's Director to Release on Restrictions on Competitive Activities

Name	Holding Position in Other Companies
Legal Representative: Yeh, Tsung-Ying	Director / Macroblock, Inc.
	Director / Eminent Electric Technology Co., Ltd.

Resolution:

Provisional motions

Adjournment

2024 Business Report

1. 2024 Operating Results

In 2024, the global economy is projected to remain resilient despite significant challenges. Growth is steady and inflation continues to slow - "almost as quickly as it rose". The pressure in the labor market was reduced, and we are experiencing a significant increase in shipments of AI-related products, including semiconductor advanced processes and AI servers etc. and the global economic growth rate, according to data from the International Monetary Fund (IMF), still reached 3.2% compared to last year's growth rate of 3.3%, which represents a slight slowdown.

The overall consumer spending or personal consumption expenditures in 2024 were affected by the global economic slowdown, resulting in a more moderate performance in the consumer electronics industry. However, the laptop (notebook) markets were still experienced slight growth and performed relatively well. It is currently estimated that the total shipment volume for the year will grow by approximately 2.5% year-over-year, reaching about 183 million units. A major portion of the Company's revenue comes from laptop chips and module products. Although shipment volumes continued to be influenced by the global economy and grew slowly, the increasing demand for AI and high computing power has driven the development of edge computing. The AI chips and features developed by the Company have been widely adopted by major laptop brands and marketed globally. As a result, revenue increased by 9.23% year-over-year, while net profit after tax grew by 29.7%.

Following the inventory reduction efforts across the laptop supply chain in 2023, the market demand returned to normal levels in 2024. However, due to high inventory levels, brand manufacturers faced significant operational challenges and thus planned to reduce inventory to relatively low levels. In response to this situation, the Company also made corresponding adjustments to accept customers' short-term orders and to meet the market demand. During 2024, the Company's product inventory levels returned to pre-pandemic levels. Most laptop-related product lines saw notable year-over-year growth, driven by factors such as increased market share and customers replenishing their inventories.

The Company continues to focus on its development of more optimized products to provide brand manufacturers with greater market competitiveness. In 2024, completed product developments include: pressure-sensing and haptic feedback driver chips for notebook (NB) touch pads; AI touch pads for best palm rejection with waterproof solutions; AI touch screen solution with active stylus tracking, simultaneous displays, palm rejection, and waterproof protection; fingerprint recognition devices for AI PCs; integrated display driver and touch screen controller chips for automotive displays; local dimming controller IC chips for automotive displays; and embedded fire-alarm control networking chips etc..

In 2024, the Company's various product lines benefited from its long-standing, stable technologies and continuous development of AI applications, achieving steady growth in the laptop market while also expanding into broader application areas. For touchpad modules, in addition to increased demand for larger modules to support multi-finger operations and the long-term trend toward integrating haptic feedback, the Company also developed several AI-related applications, such as combining pen functionality with the touchpad for writing and drawing, which hold significant potential to contribute to future product performance. There has been significant growth for touch screen chip products in 2024, mainly driven by increased market share of single-layer on-cell (SLOC) touch panels, greater adoption of capacitive technology in e-readers, and rising shipments of touch screen chips for high-end laptops. These developments are expected to further accelerate the Company's expansion into new technologies and applications. There has been significant growth for pointing devices in 2024 with over 50% year-over-year increase, supported by rising customer demand and the recovery of the Company's market share. The Company's consistently strong technology and robust research and development capabilities further support its development toward thinner and lighter designs. While the fingerprint recognition products faced multiple challenges in 2024, the active push by customers to develop AI-related applications is expected to lead to the integration of more functionalities and an increase in market penetration.

In 2024, the Company's standalone revenue reached NT\$12.34 billion, with a consistently high gross margin of 50% and an operating profit margin of 26.4%. The Net income after tax was NT\$2.74 billion.

2. 2025 Business Plans

After experiencing the impact of various economic events, including geopolitical conflicts and the conclusion of the U.S. presidential election, the global macroeconomic outlook for early 2025 remains stable, though uncertainties persist. Ongoing tariff issues continue to sway industries and international relations, adding variables to overall market performance. In the laptop markets, the Company continues to expand the application of AI chips and actively collaborates with customers to develop the AI PC market. Starting from the fourth season in 2025, Microsoft will no longer provide free software updates from Windows Update, technical assistance, or security fixes for Windows 10. Under consideration for Cyber security risk, it is expected to trigger a wave of commercial laptop replacements, likely bringing about a new wave of growth in the laptop market.

According to Omdia's market estimates and forecast, laptop shipments in 2025 are expected to grow in the mid-to-high single digits percentage year-over-year, with total shipments projected to reach 196 million units. Short lead-time orders are still expected in 2025, primarily due to brand manufacturers advancing procurement in anticipation of further tariff impositions. As AI technology continues to develop, cyber security environments also face increasing challenges. With Microsoft ending support for Windows 10, affected devices may become exposed to cyber security risks, which are expected to encourage users to upgrade their devices, further driving the replacement cycle. While the overall economic outlook remains uncertain, the Company continues to enhance its R&D capabilities, develop new technologies and applications, and maintain strong relationships with customers, aiming to steadily improve overall operational performance amid the uncertain global political and economic landscape.

In 2025, the Company plans to complete the development of several products, including: a touchpad solution supporting AI and enhanced finger/palm recognition functions; a pressure-sensitive haptic feedback touchpad solution for notebooks; a single-layer on-cell (SLOC) touch screen solution for Chromebooks (supporting waterproofing, glove operation, and active stylus input); a smart cockpit display solution with high-resolution local dimming control; a high-resolution, high dynamic range image processing solution for advanced driver-assistance systems (ADAS); an integrated touch driver solution for automotive displays (supporting waterproofing and glove operation); a fingerprint recognition solution for smart cards; and a GaN charger driver chip etc. In addition, the continued integration and expansion of technologies such as haptic feedback, fingerprint recognition, and SLOC, along with long-term improvements in design layering and function optimization to enhance both pricing and technological capability, are expected to drive average selling price growth. These developments are all favorable for improving the operational performance of the Company's laptop-related product lines.

The Company is endeavoring to expand its services and promote non-laptop products and applications. It began shipping ADAS for trucks in 2024 and simultaneously developed smart cockpits, hoping to extend the technology to areas beyond electric buses. In addition, we have also launched automotive electronically controlled glass chips that can adjust the glass light transmittance and color. By expanding more technologies and application areas, we hope to improve our operational performance.

The Company is focused on improving core technologies, providing customers with efficient and innovative products and services, and developing diversified products and applications to create diverse revenue sources, ensure operational resilience, implement corporate social responsibilities, and practice sustainable business philosophy. The Company is committed to promoting its influence in the three major aspects: economy, environment and society, and developing long-term and stable business strategies, and is committed to improving the Company's operations and profitability to create higher value and welfare and provide feedback to 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 2024 submitted by the Board of Directors have been audited by certified public accountants LEE, Fang, Yi and LU, Chien-Hui of the CPA firm KPMG in Taiwan and the audit report, together with the Business Report and the earnings distribution proposal, have been audited by this audit committee, and it is found that there is no discrepancies. This Audit Committee Review Report is hereby presented for approval according to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act.

ELAN Microelectronics Corporation

Coordinator of the Audit Committee: **LU, Fang-Cheng**

Dated: February 27, 2025



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors
ELAN MICROELECTRONICS CORPORATION:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Other Matter

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

Key Audit Matters

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

1. Valuation of inventories

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

KPMG

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

Notes to Readers

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

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

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

ELAN MICROELECTRONICS CORPORATION

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023			
		Amount	%	Amount	%	Amount	%
Assets							
Current assets:							
1100	Cash and cash equivalents (note (6)(a))	\$ 2,466,660	17	1,799,265	14	2170	Accounts payable (note (7))
1110	Current financial assets at fair value through profit or loss (note (6)(b))	20,448	-	20,162	-	2206	Employee bonus payable (note (6)(t))
1136	Current financial assets at amortised cost, net (notes (6)(a) and (8))	863,580	6	1,203,520	9	2230	Current tax liabilities
1172	Notes and accounts receivable, net (note (6)(c))	1,193,360	8	1,071,013	8	2280	Current lease liabilities (note (6)(l))
1181	Accounts receivable due from related parties (notes (6)(c) and (7))	15,717	-	29,202	-	2300	Other current liabilities (notes (7) and (9))
1200	Other receivables (notes (6)(c) and (7))	987,688	7	930,747	7		
1310	Inventories, net (note (6)(d))	1,577,314	11	1,909,882	15		
1410	Prepayments and other current assets	145,511	1	35,576	-		
		7,270,278	50	6,999,367	53		
Non-current assets:							
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	1,181,006	8	1,233,525	9	2640	Total long-term borrowings (note (6)(k))
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(e))	256,378	2	408,947	3	2570	Deferred tax liabilities (note (6)(n))
1535	Non-current financial assets at amortised cost, net (notes (6)(a) and (8))	7,400	-	7,400	-		
1551	Investments accounted for using equity method (notes (6)(f) and (g))	1,874,432	13	1,966,039	15		
1600	Property, plant and equipment (note (6)(h))	2,768,468	19	1,493,529	11		
1755	Right-of-use assets (note (6)(i))	779,520	5	809,485	6		
1780	Intangible assets (note (6)(j))	286,281	2	374,976	3	3100	Capital stock
1840	Deferred tax assets (note (6)(n))	47,879	-	52,400	-	3200	Capital surplus
1900	Guarantee deposits (note (9))	54,813	1	58,171	-		
		7,256,177	50	6,404,472	47		
						3310	Legal reserve
						3350	Undistributed earnings
						3400	Other equity
						3500	Treasury shares
Total assets		\$ 14,526,455	100	13,403,839	100	Total liabilities and equity	

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

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

ELAN MICROELECTRONICS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

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

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

ELAN MICROELECTRONICS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

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

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

ELAN MICROELECTRONICS CORPORATION**Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

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



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4

Independent Auditors' Report

To the Board of Directors of
ELAN MICROELECTRONICS CORPORATION:

Opinion

We have audited the consolidated financial statements of ELAN MICROELECTRONICS CORPORATION and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement 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 material 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of Top Taiwan X Venture Capital Co., Ltd., which represented investment in accounted for using the equity method of the 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 1.88% and 1.69% of the consolidated total assets on December 31, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method constituted 1.87% and 0.40% 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, 2024 and 2023, 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 the valuation of inventories, we understand the Group's policy on the write-down of inventories and evaluate whether the methods and assumptions used to provide an allowance for the write-down of inventories are reasonable. Also, we obtain the calculation details of the provision for the write-down of inventories, and check whether those details are consistent with the accounting records. In addition, we performed procedures including sampling to examine the accuracy of inventory aging report and the net realizable value report.

2. Revenue recognition

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

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

Responsibilities of Management and Those Charged with Governance for the 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 Chien-Hui Lu and Fang-Yi Lee.

KPMG

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

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 Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		2024		2023	
		Amount	%	Amount	%
4000	Total operating revenue (notes (6)(s) and (14))	\$ 12,695,862	100	12,058,515	100
5000	Total operating costs (notes (6)(d), (n) and (12))	<u>6,490,969</u>	<u>51</u>	<u>6,627,903</u>	<u>55</u>
5900	Gross profit from operations	6,204,893	49	5,430,612	45
5920	Add: Realized (unrealized) profit from sales	<u>(476)</u>	<u>-</u>	<u>1,425</u>	<u>-</u>
5950	Gross profits	<u>6,204,417</u>	<u>49</u>	<u>5,432,037</u>	<u>45</u>
6000	Operating expenses: (notes (6)(c), (n), (q), (u) and (12))				
6100	Selling expenses	353,359	3	365,426	3
6200	Administrative expenses	501,807	4	478,998	4
6300	Research and development expenses	2,284,823	18	2,148,773	18
6450	Impairment (loss) determined in accordance with IFRS9	<u>(1,544)</u>	<u>-</u>	<u>4,365</u>	<u>-</u>
		<u>3,138,445</u>	<u>25</u>	<u>2,997,562</u>	<u>25</u>
6900	Net Operating income	<u>3,065,972</u>	<u>24</u>	<u>2,434,475</u>	<u>20</u>
7000	Non-operating income and expenses:				
7100	Interest income (note (6)(t))	70,458	1	41,725	-
7010	Other income (note (6)(t))	241,860	2	95,999	1
7020	Other gains and losses (notes (6)(g) and (6)(t))	22,669	-	(50,483)	-
7050	Finance costs (notes (6)(l) and (m))	(13,812)	-	(13,433)	-
7770	Shares of gain of associates accounted for using equity method (note (6)(f))	<u>(114,397)</u>	<u>(1)</u>	<u>(35,482)</u>	<u>-</u>
		<u>206,778</u>	<u>2</u>	<u>38,326</u>	<u>1</u>
7900	Profit before income tax	3,272,750	26	2,472,801	21
8110	Less: Income tax expenses (note (6)(o))	<u>680,196</u>	<u>5</u>	<u>487,771</u>	<u>4</u>
	Net profit	<u>2,592,554</u>	<u>21</u>	<u>1,985,030</u>	<u>17</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss: (notes (6)(f) and (o))				
8311	Gains on remeasurements of defined benefit plans	29,073	-	17,660	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(146,336)</u>	<u>(1)</u>	<u>103,356</u>	<u>1</u>
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	213	-	(1,428)	-
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>(117,050)</u>	<u>(1)</u>	<u>119,588</u>	<u>1</u>
8360	Items that may be reclassified subsequently to profit or loss: (note (6)(f))				
8361	Exchange differences on translation of foreign financial statements	2,744	-	(1,162)	-
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	38	-	53	-
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>2,782</u>	<u>-</u>	<u>(1,109)</u>	<u>-</u>
8300	Other comprehensive income (loss), net	<u>(114,268)</u>	<u>(1)</u>	<u>118,479</u>	<u>1</u>
8500	Comprehensive income	<u>\$ 2,478,286</u>	<u>20</u>	<u>2,103,509</u>	<u>18</u>
	Net profit attributable to:				
8610	Owners of parent	\$ 2,735,895	22	2,143,520	18
8620	Non-controlling interests	<u>(143,341)</u>	<u>(1)</u>	<u>(158,490)</u>	<u>(1)</u>
		<u>\$ 2,592,554</u>	<u>21</u>	<u>1,985,030</u>	<u>17</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of the parent	\$ 2,621,113	21	2,262,470	19
8720	Non-controlling interests	<u>(142,827)</u>	<u>(1)</u>	<u>(158,961)</u>	<u>(1)</u>
		<u>\$ 2,478,286</u>	<u>20</u>	<u>2,103,509</u>	<u>18</u>
	Earnings per share (expressed in dollars) (note (6)(r))				
9710	Basic earnings per share	\$ <u>9.57</u>		<u>7.53</u>	
9850	Diluted earnings per share	\$ <u>9.45</u>		<u>7.46</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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						
	Other equity						Total equity attributable to owners of parent
	Ordinary shares	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
			Legal reserve	Unappropriated retained earnings			

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 3,272,750	2,472,801
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	150,207	163,792
Amortization expense	164,669	199,189
Expected credit loss (gain)	(1,544)	4,365
Net loss on financial assets at fair value through profit or loss	71,807	54,590
Interest expense	13,812	13,433
Interest income	(70,458)	(41,725)
Dividend income	(116,845)	(34,475)
Share of loss of associates accounted for using equity method	114,397	35,482
Loss (gain) on disposal of property, plant and equipment	182	(848)
Loss on disposal of investments	-	1,650
Reversal of impairment loss on financial assets	67,850	-
Impairment loss and disposal loss on inventory	85,397	141,507
Others	41	(83)
Total adjustments to reconcile profit	479,515	536,877
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(110,935)	(420,081)
Decrease in inventories	279,407	1,427,670
Increase in prepayments and other current assets	(118,047)	(6,758)
Increase in other receivables	(78,846)	(195,130)
(Decrease) increase in notes and accounts payable	(163,599)	491,452
Increase in other current liabilities	78,586	453,081
Decrease in net defined benefit liability	(1,632)	(21,575)
Cash inflow generated from operations	3,637,199	4,738,337
Interest received	74,211	37,494
Interest paid	(13,760)	(14,954)
Income taxes paid	(387,998)	(553,219)
Net cash flows from operating activities	3,309,652	4,207,658
Cash flows from (used in) investing activities:		
Acquisition of current financial assets at fair value through profit or loss	-	(90,066)
Proceeds from disposal of current financial assets at fair value through profit or loss	-	97,035
Acquisition of non-current financial assets at fair value through profit or loss	(97,828)	(16,471)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6,233	-
Proceeds from capital reduction and liquidation of financial assets at fair value through profit or loss	3,064	34,058
Decrease (increase) in financial assets at amortized cost	578,458	(1,186,088)
Decrease in cash from losing control over subsidiaries	-	(102,385)
Proceeds from capital reduction of investments accounted for using equity method	-	10,500
Acquisition of property, plant and equipment	(1,370,987)	(700,914)
Proceeds from disposal of property, plant and equipment	-	1,169
Acquisition of intangible assets	(55,971)	(353,226)
Decrease (increase) in refundable deposits	7,403	(3,796)
Decrease in other non-current assets	190	2,895
Dividends received	132,805	34,475
Net cash flows from (used in) investing activities	(796,633)	(2,272,814)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	164,000	10,000
Decrease in short-term borrowings	(74,000)	(50,000)
Increase in long-term debt	-	468,640
Repayments of preference share liabilities	-	(40,000)
Decrease in guarantee deposits received	(29,009)	(24,025)
Payment of lease liabilities	(28,458)	(29,749)
Cash dividends paid	(2,038,574)	(2,329,239)
Peice of treasury stock transferred to employee	257,588	-
Payments to acquire treasury shares	5,950	-
Changes in non-controlling interests	(114,592)	10,189
Net cash flows from (used in) financing activities	(1,857,095)	(1,984,184)
Effect of exchange rate changes on cash and cash equivalents	2,679	(314)
Net Increase (decrease) in cash and cash equivalents	658,603	(49,654)
Cash and cash equivalents at the beginning of period	2,614,034	2,663,688
Cash and cash equivalents at the end of period	\$ 3,272,637	2,614,034

Attachment 1

ELAN Microelectronics Corporation

Rules and Procedures of Shareholders' Meeting

1. Unless otherwise stipulated in laws or articles of incorporation, the shareholders' meeting of this Company shall be conducted in accordance with these Rules and Procedures.
2. The term "shareholder" as mentioned in these Rules and Procedures 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 Act, 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 Act, 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 Handbook 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 incorporation, 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 Act, 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 Act. 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 Act. 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 annual meeting of shareholders; 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 annual meeting of shareholders 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 Handbook, 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 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 Act.

When the Company holds a meeting of shareholders, it may exercise its voting motion and, unless otherwise provided by the Company Act and the articles of incorporation, 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 Act 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.

- 22: These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision

Appendix 2

ELAN Microelectronics Corporation

Articles of Incorporation

Chapter I General Principles

Article 1: The Company was organized in accordance with the provisions of the Company Act 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.
(Research, development, production and sales of the following products:
 - Embedded microcontrollers and systems;
 - Digital signal processors and systems;
 - Computer peripheral control integrated circuits and systems;
 - LCD display driver integrated circuits and systems;
 - Fingerprint recognition devices and credit card applications;
 - Advanced Driver Assistance Systems (ADAS) powered by AI;
 - Edge AI image recognition for smart transportation applications; and
 - 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\$4,8 billion, 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 Act 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 Act and the stock affairs handling standards of publicly issued stock companies, unless otherwise stipulated by laws and securities authorities.

Article 9: (Deleted)

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 Act, 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 Act 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 Act 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 Act. 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 Act 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 incorporation, 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:

- Amendment of the articles of incorporation.
- The establishment or removal of branches.
- The examination of 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 Act, 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 Act, 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: (Deleted)

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 Act.

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 annual meeting of shareholders 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 Act, 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 Act 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 remuneration of employees paid by offering stocks 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 Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 32: The Articles of Incorporation 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

The 23rd amendment was made on May 31, 2023

ELAN Microelectronics Corporation

Chairman: **YEH, I-Hau**

Attachment 3

Current Shareholding of Directors

- 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:
 - The paid-in capital of the Company is 303,880,392 shares.
 - 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.
- 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:

Position	Name	Appointment date	Term	Shareholders roster as of the share transfer suspension date	
				Number of shares held	Shareholding Ratio (%)
Chairman	YEH, I-Hau	May 30, 2024	3 years	6,288,895	2.06%
Director	Yulong Investment Co., Ltd. Representative: YEH, Tsung-Ying	May 30, 2024	3 years	7,083,059	2.33%
Director	YEN, Kuo-Lung	May 30, 2024	3 years	1,282,555	0.42%
Director	Zonglong Investment Co., Ltd. Representative: WEI, Chi-Lin	May 30, 2024	3 years	3,078,903	1.01%
Director	CHIU, Te-Chen	May 30, 2024	3 years	0	0
Independent Director	LIN, Hsien-Ming	May 30, 2024	3 years	0	0
Independent Director	TSAI, Chuang-Chuang	May 30, 2024	3 years	0	0
Independent Director	TSAI, Cherng-Ru	May 30, 2024	3 years	0	0
Independent Director	LU, Fang-Cheng	May 30, 2024	3 years	0	0
Total				17,733,412	5.82%

Note: The dates of suspension of transfer of shares before the Company's 2025 annual meeting of shareholders shall be from March 30, 2025 to May 28, 2025.

Attachment 4

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

The Company's 2024 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 summarized as follows:

- (1) The amount of employee remuneration and directors' remuneration to be distributed:
 1. Employee remuneration: NT\$506,000,000.
 2. Directors' remuneration: NT\$ 51,000,000
- (2) 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.