

**ELAN MICROELECTRONICS CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

Address: No. 12, Innovation 1st Rd., Hsinchu Science Park, Hsinchu 30076, Taiwan
(R.O.C.)
Telephone: (03)563-9977

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	12~43
(7) Related-party transactions	44
(8) Pledged assets	44
(9) Commitments and contingencies	45~46
(10) Losses due to major disasters	46
(11) Subsequent events	46
(12) Others	46
(13) Other disclosures	
(a) Information on significant transactions	47~50
(b) Information on investees	50~51
(c) Information on investment in mainland China	51~52
(14) Segment information	53



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of
ELAN MICROELECTRONICS CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of ELAN MICROELECTRONICS CORPORATION (the “Company”) and its subsidiaries (the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$638,201 thousand and \$829,450 thousand, constituting 4.17% and 5.53% of the consolidated total assets; and the total liabilities amounting to \$247,577 thousand and \$173,514 thousand, constituting 4.20% and 2.96% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; as well as the total comprehensive loss amounting to \$(61,537) thousand and \$(67,882) thousand, constituting ,11.95% and 11.10% of the absolute value of the consolidated total comprehensive income (loss) respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$325,905 thousand and \$415,248 thousand as of March 31, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$38,821 thousand and \$37,873 thousand respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chien-Hui Lu and Fang-Yi Lee.

KPMG

Taipei, Taiwan (Republic of China)

May 6, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheets****March 31, 2025, December 31, 2024, and March 31, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$ 4,154,875	27	3,272,637	22	3,281,504	22	2100	Short-term borrowings (notes (6)(j) and (9))	\$ 130,000	1	130,000	1	42,000	-
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (13))	362,207	2	404,272	3	388,229	3	2170	Accounts payable	1,009,087	7	1,021,393	7	1,323,019	9
1136	Current financial assets at amortised cost, net (notes (6)(a) and (8))	174,140	1	874,020	6	1,429,188	10	2206	Employee bonus payable (note (6)(s))	551,867	4	557,000	4	463,889	3
1170	Notes and accounts receivable, net (note (6)(c))	1,279,092	9	1,228,874	8	1,329,870	9	2216	Dividends payable (note (6)(n))	1,124,357	7	-	-	911,641	6
1200	Other receivables (note (6)(c))	894,705	6	983,553	7	867,205	6	2230	Current tax liabilities	673,153	4	488,742	3	376,440	3
1310	Inventories, net (note (6)(d))	1,736,306	11	1,746,500	12	1,977,414	13	2280	Current lease liabilities (note (6)(k))	27,769	-	27,452	-	26,070	-
1410	Prepayments and other current assets (note (9))	109,107	1	152,499	1	37,758	-	2399	Other current liabilities (note (9))	949,041	6	1,363,001	9	1,254,684	8
		<u>8,710,432</u>	<u>57</u>	<u>8,662,355</u>	<u>59</u>	<u>9,311,168</u>	<u>63</u>			<u>4,465,274</u>	<u>29</u>	<u>3,587,588</u>	<u>24</u>	<u>4,397,743</u>	<u>29</u>
Non-current assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (13))	1,455,733	10	1,537,545	10	1,609,569	11	2540	Long-term borrowings (note (6)(j))	468,640	3	468,640	3	468,640	4
1517	Non-current financial assets at fair value through other comprehensive income (notes (6)(e) and (13))	254,999	2	256,378	2	365,804	2	2570	Deferred tax liabilities	20,719	-	20,428	-	842	-
1536	Non-current financial assets at amortized cost (notes (6)(a) and (8))	7,400	-	7,400	-	7,400	-	2580	Non-current lease liabilities (note (6)(k))	686,610	4	689,427	4	688,074	5
1551	Investments accounted for using equity method (note (6)(f))	325,905	2	364,536	2	415,248	3	2640	Net defined benefit liability, non-current	235,583	2	237,880	2	268,191	2
1600	Property, plant and equipment (note (6)(g))	3,195,572	21	2,787,691	19	1,806,312	12	2645	Guarantee deposits received	12,540	-	12,180	-	40,512	-
1755	Right-of-use assets (note (6)(h))	793,711	5	803,754	5	814,191	5			<u>1,424,092</u>	<u>9</u>	<u>1,428,555</u>	<u>9</u>	<u>1,466,259</u>	<u>11</u>
1780	Intangible assets (note (6)(i))	452,619	3	489,373	3	568,033	4	Total liabilities		<u>5,889,366</u>	<u>38</u>	<u>5,016,143</u>	<u>33</u>	<u>5,864,002</u>	<u>40</u>
1840	Deferred tax assets	48,178	-	47,888	-	53,243	-	Equity attributable to owners of parent: (note (6)(n))							
1900	Other non-current assets (note (9))	51,805	-	60,186	-	56,785	-	3100	Capital stock	3,038,804	20	3,038,804	20	3,038,804	20
		<u>6,585,922</u>	<u>43</u>	<u>6,354,751</u>	<u>41</u>	<u>5,696,585</u>	<u>37</u>	3200	Capital surplus	1,139,149	8	1,139,143	8	933,288	6
Total assets		<u>\$ 15,296,354</u>	<u>100</u>	<u>15,017,106</u>	<u>100</u>	<u>15,007,753</u>	<u>100</u>	Retained earnings:							
								3310	Legal reserve	3,118,289	20	3,118,289	21	2,902,314	19
								3350	Undistributed earnings	2,781,141	18	3,357,098	22	2,706,079	18
										<u>5,899,430</u>	<u>38</u>	<u>6,475,387</u>	<u>43</u>	<u>5,608,393</u>	<u>37</u>
								3400	Other equity	(31,432)	-	(31,059)	-	77,159	1
								3500	Treasury shares	(833,375)	(5)	(848,995)	(6)	(848,995)	(6)
								Total equity attributable to owners of parent:		<u>9,212,576</u>	<u>61</u>	<u>9,773,280</u>	<u>65</u>	<u>8,808,649</u>	<u>58</u>
								36XX	Non-controlling interests	194,412	1	227,683	2	335,102	2
								Total equity		<u>9,406,988</u>	<u>62</u>	<u>10,000,963</u>	<u>67</u>	<u>9,143,751</u>	<u>60</u>
								Total liabilities and equity		<u>\$ 15,296,354</u>	<u>100</u>	<u>15,017,106</u>	<u>100</u>	<u>15,007,753</u>	<u>100</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 Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Total operating revenue (notes (6)(q) and (14))	\$ 3,118,884	100	3,105,898	100
5000	Total operating costs (notes (6)(d), (l) and (12))	<u>1,555,436</u>	<u>50</u>	<u>1,616,532</u>	<u>52</u>
5900	Gross profit from operations	1,563,448	50	1,489,366	48
5920	Add: Realized (unrealized) profit from sales	<u>88</u>	<u>-</u>	<u>(452)</u>	<u>-</u>
5950	Gross profits	<u>1,563,536</u>	<u>50</u>	<u>1,488,914</u>	<u>48</u>
6000	Operating expenses: (notes (6)(c), (l), (o), (s) and (12))				
6100	Selling expenses	82,786	3	92,544	3
6200	Administrative expenses	116,739	4	128,563	4
6300	Research and development expenses	578,480	18	616,929	20
6450	Impairment (loss) determined in accordance with IFRS9	<u>334</u>	<u>-</u>	<u>1,595</u>	<u>-</u>
		<u>778,339</u>	<u>25</u>	<u>839,631</u>	<u>27</u>
6900	Net Operating income	<u>785,197</u>	<u>25</u>	<u>649,283</u>	<u>21</u>
7000	Non-operating income and expenses:				
7100	Interest income (note (6)(r))	16,536	1	11,992	-
7010	Other income (note (6)(r))	10,809	-	6,961	-
7020	Other gains and losses (note (6)(r))	(51,006)	(2)	123,177	4
7050	Finance costs (note (k))	(3,799)	-	(3,179)	-
7770	Shares of gain of associates accounted for using equity method (note (6)(f))	<u>(38,821)</u>	<u>(1)</u>	<u>37,873</u>	<u>1</u>
		<u>(66,281)</u>	<u>(2)</u>	<u>176,824</u>	<u>5</u>
7900	Profit before income tax	718,916	23	826,107	26
8110	Less: Income tax expenses (note (6)(m))	<u>204,025</u>	<u>6</u>	<u>179,023</u>	<u>5</u>
	Net profit	<u>514,891</u>	<u>17</u>	<u>647,084</u>	<u>21</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss: (notes (6)(f) and (o))				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,380)	-	(37,070)	(1)
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	-	-	(12)	-
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>(1,380)</u>	<u>-</u>	<u>(37,082)</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	1,078	-	1,356	-
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	150	-	52	-
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>1,228</u>	<u>-</u>	<u>1,408</u>	<u>-</u>
8300	Other comprehensive income (loss), net	<u>(152)</u>	<u>-</u>	<u>(35,674)</u>	<u>(1)</u>
8500	Comprehensive income	<u>\$ 514,739</u>	<u>17</u>	<u>611,410</u>	<u>20</u>
	Net profit attributable to:				
8610	Owners of parent	\$ 548,401	18	682,683	22
8620	Non-controlling interests	<u>(33,510)</u>	<u>(1)</u>	<u>(35,599)</u>	<u>(1)</u>
		<u>\$ 514,891</u>	<u>17</u>	<u>647,084</u>	<u>21</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of the parent	\$ 548,028	18	646,815	21
8720	Non-controlling interests	<u>(33,289)</u>	<u>(1)</u>	<u>(35,405)</u>	<u>(1)</u>
		<u>\$ 514,739</u>	<u>17</u>	<u>611,410</u>	<u>20</u>
	Earnings per share (expressed in dollars) (note (6)(p))				
9710	Basic earnings per share	<u>\$ 1.92</u>		<u>2.40</u>	
9850	Diluted earnings per share	<u>\$ 1.90</u>		<u>2.38</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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									
	Ordinary shares	Capital surplus	Retained earnings		Other equity		Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
Balance at January 1, 2024	\$ 3,038,804	936,880	2,902,314	2,934,268	(5,343)	119,139	(1,106,485)	8,819,577	407,612	9,227,189
Net profit (loss)	-	-	-	682,683	-	-	-	682,683	(35,599)	647,084
Other comprehensive income	-	-	-	(12)	1,214	(37,070)	-	(35,868)	194	(35,674)
Total comprehensive income	-	-	-	682,671	1,214	(37,070)	-	646,815	(35,405)	611,410
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	(911,641)	-	-	-	(911,641)	-	(911,641)
Treasury stock transferred to employees	-	98	-	-	-	-	257,490	257,588	-	257,588
Share-based payment awards	-	65,827	-	-	-	-	-	65,827	2,023	67,850
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	781	-	(781)	-	-	-	-
Exercise of employee stock options from subsidiaries	-	790	-	-	-	-	-	790	5,160	5,950
Changes in non-controlling interests	-	(70,307)	-	-	-	-	-	(70,307)	(44,288)	(114,595)
Balance at March 31, 2024	\$ 3,038,804	933,288	2,902,314	2,706,079	(4,129)	81,288	(848,995)	8,808,649	335,102	9,143,751
Balance at January 1, 2025	\$ 3,038,804	1,139,143	3,118,289	3,357,098	(3,063)	(27,996)	(848,995)	9,773,280	227,683	10,000,963
Net profit (loss)	-	-	-	548,401	-	-	-	548,401	(33,510)	514,891
Other comprehensive income	-	-	-	-	1,007	(1,380)	-	(373)	221	(152)
Total comprehensive income	-	-	-	548,401	1,007	(1,380)	-	548,028	(33,289)	514,739
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	(1,124,358)	-	-	-	(1,124,358)	-	(1,124,358)
Treasury stock transferred to employees	-	6	-	-	-	-	15,620	15,626	-	15,626
Changes in non-controlling interests	-	-	-	-	-	-	-	-	18	18
Balance at March 31, 2025	\$ 3,038,804	1,139,149	3,118,289	2,781,141	(2,056)	(29,376)	(833,375)	9,212,576	194,412	9,406,988

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 three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2025	2024
Cash flows from operating activities:		
Profit before tax	\$ 718,916	826,107
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	36,283	38,539
Amortization expense	42,095	39,633
Expected credit loss	334	1,595
Net loss on financial assets at fair value through profit or loss	84,083	(74,458)
Interest expense	3,799	3,179
Interest income	(16,536)	(11,992)
Share-based payment awards	-	67,850
Share of loss of associates accounted for using equity method	38,821	(37,873)
Gain on disposal of property, plant and equipment	(143)	-
Impairment loss and disposal loss on inventory	28,205	36,955
Others	(40)	83
Total adjustments to reconcile profit	216,901	63,511
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(50,552)	(215,071)
(Increase) decrease in inventories	(18,012)	96,934
Decrease (increase) in prepayments and other current assets	43,393	(305)
Decrease in other receivables	132,363	46,334
(Decrease) increase in notes and accounts payable	(12,306)	138,027
Decrease in other current liabilities	(419,042)	(122,792)
Decrease in net defined benefit liability	(2,297)	(395)
Cash inflow generated from operations	609,364	832,350
Interest received	16,193	9,645
Interest paid	(3,850)	(3,175)
Income taxes paid	(20,740)	(26,802)
Net cash flows from operating activities	600,967	812,018
Cash flows from (used in) investing activities:		
Acquisition of current financial assets at fair value through profit or loss	(4,815)	-
Proceeds from disposal of current financial assets at fair value through profit or loss	4,815	-
Acquisition of non-current financial assets at fair value through profit or loss	(5,409)	(4,480)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	-	6,073
Proceeds from capital reduction and liquidation of financial assets at fair value through profit or loss	3,157	-
Decrease in financial assets at amortized cost	699,880	23,290
Acquisition of property, plant and equipment	(432,453)	(314,847)
Proceeds from disposal of property, plant and equipment	143	-
Acquisition of intangible assets	(5,341)	(9,595)
Decrease in refundable deposits	8,338	7,955
Decrease in other non-current assets	704	121
Net cash flows from (used in) investing activities	269,019	(291,483)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,000	2,000
Decrease in short-term borrowings	(2,000)	-
Increase (decrease) in guarantee deposits received	360	(675)
Payment of lease liabilities	(4,801)	(4,651)
Price of treasury stock transferred to employee	15,626	257,588
Changes in non-controlling interests	18	(108,644)
Net cash flows from (used in) financing activities	11,203	145,618
Effect of exchange rate changes on cash and cash equivalents	1,049	1,317
Net Increase (decrease) in cash and cash equivalents	882,238	667,470
Cash and cash equivalents at the beginning of period	3,272,637	2,614,034
Cash and cash equivalents at the end of period	\$ 4,154,875	3,281,504

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

(expressed in thousands of New Taiwan Dollar unless otherwise specified)

(1) Company history

Elan Microelectronics Corporation (hereinafter referred to as the “Company”) was incorporated on May 5, 1994, under the approval of Ministry of Economic Affairs, Republic of China (“R.O.C.”). The Company is located at the Hsinchu Science Park. The major business activities of the Company are the manufacture and sale of embedded microcontrollers and systems, digital signal processors, computer peripheral control integrated circuits and systems, fingerprint recognition devices, and credit card applications. The Company also offers research and development services with respect to the products presented above. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on September 17, 2001. Pursuant to the resolution of the shareholders’ meeting held on June 13, 2008, the Company acquired Elantech Devices Corp. (Elantech). The Company was the surviving company, and Elantech was dissolved in the merger effective from October 1, 2008. Elantech was incorporated on September 18, 2003 as a company limited by shares under the Company Act of the R.O.C.. Elantech was located at Zhonghe District, New Taipei City. The major business activities of Elantech are the research, manufacture, and sale of wireless and wired communication equipment and electronic modules. Please refer to note (4)(b) for related information of the Group entities’ main business activities.

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

The consolidated financial statements for the three Months ended March 31, 2025 and 2024 were authorized for issuance by the board of directors on May 6, 2025.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Group	Elan Investment Corp.	Investment holding	100.00 %	100.00 %	100.00 %	-
The Group and Elan Investment Corp.	Avisonic Technology Corp. (Avisonic)	Research, design, develop, manufacture and sale on digital image-process chips	89.79 %	89.79 %	89.79 %	note1

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Group	JUPU ELECTRONIC Co., Ltd. (JUPU)	Wholesale and installation of electronic devices, data storage and equipment process	49.00 %	49.00 %	49.00 %	note1 and note2
The Group and Elan Investment Corp.	PiXORD Corporation (PiXORD)	Research, design, develop, manufacture and sale on Webcam and server	98.49 %	98.49 %	98.49 %	note1
The Group and Elan Investment Corp.	Eminent Electronic Technology Corp. Ltd. (Eminent)	Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments	27.37 %	27.37 %	27.37 %	note1 and note3
The Group	Elan (H.K.)	Sale and after-sales service	100.00 %	100.00 %	100.00 %	-
The Group	Elan Information	After-sales service and provide new informational skills	100.00 %	100.00 %	100.00 %	-
Elan (H.K.)	Power Asia	Investment holding	100.00 %	100.00 %	100.00 %	-
Power Asia	Elan Shanghai	Provide technical support and information service	100.00 %	100.00 %	100.00 %	-
Power Asia	Elan Shenzhen	Provide technical support and information service	100.00 %	100.00 %	100.00 %	-
The Group	Chimei Motor Electronics Co., Ltd. (Chimei)	Image recognition, automotive electronic manufacturing and wholesaling business	46.83 %	46.83 %	46.83 %	note1 and note4
Chimei	Chimei Motor Electronics (SAMOA) Co., Ltd. (Chimei (SAMOA))	Investment holding	100.00 %	100.00 %	100.00 %	-
Chimei (SAMOA)	Gianteye Technology (Shanghai) Co., Ltd.	Develops advanced driver assistance systems and wholesales automotive electronic products.	100.00 %	100.00 %	100.00 %	-

Note 1: Non-significant consolidated subsidiaries, based solely on the unreviewed financial statements.

Note 2: The Group obtained 3 out of 5 Board seats and gained control over JUPU.

Note 3: The Group obtained 3 out of 5 Board seats and gained control over Eminent. In addition, Eminent issued shares resulting from the exercise of employee stock options on Mar 11 2024. The Group's ownership decreased to 27.37%.

Note 4: The Group obtained 5 out of 7 Board seats and gained control over Chimei. In addition, the Group bought 4,800 thousand shares of stock, which subscription price was \$115,200 thousand from Chimei's other shareholders on February 29, 2024, the Group's shareholding percentage was increased from 30.83% to 46.83%.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Employee benefits

The pension cost for the interim period is calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best calculated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Petty cash	\$ 987	1,072	974
Checking and demand deposits	1,345,051	1,426,843	1,637,102
Time deposits	2,990,377	2,726,142	3,080,016
Less: Restricted deposits (recorded as current and non-current financial assets measured at amortized cost) (Note (8))	(83,540)	(83,420)	(86,515)
Time deposits (recorded as financial assets measured at amortized cost) with original maturities of over three months	(98,000)	(798,000)	(1,350,073)
	<u><u>\$ 4,154,875</u></u>	<u><u>3,272,637</u></u>	<u><u>3,281,504</u></u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Interest rate range	<u>1.225% ~ 3.50%</u>	<u>1.28% ~ 4.68%</u>	<u>0.60% ~ 5.36%</u>
Expiration year	2025/4 ~ 2025/12	2025/1 ~ 2025/12	2024/4 ~ 2024/12

(ii) For the disclosure of the interest rate risk and sensitivity analysis of the Group's financial assets and liabilities, please refer to Note (6)(t).

(iii) The Group did not recognize impairment loss on current and non-current financial assets at amortized cost for the three months ended March 31, 2025 and 2024. Please refer to Note (6)(t) for the information on credit risk of the Group.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current:			
Domestic			
Certificates of beneficial interest	\$ <u>362,207</u>	<u>404,272</u>	<u>388,229</u>
Non-current:			
Domestic			
Listed stocks	\$ 277,692	333,764	308,398
Non-publicly traded stocks	944,318	977,396	1,049,846
Subtotal	<u>1,222,010</u>	<u>1,311,160</u>	<u>1,358,244</u>
Foreign			
Certificates of beneficial interest	233,723	226,385	251,325
	<u><u>\$ 1,455,733</u></u>	<u><u>1,537,545</u></u>	<u><u>1,609,569</u></u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) As of March 31, 2025, December 31 and March 31, 2024, the Group's financial assets at fair value through profit or loss were not pledged as collateral for its loans.
- (ii) Please refer to Note (6)(t) for the disclosure of the financial asset category and fair value measurement of the Group.
- (c) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 17,787	12,756	12,087
Accounts receivable - fair value through other comprehensive income	877,830	702,356	1,011,431
Accounts receivable - measured at amortized cost	408,132	538,144	334,321
Less: Loss allowance	(24,657)	(24,382)	(27,969)
	<u>\$ 1,279,092</u>	<u>1,228,874</u>	<u>1,329,870</u>

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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The loss allowance provisions were determined as follows:

	March 31, 2025	
	Gross carrying amount	Weighted- average loss rate
Current	\$ 1,217,992	0.35%
1 to 30 days past due	59,534	1.33%
31 to 60 days past due	6,947	9.26%
More than 90 days past due	19,276	50%~100%
	<u>\$ 1,303,749</u>	<u>24,657</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Expected credit loss
Current	\$ 1,179,340	0.28%	3,326
1 to 30 days past due	45,347	1.33%	601
31 to 60 days past due	6,885	9.25%	637
61 to 90 days past due	3,029	46.29%	1,402
More than 90 days past due	18,655	50%~100%	18,416
	\$ 1,253,256		24,382

	March 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Expected credit loss
Current	\$ 1,299,220	0.49%	6,304
1 to 30 days past due	35,518	1.40%	497
31 to 60 days past due	1,061	9.14%	97
61 to 90 days past due	238	47.90%	114
More than 90 days past due	21,802	50%~100%	20,957
	\$ 1,357,839		27,969

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

	For the three months ended March 31	
	2025	2024
Balance at January 1	\$ 24,382	26,523
Impairment loss recognized	334	1,595
Amounts written off	-	(149)
Effect of changes in exchange rates	(59)	-
Balance at March 31	\$ 24,657	27,969

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

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2025						
Purchaser	Accounts derecognized	Factoring Line	Advanced Amount	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Far Eastern International Bank Co., Ltd. KGI Bank O-Bank	<u>\$ 796,713</u>	<u>2,978,000</u>	<u>-</u>	<u>796,713</u>	<u>0.04%~0.075%</u>	None
December 31, 2024						
Purchaser	Accounts derecognized	Factoring Line	Advanced Amount	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Far Eastern International Bank Co., Ltd. KGI Bank Entie O-Bank	<u>\$ 931,068</u>	<u>2,961,600</u>	<u>-</u>	<u>931,068</u>	<u>0.04%~0.075%</u>	None
March 31, 2024						
Purchaser	Accounts derecognized	Factoring Line	Advanced Amount	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Far Eastern International Bank Co., Ltd. KGI Bank Entie Commercial Bank, Ltd. Taishin International Bank Co., Ltd.	<u>\$ 804,903</u>	<u>2,930,000</u>	<u>-</u>	<u>804,903</u>	<u>0.05%~0.10%</u>	None

The Group has deducted the advanced amount from the accounts receivable in accordance with the condition of derecognition as of March 31, 2025, December 31 and March 31, 2024. The remaining amount has been reclassified into other receivables. The Group did not recognize impairment loss on other receivables for the three months ended March 31, 2025 and 2024. Please refer to note (6)(t) for the information on credit risk of the Group.

The Group's notes receivable, accounts receivable, and other receivables have not been pledged as guarantees on March 31, 2025, December 31 and March 31, 2024.

(d) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 603,606	622,413	691,532
Work in progress	843,722	812,829	935,580
Finished goods	288,978	311,257	350,302
	<u>\$ 1,736,306</u>	<u>1,746,499</u>	<u>1,977,414</u>

The details of the cost of sales were as follows:

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31	
	2025	2024
Inventory that has been sold	\$ 1,528,218	1,579,774
Write-down of inventories	28,205	36,955
Others	(987)	(197)
	<u>\$ 1,555,436</u>	<u>1,616,532</u>

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any inventories as collateral for its loans.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Equity investments at fair value through other comprehensive income:			
Emerging stocks	\$ 18,049	17,678	27,004
Listed stocks	<u>236,950</u>	<u>238,700</u>	<u>338,800</u>
	<u>\$ 254,999</u>	<u>256,378</u>	<u>365,804</u>

- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.
- (ii) There were no disposals of strategic investments and transfers of any accumulative gain or loss within equity related to these investments as of March 31, 2024. The Group sold its shares during 2024. The shares sold had a fair value of \$6,073 thousand, wherein the Group realized a gain of \$781 thousand, which was reclassified from other comprehensive income to retained earnings.
- (iii) For market risk, please refer to note (6)(t).
- (iv) As of March 31, 2025, December 31 and March 31, 2024, the financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral for its loans.

(f) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	<u>\$ 325,905</u>	<u>364,536</u>	<u>415,248</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

		Main operating location / Registered Country of the Company	March 31, 2025		December 31, 2024		March 31, 2024	
	Nature of the relationship with the Group		Amount	Share- holding (%)	Amount	Share- holding (%)	Amount	Share- holding (%)
Metanoia Communications Inc. (Metanoia)	Research, design, develop, manufacture and sale on client chipss	R.O.C.	\$ 48,305	39.83	78,193	39.83	110,833	47.71
Top Taiwan X Venture Capital Co., Ltd.	Venture capital	R.O.C.	274,616	30.00	282,730	30.00	299,860	30.00
Uniband Electronic Cop.	Manufactures and sells electronic device	R.O.C.	2,984	24.69	3,613	24.69	4,555	24.69
Tong Fu Investment Corporation	Investment holding	R.O.C.	-	46.73	-	46.73	-	46.73
Lighting Device Technologies Corp..	Research, design, develop, manufacture and sale on LED chips	R.O.C.	-	45.07	-	45.07	-	45.07
Finger Pro. Incorporation	Manufactures and sells electronic device	R.O.C.	-	23.08	-	23.08	-	23.08
RONG CHENG Technology	Manufactures and sells electronic devices, computers and its related products, manufactures optical instruments	R.O.C.	-	38.46	-	38.46	-	38.46
			<u>\$ 325,905</u>		<u>364,536</u>		<u>415,248</u>	

Note 1: Metanoia participated in a cash caiptal increase share of stock on May 17,2024. The Company's and Elan Investment Corporation's total shareholding percentage was decreased to 39.83%.

The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

	For the three months ended March 31	
	2025	2024
Attributable to the Group:		
Profit (Loss) from continuing operations	\$ (38,821)	37,873
Other comprehensive income (loss)	<u>150</u>	<u>40</u>
Comprehensive income	<u>\$ (38,671)</u>	<u>37,913</u>

Investments which were partially accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not reviewed.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Office and transportation equipment</u>	<u>Equipment awaiting examination and prepayments on construction</u>	<u>Total</u>
Cost:						
Balance at January 1, 2025	\$ 230,790	1,165,103	807,138	195,539	1,963,376	4,361,946
Additions	-	-	5,376	1,687	425,390	432,453
Derecognized	-	-	(4,816)	(948)	-	(5,764)
Reclassification	-	-	2,466	-	(3,127)	(661)
Effect of movements in exchange rates	-	-	58	148	-	206
Balance at March 31, 2025	<u>\$ 230,790</u>	<u>1,165,103</u>	<u>810,222</u>	<u>196,426</u>	<u>2,385,639</u>	<u>4,788,180</u>
Balance at January 1, 2024	\$ 230,790	1,165,103	754,860	190,282	665,120	3,006,155
Additions	-	-	7,692	1,388	305,767	314,847
Derecognized	-	-	(45)	(86)	-	(131)
Reclassification	-	-	15,289	-	(15,370)	(81)
Effect of movements in exchange rates	-	-	55	158	-	213
Balance at March 31, 2024	<u>\$ 230,790</u>	<u>1,165,103</u>	<u>777,851</u>	<u>191,742</u>	<u>955,517</u>	<u>3,321,003</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ -	774,222	636,490	163,543	-	1,574,255
Depreciation	-	4,644	15,692	3,608	-	23,944
Derecognized	-	-	(4,816)	(948)	-	(5,764)
Effect of disposal of subsidiaries	-	-	51	122	-	173
Balance at March 31, 2025	<u>\$ -</u>	<u>778,866</u>	<u>647,417</u>	<u>166,325</u>	<u>-</u>	<u>1,592,608</u>
Balance at January 1, 2024	\$ -	754,925	578,495	154,815	-	1,488,235
Depreciation	-	4,886	17,531	3,994	-	26,411
Derecognized	-	-	(45)	(86)	-	(131)
Effect of movements in exchange rates	-	-	49	127	-	176
Balance at March 31, 2024	<u>\$ -</u>	<u>759,811</u>	<u>596,030</u>	<u>158,850</u>	<u>-</u>	<u>1,514,691</u>
Carrying amount:						
Balance at March 31, 2025	<u>\$ 230,790</u>	<u>386,237</u>	<u>162,805</u>	<u>30,101</u>	<u>2,385,639</u>	<u>3,195,572</u>
Balance at January 1, 2025	<u>\$ 230,790</u>	<u>390,881</u>	<u>170,648</u>	<u>31,996</u>	<u>1,963,376</u>	<u>2,787,691</u>
Balance at March 31, 2024	<u>\$ 230,790</u>	<u>405,292</u>	<u>181,821</u>	<u>32,892</u>	<u>955,517</u>	<u>1,806,312</u>

- (i) To support its future operational requirements, the Group entered into agreement with Lee Ming Construction to undertake the development of its plant and office building, with payments of \$405,312 thousand and \$302,105 made for the periods from January 1 to March 31, 2025 and 2024, respectively, totaling a cumulative payment of \$2,280,844 thousand as of March 31, 2025. The capitalized amount of the borrowing costs of the Group was \$1,552 thousand and \$1,406 thousand, and the weighted average annual interest rate was 1.325% and 1.20%.
- (ii) As of March 31, 2025, December 31 and March 31, 2024 the Group did not provide any property, plant and equipment as collateral for its loan.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Right-of-use assets

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

	Land	Buildings	Machinery and equipment	Office equipment	Total
Cost:					
Balance at January 1, 2025	\$ 842,737	70,453	948	20,517	934,655
Additions	-	-	-	2,010	2,010
Effect of movements in exchange rates	-	344	-	(1)	343
Balance at March 31, 2025	<u>\$ 842,737</u>	<u>70,797</u>	<u>948</u>	<u>22,526</u>	<u>937,008</u>
Balance at January 1, 2024	\$ 842,737	68,203	948	22,036	933,924
Additions	-	-	-	1,298	1,298
Derecognized	-	-	-	(4,672)	(4,672)
Effect of movements in exchange rates	-	288	-	-	288
Balance at March 31, 2024	<u>\$ 842,737</u>	<u>68,491</u>	<u>948</u>	<u>18,662</u>	<u>930,838</u>
Accumulated depreciation:					
Balance at January 1, 2025	\$ 93,726	26,238	448	10,489	130,901
Depreciation	5,502	4,423	79	2,335	12,339
Effect of movements in exchange rates	-	57	-	-	57
Balance at March 31, 2025	<u>\$ 99,228</u>	<u>30,718</u>	<u>527</u>	<u>12,824</u>	<u>143,297</u>
Balance at January 1, 2024	\$ 71,720	27,979	132	9,170	109,001
Depreciation	5,502	4,433	79	2,114	12,128
Derecognized	-	-	-	(4,672)	(4,672)
Effect of movements in exchange rates	-	190	-	-	190
Balance at March 31, 2024	<u>\$ 77,222</u>	<u>32,602</u>	<u>211</u>	<u>6,612</u>	<u>116,647</u>
Carrying amount:					
Balance at March 31, 2025	<u>\$ 743,509</u>	<u>40,079</u>	<u>421</u>	<u>9,702</u>	<u>793,711</u>
Balance at January 1, 2025	<u>\$ 749,011</u>	<u>44,215</u>	<u>500</u>	<u>10,028</u>	<u>803,754</u>
Balance at March 31, 2024	<u>\$ 765,515</u>	<u>35,889</u>	<u>737</u>	<u>12,050</u>	<u>814,191</u>

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any Right-of-use assets as collateral for its loans.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Intangible assets

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

	<u>Goodwill</u>	<u>Technical Know-how</u>	<u>Computer software</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 222,051	299,254	354,609	875,914
Additions	-	1,600	3,741	5,341
Derecognized	-	(1,288)	(10,697)	(11,985)
Balance at March 31, 2025	<u>\$ 222,051</u>	<u>299,566</u>	<u>347,653</u>	<u>869,270</u>
Balance at January 1, 2024	\$ 222,051	294,206	346,912	863,169
Additions	-	15	9,580	9,595
Derecognized	-	(9)	(15,363)	(15,372)
Balance at March 31, 2024	<u>\$ 222,051</u>	<u>294,212</u>	<u>341,129</u>	<u>857,392</u>
Accumulated amortization:				
Balance at January 1, 2025	\$ -	142,462	244,079	386,541
Additions	-	12,879	29,216	42,095
Derecognized	-	(1,288)	(10,697)	(11,985)
Balance at March 31, 2025	<u>\$ -</u>	<u>154,053</u>	<u>262,598</u>	<u>416,651</u>
Balance at January 1, 2024	\$ -	102,972	162,126	265,098
Additions	-	4,917	34,716	39,633
Derecognized	-	(9)	(15,363)	(15,372)
Balance at March 31, 2024	<u>\$ -</u>	<u>107,880</u>	<u>181,479</u>	<u>289,359</u>
Carrying amount:				
Balance at March 31, 2025	<u>\$ 222,051</u>	<u>145,513</u>	<u>85,055</u>	<u>452,619</u>
Balance at January 1, 2025	<u>\$ 222,051</u>	<u>156,792</u>	<u>110,530</u>	<u>489,373</u>
Balance at March 31, 2024	<u>\$ 222,051</u>	<u>186,332</u>	<u>159,650</u>	<u>568,033</u>

(j) Long-term and short-term borrowings

(i) Short-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured bank loans	<u>\$ 130,000</u>	<u>130,000</u>	<u>42,000</u>
Range of interest rate	<u>2.285%~2.950%</u>	<u>2.285%~2.950%</u>	<u>2.40%~ 2.83%</u>
Unused short-term credit lines	<u>\$ 2,672,000</u>	<u>2,672,000</u>	<u>2,860,000</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	\$ <u>468,640</u>	<u>468,640</u>	<u>468,640</u>
Range of interest rate	<u>1.20%~1.325%</u>	<u>1.20%~1.325%</u>	<u>1.20%</u>
Unused long-term credit lines	\$ <u>6,251,360</u>	<u>6,251,360</u>	<u>6,256,360</u>

- 1) The Group signed long-term loan contracts with certain banks on December 3, 2021 to build factories, with a credit period of ten years. The loan has a grace period of three years, and the monthly principal and interest are evenly amortized.
- 2) Refer to note (6)(t) for the type of the financial assets and liabilities of the Group.

(k) Lease liabilities

The lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>27,769</u>	<u>27,452</u>	<u>26,070</u>
Non-current	\$ <u>686,610</u>	<u>689,427</u>	<u>688,074</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	\$ <u>3,002</u>	<u>2,896</u>
Expenses relating to short-term leases	\$ <u>2,295</u>	<u>4,018</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>451</u>	<u>403</u>

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

	For the three months ended March 31	
	2025	2024
Total cash outflow for leases	\$ <u>10,549</u>	<u>11,968</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Real estate leases

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

(ii) Other leases

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

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

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

	For the three months ended March 31	
	2025	2024
Operating cost	\$ 84	87
Selling expenses	56	57
Administration expenses	88	92
Research and development expenses	849	841
	\$ 1,077	1,077

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

The Group's expenses incurred from the contributions to the Bureau of Labor Insurance for the and three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31	
	2025	2024
Operating cost	\$ 2,333	2,293
Selling expenses	1,337	1,379
Administration expenses	3,313	2,903
Research and development expenses	14,348	13,714
	\$ 21,331	20,289

(m) Income taxes

- (i) Income tax expenses for the period are best calculated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management.

The Group's income tax expenses were as follows:

	For the three months ended March 31	
	2025	2024
Current tax expense	\$ 204,025	179,023

- (ii) The Group's tax returns for the year through 2023 were assessed by the tax authorities.

The income tax for profit-making enterprises of domestic subsidiaries has been approved until 2023.

All overseas subsidiaries have reported to the local tax bureau until 2023.

(n) Capital and other equity

- (i) Ordinary share

As of March 31, 2025, December 31 and March 31, 2024, the authorized capital of the Group amounted to \$4,800,000 thousand, divided into 303,880 thousand ordinary shares, with par value of \$10 per share. The issued shares were composed of common stocks only and have been fully paid up.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movements in outstanding ordinary shares of The Group were as follows: (In thousands of shares)

	For the three months ended March 31	
	2025	2024
Outstanding at January 1	286,224	284,585
Treasury stock transferred to employees	99	1,639
Outstanding at March 31	<u>286,323</u>	<u>286,224</u>

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$ 231,051	231,051	231,051
Treasury share transactions	716,659	715,698	627,110
Employee stock option	49,142	50,097	50,096
Difference arising from subsidiary's share price and its carrying value	142,297	142,297	25,031
	<u>\$ 1,139,149</u>	<u>1,139,143</u>	<u>933,288</u>

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

(iii) Retained earnings

The Company's Article of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Aside from the aforesaid legal reserve, the Company may appropriate another sum as a special reserve according to operation needs and legal requirements, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors. The issuance of new shares have first to be decided during the board meeting, and thereafter, submitted to the shareholders' meeting for approval. According to the Company Act, the distribution of earnings or legal reserve and capital surplus, distributed by way of cash, shall be decided during the board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be submitted in the shareholders' meeting of the Company. For dividends of at least 50% of current-period earnings and undistributed

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

prior-period earnings, the cash dividends shall not be less than 10% of the total amount dividends. The Group amended the Articles of Association that the profit distribution can be done after the end of each half of the fiscal year

1) Legal reserve

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

2) Special reserve

In accordance with Ruling No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The Company's profit distribution plan and the cash dividend per share for the 2023 and 2024 have been resolved by the Board of Directors as follows:

	For the six month ended December 31, 2024	For the six month ended June 30, 2024	For the six month ended December 31, 2023	For the six month ended June 30, 2023
	February 27, 2025	August 12, 2024	February 22, 2024	August 3, 2023
Board resolution date				
Cash dividend per share	\$ 1,124,358	1,215,522	911,641	607,760
Cash dividend per share	\$ 3.76	4.06	3.05	2.04

The actual distribution of the Group's surplus in 2024 and 2023 is the same as the amount recognized in the financial report, and no adjustment is required. Relevant information on the above-mentioned distribution can be inquired at the Market Observation Post System.

(iv) Treasury shares

	March 31, 2025		December 31, 2024		March 31, 2024	
	Shares (in thousands)	Amounts	Shares (in thousands)	Amounts	Shares (in thousands)	Amounts
Shares transferred to employees	5,119	\$ 804,400	5,218	820,020	5,218	820,020
Shares held by subsidiaries	12,438	28,975	12,438	28,975	12,438	28,975
	<u>17,557</u>	<u>\$ 833,375</u>	<u>17,656</u>	<u>848,995</u>	<u>17,656</u>	<u>848,995</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 1) The Group purchased shares as treasury stock for the purpose of transferring to employees in accordance with the requirements under section 28(2) of the Securities and Exchange Act. The movements of treasury stock were as follows:

	For the three months ended March 31			
	2025		2024	
	Shares (in thousands)	Amounts	Shares (in thousands)	Amounts
Beginning balance	5,218	\$ 820,020	6,857	1,077,510
Treasury stock transferred to employees	(99)	(15,620)	(1,639)	(257,490)
Ending balance	<u>5,119</u>	<u>\$ 804,400</u>	<u>5,218</u>	<u>820,020</u>

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

On January 15, 2024, the Group passed the resolution of the board of directors and transferred all treasury shares to employees in installments at the repurchase price. The number of shares transferred was 6,857,000 shares and the transfer amount was \$1,077,920 thousand. The Group has been transferred 1,738,000 shares and 1,639,000 shares with a transfer price of 157.2 per share for the three months ended March 31, 2025. As of March 31, 2025, The Group have been received \$15,626 thousand \$257,588.

- 2) Elan Investment Corp., a subsidiary of the Group, invested in Elantech before the Company acquired Elantech, and held the Company's stock after the Company's acquisition of Elantech. For the three months ended March 31, 2025 and 2024, the information on the Company's stock held by Elan Investment Corp. was as follows:

	For the three months ended March 31					
	2025			2024		
	Shares (in thousands)	Acquisition cost	Total market value	Shares (in thousands)	Acquisition cost	Total market value
Opening balance	12,438	\$ 28,975	1,878,168	12,438	28,975	2,021,207
Effects of valuation change	-	-	(186,573)	-	-	(68,410)
Ending balance	<u>12,438</u>	<u>\$ 28,975</u>	<u>1,691,595</u>	<u>12,438</u>	<u>28,975</u>	<u>1,952,797</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Other equity

The movements of other equity were as follows:

For the three months ended March 31, 2025			
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1	\$ (3,063)	(27,996)	(31,059)
Exchange differences on foreign operations			
The Group	857		857
Associates	150		150
Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	-	(1,380)	(1,380)
Balance at March 31	<u>\$ (2,056)</u>	<u>(29,376)</u>	<u>(31,432)</u>
For the three months ended March 31, 2024			
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1	\$ (5,343)	119,139	113,796
Exchange differences on foreign operations:	1,214	-	1,214
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(37,070)	(37,070)
Proceed from disposal of non-current financial at fair value through other comprehensive income.	-	(781)	(781)
Balance at March 31	<u>\$ (4,129)</u>	<u>81,288</u>	<u>77,159</u>

(vi) Non-controlling interests

	2025	2024
Balance at January 1	\$ 227,683	407,612
Net profit (loss) attributable to Non-controlling interests:		
Net loss	(33,510)	(35,599)
Capital Increase	-	5,160
Exchange differences on translation of foreign financial statements	221	194
Share-based payment	-	2,023
Changes in ownership of subsidiaries	18	(44,288)
Balance at March 31	<u>\$ 194,412</u>	<u>335,102</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Share-based payment

Except for the following disclosure, there were no significant changes in share-based payment for the three months ended March 31, 2025 and 2024. For the related information, please refer to note (6)(q) of the consolidated financial statements for the year ended December 31, 2024.

- (i) The Board of Directors' meeting on February 5, 2021, Eminent decided to award 2,310 units of employee stock options which would issue within three years depending on the actual situation (hereinafter referred to as 2021 employee stock options) to those fulltime employees who meet the specific requirements. Each unit of stock option can be subscribed one thousand stocks of common stock. During the period when the subscriber is granted the employee stock option, the stock options can be exercised and the duration is three years.

Eminent adopted the Black-Scholes model to measure the fair value of the share-based payment at the grant date. Since Eminent's shares are not traded in the public market, there is no public trading price for reference. The stock price to net value ratio of listed companies in similar industries is used as a multiplier, and the liquidity discount factor is taken into account to evaluate the stock market price on the date of issuance. The measurement inputs were as follows:

	2024 employee stock options
Fair value at grant date	\$ 3.40
Exercise price	10
Expected volatility	35.73%
Duration of stock options	0.003years
Riskfree interest rate	1.00%

Details of the employee stock options for years ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31, 2024	
	Number of options	Weighted average exercise price
2021 employee stock options		
Outstanding at January 1	-	\$ -
Granted during the year	595	10.00
Forfeited during the year	-	-
Exercised during the year	(595)	(10.00)
Outstanding at March 31	-	\$ -
Exercisable at March 31	-	

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Eminent has fully applied for the execution of 595,000 shares in February 2024. The subscription price per share is \$10. The base date for the capital increase for the issuance of new shares is March 1, 2024. The change registration is completed on March 11, 2024.

Eminent recognized stock option plan compensation costs of \$2,023 from January 1 to March 31, 2024, which were listed in operating costs and operating expenses.

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

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

	For the three months ended March 31, 2025		For the three months ended March 31, 2024	
Stock option in 2024	Number of options (in thousand)	Weighted average exercise price (in dollars)	Number of options (in thousand)	Weighted average exercise price (in dollars)
Outstanding at January 1	5,218	\$ 157.20	-	-
Granted during the year	-	-	6,857	157.20
Forfeited during the year	-	-	-	-
Exercised during the year	(99)	157.20	(1,639)	157.20
Outstanding at March 31	<u>5,119</u>	<u>\$ 157.20</u>	<u>5,218</u>	<u>157.20</u>
Exercisable at March 31	<u>5,119</u>		<u>5,218</u>	

Elan recognized share-based payment costs of \$65,827 for the year ended March 31, 2024, which were recognized under operation costs and operation expenses, depending on the nature of them.

The Group recognized share-based payment cost of the above two stock option plans of \$67,850 thousand for the year ended March 31, 2024 recognized under operation cost and operation expense.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Earnings per share

The Group's earnings per share for the three months ended March 31, 2025 and 2024 were calculated as follows:

(i) Basic earnings per share:

	For the three months ended March 31	
	2025	2024
Net profit attributable to ordinary shareholders of the Group	\$ 548,401	682,683
Weighted-average number of ordinary shares outstanding (in thousands)	286,224	284,585
Earnings per share (in dollars)	\$ 1.92	2.40

(ii) Diluted earnings per share:

	For the three months ended March 31	
	2025	2024
Net profit attributable to ordinary shareholders of the Group (diluted)	\$ 548,401	682,683
Weighted-average number of ordinary shares outstanding (in thousands)	286,224	284,585
Effect of dilutive potential ordinary shares (in thousands)		
— employee share bonus	2,935	2,142
— treasury stock transferred employees	-	82
Weighted-average number of ordinary shares outstanding (diluted)(in thousands)	289,159	286,809
Diluted earnings per share (in dollars)	\$ 1.90	2.38

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31	
	2025	2024
Taiwan	\$ 210,035	175,045
Mainland China	521,368	544,484
Hong Kong	2,326,477	2,328,657
America	8,287	4,205
Europe	286	8
Others	<u>52,431</u>	<u>53,499</u>
	<u>\$ 3,118,884</u>	<u>3,105,898</u>
Product and services :		
Consumer Touch Control Integrated Circuit	\$ 939,691	731,821
Laptop Input Devices	2,101,600	2,308,522
Others	<u>77,593</u>	<u>65,555</u>
	<u>\$ 3,118,884</u>	<u>3,105,898</u>

For details on revenue, please refer to note (14).

(ii) Contract balances

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

(r) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended March 31	
	2025	2024
Interest income from bank deposits	<u>\$ 16,536</u>	<u>11,992</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other income

	For the three months ended March 31	
	2025	2024
Rent income	599	522
Government grants	8,666	5,015
Others	1,544	1,424
Total	\$ 10,809	6,961

(iii) Other gains and losses

	For the three months ended March 31	
	2025	2024
Foreign exchange gains	\$ 33,177	48,889
Gains (losses) on financial asset valuation at fair value through profit or loss	(84,083)	74,458
Gains on disposals of property, plant and equipment	143	-
Miscellaneous disbursements	(243)	(170)
Total	\$ (51,006)	123,177

(s) Employee compensation and directors' and supervisors' remuneration

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

For the three months ended March 31, 2025 and 2024, the remunerations to employees and directors were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The estimated employee compensation and directors' and supervisors' remuneration were as follows:

	For the three months ended March 31	
	2025	2024
Employee compensation	\$ 111,466	127,331
Directors' and supervisors' remuneration	11,234	12,833
	<u>\$ 122,700</u>	<u>140,164</u>

For the years ended December 31, 2024 and 2023, the Company estimated its employee compensation amounting to \$506,000 thousand and \$386,000 thousand, and directors' and supervisors' remuneration amounting to \$51,000 thousand and \$39,000 thousand, respectively. The compensation and remuneration were all paid in cash. There were no differences between the distribution amounts of compensation and remuneration decided by the Board of Directors and the estimated amounts. Related information would be available at the Market Observation Post System website.

(t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

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

Furthermore, the Group monitors and reviews the recoverable amount of the accounts receivables to ensure the uncollectible amount is recognized appropriately as impairment loss.

As of March 31, 2025 and 2024, 84% and 90%, respectively, of accounts receivables were due from the ten largest customers. Thus, credit risk was significantly concentrated.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Receivables and debt securities

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

Other financial assets at amortized cost, including time deposits with maturities more than three months and other receivables, are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g). There was no loss allowance provision for the three months ended March 31, 2025 and 2024, respectively.

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 months</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 130,000	131,171	111,096	20,075	-	-	-
Notes and accounts payable	1,009,087	1,009,087	1,009,087	-	-	-	-
Other payables	608,741	608,741	608,741	-	-	-	-
Lease liabilities(current and non-current)	714,379	899,049	15,675	19,679	26,062	51,429	786,204
Dividends payable	1,124,357	1,124,357	1,124,357	-	-	-	-
Long-term borrowings	468,640	500,569	3,105	36,487	74,000	215,660	171,317
Deposits Received	<u>12,540</u>	<u>12,540</u>	<u>12,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,067,744</u>	<u>4,285,514</u>	<u>2,884,601</u>	<u>76,241</u>	<u>100,062</u>	<u>267,089</u>	<u>957,521</u>
December 31, 2024							
Non derivative financial liabilities							
Short-term borrowing	\$ 130,000	153,103	21,439	131,664	-	-	-
Notes and accounts payable	1,021,393	1,021,393	1,021,393	-	-	-	-
Other payables	896,328	896,328	896,328	-	-	-	-
Lease liabilities(current and non-current)	716,879	904,489	15,337	19,840	27,779	53,204	788,329
Long-term borrowings	468,640	502,121	3,105	19,823	73,747	216,577	188,869
Deposits Received	<u>12,180</u>	<u>12,180</u>	<u>12,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,245,420</u>	<u>3,489,614</u>	<u>1,969,782</u>	<u>171,327</u>	<u>101,526</u>	<u>269,781</u>	<u>977,198</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 months</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 42,000	42,048	42,048	-	-	-	-
Notes and accounts payable	1,323,019	1,323,019	1,323,019	-	-	-	-
Other payables	913,038	913,038	913,038	-	-	-	-
Lease liabilities(current and non-current)	714,144	909,156	17,808	15,504	23,041	51,197	801,606
Dividends payable	911,641	911,641	911,641	-	-	-	-
Long-term borrowings	468,640	497,461	2,812	2,812	33,462	213,198	245,177
Deposits Received	<u>40,512</u>	<u>40,512</u>	<u>40,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,412,994</u>	<u>4,636,875</u>	<u>3,250,878</u>	<u>18,316</u>	<u>56,503</u>	<u>264,395</u>	<u>1,046,783</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	March 31, 2025				December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	NTD		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets:										
<u>Monetary item</u>										
USD	\$	99,069	33.20	3,288,712	101,955	32.79	3,343,096	107,300	32.00	3,433,613
<u>Non-monetary item</u>										
USD		650	35.11	22,828	650	35.11	22,828	650	35.11	22,828
Financial liabilities:										
<u>Monetary item</u>										
USD		39,749	33.20	1,319,525	49,269	32.79	1,615,530	58,999	32.00	1,884,794

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the retranslation of foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD as of March 31, 2025 and 2024 would have increased (decreased) the net profit after tax by \$78,777 thousand and \$61,825 thousand for the three months ended March 31, 2025 and 2024, respectively, with all other variables remaining constant. The analysis is performed on the same basis in 2025 and 2024.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. The foreign exchange gain (including realized and unrealized portions) amounted to \$33,177 thousand and \$48,889 thousand for the three months ended March 31, 2025 and 2024, respectively.

(iv) Other market price risk

For the three months ended March 31, 2025 and 2024, the sensitivity analysis of the changes in the securities prices at the reporting date were performed on the same basis for profit or loss as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31 2025		For the three months ended March 31 2024	
	Other comprehensive income after tax		Other comprehensive income after tax	
	Net income		Net income	
Increase 5%	\$ 10,200	72,718	14,632	79,912
Decrease 5%	\$ (10,200)	(72,718)	(14,632)	(79,912)

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments which has no quoted market prices and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	March 31, 2025				
	Fair Value				total
	Book value	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss (current and non-current)	\$ 1,817,941	639,899	-	1,178,042	1,817,941
Financial assets at fair value through other comprehensive income					
Stocks	254,999	236,950	-	18,049	254,999
Accounts receivable	877,830	-	877,830	-	877,830
Subtotal	1,132,829	236,950	877,830	18,049	1,132,829

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2025					
	Book value	Fair Value			total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	4,154,875	-	-	-	-
Notes and accounts receivable	401,262	-	-	-	-
Other receivables	894,705	-	-	-	-
Financial assets measured at amortized cost (current and non-current)	181,540	-	-	-	-
Guarantee deposits (current and non-current)	60,211	-	-	-	-
Subtotal	<u>5,692,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,643,363</u>	<u>876,849</u>	<u>877,830</u>	<u>1,196,091</u>	<u>2,950,770</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 130,000	-	-	-	-
Notes and accounts payable	1,009,087	-	-	-	-
Other payables	608,741	-	-	-	-
Lease liabilities (current and non-current)	714,379	-	-	-	-
Dividends Payable	1,124,357	-	-	-	-
Long-term borrowings	468,640	-	-	-	-
Guarantee deposits received	12,540	-	-	-	-
Total	<u>\$ 4,067,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2024					
	Book value	Fair Value			total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss (current and non-current)	<u>\$ 1,941,817</u>	<u>738,037</u>	<u>-</u>	<u>1,203,780</u>	<u>1,941,817</u>
Financial assets at fair value through other comprehensive income					
Stocks	256,378	238,700	-	17,678	256,378
Accounts receivable	<u>702,356</u>	<u>-</u>	<u>702,356</u>	<u>-</u>	<u>702,356</u>
Subtotal	<u>958,734</u>	<u>238,700</u>	<u>702,356</u>	<u>17,678</u>	<u>958,734</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	3,272,637	-	-	-	-
Notes and accounts receivable	526,518	-	-	-	-
Other receivables	983,553	-	-	-	-
Financial assets measured at amortized cost (current and non-current)	881,420	-	-	-	-
Guarantee deposits (current and non-current)	68,549	-	-	-	-
Subtotal	<u>5,732,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,633,228</u>	<u>976,737</u>	<u>702,356</u>	<u>1,221,458</u>	<u>2,900,551</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2024			
		Fair Value			
	Book value	Level 1	Level 2	Level 3	total
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 130,000	-	-	-	-
Notes and accounts payable	1,021,393	-	-	-	-
Other payables	896,328	-	-	-	-
Lease liabilities (current and non-current)	716,879	-	-	-	-
Long-term borrowings	468,640	-	-	-	-
Guarantee deposits received	12,180	-	-	-	-
Total	<u>\$ 3,245,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		March 31, 2024			
		Fair Value			
	Book value	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss (current and non-current)	\$ 1,997,798	696,627	-	1,301,171	1,997,798
Financial assets at fair value through other comprehensive income					
Stocks	365,804	338,800	-	27,004	365,804
Accounts receivable	1,011,431	-	1,011,431	-	1,011,431
Subtotal	<u>1,377,235</u>	<u>338,800</u>	<u>1,011,431</u>	<u>27,004</u>	<u>1,377,235</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	3,281,504	-	-	-	-
Notes and accounts receivable	318,439	-	-	-	-
Other receivables	867,205	-	-	-	-
Financial assets measured at amortized cost (current and non-current)	1,436,588	-	-	-	-
Guarantee deposits(current and non-current)	67,997	-	-	-	-
Subtotal	<u>5,971,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,346,766</u>	<u>1,035,427</u>	<u>1,011,431</u>	<u>1,328,175</u>	<u>3,375,033</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 42,000	-	-	-	-
Notes and accounts payable	1,323,019	-	-	-	-
Other payables	913,038	-	-	-	-
Lease liabilities (current and non-current)	714,144	-	-	-	-
Dividends Payable	911,641	-	-	-	-
Long-term borrowings	468,640	-	-	-	-
Guarantee deposits received	40,512	-	-	-	-
Total	<u>\$ 4,412,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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

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

3) Transfers between Level 1 and Level 2

There were no transfers of financial instruments made between any level for the three months ended March 31, 2025 and 2024.

4) Reconciliation of Level 3 fair values

	Non derivative mandatorily measured at fair value through profit or loss (held-for-trading financial assets)	Financial assets at fair value through other comprehensive income	Total
Opening balance, January 1, 2025	\$ 1,203,780	17,678	1,221,458
Total gains and losses recognized:			
In profit or loss	(27,990)	-	(27,990)
In other comprehensive income	-	371	371
Purchased	5,409	-	5,409
Liquidation and capital reduction for redistribution to shareholders	(3,157)	-	(3,157)
Ending Balance, March 31, 2025	<u>\$ 1,178,042</u>	<u>18,049</u>	<u>1,196,091</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Non derivative mandatorily measured at fair value through profit or loss (held-for-trading financial assets)	Financial assets at fair value through other comprehensive income	Total
Opening balance, January 1, 2024	\$ 1,270,184	22,197	1,292,381
Total gains and losses recognized:			
In profit or loss	26,507	-	26,507
In other comprehensive income	-	10,880	10,880
Purchased	4,480	-	4,480
disposal	-	(6,073)	(6,073)
Ending Balance, March 31, 2024	<u>\$ 1,301,171</u>	<u>33,077</u>	<u>1,334,248</u>

For the three months ended March 31, 2025 and 2024, the total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	For the three months ended March 31	
	2025	2024
Total gains and losses recognized:		
In profit or loss, and presented in “other gains and losses”	\$ (27,990)	26,507
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	371	10,880

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

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – equity investments”.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss - equity investments without an active market	Market Comparison Method	<ul style="list-style-type: none"> Price-to-book ratio (March 31, 2025, December 31, 2024 and March 31, 2024: 1.48, 1.46 and 1.53 to 2.69) Liquidity discount (March 31, 2025, December 31, 2024 and March 31, 2024: 30%, 30% and 26.21% to 30%) Enterprise-Value-to-Revenue Multiple (March 31, 2025, December 31, 2024 and March 31, 2024: 1.83, 1.71 and 2.84) 	<ul style="list-style-type: none"> The estimated fair value would increase (decrease) if: the price-to-book ratio were higher (lower); the liquidity discount were lower (higher); the enterprise-value-to-revenue multiple were higher (lower);
Financial assets at fair value through profit or loss - equity investments without an active market	Net Asset Value Method	Net Asset Value	The estimated fair value would increase (decrease) if net asset value were higher (lower).

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

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

	Inputs	Increase or decrease	Profit or loss	
			Favorable	Unfavorable
March 31, 2025				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Valuation multiples	10%	\$ 467	(467)
	Liquidity discount	10%	192	(192)
	Net Asset Value	10%	117,345	(117,345)
December 31, 2024				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Valuation multiples	10%	\$ 440	(440)
	Liquidity discount	10%	192	(192)
	Net Asset Value	10%	119,933	(119,933)
March 31, 2024				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Valuation multiples	10%	\$ 1,679	(1,679)
	Liquidity discount	10%	597	(597)
	Net Asset Value	10%	128,456	(128,456)

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(w) of the consolidated financial statements for the year ended December 31, 2024.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. In addition, there are no significant changes in the summary quantitative information of capital management and those disclosed in the 2024 consolidated financial report. Please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(w) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2025 and 2024, were as follows:

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

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes		March 31, 2025
			Foreign exchange movement	Others	
Short-term borrowings	\$ 130,000	-	-	-	130,000
Long-term borrowings	468,640	-	-	-	468,640
Lease liabilities	716,879	(4,801)	291	2,010	714,379
Guarantee deposits received	12,180	360	-	-	12,540
Total liabilities from financing activities	<u>\$ 1,327,699</u>	<u>(4,441)</u>	<u>291</u>	<u>2,010</u>	<u>1,325,559</u>

	January 1, 2024	Cash flows	Non-cash changes		March 31, 2024
			Foreign exchange movement	Others	
Short-term borrowings	\$ 40,000	2,000	-	-	42,000
Long-term borrowings	468,640	-	-	-	468,640
Lease liabilities	717,399	(4,651)	98	1,298	714,144
Guarantee deposits received	41,187	(675)	-	-	40,512
Total liabilities from financing activities	<u>\$ 1,267,226</u>	<u>(3,326)</u>	<u>98</u>	<u>1,298</u>	<u>1,265,296</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationships with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Metanoia Communications Inc.	An associate
Key management personnel	All directors, supervisors, president and vice president of the Group's key management personnel

(b) Key management personnel compensation

	For the three months ended March 31	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 26,047	30,068
Post-employment benefits	152	166
Share-based Payment	-	3,811
	<u>\$ 26,199</u>	<u>34,045</u>

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledge assets</u>	<u>Pledged to secure</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current financial assets at amortized cost (Certificate Deposit)	Guarantee of the creditors of the purchase transactions	\$ 66,400	65,580	64,000
Non-current financial assets at amortized cost (Certificate Deposit)	Use land guarantee for Hsinchu Science Park Bureau	7,400	7,400	7,400
Current financial assets at amortized cost (Reserve Account)	Performance guarantee for government grant	9,740	10,440	15,115
		<u>\$ 83,540</u>	<u>83,420</u>	<u>86,515</u>

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

- (a) Except for the explanation in Note 6(j), ther rest:
- (i) The Group entered into performance guarantee agreements with financial institutions for the Group's obligation to pay for the goods purchased and the tax payable on bonded raw materials, commodities, fuel, and semi-finished products shipped outside the bond areas for domestic sales, demonstration, repair or testing. As of March 31, 2025, December 31 and March 31, 2024, the financial institutions had issued performance guarantees amounting to \$3,000 thousand, respectively.
 - (ii) As of March 31, 2025, December 31 and March 31, 2024, the refundable notes payable for short-term borrowings amounted to \$2,805,000 thousand, \$2,805,000 thousand, and \$2,905,000 thousand, respectively.
- (b) As of March 31, 2025, December 31 and March 31, 2024, the refundable notes payable for lease amounted to \$600 thousand.
- (c) The Group signed capacity guarantee contracts with a supplier, stipulating the minimum quantity to be purchased by the Group. As of March 31, 2025, December 31 and March 31, 2024, the Group paid the security deposit of \$11,000 thousand, \$20,000 thousand, and \$20,000 thousand in accordance with the contract, which was recognized under 「other current assets」 and 「other non-current assets」.
- (d) Government grant
- Based on the implementation of "Advanced AI Driver Assistance System (ADAS) and Smart Cockpit System Development Plan" by the Ministry of Economic Affairs, the Group entered into a project agreement with Taipei Computer Business Association and obtained the subsidy of \$91,730 thousand. According to the agreement, the Group will recognize the income based on the progress of the project, which runs between December 1, 2023 and May 31, 2025. As of March 31 2025, December 31 and March 31 2024, the subsidy of \$26,966 thousand, \$26,966 thousand, and \$41,144 thousand respectively, which had been received by the Group was recognized as "Other Current Liabilities". As of March 31, 2025, December 31 and March 31, 2024, the financial institutions have issued performance guarantee amounting to \$50,001 thousand, \$50,001 thousand, and \$64,764 thousand respectively.
- (e) As of March 31, 2025, December 31 and March 31, 2024, the total amount of the building contract signed by the Group was \$43,000 thousand and the payable amount in the following years will amount to \$12,208 thousand respectively.
- (f) The Group signed a project contract at April 28, 2023 (including civil, mechanical and electrical engineering) with Leeming Construction Co., Ltd., a non related party, to build a factory and office building in the International AI Smart Park in Hsinchu County, at the total contract amount of \$5,858,000 thousand. (tax included), as of March 31, 2025, December 31 and March 31, 2024, the unrecognized contract commitment amount is \$3,463,114 thousand, \$3,888,692 thousand, and \$4,921,599 thousand respectively.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Litigation and actions

On March 20, 2024, the Group filed a lawsuit with the Intellectual Property and Commercial Court against FocalTech Systems Co., Ltd. (FocalTech), claiming that the products manufactured and sold by FocalTech which were applied to touch pads were within the scope of the Invention Patent No. I662460, which is owned by the Group, and have infringed the Group's patent rights. Therefore, the Court is petitioned to prohibit the defendant from using, manufacturing and selling the products involved in the case, and to request damages. As of March 31, 2025, the case was still pending before the Intellectual Property and Commercial Court.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Others:

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

	For the three months ended March 31					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries and wages	\$ 87,546	483,077	570,623	89,193	544,393	633,586
Labor and health insurance	8,157	33,351	41,508	6,325	28,432	34,757
Pension	2,417	19,990	22,407	2,380	18,986	21,366
Remuneration of directors	-	11,824	11,824	-	14,480	14,480
Others	5,873	13,341	19,214	4,914	11,907	16,821
Depreciation	11,959	24,324	36,283	14,408	24,131	38,539
Amortization	765	41,329	42,094	1,058	38,575	39,633

(b) Seasonality of operations

For the first quarter of 2025, the Group reported improvements in its consolidated revenue, gross margin, and operating profit compared to the prior quarter. Despite the period typically representing an off-season, early pull-in orders by customers in response to tariff policy changes drove stronger demand, particularly in touch controller IC shipments for laptop applications—contributing to enhanced gross margin performance. Conversely, non-operating results were affected by market volatility, leading to valuation losses on financial assets. These losses reflect heightened uncertainty in capital markets stemming from global trade and tariff developments. Looking ahead, the Group remains committed to reinforcing collaboration with key customers, maintaining a prudent operating strategy, and sustaining a positive outlook on its business performance throughout the year.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings are the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with the Group	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Elan InvestmentCorp.	Stock: Finemat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	8,900	\$ 277,692	13.41 %	\$ 277,692	Note 2
Elan Investment Corp.	Elan Microelectronics Corporation	Subsidiary	Non-current financial assets at fair value through other comprehensive income	12,438	1,691,595	4.09 %	1,691,595	
Elan Microelectronics Corporation	ThroughTek Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	883	18,049	3.30 %	18,049	
Elan Microelectronics Corporation	Macroblock, Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,500	236,950	7.87 %	236,950	
				-	\$ 2,224,286	- %	\$ 2,224,286	
Elan Microelectronics Corporation	Certificates of beneficial interest: Fubon Chi-Hsiang Money Market Fund	-	Current financial assets at fair value through profit or loss	1,252	\$ 20,526	-	\$ 20,526	Note1
Elan Microelectronics Corporation	Diversified FX Trading Segregated Portfolio	-	Current financial assets at fair value through profit or loss	218	-	-	-	
Elan Microelectronics Corporation	Vertex Growth (SG) LP	-	Non-current financial assets at fair value through other comprehensive income	-	199,440	-	199,440	
Elan Microelectronics Corporation	Vertex Growth II (SG) LP	-	Non-current financial assets at fair value through profit or loss	-	34,284	-	34,284	
Elan InvestmentCorp.	FSITC Global Video Gaming & eSports Fund	-	Current financial assets at fair value through profit or loss	500	7,790	-	7,790	
Elan InvestmentCorp.	FSITC Taiwan Core Strategic Construction Fund	-	Current financial assets at fair value through profit or loss	1,000	13,070	-	13,070	
Elan InvestmentCorp.	FSITC Global AI FinTech TWD	-	Current financial assets at fair value through profit or loss	204	4,815	-	4,815	
Elan InvestmentCorp.	Nomura Global Short Duration Bond Fund TWD	-	Current financial assets at fair value through profit or loss	9,484	108,296	-	108,296	
Elan InvestmentCorp.	Nomura Global Financial Bond Fund Acc TWD	-	Current financial assets at fair value through profit or loss	3,589	38,771	-	38,771	
Elan InvestmentCorp.	Taishin Global Multi-asset Fund of Funds A TWD	-	Current financial assets at fair value through profit or loss	1,000	13,770	-	13,770	
Elan InvestmentCorp.	Taishin Global Disruptive Innovation Fund	-	Current financial assets at fair value through profit or loss	1,500	26,730	-	26,730	
Elan InvestmentCorp.	Taishin North American Income Trust Fund-A	-	Current financial assets at fair value through profit or loss	1,943	55,152	-	55,152	

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with the Group	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Elan InvestmentCorp.	Taishin ESG Emerging Markets Bond Fund A TWD	-	Current financial assets at fair value through profit or loss	3,003	28,129	-	28,129	
Elan InvestmentCorp.	Taishin Short Duration Emerging High Yield Bond Fund A-TWD	-	Current financial assets at fair value through profit or loss	4,200	45,157	-	45,157	
Elan InvestmentCorp.	Diversified FX Trading Segregated Portfolio	-	Current financial assets at fair value through profit or loss	589	-	-	-	Note1
					<u>\$ 595,930</u>		<u>\$ 595,930</u>	
Elan Microelectronics Corporation	Short-term commercial papers: Global Strategic FX Arbitrage Note	-	Current financial assets at fair value through profit or loss	195	\$ -	-	\$ -	Note1
Elan Microelectronics Corporation	Multi-Manager FX Trading Note (M2)	-	Current financial assets at fair value through profit or loss	44	-	-	-	Note1
Elan Microelectronics Corporation	Global Strategic FX Arbitrage Note (SERIES II)	-	Current financial assets at fair value through profit or loss	100	-	-	-	Note1
					<u>\$ -</u>		<u>\$ -</u>	
Elan Microelectronics Corporation	Non-publicly traded stocks: Chino-Excel Technology Corporation	-	Non-current financial assets at fair value through profit or loss	823	\$ -	1.48 %	\$ -	
Elan Microelectronics Corporation	Panther technology Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	340	5,044	0.94 %	5,044	
Elan Microelectronics Corporation	XINCE Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	2,866	-	9.40 %	-	
Elan Microelectronics Corporation	TOP TAIWAN VII VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	178	2,404	6.12 %	2,404	
Elan Microelectronics Corporation	TOP TAIWAN VIII VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	435	5,321	4.17 %	5,321	
Elan Microelectronics Corporation	Midastouch Research Corporation	-	Non-current financial assets at fair value through profit or loss	2,500	4,175	8.16 %	4,175	
Elan Microelectronics Corporation	TOP TAIWAN IX VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	2,625	47,758	6.25 %	47,758	
Elan Microelectronics Corporation	Inno Bridge Venture Capital	-	Non-current financial assets at fair value through profit or loss	800	2,114	11.35 %	2,114	
Elan Microelectronics Corporation	Startek Engineering Inc.	-	Non-current financial assets at fair value through profit or loss	189	-	0.53 %	-	
Elan Microelectronics Corporation	North Star Venture Capital	-	Non-current financial assets at fair value through profit or loss	3,000	41,999	10.00 %	41,999	
Elan Microelectronics Corporation	TOP TAIWAN XI VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	3,413	35,408	6.25 %	35,408	
Elan Microelectronics Corporation	Genius Vision Digital Inc.	-	Non-current financial assets at fair value through profit or loss	495	-	1.54 %	-	

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with the Group	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Elan Microelectronics Corporation	TOP TAIWAN XII VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	25,000	245,518	18.52 %	245,518	
Elan Microelectronics Corporation	Waltop International Corporation	-	Non-current financial assets at fair value through profit or loss	7	-	0.24 %	-	
Elan Microelectronics Corporation	Taiwania Capital Buffalo Fund V, LP.	-	Non-current financial assets at fair value through profit or loss	-	40,334	3.19 %	40,334	
Elan Microelectronics Corporation	TOP TAIWAN XIII VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	15,000	140,826	17.44 %	140,826	
Elan Microelectronics Corporation	TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	29,000	282,542	13.30 %	282,542	
Elan Microelectronics Corporation	Cruise 10 Co., Ltd	-	Non-current financial assets at fair value through profit or loss	2,625	39,919	10.14 %	39,919	
Elan Microelectronics Corporation	North Star Venture II Capital	-	Non-current financial assets at fair value through profit or loss	3,000	28,855	10.00 %	28,855	
Elan InvestmentCorp.	Panther Technology Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	1,396	20,699	3.88 %	20,699	
Elan InvestmentCorp.	RISE Technology Com	-	Non-current financial assets at fair value through profit or loss	769	-	3.23 %	-	
Elan InvestmentCorp.	Pica 8 - Preferred shares	-	Non-current financial assets at fair value through profit or loss	342	-	1.75 %	-	
Elan InvestmentCorp.	Arplanet Digital Technology Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	128	-	2.91 %	-	
Elan InvestmentCorp.	ZQAM Communications Corporation - Preferred shares	-	Non-current financial assets at fair value through profit or loss	75	416	0.71 %	416	
Elan InvestmentCorp.	e-Formula Technologies, Inc.	-	Non-current financial assets at fair value through profit or loss	550	-	2.06 %	-	
Elan InvestmentCorp.	ALGOLREALITY CO., LTD. - Preferred shares	-	Non-current financial assets at fair value through profit or loss	100	-	13.04 %	-	
Elan InvestmentCorp.	Cognito Health International Inc.	-	Non-current financial assets at fair value through profit or loss	1,010	-	1.13 %	-	
Elan InvestmentCorp.	Taiwan Intelligent Connect Co., Ltd. - Preferred shares	-	Non-current financial assets at fair value through profit or loss	10,000	986	14.29 %	986	
Elan InvestmentCorp.	Genius Vision Digital Inc.	-	Non-current financial assets at fair value through profit or loss	370	-	1.16 %	-	
					<u>\$ 944,318</u>		<u>\$ 944,318</u>	

Note 1: The redemption of principal for the aforementioned beneficiary certificates and short-term notes has been temporarily suspended. Moreover, its comprehensive assessment of the issuing entities' ability to continue operations and their existence resulted in the Group to recognize a full impairment loss.

Note 2: Investments in subsidiaries have been eliminated at the Group level from long-term investment.

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Elan Microelectronics Corporation	Elan (H.K.)	Subsidiary	Sale	\$ 41,169	1.32 %	Open Account 45 Days	-	-	\$ 14,171	1.09%	

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

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

(vi) Business relationships and significant intercompany transactions:

Significant transactions and business relationship between the parent company and its subsidiaries exceeding 1% of total assets or operating revenue are as follows:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Elan Microelectronics Corporation	Elan (H.K.)	1	Operating revenue	\$ 41,169	Open Account 45 Days	1.32%
1	Elan (H.K.)	Elan Microelectronics Corporation	2	Commission revenue	\$ 60,477	Monthly settlement	1.94%

Note1: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

Note2: The way to fill in the serial number is as follows:

- (1) 0 represents the parent company.
- (2) Subsidiaries are numbered sequentially starting from the number 1 according to the company

Note3: The relationship with the trader is as follows:

- (1) parent company to subsidiary.
- (2) subsidiary to parent company

(b) Information on investees:

The followings are the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
Elan Microelectronics Corporation	Elan (H.K.) Microelectronics Corp. Limited	Hong Kong, China	Sale and after-sales service	\$ 123,272	\$ 123,272	29,328	100.00 %	\$ 402,392	\$ 21,051	\$ 21,051	Note 1
Elan Microelectronics Corporation	Elan Investment Corp.	Taipei, Taiwan	Investment holding	500,000	500,000	50,000	100.00 %	727,483	(58,234)	(58,234)	Note 1
Elan Microelectronics Corporation	Elan Information Technology Group	California, USA	Sale, after-sales service and provide new informational skills	22,822	22,822	65	100.00 %	12,851	643	643	Note 1
Elan Microelectronics Corporation	JUPU Electronic Co., Ltd.	New Taipei City, Taiwan	Wholesale and installation of electronic devices, data storage and equipment process	7,840	7,840	784	49.00 %	(10,470)	(2,027)	(993)	Note 1
Elan Microelectronics Corporation	Metanoia Communications Inc.	Hsin-Chu, Taiwan	Research, design, development, manufacture and sales of Discrete Multi-Tone (DMT) chip and client chip, PON to OLT and ONU chip and GHN chip, a new generation home network	665,865	665,865	47,363	39.14 %	33,128	(75,583)	(29,556)	
Elan Microelectronics Corporation	Avisonic Technology Corp.	Hsin-Chu, Taiwan	Research, design, develop, manufacture and sale on digital image-process chips	224,746	224,746	20,569	83.40 %	(23,185)	(6,229)	(5,401)	Note 1
Elan Microelectronics Corporation	Tong fu Investment Corp.	Hsin-Chu, Taiwan	Investment holding	26,070	26,070	3,000	46.73 %	-	-	-	Note 2

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
Elan Microelectronics Corporation	Lighting Device Technologies Corp.	Hsin-Chu, Taiwan	Research, design, develop, manufacture and sale on LED chips	\$ 11,712	\$ 11,712	1,805	45.07 %	\$ -	\$ -	\$ -	Note 2
Elan Microelectronics Corporation	PIXORD Corporation	Hsin-Chu, Taiwan	Research, design, develop, manufacture and sale on Webcam and server	151,137	151,137	14,647	92.27 %	11,835	(5,757)	(4,990)	Note 1
Elan Microelectronics Corporation	EMINENT ELECTRONIC TECHNOLOGY CORP. LTD.	Hsin-Chu, Taiwan	Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments	52,100	52,100	4,113	18.01 %	(3,536)	(30,428)	(5,480)	Note 1
Elan Microelectronics Corporation	TOP TAIWAN X VENTURE CAPITAL CO., LTD.	Taipei, Taiwan	Venture capital	199,500	199,500	19,950	30.00 %	274,616	(27,049)	(8,115)	
Elan Microelectronics Corporation	Uniband Electronic Corp.	Hsin-Chu, Taiwan	Manufactures and sells electronic devices	50,000	50,000	2,500	24.69 %	2,984	(2,547)	(629)	
Elan Microelectronics Corporation	Finger Pro. Incorporation	Hsin-Chu, Taiwan	Manufactures and sells electronic devices	6,000	6,000	600	23.08 %	-	-	-	Note 2
Elan Microelectronics Corporation	Chimei Motor Electronic CO., LTD.	Taipei, Taiwan	Image recognition, automotive electronic manufacturing and wholesaling business	343,850	343,850	14,050	46.83 %	202,376	(12,140)	(7,298)	Note 1
Elan Investment Corp.	Avisonic Technology Corp.	Hsin-Chu, Taiwan	Research, design, develop, manufacture and sale on digital image-process chips	15,754	15,754	1,575	6.39 %	(1,718)	(6,299)	(414)	Note 1
Elan Investment Corp.	RONG CHENG Technology	Hsin-Chu, Taiwan	Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments	77,706	77,706	8,000	38.46 %	-	-	-	Note 2
Elan Investment Corp.	PIXORD Corporation	Hsin-Chu, Taiwan	Research, design, develop, manufacture and sale on Webcam and server	9,990	9,990	987	6.22 %	798	(5,757)	(336)	Note 1
Elan Investment Corp.	Metanoia Communications Inc.	Hsin-Chu, Taiwan	Research, design, development, manufacture and sales of Discrete Multi-Tone (DMT) chip and client chip, PON to OLT and ONU chip and GHN chip, a new generation home network	10,211	10,211	831	0.69 %	15,176	(75,583)	(521)	
Elan Investment Corp.	EMINENT ELECTRONIC TECHNOLOGY CORP. LTD.	Hsin-Chu, Taiwan	Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments	38,481	38,481	2,138	9.36 %	(1,490)	(30,428)	(2,848)	Note 1
Elan (H.K.)	Power Asia Investment Corporation	Republic of Mauritius	Investment holding	89,572	89,572	2,861	100.00 %	26,916	2,169	2,169	Note 1
Chimei Motor Electronic CO., LTD.	CHIMEI MOTOR ELECTRONICS (SAMOA) CO., LTD.	Somoa	Investment holding	52,555	52,555	1,750	100.00 %	19,989	(1,145)	(1,145)	Note 1

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

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

(c) Information on investment in mainland China:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) recognized	Carrying value as of March 31, 2025	Accumulated inward remittance of earnings as of March 31, 2025
					Outflow	Inflow						
Elan Micro-electronics (Shanghai) Co., Ltd.	Provide technical support and information service	\$ 52,095	(2)	\$ 52,095	-	-	\$ 52,095	\$ 1,423	100.00%	\$ 1,423	\$ 22,165	-
Elan Micro-electronics (Shenzhen) Co., Ltd.	Provide technical support and information service	34,670	(2)	34,670	-	-	34,670	747	100.00%	747	4,224	-
Gianteye Technology (Shanghai) CO., LTD.	Development of advanced driver assistance systems and wholesale of automotive electronic products	52,555	(2)	52,555	-	-	52,555	(1,145)	100.00%	(1,145)	19,989	-

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 1: Method of investment:

- (1) Direct investment in Mainland China
- (2) Indirect investment in Mainland China through a holding company established in other countries (Power Asia Investment Corporation)
- (3) Others

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

Note3: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

	Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Elan Microelectronics Corporation	\$ 86,765 (USD2,500,000)	\$ 98,333 (USD2,500,000)	\$ 5,527,546
Chimei Motor Electronic CO., LTD.	52,555 (USD1,750,000)	68,103 (USD2,250,000)	129,453

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

(iii) Significant transactions:

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

(Continued)

ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

For the three months ended March 31, 2025								
	Consumer Touch Control Business Unit	Laptop Input Device Business Unit	Investment Business Unit	Sales and Retailing Business Unit	Other Business Unit	Reconciliation and elimination	Total	
Revenue								
Revenue from external customers	\$ 885,354	2,101,600	-	54,337	77,593	-	3,118,884	
Intersegment revenues	42,055	-	-	60,477	7,299	(109,831)	-	
Interest income	12,135	-	-	4,052	349	-	16,536	
Total revenue	<u>\$ 939,544</u>	<u>2,101,600</u>	<u>-</u>	<u>118,866</u>	<u>85,241</u>	<u>(109,831)</u>	<u>3,135,420</u>	
Reportable segment profit or loss	<u>\$ (145,311)</u>	<u>895,236</u>	<u>(58,234)</u>	<u>27,807</u>	<u>(55,935)</u>	<u>55,353</u>	<u>718,916</u>	
Assets								
Investments accounted for using equity method	<u>\$ 1,630,473</u>	<u>-</u>	<u>12,766</u>	<u>-</u>	<u>-</u>	<u>(1,317,334)</u>	<u>325,905</u>	
Capital expenditure	<u>432,060</u>	<u>5,837</u>	<u>-</u>	<u>13</u>	<u>1,894</u>	<u>-</u>	<u>439,804</u>	
Reportable segment assets	<u>\$ 12,084,180</u>	<u>2,780,754</u>	<u>2,419,188</u>	<u>461,282</u>	<u>471,385</u>	<u>(2,920,435)</u>	<u>15,296,354</u>	
For the three months ended March 31, 2024								
	Consumer Touch Control Business Unit	Laptop Input Device Business Unit	Network Communication Business Unit	Investment Business Unit	Sales and Retailing Business Unit	Other Business Unit	Reconciliation and elimination	Total
Revenue								
Revenue from external customers	\$ 653,838	2,308,522	-	-	77,983	65,555	-	3,105,898
Intersegment revenues	79,471	-	-	-	65,421	9,413	(154,305)	-
Interest income	8,805	-	-	570	2,462	156	(1)	11,992
Total revenue	<u>\$ 742,114</u>	<u>2,308,522</u>	<u>-</u>	<u>570</u>	<u>145,866</u>	<u>75,124</u>	<u>(154,306)</u>	<u>3,117,890</u>
Reportable segment profit or loss	<u>\$ (51,169)</u>	<u>907,286</u>	<u>-</u>	<u>45,082</u>	<u>15,074</u>	<u>(60,114)</u>	<u>(30,052)</u>	<u>826,107</u>
Assets								
Investments accounted for using equity method	<u>\$ 2,093,096</u>	<u>-</u>	<u>-</u>	<u>28,314</u>	<u>-</u>	<u>-</u>	<u>(1,706,162)</u>	<u>415,248</u>
Capital expenditure	<u>\$ 322,718</u>	<u>2,534</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>445</u>	<u>-</u>	<u>325,740</u>
Reportable segment assets	<u>\$ 11,236,035</u>	<u>3,268,526</u>	<u>-</u>	<u>2,918,236</u>	<u>492,102</u>	<u>652,438</u>	<u>(3,559,584)</u>	<u>15,007,753</u>

Note : The consumer touch business unit includes expenses of the general management office and R&D office.