

**ELAN MICROELECTRONICS CORPORATION  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 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.

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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

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## 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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 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 \$613,677 thousand and \$790,478 thousand, constituting 3.90% and 5.13% of the consolidated total assets; and the total liabilities amounting to \$268,362 thousand and \$252,458 thousand, constituting 4.47% and 4.21% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; as well as the total comprehensive loss amounting to \$(67,697) thousand, \$(74,789) thousand, \$(212,051) thousand and \$(189,807) thousand, constituting 9.03%, 11.73%, 13.42% and 9.76% of the absolute value of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$126,401 thousand and \$419,591 thousand as of September 30, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$(38,470) thousand, \$(54,710) thousand, \$(120,580) thousand and \$(59,203) thousand for the three months and nine months ended September 30, 2025 and 2024, 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 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)

November 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**

**September 30, 2025, December 31, 2024, and September 30, 2024**

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note (6)(a))	\$ 3,262,988	21	3,272,637	22	4,274,915	28	2100	Short-term borrowings (notes (6)(j) and (9))	\$ 150,000	1	130,000	1	140,000	1
1110	Current financial assets at fair value through profit or loss (notes (6)(b) and (13))	409,975	3	404,272	3	402,579	3	2170	Accounts payable	1,067,321	7	1,021,393	7	981,851	6
1136	Current financial assets at amortised cost, net (notes (6)(a) and (8))	755,807	5	874,020	6	215,207	1	2206	Employee bonus payable (note (6)(s))	737,347	5	557,000	4	432,477	3
1170	Notes and accounts receivable, net (note (6)(c))	1,448,137	9	1,228,874	8	1,424,042	9	2216	Dividends payable (note (6)(n))	790,089	5	-	-	1,215,521	8
1200	Other receivables (note (6)(c))	1,055,756	7	983,553	7	1,017,796	7	2230	Current tax liabilities	256,375	2	488,742	3	352,787	2
1310	Inventories, net (note (6)(d))	1,628,245	10	1,746,499	12	1,829,308	12	2280	Current lease liabilities (note (6)(k))	26,057	-	27,452	-	24,218	-
1410	Prepayments and other current assets (note (9))	40,924	-	152,500	1	196,398	1	2399	Other current liabilities (note (9))	1,041,441	7	1,363,001	9	1,411,897	9
		<u>8,601,832</u>	<u>55</u>	<u>8,662,355</u>	<u>59</u>	<u>9,360,245</u>	<u>61</u>			<u>4,068,630</u>	<u>27</u>	<u>3,587,588</u>	<u>24</u>	<u>4,558,751</u>	<u>29</u>
<b>Non-current assets:</b>								<b>Non-Current liabilities:</b>							
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (13))	1,454,199	9	1,537,545	10	1,567,262	10	2540	Long-term borrowings (note (6)(j))	968,640	6	468,640	3	468,640	4
1517	Non-current financial assets at fair value through other comprehensive income (notes (6)(e) and (13))	244,590	2	256,378	2	307,991	2	2570	Deferred tax liabilities	20,428	-	20,428	-	299	-
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))	682,050	4	689,427	4	688,480	4
1551	Investments accounted for using equity method (note (6)(f))	149,834	1	364,536	2	419,591	3	2640	Net defined benefit liability, non-current	233,172	1	237,880	2	267,386	2
1600	Property, plant and equipment (note (6)(g))	4,002,750	25	2,787,691	19	2,306,752	15	2645	Guarantee deposits received	13,590	-	12,180	-	9,431	-
1755	Right-of-use assets (note (6)(h))	773,238	5	803,754	5	802,392	5	2650	Credit balance of investments accounted for using equity method (note (6)(f))	23,433	-	-	-	-	-
1780	Intangible assets (note (6)(i))	414,239	3	489,373	3	525,262	3			<u>1,941,313</u>	<u>11</u>	<u>1,428,555</u>	<u>9</u>	<u>1,434,236</u>	<u>10</u>
1840	Deferred tax assets	47,888	-	47,888	-	52,699	-	<b>Total liabilities</b>		<u>6,009,943</u>	<u>38</u>	<u>5,016,143</u>	<u>33</u>	<u>5,992,987</u>	<u>39</u>
1900	Other non-current assets (note (9))	53,522	-	60,186	-	61,171	1	<b>Equity attributable to owners of parent: (note (6)(n))</b>							
		<u>7,147,660</u>	<u>45</u>	<u>6,354,751</u>	<u>41</u>	<u>6,050,520</u>	<u>39</u>	3100	Capital stock	3,038,804	19	3,038,804	20	3,038,804	20
								3200	Capital surplus	1,149,413	7	1,139,143	8	1,088,521	7
								Retained earnings:							
								3310	Legal reserve	3,118,289	20	3,118,289	21	3,118,289	20
								3320	Special reserve	31,060	-	-	-	-	-
								3350	Undistributed earnings	3,118,163	20	3,357,098	22	2,724,769	18
										<u>6,267,512</u>	<u>40</u>	<u>6,475,387</u>	<u>43</u>	<u>5,843,058</u>	<u>38</u>
								3400	Other equity	(45,183)	-	(31,059)	-	20,457	-
								3500	Treasury shares	(833,375)	(5)	(848,995)	(6)	(848,995)	(6)
								<b>Total equity attributable to owners of parent:</b>		<u>9,577,171</u>	<u>61</u>	<u>9,773,280</u>	<u>65</u>	<u>9,141,845</u>	<u>59</u>
								36XX	Non-controlling interests	162,378	1	227,683	2	275,933	2
								<b>Total equity</b>		<u>9,739,549</u>	<u>62</u>	<u>10,000,963</u>	<u>67</u>	<u>9,417,778</u>	<u>61</u>
<b>Total assets</b>		<u>\$ 15,749,492</u>	<u>100</u>	<u>15,017,106</u>	<u>100</u>	<u>15,410,765</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 15,749,492</u>	<u>100</u>	<u>15,017,106</u>	<u>100</u>	<u>15,410,765</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 and nine months ended September 30, 2025 and 2024**

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

	For the three months ended September 30				For the nine months ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 <b>Total operating revenue</b> (notes (6)(q) and (14))	\$ 3,315,975	100	3,402,700	100	9,466,577	100	9,660,032	100
5000 <b>Total operating costs</b> (notes (6)(d), (l) and (12))	1,748,668	53	1,725,262	51	4,879,177	52	4,962,464	51
5900 <b>Gross profit from operations</b>	1,567,307	47	1,677,438	49	4,587,400	48	4,697,568	49
5920 Add: Realized (unrealized) profit from sales	(1,267)	-	(310)	-	(1,187)	-	(1,036)	-
5950 <b>Gross profits</b>	1,566,040	47	1,677,128	49	4,586,213	48	4,696,532	49
6000 <b>Operating expenses:</b> (notes (6)(c), (l), (o), (s) and (12))								
6100 Selling expenses	92,454	3	80,813	2	258,457	3	262,717	3
6200 Administrative expenses	129,600	4	125,579	4	356,422	4	382,220	4
6300 Research and development expenses	551,407	17	545,550	16	1,648,371	17	1,706,951	18
6450 Impairment (loss) determined in accordance with IFRS9	806	-	(1,389)	-	1,831	-	932	-
	774,267	24	750,553	22	2,265,081	24	2,352,820	25
6900 <b>Net Operating income</b>	791,773	23	926,575	27	2,321,132	24	2,343,712	24
7000 <b>Non-operating income and expenses:</b>								
7100 Interest income (note (6)(r))	12,588	-	15,770	-	47,853	1	47,324	-
7010 Other income (note (6)(r))	20,381	1	18,566	1	52,651	1	145,843	2
7020 Other gains and losses (note (r))	160,768	5	(59,713)	(2)	(207,129)	(2)	77,339	1
7050 Finance costs (note (k))	(3,875)	-	(3,611)	-	(11,471)	-	(10,013)	-
7770 Shares of gain of associates accounted for using equity method (note (6)(f))	(38,470)	(1)	(54,710)	(1)	(120,580)	(1)	(59,203)	(1)
	151,392	5	(83,698)	(2)	(238,676)	(1)	201,290	2
7900 <b>Profit before income tax</b>	943,165	28	842,877	25	2,082,456	23	2,545,002	26
8110 Less: Income tax expenses (note (6)(m))	173,047	5	170,430	5	487,327	5	507,371	5
<b>Net profit</b>	770,118	23	672,447	20	1,595,129	18	2,037,631	21
8300 <b>Other comprehensive income (loss):</b>								
8310 <b>Items that may not be reclassified subsequently to profit or loss:</b> (notes (6)(f) and (n))								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(22,325)	(1)	(35,755)	(1)	(11,788)	-	(94,724)	(1)
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	(22,325)	(1)	(35,755)	(1)	(11,788)	-	(94,724)	(1)
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>								
8361 Exchange differences on translation of foreign financial statements	1,780	-	814	-	(2,919)	-	2,677	-
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	50	-	47	-	110	-	110	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	1,830	-	861	-	(2,809)	-	2,787	-
8300 <b>Other comprehensive income (loss), net</b>	(20,495)	(1)	(34,894)	(1)	(14,597)	-	(91,937)	(1)
8500 <b>Comprehensive income</b>	\$ 749,623	22	637,553	19	1,580,532	18	1,945,694	20
<b>Net profit attributable to:</b>								
8610 Owners of parent	\$ 804,400	24	711,734	21	1,706,572	19	2,132,851	22
8620 Non-controlling interests	(34,282)	(1)	(39,287)	(1)	(111,443)	(1)	(95,220)	(1)
	\$ 770,118	23	672,447	20	1,595,129	18	2,037,631	21
<b>Comprehensive income (loss) attributable to:</b>								
8710 Owners of the parent	\$ 783,632	23	676,454	20	1,692,448	19	2,040,300	21
8720 Non-controlling interests	(34,009)	(1)	(38,901)	(1)	(111,916)	(1)	(94,606)	(1)
	\$ 749,623	22	637,553	19	1,580,532	18	1,945,694	20
<b>Earnings per share (expressed in dollars)</b> (note (6)(p))								
9710 Basic earnings per share	\$ 2.81		2.49		5.96		7.47	
9850 Diluted earnings per share	\$ 2.79		2.46		5.89		7.38	

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

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the nine months ended September 30, 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	Special reserve	Unappropriate d retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
<b>Balance at January 1, 2024</b>	\$ 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)	-	-	-	-	2,132,851	-	-	-	2,132,851	(95,220)	2,037,631
Other comprehensive income	-	-	-	-	(12)	2,185	(94,724)	-	(92,551)	614	(91,937)
Total comprehensive income	-	-	-	-	2,132,839	2,185	(94,724)	-	2,040,300	(94,606)	1,945,694
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	215,975	-	(215,975)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,127,163)	-	-	-	(2,127,163)	-	(2,127,163)
Treasury stock transferred to employees	-	98	-	-	-	-	-	257,490	257,588	-	257,588
Share-based payment awards	-	65,827	-	-	-	-	-	-	65,827	2,023	67,850
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	37,967	-	-	-	-	-	-	37,967	-	37,967
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	800	-	(800)	-	-	-	-
Exercise of employee stock options from subsidiaries	-	790	-	-	-	-	-	-	790	5,160	5,950
Changes in equity of associates accounted for using the equity method	-	117,266	-	-	-	-	-	-	117,266	-	117,266
Aquisition of equity in subsidiaries	-	(70,307)	-	-	-	-	-	-	(70,307)	(44,256)	(114,563)
<b>Balance at September 30, 2024</b>	<b>\$ 3,038,804</b>	<b>1,088,521</b>	<b>3,118,289</b>	<b>-</b>	<b>2,724,769</b>	<b>(3,158)</b>	<b>23,615</b>	<b>(848,995)</b>	<b>9,141,845</b>	<b>275,933</b>	<b>9,417,778</b>
<b>Balance at January 1, 2025</b>	<b>\$ 3,038,804</b>	<b>1,139,143</b>	<b>3,118,289</b>	<b>-</b>	<b>3,357,098</b>	<b>(3,063)</b>	<b>(27,996)</b>	<b>(848,995)</b>	<b>9,773,280</b>	<b>227,683</b>	<b>10,000,963</b>
Net profit (loss)	-	-	-	-	1,706,572	-	-	-	1,706,572	(111,443)	1,595,129
Other comprehensive income	-	-	-	-	-	(2,336)	(11,788)	-	(14,124)	(473)	(14,597)
Total comprehensive income	-	-	-	-	1,706,572	(2,336)	(11,788)	-	1,692,448	(111,916)	1,580,532
Appropriation and distribution of retained earnings:											
Special reserve appropriated	-	-	-	31,060	(31,060)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,914,447)	-	-	-	(1,914,447)	-	(1,914,447)
Treasury stock transferred to employees	-	6	-	-	-	-	-	15,620	15,626	-	15,626
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	46,810	-	-	-	-	-	-	46,810	-	46,810
Changes in non-controlling interests	-	(36,546)	-	-	-	-	-	-	(36,546)	46,611	10,065
<b>Balance at September 30, 2025</b>	<b>\$ 3,038,804</b>	<b>1,149,413</b>	<b>3,118,289</b>	<b>31,060</b>	<b>3,118,163</b>	<b>(5,399)</b>	<b>(39,784)</b>	<b>(833,375)</b>	<b>9,577,171</b>	<b>162,378</b>	<b>9,739,549</b>

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 nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the nine months ended September 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 2,082,456	2,545,002
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	108,735	113,235
Amortization expense	116,203	123,107
Expected credit loss	1,831	932
Net loss (profit) on financial assets at fair value through profit or loss	128,767	(39,142)
Interest expense	11,471	10,013
Interest income	(47,853)	(47,324)
Dividend income	(24,471)	(111,491)
Share-based payment awards	-	67,850
Share of loss of associates accounted for using equity method	120,580	59,203
(Gain) loss on disposal of property, plant and equipment	(194)	182
Impairment loss and disposal loss on inventory	67,497	61,788
Others	(40)	41
<b>Total adjustments to reconcile profit</b>	<u>482,526</u>	<u>238,394</u>
<b>Changes in operating assets and liabilities:</b>		
Increase in notes and accounts receivable	(221,094)	(308,579)
Decrease in inventories	50,757	220,207
Decrease (increase) in prepayments and other current assets	110,576	(163,945)
Increase in other receivables	(68,654)	(113,474)
(Decrease) increase in notes and accounts payable	45,928	(203,141)
(Decrease) increase in other current liabilities	(141,160)	3,011
Decrease in net defined benefit liability	(4,708)	(1,200)
Cash inflow generated from operations	2,336,627	2,216,275
Interest received	47,511	51,463
Interest paid	(11,524)	(10,013)
Income taxes paid	(722,901)	(376,070)
<b>Net cash flows from operating activities</b>	<u>1,649,713</u>	<u>1,881,655</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of current financial assets at fair value through profit or loss	(46,861)	-
Proceeds from disposal of current financial assets at fair value through profit or loss	46,861	-
Acquisition of non-current financial assets at fair value through profit or loss	(63,715)	(14,737)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	-	6,233
Proceeds from capital reduction and liquidation of financial assets at fair value through profit or loss	12,591	2,898
Decrease in financial assets at amortized cost	118,213	1,237,271
Proceeds from capital reduction of investments accounted for using equity method	47,880	-
Acquisition of property, plant and equipment	(1,287,492)	(865,650)
Proceeds from disposal of property, plant and equipment	194	-
Acquisition of intangible assets	(41,069)	(50,298)
Decrease in refundable deposits	7,478	8,479
Decrease in other non-current assets	186	129
Dividends received	94,296	127,451
<b>Net cash flows (used in) from investing activities</b>	<u>(1,111,438)</u>	<u>451,776</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	124,000	134,000
Decrease in short-term borrowings	(104,000)	(34,000)
Increase in long-term debt	500,000	-
Increase (decrease) in guarantee deposits received	1,412	(31,758)
Payment of lease liabilities	(14,619)	(18,686)
Cash dividends paid	(1,077,548)	(873,675)
Price of treasury stock transferred to employee	15,626	257,588
Exercise of employee stock options	-	5,950
Changes in non-controlling interests	10,065	(114,563)
<b>Net cash flows from (used in) financing activities</b>	<u>(545,064)</u>	<u>(675,144)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(2,860)</u>	<u>2,594</u>
<b>Net Increase (decrease) in cash and cash equivalents</b>	(9,649)	1,660,881
<b>Cash and cash equivalents at the beginning of period</b>	<u>3,272,637</u>	<u>2,614,034</u>
<b>Cash and cash equivalents at the end of period</b>	<u>\$ 3,262,988</u>	<u>4,274,915</u>

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**

**September 30, 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 nine Months ended September 30, 2025 and 2024 were authorized for issuance by the board of directors on November 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:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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**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:

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

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**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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

**(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
			September 30, 2025	December 31, 2024	September 30, 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
The Group	JUPU ELECTRONIC Co., Ltd. (JUPU)	Wholesale and installation of electronic devices, data storage and equipment process	71.67 %	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	98.86 %	98.49 %	98.49 %	note1 and note3

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
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	39.03 %	27.37 %	27.37 %	note1 and note4
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 note5
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. In addition, the Group's shareholding percentage has increased to 71.67% after participating in the capital increase of Eminent on August 20 2025.

Note 3: On June 26 2025, the Group's shareholding percentage has increased to 98.86% after participating in the capital increase of PiXORD.

Note 4: The Group obtained 3 out of 5 Board seats and gained control over Eminent. In addition, the Group's shareholding percentage has increased to 39.03% after participating in the capital increase of Eminent on June 30 2025.

Note 5: 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%

(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.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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.

(a) Cash and cash equivalents

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Petty cash	\$ 786	1,072	1,131
Checking and demand deposits	1,351,323	1,426,843	2,140,816
Time deposits	2,674,086	2,726,142	2,355,575
Less: Restricted deposits (recorded as current and non-current financial assets measured at amortized cost) (Note (8))	(71,677)	(83,420)	(84,857)
Time deposits (recorded as financial assets measured at amortized cost) with original maturities of over three months	(691,530)	(798,000)	(137,750)
	<u>\$ 3,262,988</u>	<u>3,272,637</u>	<u>4,274,915</u>

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Interest rate range	<u>1.285% ~ 3.50%</u>	<u>1.28% ~ 4.68%</u>	<u>0.745% ~ 5.36%</u>
Expiration year	<u>2025/10 ~2026/9</u>	<u>2025/1 ~ 2025/12</u>	<u>2024/7 ~ 2025/5</u>

- (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 nine months ended September 30, 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

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Current:			
Domestic			
Certificates of beneficial interest	\$ <u>409,975</u>	<u>404,272</u>	<u>402,579</u>
Non-current:			
Domestic			
Listed stocks	\$ 311,513	333,764	404,967
Non-publicly traded stocks	<u>917,985</u>	<u>977,396</u>	<u>927,343</u>
Subtotal	<u>1,229,498</u>	<u>1,311,160</u>	<u>1,332,310</u>
Foreign			
Certificates of beneficial interest	<u>224,701</u>	<u>226,385</u>	<u>234,952</u>
	<u>\$ 1,454,199</u>	<u>1,537,545</u>	<u>1,567,262</u>

- (i) As of September 30, 2025, December 31 and September 30, 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.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) Notes and accounts receivable

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Notes receivable	\$ 20,811	12,756	16,004
Accounts receivable - fair value through other comprehensive income	942,658	702,356	980,769
Accounts receivable - measured at amortized cost	505,477	538,144	454,576
Less: Loss allowance	<u>(20,809)</u>	<u>(24,382)</u>	<u>(27,307)</u>
	<b><u>\$ 1,448,137</u></b>	<b><u>1,228,874</u></b>	<b><u>1,424,042</u></b>

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:

	<b>September 30, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Expected credit loss</b>
Current	\$ 1,370,869	0.32%	4,449
1 to 30 days past due	72,026	1.33%	961
31 to 60 days past due	10,152	9.26%	939
61 to 90 days past due	1,985	45.54%	904
More than 90 days past due	<u>13,914</u>	50%~100%	<u>13,556</u>
	<b><u>\$ 1,468,946</u></b>		<b><u>20,809</u></b>
	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Expected credit loss</b>
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	<u>18,655</u>	50%~100%	<u>18,416</u>
	<b><u>\$ 1,253,256</u></b>		<b><u>24,382</u></b>

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Expected credit loss</b>
Current	\$ 1,389,742	0.39%	5,462
1 to 30 days past due	32,408	1.32%	429
31 to 60 days past due	6,296	9.13%	575
More than 90 days past due	22,903	50%~100%	20,841
	<b>\$ 1,451,349</b>		<b>27,307</b>

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

	<b>For the nine months ended September 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 24,382	26,523
Impairment loss recognized	1,831	932
Amounts written off	(4,980)	(149)
Effect of changes in exchange rates	(424)	1
Balance at September 30	<b>\$ 20,809</b>	<b>27,307</b>

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.

<b>September 30, 2025</b>						
<b>Purchaser</b>	<b>Accounts derecognized</b>	<b>Factoring Line</b>	<b>Advanced Amount</b>	<b>Amount Recognized in Other Receivables</b>	<b>Range of Interest Rate</b>	<b>Collateral</b>
Far Eastern International Bank Co., Ltd. KGI Bank O-Bank	\$ 961,338	2,868,400	-	961,338	0.04%~0.075%	None

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

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

September 30, 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>946,174</u>	<u>2,916,400</u>	<u>-</u>	<u>946,174</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 September 30, 2025, December 31 and September 30, 2024. The remaining amount has been reclassified into other receivables. The Group did not recognize impairment loss on other receivables for the nine months ended September 30, 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 September 30, 2025, December 31 and September 30, 2024.

(d) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 594,953	622,413	623,276
Work in progress	794,494	812,829	856,842
Finished goods	<u>238,798</u>	<u>311,257</u>	<u>349,190</u>
	<u>\$ 1,628,245</u>	<u>1,746,499</u>	<u>1,829,308</u>

The details of the cost of sales were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Inventory that has been sold	\$ 1,724,636	1,717,349	4,809,920	4,903,551
Write-down of inventories	24,933	8,925	67,497	61,788
Others	<u>(901)</u>	<u>(1,012)</u>	<u>1,760</u>	<u>(2,875)</u>
	<u>\$ 1,748,668</u>	<u>1,725,262</u>	<u>4,879,177</u>	<u>4,962,464</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any inventories as collateral for its loans.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Equity investments at fair value through other comprehensive income:			
Emerging stocks	\$ 18,490	17,678	19,241
Listed stocks	<u>226,100</u>	<u>238,700</u>	<u>288,750</u>
	<u>\$ 244,590</u>	<u>256,378</u>	<u>307,991</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) In addition, there were no disposals of strategic investments and transfers of any accumulative gain or loss within equity related to these investments as of September 30, 2025. The Group sold its shares from January 1 to June 30, 2024. The shares sold had a fair value of \$6,233 thousand, wherein the Group realized a gain of \$800 thousand, which was reclassified from other comprehensive income to retained earnings.
- (iii) For market risk, please refer to note (6)(t).
- (iv) As of September 30, 2025, December 31 and September 30, 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:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Associates	\$ 149,834	364,536	419,591
Credit balance of investments accounted for using equity method	<u>(23,433)</u>	<u>-</u>	<u>-</u>
	<u>\$ 126,401</u>	<u>364,536</u>	<u>419,591</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:

	Nature of the relationship with the Group	Main operating location / Registered Country of the Company	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	Shareholding (%)	Amount	Shareholding (%)	Amount	Shareholding (%)
Metanoia Communications Inc. (Metanoia)	Research, design, develop, manufacture and sale on client chipss	R.O.C.	\$ (23,433)	39.83	78,193	39.83	121,975	39.83
Top Taiwan X Venture Capital Co., Ltd.	Venture capital	R.O.C.	149,617	30.00	282,730	30.00	293,588	30.00
Uniband Electronic Cop.	Manufactures and sells electronic device	R.O.C.	217	24.69	3,613	24.69	4,028	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>\$ 126,401</u>		<u>364,536</u>		<u>419,591</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 September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Attributable to the Group:				
Profit (Loss) from continuing operations	\$ (38,470)	(54,710)	(120,580)	(59,203)
Other comprehensive income (loss)	50	47	110	110
Comprehensive income	<u>\$ (38,420)</u>	<u>(54,663)</u>	<u>(120,470)</u>	<u>(59,093)</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	-	-	41,871	9,886	1,235,735	1,287,492
Derecognized	-	-	(4,359)	(1,549)	-	(5,908)
Reclassification	-	-	6,330	1,027	(7,357)	-
Effect of movements in exchange rates	-	-	(132)	(347)	-	(479)
Balance at September 30, 2025	<u>\$ 230,790</u>	<u>1,165,103</u>	<u>850,848</u>	<u>204,556</u>	<u>3,191,754</u>	<u>5,643,051</u>
Balance at January 1, 2024	\$ 230,790	1,165,103	754,860	190,282	665,120	3,006,155
Additions	-	-	31,844	7,083	826,723	865,650
Derecognized	-	-	(4,170)	(2,561)	-	(6,731)
Reclassification	-	-	15,289	385	(15,674)	-
Effect of movements in exchange rates	-	-	126	354	-	480
Balance at September 30, 2024	<u>\$ 230,790</u>	<u>1,165,103</u>	<u>797,949</u>	<u>195,543</u>	<u>1,476,169</u>	<u>3,865,554</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ -	774,222	636,490	163,543	-	1,574,255
Depreciation	-	13,733	47,264	11,362	-	72,359
Derecognized	-	-	(4,359)	(1,549)	-	(5,908)
Effect of movements in exchange rates	-	-	(119)	(286)	-	(405)
Balance at September 30, 2025	<u>\$ -</u>	<u>787,955</u>	<u>679,276</u>	<u>173,070</u>	<u>-</u>	<u>1,640,301</u>
Balance at January 1, 2024	\$ -	754,925	578,495	154,815	-	1,488,235
Depreciation	-	14,542	50,351	11,827	-	76,720
Derecognized	-	-	(4,150)	(2,399)	-	(6,549)
Effect of movements in exchange rates	-	-	113	283	-	396
Balance at September 30, 2024	<u>\$ -</u>	<u>769,467</u>	<u>624,809</u>	<u>164,526</u>	<u>-</u>	<u>1,558,802</u>
Carrying amount:						
Balance at September 30, 2025	<u>\$ 230,790</u>	<u>377,148</u>	<u>171,572</u>	<u>31,486</u>	<u>3,191,754</u>	<u>4,002,750</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 September 30, 2024	<u>\$ 230,790</u>	<u>395,636</u>	<u>173,140</u>	<u>31,017</u>	<u>1,476,169</u>	<u>2,306,752</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 \$1,177,845 thousand and \$800,314 made for the periods from January 1 to September 30, 2025 and 2024, respectively, totaling a cumulative payment of \$3,053,377 thousand as of September 30, 2025. The capitalized amount of the borrowing costs of the Group was \$5,156 thousand and \$4,492 thousand from January 1 to September 30, 2025 and 2024, respectively, and the weighted average annual interest rate was 1.325% and 1.28%.
- (ii) As of September 30, 2025, December 31 and September 30, 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:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 842,737	70,453	948	20,517	934,655
Additions	-	1,906	-	4,586	6,492
Derecognized	-	-	-	(11,169)	(11,169)
Effect of movements in exchange rates	-	(803)	-	-	(803)
Balance at September 30, 2025	<u>\$ 842,737</u>	<u>71,556</u>	<u>948</u>	<u>13,934</u>	<u>929,175</u>
Balance at January 1, 2024	\$ 842,737	68,203	948	22,036	933,924
Additions	-	11,747	-	2,055	13,802
Derecognized	-	(10,605)	-	(4,672)	(15,277)
Effect of movements in exchange rates	-	436	-	-	436
Balance at September 30, 2024	<u>\$ 842,737</u>	<u>69,781</u>	<u>948</u>	<u>19,419</u>	<u>932,885</u>
Accumulated depreciation:					
Balance at January 1, 2025	\$ 93,726	26,238	448	10,489	130,901
Depreciation	16,505	13,106	237	6,528	36,376
Derecognized	-	-	-	(11,169)	(11,169)
Effect of movements in exchange rates	-	(171)	-	-	(171)
Balance at September 30, 2025	<u>\$ 110,231</u>	<u>39,173</u>	<u>685</u>	<u>5,848</u>	<u>155,937</u>
Balance at January 1, 2024	\$ 71,720	27,979	132	9,170	109,001
Depreciation	16,505	13,584	237	6,189	36,515
Derecognized	-	(10,605)	-	(4,672)	(15,277)
Effect of movements in exchange rates	-	254	-	-	254
Balance at September 30, 2024	<u>\$ 88,225</u>	<u>31,212</u>	<u>369</u>	<u>10,687</u>	<u>130,493</u>
Carrying amount:					
Balance at September 30, 2025	<u>\$ 732,506</u>	<u>32,383</u>	<u>263</u>	<u>8,086</u>	<u>773,238</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 September 30, 2024	<u>\$ 754,512</u>	<u>38,569</u>	<u>579</u>	<u>8,732</u>	<u>802,392</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any Right-of-use assets as collateral for its loans.

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**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	-	1,998	39,071	41,069
Derecognized	-	(52,171)	(69,636)	(121,807)
Balance at September 30, 2025	<u>\$ 222,051</u>	<u>249,081</u>	<u>324,044</u>	<u>795,176</u>
Balance at January 1, 2024	\$ 222,051	294,206	346,912	863,169
Additions	-	13,174	37,124	50,298
Derecognized	-	(8,713)	(39,368)	(48,081)
Balance at September 30, 2024	<u>\$ 222,051</u>	<u>298,667</u>	<u>344,668</u>	<u>865,386</u>
Accumulated amortization:				
Balance at January 1, 2025	\$ -	142,462	244,079	386,541
Additions	-	30,231	85,972	116,203
Derecognized	-	(52,171)	(69,636)	(121,807)
Balance at September 30, 2025	<u>\$ -</u>	<u>120,522</u>	<u>260,415</u>	<u>380,937</u>
Balance at January 1, 2024	\$ -	102,972	162,126	265,098
Additions	-	36,488	86,619	123,107
Derecognized	-	(8,713)	(39,368)	(48,081)
Balance at September 30, 2024	<u>\$ -</u>	<u>130,747</u>	<u>209,377</u>	<u>340,124</u>
Carrying amount:				
Balance at September 30, 2025	<u>\$ 222,051</u>	<u>128,559</u>	<u>63,629</u>	<u>414,239</u>
Balance at January 1, 2025	<u>\$ 222,051</u>	<u>156,792</u>	<u>110,530</u>	<u>489,373</u>
Balance at September 30, 2024	<u>\$ 222,051</u>	<u>167,920</u>	<u>135,291</u>	<u>525,262</u>

## (j) Long-term and short-term borrowings

## (i) Short-term borrowings

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank loans	<u>\$ 150,000</u>	<u>130,000</u>	<u>140,000</u>
Range of interest rate	<u>2.285%~2.950%</u>	<u>2.285%~2.950%</u>	<u>2.58%~ 2.95%</u>
Unused short-term credit lines	<u>\$ 2,602,000</u>	<u>2,672,000</u>	<u>2,712,000</u>

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ <u>968,640</u>	<u>468,640</u>	<u>468,640</u>
Range of interest rate	<u>1.325%</u>	<u>1.20%~1.325%</u>	<u>1.20%~1.325%</u>
Unused long-term credit lines	\$ <u>5,756,360</u>	<u>6,256,360</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, after the next year of grace period (2027).
- 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ <u>26,057</u>	<u>27,452</u>	<u>24,218</u>
Non-current	\$ <u>682,050</u>	<u>689,427</u>	<u>688,480</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>2,927</u>	<u>2,984</u>	<u>8,888</u>	<u>8,809</u>
Expenses relating to short-term leases	\$ <u>1,874</u>	<u>2,666</u>	<u>6,143</u>	<u>8,031</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>307</u>	<u>356</u>	<u>1,191</u>	<u>1,111</u>

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

	For the nine months ended September 30	
	2025	2024
Total cash outflow for leases	\$ <u>30,841</u>	<u>36,637</u>

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**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:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating cost	\$ 85	87	254	262
Selling expenses	56	57	168	171
Administration expenses	89	92	265	276
Research and development expenses	859	841	2,558	2,524
	<b>\$ 1,089</b>	<b>1,077</b>	<b>3,245</b>	<b>3,233</b>

(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 three months and nine months ended September 30, 2025 and 2024 were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating cost	\$ 2,316	2,330	6,979	6,955
Selling expenses	1,475	1,437	4,313	4,221
Administration expenses	3,254	3,081	9,573	9,000
Research and development expenses	14,221	14,116	42,561	41,645
	<b><u>21,266</u></b>	<b><u>20,964</u></b>	<b><u>63,426</u></b>	<b><u>61,821</u></b>

(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:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current period	\$ 173,047	170,430	467,576	486,152
Additional tax on undistributed earnings	-	-	19,751	21,219
Current tax expense	<b><u>173,047</u></b>	<b><u>170,430</u></b>	<b><u>487,327</u></b>	<b><u>507,371</u></b>

- (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 2024.

(n) Capital and other equity

- (i) Ordinary share

As of September 30, 2025, December 31 and September 30, 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.

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**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)

	<b>For the nine months ended</b>	
	<b>September 30</b>	
	<b>2025</b>	<b>2024</b>
Outstanding at January 1	286,224	284,585
Treasury stock transferred to employees	99	1,639
Outstanding at June 30	<b>286,323</b>	<b>286,224</b>

(ii) Capital surplus

The balances of capital surplus were as follows:

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
Additional paid-in capital	\$ 231,051	231,051	231,051
Treasury share transactions	763,469	715,698	665,076
Employee stock option	49,142	50,097	50,096
Difference arising from subsidiary's share price and its carrying value	105,751	142,297	142,298
	<b>\$ 1,149,413</b>	<b>1,139,143</b>	<b>1,088,521</b>

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

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**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 <u>June 30, 2025</u>	For the six month ended <u>December 31, 2024</u>	For the six month ended <u>June 30, 2024</u>	For the six month ended <u>December 31, 2023</u>	For the six month ended <u>June 30, 2023</u>
Board resolution date	<u>August 6 2025</u>	<u>February 27 2025</u>	<u>August 12 2024</u>	<u>February 22 2023</u>	<u>August 3 2023</u>
Cash dividend per share	\$ <u>790,089</u>	<u>1,124,358</u>	<u>1,215,522</u>	<u>911,641</u>	<u>607,761</u>
Cash dividend per share	\$ <u>2.64</u>	<u>3.76</u>	<u>4.06</u>	<u>3.05</u>	<u>2.04</u>

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

	<u>September 30, 2025</u>		<u>December 31, 2024</u>		<u>September 30, 2024</u>	
	<u>Shares (in thousands)</u>	<u>Amounts</u>	<u>Shares (in thousands)</u>	<u>Amounts</u>	<u>Shares (in thousands)</u>	<u>Amounts</u>
Shares transferred to employees	5,119	\$ 804,400	5,218	820,020	5,218	820,020
Shares held by subsidiaries	<u>12,438</u>	<u>28,975</u>	<u>12,438</u>	<u>28,975</u>	<u>12,438</u>	<u>28,975</u>
	<u><b>17,557</b></u>	<u><b>\$ 833,375</b></u>	<u><b>17,656</b></u>	<u><b>848,995</b></u>	<u><b>17,656</b></u>	<u><b>848,995</b></u>

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**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 nine months ended September 30			
	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	<b>5,119</b>	<b>\$ 804,400</b>	<b>5,218</b>	<b>820,020</b>

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 nine months ended September 30, 2025 and 2024 respectively. As of September 30, 2025 and 2024, The Group have been received \$15,626 thousand \$257,588 respectively.

- 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 nine months ended September 30, 2025 and 2024, the information on the Company's stock held by Elan Investment Corp. was as follows:

	For the nine months ended September 30					
	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	-	-	(261,202)	-	-	(248,764)
Ending balance	<b>12,438</b>	<b>\$ 28,975</b>	<b>1,616,966</b>	<b>12,438</b>	<b>28,975</b>	<b>1,772,443</b>

The Company transferred cash dividend revenue received by Elan Investment Corp. amounting to \$46,810 thousand and \$37,967 thousand to capital surplus-treasury stock from investment income on September 30 2025 and 2024, respectively.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Other equity

The movements of other equity were as follows:

	<b>For the nine months ended September 30, 2025</b>		
	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1	\$ (3,063)	(27,996)	(31,059)
Exchange differences on foreign operations			
The Group	(2,446)		(2,446)
Associates	110		110
Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	-	(11,788)	(11,788)
Balance at September 30	<u>\$ (5,399)</u>	<u>(39,784)</u>	<u>(45,183)</u>
	<b>For the nine months ended September 30, 2024</b>		
	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1	\$ (5,343)	119,139	113,796
Exchange differences on foreign operations:	2,185	-	2,185
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(94,724)	(94,724)
Proceed from disposal of non-current financial at fair value through other comprehensive income	-	(800)	(800)
Balance at September 30	<u>\$ (3,158)</u>	<u>23,615</u>	<u>20,457</u>

(vi) Non-controlling interests

	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 227,683	407,612
Net profit (loss) attributable to Non-controlling interests:		
Net loss	(111,443)	(95,220)
Exercise of share options by employees of subsidiaries	-	5,160
Capital Increase	10,065	-
Exchange differences on translation of foreign financial statements	(473)	-
Share-based payment	-	2,023
Changes in ownership of subsidiaries	36,546	(43,642)
Balance at September 30	<u>\$ 162,378</u>	<u>275,933</u>

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
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(o) Share-based payment

Except for the following disclosure, there were no significant changes in share-based payment for the six months ended September 30, 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:

	<b>2024 employee stock options</b>
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 the six months ended September 30, 2024 were as follows:

<b>2021 employee stock options</b>	<b>For the nine months ended September 30, 2024</b>	
	<b>Number of options</b>	<b>Weighted average exercise price</b>
Outstanding at January 1	-	\$ -
Granted during the year	595	10.00
Forfeited during the year	-	-
Exercised during the year	(595)	(10.00)
Outstanding at September 30	-	\$ -
Exercisable at September 30	-	-

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
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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 September 30, 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:

	<b>2024 treasury stock transferred to employees plan</b>
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

	<b>For the nine months ended September 30, 2025</b>		<b>For the nine months ended September 30, 2024</b>	
	<b>Number of options (in thousand)</b>	<b>Weighted average exercise price (in dollars)</b>	<b>Number of options (in thousand)</b>	<b>Weighted average exercise price (in dollars)</b>
<b>Stock option in 2024</b>				
Outstanding at January 1	5,218	\$ 157.20	-	-
Granted during the year	-	-	6,857	157.20
Exercised during the year	(99)	157.20	(1,639)	157.20
Outstanding at September 30	<u>5,119</u>	<u>\$ 157.20</u>	<u>5,218</u>	<u>157.20</u>
Exercisable at September 30	<u>5,119</u>		<u>5,218</u>	

Elan recognized share-based payment costs of \$0 and \$65,827 for the nine months ended September 30, 2025 and 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 \$0 and \$67,850 thousand for the nine months ended September 30, 2025 and 2024 recognized under operation cost and operation expense.

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(p) Earnings per share

The Group's earnings per share for the three months nine months ended September 30, 2025 and 2024 were calculated as follows:

(i) Basic earnings per share:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net profit attributable to ordinary shareholders of the Group	<b>\$ 804,400</b>	<b>711,734</b>	<b>1,706,572</b>	<b>2,132,851</b>
Weighted-average number of ordinary shares outstanding (in thousands)	<b>286,323</b>	<b>286,224</b>	<b>286,290</b>	<b>285,678</b>
Earnings per share (in dollars)	<b>\$ 2.81</b>	<b>2.49</b>	<b>5.96</b>	<b>7.47</b>

(ii) Diluted earnings per share:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net profit attributable to ordinary shareholders of the Group (diluted)	<b>\$ 804,400</b>	<b>711,734</b>	<b>1,706,572</b>	<b>2,132,851</b>
Weighted-average number of ordinary shares outstanding (in thousands)	286,323	286,224	286,290	285,678
Effect of dilutive potential ordinary shares (in thousands)				
— employee share bonus	2,510	2,747	3,215	3,259
Weighted-average number of ordinary shares outstanding (diluted)(in thousands)	<b>\$ 288,833</b>	<b>288,971</b>	<b>289,505</b>	<b>288,937</b>
Diluted earnings per share (in dollars)	<b>\$ 2.79</b>	<b>2.46</b>	<b>5.89</b>	<b>7.38</b>

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Regions :				
Taiwan	\$ 218,112	300,687	667,049	731,239
Mainland China	649,023	663,129	1,637,537	1,646,498
Hong Kong	2,357,467	2,367,779	6,933,024	7,103,955
America	12,346	11,470	29,429	24,493
Europe	264	2,258	9,136	3,203
Others	<u>78,763</u>	<u>57,377</u>	<u>190,402</u>	<u>150,644</u>
	<b><u>\$ 3,315,975</u></b>	<b><u>3,402,700</u></b>	<b><u>9,466,577</u></b>	<b><u>9,660,032</u></b>
Product and services :				
Consumer Touch Control Integrated Circuit	\$ 889,767	864,061	2,717,628	2,478,619
Laptop Input Devices	2,056,673	2,174,851	6,512,139	6,891,960
Others	<u>85,278</u>	<u>112,522</u>	<u>236,810</u>	<u>289,453</u>
	<b><u>\$ 3,031,718</u></b>	<b><u>3,151,434</u></b>	<b><u>9,466,577</u></b>	<b><u>9,660,032</u></b>

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:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest income from bank deposits	<b><u>\$ 12,588</u></b>	<b><u>15,770</u></b>	<b><u>47,853</u></b>	<b><u>47,324</u></b>

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## (ii) Other income

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Dividend income	\$ 7,263	9,907	24,471	111,491
Rent income	593	593	1,784	1,708
Government grants	2,735	7,243	12,673	18,344
Others	9,790	823	13,723	14,300
<b>Total</b>	<b>\$ 20,381</b>	<b>18,566</b>	<b>52,651</b>	<b>145,843</b>

## (iii) Other gains and losses

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Foreign exchange (losses) gains	\$ 73,233	(38,712)	(78,204)	38,727
Gains (losses) on financial asset valuation at fair value through profit or loss	87,576	(20,906)	(128,767)	39,142
Gains (losses) on disposals of property, plant and equipment	51	(2)	194	(182)
Miscellaneous disbursements	(92)	(93)	(352)	(348)
<b>Total</b>	<b>\$ 160,768</b>	<b>(59,713)</b>	<b>(207,129)</b>	<b>77,339</b>

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

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 10% shall be allocated as employee remuneration (including a minimum of 3% to those base-level employees) and a maximum of 2% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements.

For the nine months ended September 30, 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

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
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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.

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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Employee compensation	\$ 146,451	130,801	326,295	391,460
Directors' and supervisors' remuneration	14,759	13,183	32,884	39,452
	<b>\$ 161,210</b>	<b>143,984</b>	<b>359,179</b>	<b>430,912</b>

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.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
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As of September 30, 2025 and 2024, 86% and 90%, respectively, of accounts receivables were due from the ten largest customers. Thus, credit risk was significantly concentrated.

3) Receivables and debt securities

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

Other financial assets at amortized cost, including time deposits with maturities 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 nine months ended September 30, 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>
<b>September 30, 2025</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 150,000	152,563	31,675	120,888	-	-	-
Notes and accounts payable	1,067,321	1,067,321	1,067,321	-	-	-	-
Other payables	634,337	634,337	634,337	-	-	-	-
Lease liabilities(current and non-current)	708,107	886,942	20,621	12,609	24,481	46,648	782,583
Dividends payable	790,089	790,089	790,089	-	-	-	-
Long-term borrowings	968,640	1,034,034	6,417	7,231	140,862	536,201	343,323
Deposits Received	<u>13,590</u>	<u>13,590</u>	<u>13,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 4,332,084</u></b>	<b><u>4,578,876</u></b>	<b><u>2,564,050</u></b>	<b><u>140,728</u></b>	<b><u>165,343</u></b>	<b><u>582,849</u></b>	<b><u>1,125,906</u></b>
<b>December 31, 2024</b>							
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>
	<b><u>\$ 3,245,420</u></b>	<b><u>3,489,614</u></b>	<b><u>1,969,782</u></b>	<b><u>171,327</u></b>	<b><u>101,526</u></b>	<b><u>269,781</u></b>	<b><u>977,198</u></b>

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	<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>
<b>September 30, 2024</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 140,000	143,362	1,513	141,849	-	-	-
Notes and accounts payable	981,851	981,851	981,851	-	-	-	-
Other payables	975,986	975,986	975,986	-	-	-	-
Lease liabilities(current and non-current)	712,698	902,492	18,843	12,810	25,571	49,166	796,102
Dividends payable	1,215,521	1,215,521	1,215,521	-	-	-	-
Long-term borrowings	468,640	503,673	3,105	3,105	73,474	217,493	206,496
Deposits Received	9,431	9,431	9,431	-	-	-	-
	<u>\$ 4,504,127</u>	<u>4,732,316</u>	<u>3,206,250</u>	<u>157,764</u>	<u>99,045</u>	<u>266,659</u>	<u>1,002,598</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:

	<u>September 30, 2025</u>			<u>December 31, 2024</u>			<u>September 30, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<i>Financial assets:</i>									
<i>Monetary item</i>									
USD	\$ 116,298	30.46	3,542,427	101,955	32.79	3,343,096	104,895	31.66	3,320,977
<i>Non-monetary item</i>									
USD	650	35.11	22,828	650	35.11	22,828	650	35.11	22,828
<i>Financial liabilities:</i>									
<i>Monetary item</i>									
USD	46,371	30.46	1,412,461	49,269	32.79	1,615,530	49,513	31.66	1,567,583

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 September 30, 2025 and 2024 would have increased (decreased) the net profit after tax by \$85,199 thousand and \$70,134 thousand for the nine months ended September 30, 2025 and 2024, respectively, with all other variables remaining constant. The analysis is performed on the same basis in 2025 and 2024.

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 loss \$78,204 thousand and gain \$38,727 thousand for the nine months ended September 30, 2025 and 2024, respectively.

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(iv) Other market price risk

For the nine months ended September 30, 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:

	<u>For the nine months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>		<u>2024</u>	
<u>Prices of securities at</u> <u>the reporting date</u>	<u>Other</u> <u>comprehensive</u> <u>income</u> <u>after tax</u>	<u>Net income</u>	<u>Other</u> <u>comprehensive</u> <u>income</u> <u>after tax</u>	<u>Net income</u>
<b>Increase 5%</b>	<u>\$ 9,784</u>	<u>74,567</u>	<u>12,320</u>	<u>78,794</u>
<b>Decrease 5%</b>	<u>\$ (9,784)</u>	<u>(74,567)</u>	<u>(12,320)</u>	<u>(78,794)</u>

(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:

	<u>September 30, 2025</u>				
	<u>Book value</u>	<u>Fair Value</u>			<u>total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through profit or loss (current and non-current)	\$ 1,864,174	721,488	-	1,142,686	1,864,174
Financial assets at fair value through other comprehensive income					
Stocks	244,590	226,100	-	18,490	244,590
Accounts receivable	942,658	-	942,658	-	942,658
Subtotal	1,187,248	226,100	942,658	18,490	1,187,248
Financial assets measured at amortized cost					
Cash and cash equivalents	3,262,988	-	-	-	-
Notes and accounts receivable	505,479	-	-	-	-
Other receivables	1,055,756	-	-	-	-
Financial assets measured at amortized cost (current and non-current)	763,207	-	-	-	-
Guarantee deposits (current and non-current)	61,071	-	-	-	-
Subtotal	5,648,501	-	-	-	-
<b>Total</b>	<u>\$ 8,699,923</u>	<u>947,588</u>	<u>942,658</u>	<u>1,161,176</u>	<u>3,051,422</u>

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		September 30, 2025				
		Book value	Fair Value			total
			Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	150,000	-	-	-	-
Notes and accounts payable		1,067,321	-	-	-	-
Other payables		643,337	-	-	-	-
Lease liabilities (current and non-current)		708,107	-	-	-	-
Dividends Payable		790,089	-	-	-	-
Long-term borrowings		968,640	-	-	-	-
Guarantee deposits received		13,590	-	-	-	-
Total	\$	<b>4,341,084</b>	-	-	-	-
		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)						
	\$	1,941,817	738,037	-	1,203,780	1,941,817
Financial assets at fair value through other comprehensive income						
Stocks		256,378	238,700	-	17,678	256,378
Accounts receivable		702,356	-	702,356	-	702,356
Subtotal		958,734	238,700	702,356	17,678	958,734
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		5,732,677	-	-	-	-
Total	\$	<b>8,633,228</b>	<b>976,737</b>	<b>702,356</b>	<b>1,221,458</b>	<b>2,900,551</b>
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	\$	<b>3,245,420</b>	-	-	-	-

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	September 30, 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)	\$ 1,969,841	807,546	-	1,162,295	1,969,841
Financial assets at fair value through other comprehensive income					
Stocks	307,991	288,750	-	19,241	307,991
Accounts receivable	980,769	-	980,769	-	980,769
Subtotal	1,288,760	288,750	980,769	19,241	1,288,760
Financial assets measured at amortized cost					
Cash and cash equivalents	4,274,915	-	-	-	-
Notes and accounts receivable	443,273	-	-	-	-
Other receivables	1,017,796	-	-	-	-
Financial assets measured at amortized cost (current and non-current)	222,607	-	-	-	-
Guarantee deposits(current and non-current)	67,473	-	-	-	-
Subtotal	6,026,064	-	-	-	-
Total	<u>\$ 9,284,665</u>	<u>1,096,296</u>	<u>980,769</u>	<u>1,181,536</u>	<u>3,258,601</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 140,000	-	-	-	-
Notes and accounts payable	981,851	-	-	-	-
Other payables	975,986	-	-	-	-
Lease liabilities (current and non-current)	712,698	-	-	-	-
Dividends Payable	1,215,521	-	-	-	-
Long-term borrowings	468,640	-	-	-	-
Guarantee deposits received	9,431	-	-	-	-
Total	<u>\$ 4,504,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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 nine months ended September 30, 2025 and 2024.

4) Reconciliation of Level 3 fair values

	<b>Non derivative mandatorily measured at fair value through profit or loss (held-for-trading financial assets)</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Total</b>
Opening balance, January 1, 2025	\$ 1,203,780	17,678	1,221,458
Total gains and losses recognized:			
In profit or loss	(112,218)	-	(112,218)
In other comprehensive income	-	812	812
Purchased	63,715	-	63,715
Liquidation and capital reduction for redistribution to shareholders	(12,591)	-	(12,591)
Ending Balance, September 30, 2025	<u>\$ 1,142,686</u>	<u>18,490</u>	<u>1,161,176</u>
Opening balance, January 1, 2024	\$ 1,270,184	22,197	1,292,381
Total gains and losses recognized:			
In profit or loss	(119,728)	-	(119,728)
In other comprehensive income	-	3,277	3,277
Purchased	14,737	-	14,737
Receivables from Capital reduction for redistribution to shareholders	(2,898)	-	(2,898)
Disposal	-	(6,233)	(6,233)
Ending Balance, September 30, 2024	<u>\$ 1,162,295</u>	<u>25,474</u>	<u>1,187,769</u>

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

For the nine months ended September 30, 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 September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Total gains and losses recognized:				
In profit or loss, and presented in “other gains and losses”	\$ 19,771	(53,869)	(112,218)	(119,728)
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	2,525	(7,055)	812	3,277

- 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”.

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"> <li>· Price-to-book ratio (September 30, 2025, December 31 and September 30, 2024:0.00, 1.46 and 1.61 to 2.77)</li> <li>· Liquidity discount (September 30, 2025, December 31 and September 30, 2024:0%,30% and 19.15 % to 30%)</li> <li>· Enterprise-Value-to-Revenue Multiple (September 30, 2025, December 31 and September 30, 2024:0.00, 1.71 and 1.84)</li> </ul>	<ul style="list-style-type: none"> <li>· The estimated fair value would increase (decrease) if:</li> <li>· the price-to-book ratio were higher (lower);</li> <li>· the liquidity discount were lower (higher);</li> <li>· the enterprise-value-to-revenue multiple were higher (lower);</li> </ul>
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).

(Continued)

**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- 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:

	<u>Inputs</u>	<u>Increase or decrease</u>	<u>Profit or loss</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
<b>September 30, 2025</b>				
Financial assets at fair value through profit or loss				
	Net Asset Value	10%	\$ 114,269	(114,269)
<b>December 31, 2024</b>				
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)
<b>September 30, 2024</b>				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Valuation multiples	10%	\$ 519	(519)
	Liquidity discount	10%	219	(219)
	Net Asset Value	10%	115,723	(115,723)

- (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.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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 nine months ended September 30, 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		September 30, 2025
			Foreign exchange movement	Others	
Short-term borrowings	\$ 130,000	20,000	-	-	150,000
Long-term borrowings	468,640	500,000	-	-	968,640
Lease liabilities	716,879	(14,619)	(645)	6,492	708,107
Guarantee deposits received	12,180	1,412	(2)	-	13,590
Total liabilities from financing activities	<u>\$ 1,327,699</u>	<u>506,793</u>	<u>(647)</u>	<u>6,492</u>	<u>1,840,337</u>

	January 1, 2024	Cash flows	Non-cash changes		September 30, 2024
			Foreign exchange movement	Others	
Short-term borrowings	\$ 40,000	100,000	-	-	140,000
Long-term borrowings	468,640	-	-	-	468,640
Lease liabilities	717,399	(18,686)	183	13,802	712,698
Guarantee deposits received	41,187	(31,758)	2	-	9,431
Total liabilities from financing activities	<u>\$ 1,267,226</u>	<u>49,556</u>	<u>185</u>	<u>13,802</u>	<u>1,330,769</u>

**(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.

Name of related party	Relationship with the Group
Key management personnel	All directors, supervisors, president and vice president of the Group's key management personnel

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Key management personnel compensation

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 30,309	28,078	74,403	86,957
Post-employment benefits	152	140	457	472
Share-based Payment	-	-	-	3,811
	<u>\$ 30,461</u>	<u>28,218</u>	<u>74,860</u>	<u>91,240</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:

Pledge assets	Pledged to secure	September 30, 2025	December 31, 2024	September 30, 2024
Current financial assets at amortized cost (Certificate Deposit)	Guarantee of the creditors of the purchase transactions	\$ 60,920	65,580	63,320
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	3,357	10,440	14,137
		<u>\$ 71,677</u>	<u>83,420</u>	<u>84,857</u>

**(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 September 30, 2025, December 31 and September 30, 2024, the financial institutions had issued performance guarantees amounting to \$3,000 thousand, respectively.
- (ii) As of September 30, 2025, December 31 and September 30, 2024, the refundable notes payable for short-term borrowings amounted to \$2,755,000 thousand, \$2,805,000 thousand, and \$2,855,000 thousand, respectively.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (b) As of September 30, 2025, December 31 and September 30, 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 September 30, 2025, December 31 and September 30, 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 June 30 2025, December 31 and June 30 2024, the subsidy of \$26,966 thousand, \$26,966 thousand, and \$44,425 thousand respectively, which had been received by the Group was recognized as "Other Current Liabilities". As of September 30, 2025, December 31 and September 30, 2024, the financial institutions have issued performance guarantee amounting to \$5,361 thousand, \$50,001 thousand, and \$44,640 thousand respectively.

- (e) As of September 30, 2025, December 31 and September 30, 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 \$0 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 September 30, 2025, December 31 and September 30, 2024, the unrecognized contract commitment amount is \$2,651,954 thousand, \$3,888,692 thousand, and \$4,398,479 thousand respectively.
- (g) Litigation and actions
  - (i) 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 July 31 2025, the case was still pending before the Intellectual Property and Commercial Court.

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (ii) On July 3 2025, the Group filed a lawsuit with the Intellectual Property and Commercial Court against ILI Technology Corp. (ILI) and it's sales agent Neoview Technology Inc, claiming that the products manufactured and sold by ILI which were applied to capacitive touch chip were within the scope of the Invention Patent No. I425402, which is owned by the Group, and have infringed the Group's patent right. Therefore, the Court is petitioned to exclude and prevent the defendant from infringement patent involved in the case, and to request for damages. As of July 31 2025, the case was still in progress.
- (iii) On September 1, 2025, the Group filed a lawsuit with the Intellectual Property and Commercial Court against FocalTech Systems Co., Ltd, Cayman Islands company FOCALTECH ELECTRONICS, LTD, and Cayman Island company FOCALTECH SYSTEMS, LTD.(Cayman FocalTech), claiming that the self capacitance sensing method applied to capacitive touch pads which was manufactured and sold by Cayman FocalTech were within the scope of the Invention Patent No.I425402, which is owned by the Group, and has infringed the Group's patent rights. Therefore, the Court is petitioned to exclude and cease the defendants from infringement of the patent, and to request for damages. As of November 6 ,2025, the case still in remains pending before the Intellectual Property and Commercial Court.

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

**(11) Subsequent events:**

Due to business operation considerations and to enhance industrial technology cooperation, the Group's Board of Directors decided to participate in the case of founding the Taiwan Health Online Platform company, expected to inject the total capital \$120,000 thousand to acquire 20% of the company's stock. The first capital injection is expected to be \$60,000 thousand and will completed by November 28, 2025. The remaining amount will be paid at a later date.

**(12) Others:**

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

	<b>For the three months ended September 30</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Operating cost</b>	<b>Operating expense</b>	<b>Total</b>	<b>Operating cost</b>	<b>Operating expense</b>	<b>Total</b>
Employee benefits						
Salaries and wages	\$ 92,005	527,638	619,643	88,257	504,791	593,048
Labor and health insurance	7,461	28,495	35,956	7,263	27,995	35,258
Pension	2,401	19,954	22,355	2,417	19,624	22,041
Remuneration of directors	-	15,549	15,549	-	13,942	13,942
Others	7,186	15,452	22,638	6,817	16,238	23,055
Depreciation	12,418	23,872	36,290	12,185	24,397	36,582
Amortization	714	35,035	35,749	979	40,722	41,701

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	For the nine months ended September 30					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries and wages	\$ 251,365	1,447,701	1,699,066	256,608	1,544,581	1,801,189
Labor and health insurance	23,322	89,958	113,280	20,886	86,248	107,134
Pension	7,233	59,438	66,671	7,217	57,837	65,054
Remuneration of directors	-	35,154	35,154	-	42,122	42,122
Others	18,851	41,397	60,248	17,281	41,108	58,389
Depreciation	36,305	72,430	108,735	40,193	73,042	113,235
Amortization	2,159	114,044	116,203	3,111	119,996	123,107

(b) Seasonality of operations

The Group has long been committed to the development of diverse products and market expansion, continuously leveraging AI image recognition algorithms to drive the development of applicable fields such as transportation AI CCTV, ADAS, smart cockpits, and drones, and successfully launched the MINI LED Local Dimming IC to the drone market. In addition, the third quarter benefited from rush orders from laptop customers resulting in overall revenue better than expected.

Though the global macroeconomic environment still remains uncertain due to the effect of policy changes and geopolitical factors, customers tend to be somewhat conservative in the types of products they order, leading to a slight decline in gross margin compared to the second quarter, however the operating profit still grew compared to the previous quarter due to the effective control on operating expenses. The main reason for the positive non-operating income in the third quarter was the exchange rate, leading to exchange gains and valuation gains on financial assets. Looking ahead to the second half of the year, the Group's management will continue to adhere to prudent operating principles, actively deepen the application of AI, and expand diversified AI products, by innovative R&D and strategic positioning, laying the foundation for the company's long-term growth and sustainable development.

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**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 nine months ended September 30, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of September 30, 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			Fair value	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)		
	Stock:							
Elan InvestmentCorp.	Finemat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	8,900	\$ 311,513	13.41 %	\$ 311,513	
Elan Investment Corp.	Elan Microelectronics Corporation	Subsidiary	Non-current financial assets at fair value through other comprehensive income	12,438	1,616,966	4.09 %	1,616,966	Note 2
Elan Microelectronics Corporation	ThroughTek Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	883	18,490	3.30 %	18,490	
Elan Microelectronics Corporation	Macroblock, Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,500	226,100	7.87 %	226,100	
					<u>\$ 2,173,069</u>		<u>\$ 2,173,069</u>	
	Certificates of beneficial interest:							
Elan Microelectronics Corporation	Fubon Chi-Hsiang Money Market Fund	-	Current financial assets at fair value through profit or loss	1,252	\$ 20,681	-	\$ 20,681	
Elan Microelectronics Corporation	Diversified FX Trading Segregated Portfolio	-	Current financial assets at fair value through profit or loss	218	-	-	-	Note 1
Elan Microelectronics Corporation	Vertex Growth (SG) LP	-	Non-current financial assets at fair value through other comprehensive income	-	185,717	-	185,717	
Elan Microelectronics Corporation	Vertex Growth II (SG) LP	-	Non-current financial assets at fair value through profit or loss	-	38,984	-	38,984	
Elan InvestmentCorp.	FSITC Global Video Gaming & eSports Fund	-	Current financial assets at fair value through profit or loss	500	9,240	-	9,240	
Elan InvestmentCorp.	FSITC Taiwan Core Strategic Construction Fund	-	Current financial assets at fair value through profit or loss	1,000	19,150	-	19,150	
Elan InvestmentCorp.	FSITC Global AI FinTech TWD	-	Current financial assets at fair value through profit or loss	204	4,694	-	4,694	
Elan InvestmentCorp.	FSITC Global Utilities and Infrastructure Fund	-	Current financial assets at fair value through profit or loss	915	15,184	-	15,184	
Elan InvestmentCorp.	FSITC Global High Yield Bond Fund B USD	-	Current financial assets at fair value through profit or loss	1,656	26,681	-	26,681	
Elan InvestmentCorp.	Nomura Global Short Duration Bond Fund TWD	-	Current financial assets at fair value through profit or loss	9,484	106,184	-	106,184	
Elan InvestmentCorp.	Nomura Global Financial Bond Fund Acc TWD	-	Current financial assets at fair value through profit or loss	3,589	38,550	-	38,550	
Elan InvestmentCorp.	Taishin Global Multi-asset Fund of Funds A TWD	-	Current financial assets at fair value through profit or loss	1,000	14,440	-	14,440	
Elan InvestmentCorp.	Taishin Global Disruptive Innovation Fund	-	Current financial assets at fair value through profit or loss	1,500	32,175	-	32,175	

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**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 North American Income Trust Fund-A	-	Current financial assets at fair value through profit or loss	1,943	51,559	-	51,559	
Elan InvestmentCorp.	Taishin ESG Emerging Markets Bond Fund A TWD	-	Current financial assets at fair value through profit or loss	3,003	27,910	-	27,910	
Elan InvestmentCorp.	Taishin Short Duration Emerging High Yield Bond Fund A-TWD	-	Current financial assets at fair value through profit or loss	4,200	43,527	-	43,527	
Elan InvestmentCorp.	Diversified FX Trading Segregated Portfolio	-	Current financial assets at fair value through profit or loss	589	-	-	-	Note 1
					<b>\$ 634,676</b>		<b>\$ 634,676</b>	
	Short-term commercial papers:							
Elan Microelectronics Corporation	Global Strategic FX Arbitrage Note	-	Current financial assets at fair value through profit or loss	195	\$ -	-	\$ -	Note 1
Elan Microelectronics Corporation	Multi-Manager FX Trading Note (M2)	-	Current financial assets at fair value through profit or loss	44	-	-	-	Note 1
Elan Microelectronics Corporation	Global Strategic FX Arbitrage Note (SERIES II)	-	Current financial assets at fair value through profit or loss	100	-	-	-	Note 1
	Non-publicly traded stocks:							
Elan Microelectronics Corporation	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	4,700	0.94 %	4,700	
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	174	874	4.17 %	874	
Elan Microelectronics Corporation	Midastouch Research Corporation	-	Non-current financial assets at fair value through profit or loss	2,500	2,223	8.16 %	2,223	
Elan Microelectronics Corporation	TOP TAIWAN IX VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	2,625	36,092	6.25 %	36,092	
Elan Microelectronics Corporation	Inno Bridge Venture Capital	-	Non-current financial assets at fair value through profit or loss	800	2,089	11.35 %	2,089	
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	40,838	10.00 %	40,838	
Elan Microelectronics Corporation	TOP TAIWAN XI VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	2,730	28,487	6.25 %	28,487	

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**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	Genius Vision Digital Inc.	-	Non-current financial assets at fair value through profit or loss	495	-	1.54 %	-	
Elan Microelectronics Corporation	TOP TAIWAN XII VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	25,000	209,709	18.52 %	209,709	
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	-	39,892	3.19 %	39,892	
Elan Microelectronics Corporation	TOP TAIWAN XIII VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	15,000	128,758	17.44 %	128,758	
Elan Microelectronics Corporation	TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	29,000	277,790	13.30 %	277,790	
Elan Microelectronics Corporation	TOP TAIWAN XV VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through profit or loss	5,000	49,649	8.12 %	49,649	
Elan Microelectronics Corporation	Cruise 10 Co., Ltd	-	Non-current financial assets at fair value through profit or loss	2,625	40,724	9.28 %	40,724	
Elan Microelectronics Corporation	North Star Venture II Capital	-	Non-current financial assets at fair value through profit or loss	3,000	33,270	10.00 %	33,270	
Elan InvestmentCorp.	Panther Technology Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	1,396	19,286	3.88 %	19,286	
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	-	2.70 %	-	
Elan InvestmentCorp.	ZQAM Communications Corporation - Preferred shares	-	Non-current financial assets at fair value through profit or loss	38	139	0.40 %	139	
Elan InvestmentCorp.	e-Formula Technologies, Inc.	-	Non-current financial assets at fair value through profit or loss	550	-	2.06 %	-	
Elan InvestmentCorp.	ALGOLREALITY CO., LTD. - Preferred shares	-	Non-current financial assets at fair value through profit or loss	100	-	13.04 %	-	
Elan InvestmentCorp.	Vita Genomics, Inc	-	Non-current financial assets at fair value through profit or loss	406	-	1.13 %	-	
Elan InvestmentCorp.	Cognito Health International Inc.	-	Non-current financial assets at fair value through profit or loss	1,010	-	1.13 %	-	
Elan InvestmentCorp.	Taiwan Intelligent Connect Co., Ltd. - Preferred shares	-	Non-current financial assets at fair value through profit or loss	10,000	1,061	14.29 %	1,061	
Elan InvestmentCorp.	Genius Vision Digital Inc.	-	Non-current financial assets at fair value through profit or loss	370	-	1.16 %	-	
					<b>\$ 917,985</b>		<b>\$ 917,985</b>	

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	\$ 132,066	1.40 %	Open Account 45 Days	-	-	\$ 15,112	1.03%	

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	\$ 132,066	Open Account 45 Days	1.40%
1	Elan (H.K.)	Elan Microelectronics Corporation	2	Commission revenue	\$ 181,967	Monthly settlement	1.92%

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 nine months ended September 30, 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 September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 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 %	\$ 446,104	\$ 66,656	\$ 66,656	Note 1
Elan Microelectronics Corporation	Elan Investment Corp.	Taipei, Taiwan	Investment holding	500,000	500,000	50,000	100.00 %	675,842	(30,173)	(30,173)	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 %	12,795	1,641	1,641	Note 1
Elan Microelectronics Corporation	JUPU Electronic Co., Ltd.	New Taipei City, Taiwan	Wholesale and installation of electronic devices, data storage and equipment process	20,640	7,840	2,064	71.67 %	(9,748)	(7,061)	(3,499)	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 %	(37,366)	(255,593)	(100,012)	
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 %	(31,103)	(15,454)	(13,481)	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 September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 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	154,230	151,137	14,957	94.21 %	37,172	(19,209)	(17,449)	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	76,470	52,100	6,516	31.74 %	(13,835)	(108,146)	(25,205)	Note 1
Elan Microelectronics Corporation	TOP TAIWAN X VENTURE CAPITAL CO., LTD.	Taipei, Taiwan	Venture capital	151,620	199,500	15,162	30.00 %	149,617	(51,363)	(15,409)	Note 3
Elan Microelectronics Corporation	Uniband Electronic Corp.	Hsin-Chu, Taiwan	Manufactures and sells electronic devices	50,000	50,000	2,500	24.69 %	217	(13,755)	(3,396)	
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 %	183,622	(42,810)	(25,441)	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 %	(2,337)	(15,454)	(1,033)	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	7,502	9,990	739	4.65 %	1,835	(19,209)	(1,069)	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 %	13,933	(255,593)	(1,763)	
Elan Investment Corp.	EMINENT ELECTRONIC TECHNOLOGY CORP. LTD.	Hsin-Chu, Taiwan	Manufactures and sells electronic devices, computer and its related products, manufactures optical instruments	26,937	38,481	1,496	7.29 %	(3,181)	(108,146)	(9,259)	Note 1
Elan (H.K.)	Power Asia Investment Corporation	Republic of Mauritius	Investment holding	89,572	89,572	2,861	100.00 %	22,836	(273)	(273)	Note 1
Chimei Motor Electronic CO., LTD.	CHIMEI MOTOR ELECTRONICS (SAMOA) CO., LTD.	Somoa	Investment holding	52,555	52,555	1,750	100.00 %	14,699	(5,130)	(5,130)	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.

Note3: The Company deducted the amount of \$47,880 thousand from its capital in 2025.

(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 September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) recognized	Carrying value as of September 30, 2025	Accumulated inward remittance of earnings as of September 30, 2025
					Outflow	Inflow						
Elan Micro-electronics (Shanghai) Co., Ltd.	Provide technical support and information service	\$ 52,095	( 2 )	\$ 52,095	-	-	\$ 52,095	\$ 1,431	100.00%	\$ 1,431	\$ 20,779	-
Elan Micro-electronics (Shenzhen) Co., Ltd.	Provide technical support and information service	34,670	( 2 )	34,670	-	-	34,670	(1,693)	100.00%	(1,693)	1,574	-
Gianteye Technology (Shanghai) CO., LTD.	Development of advanced driver assistance systems and wholesale of automotive electronic products	52,555	( 2 )	52,555	-	-	52,555	(5,130)	100.00%	(5,130)	14,673	-

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**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.

Note 3: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

	<b>Accumulated Investment in Mainland China as of September 30, 2025</b>	<b>Investment Amounts Authorized by Investment Commission, MOEA</b>	<b>Upper Limit on Investment</b>
Elan Microelectronics Corporation	\$ 86,765 (USD2,500,000)	\$ 98,333 (USD2,500,000)	\$ 5,746,303
Chimei Motor Electronic CO., LTD.	52,555 (USD1,750,000)	68,103 (USD2,250,000)	110,260

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".

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment information:**

(a) General information

The Group has six reportable segments: Consumer Touch Control Business Unit, Laptop Input Device Business Unit, Network Communication Business Unit, Investment Business Unit, Sales and Retailing Business Unit and Other Business Unit. The main operations of Consumer Touch Control Business Unit are microprocessor, digital signal processor, application on specific integrated circuit and model. The Group also provides research and development service on the related products. Laptop Input Device Business Unit engages in research, sales, produce and manufacture of laptop input devices. The main operations of Network Communication Business Unit include research, develop and design in network communication chips. Investment Business Unit engages in the management of investee. Sales and Retailing Business Unit provides sales product services. Other Business Unit engages in design and manufacture of electronic devices.

The reportable segments are the Group's strategic divisions. They offer different products and services and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately. The management of the acquired divisions remains employed by the Group.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because the taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are able to be allocated to Consumer Touch Control Business Unit segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker. The operating segment accounting policies are similar to those described in note 4 "Significant accounting policies"

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

	For the three months ended September 30, 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	\$ 843,388	2,353,866	-	44,782	73,939	-	3,315,975
Intersegment revenues	44,230	-	-	63,071	12,096	(119,397)	-
Interest income	9,599	-	-	2,854	135	-	12,588
Total revenue	<u>\$ 897,217</u>	<u>2,353,866</u>	<u>-</u>	<u>110,707</u>	<u>86,170</u>	<u>(119,397)</u>	<u>3,328,563</u>
Reportable segment profit or loss	<u>\$ 102</u>	<u>976,023</u>	<u>62,719</u>	<u>21,617</u>	<u>(61,212)</u>	<u>(56,084)</u>	<u>943,165</u>

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**ELAN MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

For the three months ended September 30, 2024							
	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	\$ 817,483	2,408,587	-	65,254	111,376	-	3,402,700
Intersegment revenues	68,232	-	-	64,557	7,498	(140,287)	-
Interest income	11,438	-	720	3,104	508	-	15,770
Total revenue	<u>\$ 897,153</u>	<u>2,408,587</u>	<u>720</u>	<u>132,915</u>	<u>119,382</u>	<u>(140,287)</u>	<u>3,418,470</u>
Reportable segment profit or loss	<u>\$ (124,192)</u>	<u>1,000,260</u>	<u>22,032</u>	<u>11,592</u>	<u>(65,525)</u>	<u>(1,290)</u>	<u>842,877</u>
For the nine months ended September 30, 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	\$ 2,572,000	6,512,139	-	145,628	236,810	-	9,466,577
Intersegment revenues	135,024	-	-	181,967	25,649	(342,640)	-
Interest income	33,133	1,011	12	12,401	1,296	-	47,853
Total revenue	<u>\$ 2,740,157</u>	<u>6,513,150</u>	<u>12</u>	<u>339,996</u>	<u>263,755</u>	<u>(342,640)</u>	<u>9,514,430</u>
Reportable segment profit or loss	<u>\$ (440,125)</u>	<u>2,626,145</u>	<u>(29,629)</u>	<u>73,181</u>	<u>(190,765)</u>	<u>43,649</u>	<u>2,082,456</u>
Assets:							
Investments accounted for using equity method	<u>\$ 1,420,193</u>	<u>-</u>	<u>10,250</u>	<u>-</u>	<u>-</u>	<u>(1,280,609)</u>	<u>149,834</u>
Capital expenditure	<u>\$ 1,276,779</u>	<u>51,646</u>	<u>-</u>	<u>104</u>	<u>6,524</u>	<u>-</u>	<u>1,335,053</u>
Reportable segment assets	<u>\$ 12,264,533</u>	<u>3,098,385</u>	<u>2,425,865</u>	<u>510,154</u>	<u>451,920</u>	<u>(3,001,365)</u>	<u>15,749,492</u>
For the nine months ended September 30, 2024							
	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	\$ 2,258,909	6,891,960	-	219,710	289,453	-	9,660,032
Intersegment revenues	226,027	-	-	194,542	22,752	(443,321)	-
Interest income	32,877	1,849	1,975	8,415	2,208	-	47,324
Total revenue	<u>\$ 2,517,813</u>	<u>6,893,809</u>	<u>1,975</u>	<u>422,667</u>	<u>314,413</u>	<u>(443,321)</u>	<u>9,707,356</u>
Reportable segment profit or loss	<u>\$ (160,206)</u>	<u>2,785,284</u>	<u>140,685</u>	<u>65,885</u>	<u>(166,982)</u>	<u>(119,664)</u>	<u>2,545,002</u>
Assets:							
Investments accounted for using equity method	<u>\$ 2,227,209</u>	<u>-</u>	<u>21,980</u>	<u>-</u>	<u>-</u>	<u>(1,829,598)</u>	<u>419,591</u>
Capital expenditure	<u>\$ 887,293</u>	<u>24,616</u>	<u>-</u>	<u>11,760</u>	<u>6,082</u>	<u>-</u>	<u>929,751</u>
Reportable segment assets	<u>\$ 11,680,168</u>	<u>3,194,228</u>	<u>2,873,051</u>	<u>559,963</u>	<u>622,818</u>	<u>(3,519,463)</u>	<u>15,410,765</u>

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