

ELTA Technology Co., Ltd.

Financial Reports and Independent
Auditors' Report

2025 and 2024

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Independent Auditors' Report

To Shareholders of ELTA Technology Co., Ltd.:

Audit opinions

We have audited the balance sheets of ELTA Technology Co., Ltd. as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2025 and 2024, along with the notes to the financial statements (including a summary of significant accounting policies).

In our opinion, the above financial statements have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, Interpretations, and Interpretation Bulletins endorsed and issued into effect by the FSC, and fairly present the financial position of ELTA Technology Co., Ltd. as of December 31, 2025 and 2024, and its financial performance and cash flows for the years ended December 31, 2025 and 2024.

Basis of audit opinions

We conducted audit pursuant to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the financial statements" section in this report. We were independent of ELTA Technology Co., Ltd. in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing ELTA Technology Co., Ltd.'s financial statements in 2025. These matters are addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion. We do not provide a separate opinion on these matters.

The key audit matters for the financial statements of ELTA Technology Co., Ltd. in 2025 are described as follows:

Revenue recognized from digital audio-visual services

The revenue from digital audio-visual services is estimated based on historical experience and the viewership rate for the month. As this involves significant accounting estimates by management and the recorded amount is material to the financial statements, it has been identified as a key audit matter.

To understand the recognition method and the design and implementation of related control systems for digital audio-visual service revenue, we performed control testing as part of our audit procedures.

In addition, we also performed the following major audit procedures:

1. Based on our understanding of its business and industry, to confirm the appropriateness of the estimation method employed;
2. Selecting samples from the monthly estimated digital audio-visual service revenue, verifying the estimated revenue, and ensuring the accuracy of the revenue estimation calculations;
3. Reviewing the post-period reconciliation for digital audio-visual service revenue, sampling standardized reports, and verifying the reasonableness of revenue recognition.

As for the significant accounting policies and relevant disclosures of information on the digital audio-visual service revenue, please refer to Notes IV, V and XVI.

Responsibilities of the management and governance unit for the financial statements

The management was responsible for preparation of the financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission, and maintenance of the necessary internal control related to preparation of the consolidated financial statements to ensure that the financial statements were free of material misstatement due to fraud or errors.

During preparation of the financial statements, the management was also responsible for evaluating ELTA Technology Co., Ltd.'s ability as a going concern, disclosure of relevant matters, and application of the going concern basis of accounting, unless the management intended to make ELTA Technology Co., Ltd. enter into liquidation or terminate its operations, or there was no other actual or feasible solutions other than liquidation or termination of its operations.

The governance unit of ELTA Technology Co., Ltd. (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the financial statements

We audited the financial statements for the purpose of obtaining reasonable assurance about whether the financial statements were free of material misstatements due to fraud or errors and issuing an audit report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the financial statements through the audit conducted based on the auditing standards. Misstatements can arise from fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the financial statements, the misstatements were deemed as material.

As part of an audit in accordance with auditing standards, we exercised professional judgment and skepticism throughout the audit. We also performed the following tasks:

1. We identified and evaluated the risk of any misstatements in the financial statements due to fraud or errors, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. Since fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, we did not find that the risk of misstatements due to fraud was higher than the same due to errors.
2. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstances; however, the purpose of such work was not to express opinions towards the effectiveness of ELTA Technology Co., Ltd.'s internal control.
3. We evaluated the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.
4. Based on the obtained audit evidence, we drew a conclusion about the appropriateness of application of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about the ability of ELTA Technology Co., Ltd. to continue as a going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit

report. However, future events or circumstances might result in a situation where ELTA Technology Co., Ltd. would no longer have its ability as a going concern.

5. We evaluated the overall presentation, structure and contents of the financial statements (including relevant notes), and whether the financial statements presented relevant transactions and events fairly.

The matters for which we communicated with the governance unit include the planned audit scope and time, and major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures), which we considered to be likely to cause a impact on the independence of CPAs, to the governance unit.

We determined the key audit matters to be audited in the 2025 financial statements of ELTA Technology Co., Ltd. based on the matters communicated with the governance unit. Unless public disclosure of certain matters was prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such matters in the audit report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the audit report.

The engagement partners on the audits resulting in this independent auditors' report are Yi Ching Liu and Shih Jung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2026

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language independent auditors' report and financial statements shall prevail.

ELTA TECHNOLOGY CO., LTD.

BALANCE SHEETS

December 31, 2025 and December 31, 2024

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current assets				
1100	Cash (Note VI)	\$ 181,554	18	\$ 335,422	33
1136	Financial assets measured at amortized cost - current (Note VII)	50,000	5	230,894	22
1170	Accounts receivable (Note VIII)	180,638	18	257,602	25
1200	Other receivables	24,367	2	28,049	3
1330	Programs to be broadcast (Notes IX)	91,263	9	82,026	8
1410	Prepayment (Note X)	385,513	38	44,457	4
1470	Other current assets	9,522	1	10,926	1
11XX	Total current assets	<u>922,857</u>	<u>91</u>	<u>989,376</u>	<u>96</u>
	Non-current assets				
1535	Financial assets measured at amortized cost - non-current (Note VII)	10,000	1	-	-
1600	Property, plant and equipment: (Note XI)	12,417	1	12,436	1
1755	Right-of-use assets (Note XII)	51,907	5	18,910	2
1780	Intangible assets	2,025	-	2,080	-
1840	Deferred income tax assets (Note XVIII)	2,422	1	2,355	-
1915	Prepayment for equipment	1,112	-	1,112	-
1920	Refundable deposits	9,173	1	8,033	1
15XX	Total non-current assets	<u>89,056</u>	<u>9</u>	<u>44,926</u>	<u>4</u>
1XXX	Total assets	<u>\$ 1,011,913</u>	<u>100</u>	<u>\$ 1,034,302</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2130	Contract liabilities (Note XVI)	\$ 54,189	5	\$ 24,013	2
2171	Accounts and notes payable	39,254	4	43,603	4
2219	Other payables (Note XIII)	181,436	18	207,503	20
2230	Current income tax liabilities	5,180	1	28,027	3
2280	Lease liabilities (Note XII)	11,500	1	19,391	2
2399	Other current liabilities	3,014	-	3,533	-
21XX	Total current liabilities	<u>294,573</u>	<u>29</u>	<u>326,070</u>	<u>31</u>
	Non-current liabilities				
2580	Lease liabilities (Note XII)	40,973	4	781	-
2640	Net defined benefit liabilities (Note XIV)	6,137	1	6,166	1
25XX	Total non-current liabilities	<u>47,110</u>	<u>5</u>	<u>6,947</u>	<u>1</u>
2XXX	Total liabilities	<u>341,683</u>	<u>34</u>	<u>333,017</u>	<u>32</u>
	Equity (Note XV)				
3110	Common stock capital	265,350	26	265,350	26
3200	Capital reserve	215,676	21	215,676	21
	Retained earnings				
3310	Legal reserve	49,080	5	31,122	3
3350	Undistributed earnings	140,124	14	189,137	18
3300	Total retained earnings	189,204	19	220,259	21
3XXX	Total equity	<u>670,230</u>	<u>66</u>	<u>701,285</u>	<u>68</u>
	Total liabilities and equity	<u>\$ 1,011,913</u>	<u>100</u>	<u>\$ 1,034,302</u>	<u>100</u>

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Comprehensive Income

January 1 to December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Note XVI)	\$ 1,019,433	100	\$ 1,488,522	100
5000	Operating cost (Note XVII)	<u>742,156</u>	<u>73</u>	<u>1,098,296</u>	<u>74</u>
5900	Gross operating profit	<u>277,277</u>	<u>27</u>	<u>390,226</u>	<u>26</u>
	Operating expense (Note XVII)				
6100	Marketing expense	73,222	7	90,446	6
6200	Administrative expense	<u>78,116</u>	<u>8</u>	<u>77,429</u>	<u>5</u>
6000	Total operating expenses	<u>151,338</u>	<u>15</u>	<u>167,875</u>	<u>11</u>
6900	Net operating profit	<u>125,939</u>	<u>12</u>	<u>222,351</u>	<u>15</u>
	Non-operating income and expense (Note XVII)				
7100	Interest income	4,026	1	4,193	-
7010	Other income	3,904	-	381	-
7020	Other profit and loss	2,146	-	722	-
7050	Financial cost	(<u>983</u>)	<u>-</u>	(<u>1,862</u>)	<u>-</u>
7000	Total non-operating income and expense	<u>9,093</u>	<u>1</u>	<u>3,434</u>	<u>-</u>
7900	Net profit before tax	135,032	13	225,785	15
7950	Income tax expense (Note XVIII)	(<u>28,069</u>)	(<u>3</u>)	(<u>46,386</u>)	(<u>3</u>)
8200	Net profit for the year	<u>106,963</u>	<u>10</u>	<u>179,399</u>	<u>12</u>

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Code		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified				
	into profit or loss				
8311	Remeasurement of				
	defined benefit				
	plan	(\$ 45)	-	\$ 221	-
8349	Income tax related				
	to items not				
	subject to				
	reclassification	9	-	(44)	-
8300	Total other				
	comprehensive				
	income (net				
	amount after tax)	(36)	-	177	-
8500	Total comprehensive income				
	for the year	\$ 106,927	10	\$ 179,576	12
	Earnings per share (Note				
	XIX)				
9710	Basic	\$ 4.03		\$ 6.85	
9810	Diluted	\$ 3.99		\$ 6.74	

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

**Statement of Changes in Equity
January 1 to December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)**

Code		Common stock capital		Capital reserve	Retained earnings		Total equity
		Number of shares (thousand shares)	Amount		Legal reserve	Undistributed earnings	
A1	Balance on January 1, 2024	25,035	\$ 250,350	\$ 124,976	\$ 17,599	\$ 142,491	\$ 535,416
	Distribution of 2023 earnings						
B1	Legal reserve	-	-	-	13,523	(13,523)	-
B5	Cash dividend - NTD 4.5 per share	-	-	-	-	(119,407)	(119,407)
D1	2024 net profit after tax	-	-	-	-	179,399	179,399
D3	Other comprehensive income after tax in 2024	-	-	-	-	177	177
D5	Total comprehensive income in 2024	-	-	-	-	179,576	179,576
E1	Cash capital increase	1,500	15,000	90,028	-	-	105,028
N1	Share-based payment transactions	-	-	672	-	-	672
Z1	Balance on December 31, 2024	26,535	265,350	215,676	31,122	189,137	701,285
	Distribution of 2024 earnings						
B1	Legal reserve	-	-	-	17,958	(17,958)	-
B5	Cash dividend - NTD 5.2 per share	-	-	-	-	(137,982)	(137,982)
D1	2025 net profit after tax	-	-	-	-	106,963	106,963
D3	Other comprehensive income after tax in 2025	-	-	-	-	(36)	(36)
D5	Total comprehensive income in 2025	-	-	-	-	106,927	106,927
Z1	Balance on December 31, 2025	<u>26,535</u>	<u>\$ 265,350</u>	<u>\$ 215,676</u>	<u>\$ 49,080</u>	<u>\$ 140,124</u>	<u>\$ 670,230</u>

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Cash Flows January 1 to December 31, 2025 and 2024 (In Thousands of New Taiwan Dollars)

Code		2025	2024
	Cash flow from operating activities		
A10000	Net profit before tax	\$ 135,032	\$ 225,785
A20010	Revenue and expense		
A20100	Depreciation expense	28,566	27,604
A20200	Amortization expense	1,333	1,141
A20900	Financial cost	983	1,862
A21200	Interest income	(4,026)	(4,193)
A21900	Share-based payment transaction	-	672
A22500	Losses (gains) from disposal of property, plant and equipment	(7)	148
A23800	Impairment loss on the program to be broadcast	39	177
A24100	Foreign exchange gain	(140)	(626)
A29900	Others	-	(35)
	Net changes in operating assets and liabilities		
A31150	Accounts receivable	76,964	(61,173)
A31180	Other receivables	2,835	356
A31220	Program to be broadcast	(9,276)	(10,113)
A31230	Prepayments	(341,056)	22,525
A31240	Other current assets	1,404	(8,292)
A32125	Contract liabilities	30,176	10,681
A32150	Accounts and notes payable	(4,463)	9,072
A32180	Other payables	(26,148)	35,880
A32230	Other current liabilities	(519)	1,059
A32240	Net defined benefit liability	(74)	(22)
A33000	Cash inflow (outflow) from operations	(108,377)	252,508
A33500	Income tax paid	(50,974)	(46,931)
AAAA	Net cash inflow (outflow) from operating activities	(159,351)	205,577
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(80,000)	(300,894)
B00050	Disposal of financial assets measured at amortized cost	250,894	191,879
B02700	Purchase of property, plant and equipment	(5,927)	(9,327)
B02800	Proceeds from the disposal of property, plant and equipment	7	1,716
B03700	Increase in refundable deposits	(1,140)	(1,300)

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Code		2025	2024
B04500	Acquisition of intangible assets	(\$ 1,278)	(\$ 396)
B07200	Increase in prepayment for equipment	-	(1,112)
B07500	Interest received	<u>4,873</u>	<u>3,751</u>
BBBB	Net cash inflows (outflows) from investing activities	<u>167,429</u>	(<u>115,683</u>)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	200,000	410,000
C00200	Decrease in short-term borrowings	(200,000)	(410,000)
C04020	Lease principal repayment	(23,316)	(21,783)
C04500	Distribution of cash dividends	(137,982)	(119,407)
C04600	Cash capital increase	-	105,028
C05600	Interest paid	(<u>983</u>)	(<u>1,862</u>)
CCCC	Net cash outflow from financing activities	(<u>162,281</u>)	(<u>38,024</u>)
DDDD	Effect of exchange rate changes on cash	<u>335</u>	<u>878</u>
EEEE	Cash (decrease) increase for the year	(153,868)	52,748
E00100	Balance of cash at the beginning of the year	<u>335,422</u>	<u>282,674</u>
E00200	Balance of cash at the end of the year	<u>\$ 181,554</u>	<u>\$ 335,422</u>

The attached notes are part of the financial statements.

ELTA Technology Co., Ltd.
Notes to Financial Statements
January 1 to December 31, 2025 and 2024
(Amount in NTD thousand unless otherwise specified)

I. Company history

The Company was incorporated on March 28, 2000 in accordance with the Company Act and other relevant laws and regulations. The main business is to provide IPTV digital multimedia transmission platform (MOD) and over-the-top media service (OTT) platform. The Company is engaged in provision of digital audio and video content, digital audio and video channel operations, and media ads broadcasting services. In addition, the Company's shares have been listed for trading on the innovative section of the Taiwan Stock Exchange since March 26, 2024.

The parent company only financial statements are presented in NTD as the functional currency of the Company.

II. The date when the financial reports were authorized for issue and the process involved in authorizing the financial reports for issue

The individual financial statements were approved by the Board of Directors on March 3, 2026.

III. Application of new standards, amendments, and interpretations

- (I) The initial use of the IFRS, IAS, IFRIC, and SIC (hereinafter collectively referred to as "IFRS accounting standards") approved and released by Financial Supervisory Commission (hereinafter referred to as "FSC").

The application of IFRSs endorsed and issued into effect by the FSC does not have a material impact on the accounting policies of the Company.

- (II) IFRS accounting standards approved by the FSC and applicable in 2026.

<u>Application Of new standards, amendments and interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Natural Electricity Dependency"	January 1, 2026
"IFRS Annual Improvements - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

As of the approval and release date of the individual financial statements, the Company has assessed that the amendments to the each standard and interpretation will not have a significant impact on the financial position and financial performance.

(III) IFRS accounting standards issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC.

Application Of new standards, amendments and interpretations	Effective date announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21 "Translation into a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the aforementioned new/amended/revised standards or interpretations will become effective in annual reporting periods beginning on or after the respective effective date.

Note 2: On September 25, 2025, the FSC announced that domestic enterprises shall apply IFRS 18 starting January 1, 2028, and may also choose to adopt it early once IFRS 18 is approved by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related consequential amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes in this standard include:

- The Company shall assess whether it has specific major operating activities of investing in particular types of assets and providing financing to customers, and accordingly classify the income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should report operating profit and loss, financing and profit and loss before tax, as well as the totals of profit and loss.
- Provide guidelines to enhance aggregation and segmentation requirements: The Company must identify assets, liabilities, equity, income, expenses, and cash

flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, ensuring that each line item reported in the primary financial statements possesses at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and in the notes. The Company only marks such items as "others" if no more informative name can be found.

- Increase the disclosure of performance measures defined by management: When the Company engages in public communication outside of financial statements, and when communicating management's perspective on a specific aspect of the Company's overall financial performance to users of the financial statements, it should disclose information about performance measures defined by management in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation with subtotals or totals specified by IFRS accounting standards, and the impact of related reconciliation items on income tax and non-controlling interests.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- When preparing cash flows from operating activities using the indirect method, the Company shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Company shall be classified as investing activities, and interest and dividends paid shall be classified as financing activities. If the Company, upon assessment, has specific major operating activities, it shall consider the categories in which dividend income, interest income, and interest expense are presented in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of the aforementioned cash flows may only be classified within a single activity in the statement of cash flows.

In addition to the effects above, as of the date of publication of these individual financial statements, the Company continues to evaluate the other impacts of each standard and new amendments to interpretations on the financial status and financial performance, with the relevant impact to be disclosed when the evaluation is completed.

IV. Summary of significant accounting policies

(I) Compliance statement

The individual financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standards endorsed and issued into effect by the FSC.

(II) Basis of preparation

Except for the net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of the planned assets, the individual financial statements were prepared on the basis of historical cost.

Fair value measurement is classified into Level 1 to Level 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: The quoted price in an active market for identical assets or liabilities that are accessible on the measurement date (before adjustment).
2. Level 2 inputs: Inputs that are observable for assets or liabilities directly (i.e. the price) or indirectly (i.e. presumed from the price), other than the quoted prices included in Level 1.
3. Level 3 inputs: Inputs that are not observable for assets or liabilities.

(III) Criteria for classifying assets and liabilities into current and non-current.

Current assets include:

1. Assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding those that are restricted for exchange or settlement of liabilities within 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held mainly for the purpose of trading;
2. Liabilities expected to be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right to defer settlement beyond the balance sheet date to at least 12 months after the balance sheet date.

Assets or liabilities that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

For preparation of the financial statements, the transactions using currencies other than the Company's functional currency (foreign currency) are stated in functional currency translated at the exchange rate on the date of transaction.

Monetary foreign currency items are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized in the profit or loss of the period

(V) Program to be broadcast

The program to be broadcast includes the purchased film and the broadcasting right of sports events. The recording in the account book is based on the actual cost. The film broadcasting right is recognized as cost at the time of broadcasting; the sports event broadcasting right is recognized as cost according to the duration of the event. Allowance for devaluation loss of the program to be broadcast at the end of the period is assessed based on the net realizable value.

(VI) Property, plant and equipment

The property, plant, and equipment is recognized on the basis of the cost and subsequently measured based on the cost net of accumulated depreciations.

Each significant part of the property, plant, and equipment is separately depreciated on the straight-line basis over its useful life. The Company reviews the estimated useful life, residual value and method of depreciation at least on the end day of each year and prospectively recognizes the effect from changes in accounting estimates.

For derecognition of the property, plant and equipment, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss.

(VII) Impairment of property, plant and equipment, right-of-use assets, intangible assets

The Company assesses whether there are any signs indicating that any property, plant and equipment, right-of-use assets, and intangible assets may be impaired on each balance sheet date. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of individual assets can not be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of individual assets or cash-generating units is less than the book value thereof, the book value of the individual assets or

cash-generating units is adjusted down to the recoverable amount, and any impairment loss is recognized as profit or loss.

When the impairment loss is reversed subsequently, the book value of the asset or cash-generating unit is adjusted up to the revised recoverable amount. However, the increased book value does not exceed the book value (less the amortization or depreciation) determined under the circumstance that the impairment loss of the assets or cash-generating units is not recognized in the previous year. The reversal of the impairment loss is recognized in profit or loss.

(VIII) Financial instruments

Financial assets and financial liabilities are recognized in the individual balance sheet when the Company became a party of the financial instrument contract.

For initial recognition of the financial assets and financial liabilities, when the financial assets or financial liabilities are not measured at fair value through profit or loss, the assets or liabilities are measured at the fair value plus any transaction cost directly attributable to acquisition or issuance of the financial assets or financial liabilities. Any transaction cost measured at fair value through profit or loss directly attributable to the acquisition or issuance of the financial assets or financial liabilities is immediately recognized in profit or loss.

1. Financial assets

The regular transactions of financial assets are recognized and derecognized based on the accounting on the transaction date.

(1) Type of measurements

The financial assets held by the Company are those measured at fair value through profit and loss and at amortized cost.

Financial assets measured at amortized cost

The Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

- A. They are held under a business model with the purpose of holding financial assets to collect contractual cash flows; and
- B. The contractual terms generates cash flows on a specific date that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the financial assets (including cash, time deposits measured at amortized cost, accounts receivable,

investments in debt instruments, and refundable deposits) measured at amortized cost are measured based on the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any profit or loss from foreign currency translation was recognized in profit or loss.

The interest income is calculated as the effective interest rate times the total book value of financial assets:

(2) Impairment of financial assets

The Company impairment losses on the financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

An allowance for losses is recognized for accounts receivable based on the expected credit loss over the duration. The Company first assesses whether the credit risk on other financial assets significantly increases after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized based on 12-month expected credit losses; when the increase is significant, it is recognized based on lifetime-expected credit losses.

Expected credit losses are the average credit losses weighted by the risk of default. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime-expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted when the following circumstance occurred, without consideration of the collateral held:

- A. Any internal or external information indicates that a debtor is impossible to pay off the debts.
- B. In case of overdue, unless there is reasonable and corroborative information making it appropriate to postpone the default criteria.

All impairment losses on financial assets are accounted for by reducing the carrying amount through an allowance account.

(3) Derecognition of financial assets

The Company removes financial assets only when the contractual rights to the cash flows from the assets become invalid, or the financial assets and almost all the risks and returns over the ownership of the financial assets are transferred to other companies.

For derecognition of the entire financial assets measured at amortized cost, the difference between the book value and the received consideration is recognized in profit or loss.

2. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

For derecognition of financial liabilities, the differences between the book value and the consideration paid (including any non-cash assets transferred and any liabilities assumed) are recognized in profit or loss.

3. Equity instrument

The equity instruments issued by the Company are recognized based on the acquired proceeds net of the direct cost of issuance.

When a reacquired equity instrument is originally owned by the Company, the re-acquisition is recognized as a deduction to equity. Purchase, sale, issuance or cancellation of the equity instruments owned by the Company are not recognized in profit or loss.

(IX) Recognition of revenue

The Company allocates the transaction price to each performance obligation after it is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

1. Revenue from digital audio-visual services

When providing TV channels or on-demand videos to users via Internet Protocol Television (IPTV), Over-the-Top Media Service (OTT), and Web TV, the Company recognizes revenue based on the completion level of the contract during the period when the service is provided.

2. Licensing revenue

The broadcasting rights for films, television shows, and sports events acquired by the Company are sublicensed to customers, with completed media content having significant standalone functionality. Revenue is recognized upon the transfer of the license.

3. Advertising revenue

The Company signs advertising contracts with customers and recognizes revenue based on the completion level of the performance obligations.

4. Project revenue

Project income is earned by providing post-production services for multimedia videos and films. When the Company provides labor services, the customer obtains and consumes the performance benefits at the same time. The related income is recognized when the labor service is provided.

5. Merchandise sales revenue

Revenue from merchandise sales is derived from online platform transactions. Revenue from merchandise sales is recognized when the goods are delivered or transported to the customer's designated location.

(X) Lease

The Company assesses whether an agreement is (or contains) a lease on the date of entering into the agreement.

The Company as a lessee

The lease payment from the leases of low-value underlying assets to which the exemption of recognition is applied and from short-term leases is recognized as expenses on the straight-line basis over the lease term, while the right-of-use assets and lease liabilities with respect to other leases are recognized on the lease commencement date.

The right-of-use assets are initially measured based on the cost (including the initially recognized amount of lease liabilities, the lease payment paid before the lease commencement date less the lease incentives received, the initial direct cost and the cost estimated to recover underlying assets) and subsequently measured based on the cost net of accumulated depreciation, and then the remeasurement of the lease liabilities is adjusted. The right-of-use assets are separately presented in the balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease commencement date to the end of their useful life or the expiration of the lease period, whichever is sooner.

The lease liabilities are initially measured based on the present value of lease payments (including fixed payments). If the interest rate implicit in a lease can be readily determined, the lease payments are discounted at the interest rate. When such interest rate cannot be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When any changes in the lease term or in the index or rate determining the lease payments cause the changes in the future lease payments, the Company re-measure the lease liabilities and adjust the right-of-use assets accordingly. However, the residual remeasurement is recognized in profit or loss when the book value of the right-of-use assets is reduced to zero. The lease liabilities are separately presented in the balance sheet.

In a sale and leaseback transaction, if the transfer of assets meets the criteria for sale under IFRS 15, the Company recognizes the related profit or loss only for the portion transferred to the buyer. Any terms not at market value are adjusted to measure the sale price at fair value. If the transfer of assets does not meet the criteria for a sale under IFRS 15, the transaction is considered as financing.

(XI) Government subsidies

Government subsidies shall only be recognized when it is reasonable to ensure that the Company will comply with the condition's incident to the government subsidies and the subsidies may be received affirmatively.

Government subsidies are recognized in profit or loss on a systematic basis over the period in which the related costs for which the government intends to compensate are recognized as expenses by the Company.

If the government subsidies are used to make up the expenses or losses that have occurred, or immediately support the finance of the Company and there is no future cost, such subsidies are recognized in profit or loss during the period when they can be received.

(XII) Employee benefits

1. Short-term employee benefits

Liabilities related to employee benefits are measured at the non-discounted amount expected to be paid against the services to be provided by the employees.

2. Retirement benefits

Every pension fund contributed under the defined pension appropriation plan is recognized in expenses during the period when the employees provide services.

Defined retirement benefit costs (including service costs, net interest, and remeasurement) under the defined benefit retirement plan are calculated actuarially using the projected unit credit method. Service costs (including current service costs) and net interest on net defined benefit liabilities are recognized in employee benefit expenses when they are incurred. Remeasurement (including actuarial profits or losses, changes in the effect of asset limits, and return on plan assets net of interest) is recognized in other comprehensive income and presented in other equities when it occurred. It is not reclassified as profit or loss in the subsequent periods.

Net defined benefit liabilities represent the contribution deficit of the defined benefit retirement plan.

(XIII) Share-based payment agreements

Employee stock options are expenses recognized on a straight-line basis during the vesting period based on the fair value of the equity instruments on the grant date and the best estimated number expected to be vested, and the capital reserve - employee stock options is adjusted at the same time. If it is immediately vested on the grant date, the employee stock options are recognized as expenses in full amount on the grant date. When treasury stocks are transferred to employees, and the date on which the number of shares subscribed by employees is confirmed is the grant date.

The Company revises the estimated number of expected vested employee stock options on each balance sheet date. If the initial estimate is revised, the effect is recognized in profit or loss so that the accumulated expenses reflect the revised estimate, with a corresponding adjustment to capital reserves - employee stock options.

(XIV) Income Tax

Income tax expenses represent the sum of current income and deferred income taxes.

1. Income tax expense

The Company determines the current revenue in accordance with the laws and regulations of the jurisdiction for filing income taxes and, with this as a basis, calculates the income tax payable.

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

The deferred income tax is calculated based on the temporary difference between the book value of assets and liabilities in the book and the tax base for calculation of taxable income.

Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when any taxable income is likely to be available to offset income tax arising from the deductible temporary differences or offset losses.

The book value of deferred income tax assets is reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have taxable income adequate to return all or part of the assets anymore, the book value thereof is reduced. Deferred income tax assets that were not recognized as deferred income tax assets are also reviewed at each balance sheet date, and it is probable that future taxable income will allow all or part of the assets to be recovered, the carrying amount is increased.

The deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized. The tax rate is subject to the tax rate and tax law legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax on the balance sheet date arising from the method that the Company expects to use to recover or settle the book value of the liabilities and assets.

3. Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss. However, the current and deferred income taxes related to the item recognized in other comprehensive income are recognized in other comprehensive income.

V. Key accounting judgments, estimates and key sources of assumption uncertainty

For adoption of the accounting policies, the management of the Company must make judgments, estimates and assumptions related to the information that cannot be readily acquired from other sources based on historical experience and other relevant factors. The actual results may differ from estimates.

When developing significant accounting estimates, the Company incorporates potential influence into the significant estimates such as cash flows, growth, discount rates and profitability. Management will continue to review these estimates and assumptions.

Estimates and key sources of assumption uncertainty

Revenue recognized from digital audio-visual services

The digital audio-visual service revenue of the Company is estimated based on historical experience and the viewership ratings for the month. The Company uses standardized reports provided by customers and the monthly viewership ratings to estimate the digital video service revenue. When the actual customer reports are received, the estimated amount is adjusted to the actual amount. As the estimation is based on the viewership proportion in standardized reports from prior periods and current-month viewership ratings, it may have a significant impact on revenue recognition.

VI. Cash

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 367	\$ 403
Checks and demand deposits	<u>181,187</u>	<u>335,019</u>
	<u>\$ 181,554</u>	<u>\$ 335,422</u>

VII. Financial assets measured at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Time deposit with an initial maturity date over 3 months	<u>\$ 50,000</u>	<u>\$ 230,894</u>

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest rate range (%)	1.71%	1.45%~1.71%
<u>Non-current</u>		
Corporate bonds	<u>\$ 10,000</u>	<u>\$ -</u>
Coupon rate range (%)	1.95%	-

The Company invests only in debt instruments rated investment grade or above with low credit risk, and credit rating information is provided by independent rating agencies. The Company continually monitors external rating information to oversee changes in the credit risk of its invested debt instruments and also reviews other information, such as bond yield curves and significant disclosures by debtors, to assess whether the credit risk of those investments has increased significantly since initial recognition.

VIII. Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	\$ 180,638	\$ 259,093
Less: Loss allowance	<u>-</u>	<u>(1,491)</u>
	<u>\$ 180,638</u>	<u>\$ 257,602</u>

The Company adopts the simplified approach of IFRS 9 to recognize the loss allowance for accounts receivable at an amount equal to lifetime-expected credit losses. The historical default record and current financial position of the customers as well as the industrial and economic situations are taken into account during the lifetime. The Company classifies customers into different risk groups and recognizes loss allowance based on the expected credit loss rate of each group.

The Company measures the allowance for expected credit losses on accounts receivable based on a provision matrix as follows:

December 31, 2025

	<u>Not overdue</u>	<u>Overdue 1 to 180 days</u>	<u>Overdue more than 181 days</u>	<u>Total</u>
Gross carrying amount	\$ 180,627	\$ 11	\$ -	\$ 180,638
Allowance for loss (lifetime-expected credit loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 180,627</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 180,638</u>

December 31, 2024

	<u>Not overdue</u>	<u>Overdue 1 to 180 days</u>	<u>Overdue more than 181 days</u>	<u>Total</u>
Gross carrying amount	\$ 257,602	\$ -	\$ 1,491	\$ 259,093
Allowance for loss (lifetime-expected credit loss)	-	-	(1,491)	(1,491)
Amortized cost	<u>\$ 257,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,602</u>

Information on changes in the allowance for loss on accounts receivable is as follows:

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 1,491	\$ 1,491
Less: Actual write-offs of the current period	(1,491)	-
Closing balance	<u>\$ -</u>	<u>\$ 1,491</u>

IX. Program to be broadcasted

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Video to be played	<u>\$ 91,263</u>	<u>\$ 82,026</u>

The operating costs and impairment losses related to programs to be broadcast for 2025 and 2024 were NTD 357,357 thousand, NTD 788,463 thousand, respectively; impairment losses amounted to NTD 39 thousand, and NTD 177 thousand, respectively.

X. Prepayments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepaid royalties	\$ 376,088	\$ 42,123
Others	9,425	2,334
	<u>\$ 385,513</u>	<u>\$ 44,457</u>

The pre-paid royalties are mainly paid for the royalties of major international games.

XI. Property, plant and equipment

	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Lease improvement</u>	<u>Total</u>
<u>Costs</u>					
Balance on January 1, 2024	\$ 57,887	\$ 32,610	\$ 4,495	\$ 10,642	\$ 105,634
Addition	5,687	2,991	-	649	9,327
Disposal	(2,806)	(750)	(3,409)	-	(6,965)
Balance on December 31, 2024	<u>\$ 60,768</u>	<u>\$ 34,851</u>	<u>\$ 1,086</u>	<u>\$ 11,291</u>	<u>\$ 107,996</u>

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	Machinery and equipment	Office equipment	Transportation equipment	Lease improvement	Total
<u>Accumulated depreciation</u>					
Balance on January 1, 2024	\$ 52,386	\$ 29,098	\$ 3,132	\$ 10,234	\$ 94,850
Depreciation expense	3,146	2,706	320	310	6,482
Disposal	(2,656)	(750)	(2,366)	-	(5,772)
Balance on December 31, 2024	<u>\$ 52,876</u>	<u>\$ 31,054</u>	<u>\$ 1,086</u>	<u>\$ 10,544</u>	<u>\$ 95,560</u>
Net as of December 31, 2024	<u>\$ 7,892</u>	<u>\$ 3,797</u>	<u>\$ -</u>	<u>\$ 747</u>	<u>\$ 12,436</u>
<u>Costs</u>					
Balance on January 1, 2025	\$ 60,768	\$ 34,851	\$ 1,086	\$ 11,291	\$ 107,996
Addition	1,581	3,844	-	502	5,927
Disposal	(15,954)	(1,208)	-	(95)	(17,257)
Balance on December 31, 2025	<u>\$ 46,395</u>	<u>\$ 37,487</u>	<u>\$ 1,086</u>	<u>\$ 11,698</u>	<u>\$ 96,666</u>
<u>Accumulated depreciation</u>					
Balance on January 1, 2025	\$ 52,876	\$ 31,054	\$ 1,086	\$ 10,544	\$ 95,560
Depreciation expense	3,343	2,149	-	454	5,946
Disposal	(15,954)	(1,208)	-	(95)	(17,257)
Balance on December 31, 2025	<u>\$ 40,265</u>	<u>\$ 31,995</u>	<u>\$ 1,086</u>	<u>\$ 10,903</u>	<u>\$ 84,249</u>
Net as of December 31, 2025	<u>\$ 6,130</u>	<u>\$ 5,492</u>	<u>\$ -</u>	<u>\$ 795</u>	<u>\$ 12,417</u>

Depreciation expenses were calculated on the straight-line basis over the following useful lives

Machinery and equipment	3 to 8 years
Office equipment	3 to 6 years
Transportation equipment	3 years
Lease improvement	3 to 5 years

XII. Lease agreement

(I) Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book value of right-of-use assets		
Building	\$ 50,658	\$ 7,756
Machinery and equipment	-	10,357
Transportation equipment	<u>1,249</u>	<u>797</u>
	<u>\$ 51,907</u>	<u>\$ 18,910</u>

	<u>2025</u>	<u>2024</u>
Addition of right-of-use assets	<u>\$ 55,617</u>	<u>\$ 989</u>
Depreciation expense of right-of-use assets		
Building	\$ 11,374	\$ 10,574
Machinery and equipment	10,357	10,356
Transportation equipment	<u>889</u>	<u>192</u>
	<u>\$ 22,620</u>	<u>\$ 21,122</u>

(II) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book value of lease liabilities		
Current	<u>\$ 11,500</u>	<u>\$ 19,391</u>
Non-current	<u>\$ 40,973</u>	<u>\$ 781</u>
Range of discount rate for lease liabilities		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Building	2.09%~2.25%	1.85%~2.09%
Machinery and equipment	2.09%	2.09%
Transportation equipment	2.33%~2.34%	2.34%

(III) Important lease-in activities and terms

The underlying assets leased by the Company are buildings, machinery and transportation equipment. The lease period is 3 to 5 years. At the end of the lease period, the Company has no preferential right to acquire the underlying assets leased. In addition, that the leased assets shall not be used as collateral for loans, it is agreed that the Company shall not sublease or transfer all or part of the lease subject.

(IV) Other lease information

	<u>2025</u>	<u>2024</u>
Short-term lease expense	<u>\$ 373</u>	<u>\$ 2,382</u>
Total cash (outflow) for leases	<u>(\$ 24,280)</u>	<u>(\$ 24,759)</u>

XIII. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries and bonuses payable	\$ 60,371	\$ 83,958
Collections payable	70,832	59,522
Remuneration payable to employees and directors	20,177	33,738
Business taxes payable	5,589	9,553
Others	<u>24,467</u>	<u>20,732</u>
	<u>\$ 181,436</u>	<u>\$ 207,503</u>

XIV. Retirement benefit plan

(I) Defined contribution plan

The pension scheme specified in the "Labor Pension Act" that the Company is subjected to is a defined pension appropriation plan managed by the government. A pension equal to 6% of an employee's monthly salary shall be appropriated to the individual labor pension account at the Bureau of Labor Insurance

(II) Defined benefit plan

The pension system adopted by the Company in accordance with the "Labor Standards Act" is a defined benefit pension plan managed by the government. The payment of employee pension is based on the years of service and the average salary of the six months before the approved retirement date. The Company appropriates 2% of employees' monthly salaries as pension funds, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the name of the Committee into a dedicated account at the Bank of Taiwan. Before the end of the year, if the balance in the dedicated account is estimated to be insufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be made up in one lump sum by the end of March of the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor and the Company does not have the right to influence the investment management strategies.

The amount of the defined benefit plan incorporated in the balance sheet is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 14,092	\$ 14,348
Fair value of plan assets	(<u>7,955</u>)	(<u>8,182</u>)
Net defined benefit liability	<u>\$ 6,137</u>	<u>\$ 6,166</u>

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
January 1, 2024	<u>\$ 13,694</u>	<u>(\$ 7,285)</u>	<u>\$ 6,409</u>
Service cost			
Current service cost	55	-	55
Interest expense (revenue)	<u>188</u>	<u>(101)</u>	<u>87</u>
Recognized in profit or loss	<u>243</u>	<u>(101)</u>	<u>142</u>
Remeasurement			
Return on plan assets (except for the amount included in net interest)	-	<u>(632)</u>	<u>(632)</u>
Actuarial loss - empirical adjustment	<u>411</u>	<u>-</u>	<u>411</u>
Recognized in other comprehensive income	<u>411</u>	<u>(632)</u>	<u>(221)</u>
Contributions from the employer	<u>-</u>	<u>(164)</u>	<u>(164)</u>
December 31, 2024	<u>14,348</u>	<u>(8,182)</u>	<u>6,166</u>
Service cost			
Current service cost	73	-	73
Interest expense (revenue)	<u>215</u>	<u>(124)</u>	<u>91</u>
Recognized in profit or loss	<u>288</u>	<u>(124)</u>	<u>164</u>
Remeasurement			
Return on plan assets (except for the amount included in net interest)	-	<u>(570)</u>	<u>(570)</u>
Actuarial loss - empirical adjustment	<u>615</u>	<u>-</u>	<u>615</u>
Recognized in other comprehensive income	<u>615</u>	<u>(570)</u>	<u>45</u>
Contributions from the employer	<u>-</u>	<u>(238)</u>	<u>(238)</u>
Benefit payments	<u>(1,159)</u>	<u>1,159</u>	<u>-</u>
December 31, 2025	<u>\$ 14,092</u>	<u>(\$ 7,955)</u>	<u>\$ 6,137</u>

Due to the pension scheme under the "Labor Standards Act", the Company is exposed to the following risks:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor has separately invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Company's plan assets shall be calculated with an interest rate not below the interest rate for a 2-year time deposit with local banks.

2. Interest rate risk: A decrease in the interest rates of government bonds and corporate bonds will lead to an increase in the present value of the defined benefit obligation, and the return on debt investment of the plan assets will be increased accordingly. The net defined benefit liabilities may be partially offset by both increases.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salary of the plan participants. Therefore, the present value of the defined benefit obligation would be increased by an increase in the plan participants' salary.

The present value of the Company's defined benefit obligation is calculated actuarially by a qualified actuary. Major assumptions on the date of measurement are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.375%	1.500%
Expected salary increase rate	3.250%	3.250%

If there are any reasonably possible changes to separate major actuarial assumptions, and provided that all the other assumptions remain the same, the increase (decrease) resulting therefrom in the present value of the defined benefit obligation is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.25%	(\$ <u>351</u>)	(\$ <u>381</u>)
Decrease by 0.25%	<u>\$ 366</u>	<u>\$ 397</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 353</u>	<u>\$ 383</u>
Decrease by 0.25%	(\$ <u>341</u>)	(\$ <u>370</u>)

Since the actuarial assumptions might be correlated to each other and it was unlikely that the changes were only in a single assumption, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected amount to be contributed within one year	<u>\$ 174</u>	<u>\$ 165</u>
Average period to maturity of defined benefit obligation	11.6 years	12.0 years

XV. Equity

(I) Common stock capital

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized number of shares (thousand shares)	<u>36,000</u>	<u>36,000</u>
Authorized capital	<u>\$ 360,000</u>	<u>\$ 360,000</u>
Shares issued and fully paid (thousand shares)	<u>26,535</u>	<u>26,535</u>
Capital stock issued	<u>\$ 265,350</u>	<u>\$ 265,350</u>

On December 27, 2023, the Company's Board of Directors resolved to issue new shares for cash capital increase for public underwriting before the initial public underwriting for listing on the Innovation Board. The Company issued 1,500 thousand new shares at the par value of NTD 10 per share for a total price of NTD 15,000 thousand, and the paid-in capital after the capital increase was 265,350 thousand. The aforementioned cash capital increase takes March 22, 2024 as the capital increase reference date. The weighted average price of the public subscription and underwriting price and the winning bid at competitive auction were NTD 50 and NTD 74.46 per share, respectively. The share capital of NTD 108,028 was collected in full. Underwriting expense of NTD 3,000 thousand was deducted from capital reserve.

(II) Capital reserve

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>For covering loss carried forward, cash payment, or capitalization as dividends</u> (Note)		
Stock issuance premium	\$ 212,988	\$ 212,988
Treasury stock trading	2,127	2,127
Expired stock options	<u>561</u>	<u>561</u>
	<u>\$ 215,676</u>	<u>\$ 215,676</u>

Note: This type of capital reserve may be used for covering losses carried forward, and for cash payment or capitalization into new shares if there is no loss carried forward. However, the appropriation for capitalization into new shares shall be limited to a certain ratio of the paid-in capital in the year concerned.

(III) Retained earnings and dividend policy

According to the earnings distribution policy stated in the Company's Articles of Incorporation, if the Company has a profit from the settlement of a year, it shall pay tax as required by laws and compensate the accumulated losses, before setting aside

10% as a legal reserve; provided that the legal reserve has reached the amount of the Company's paid-in capital, such provision may be waived. The remaining balances shall provide or reverse the special reserve as required by laws and regulations. For any balance remained, together with the accumulated undistributed earnings, the board of directors shall prepare a proposal for distribution of the earnings; if distribution is made in the form of new share issuance, the distribution shall be resolved at the shareholders' meeting. The Company's distribution of dividends and bonuses, or the legal reserve and capital reserve in whole or in part, if made in cash, the board of directors is authorized to approve such through a special resolution, and report such to the shareholders' meeting. For the policy on the remuneration to employees and directors as specified in the Company's Articles of Incorporation, please refer to Note XVII(VI) about remuneration to employees and directors.

The Company adopts the residual dividend policy that takes the needs for the Company's operating scale into account, complemented with the overall environment and the characteristics of the industry, to achieve the goal of sustainable operation and pursue the long-term interest of shareholders. 20% or more of the earnings shall be appropriated for the distribution of shareholders' dividends; provided that the cash dividend paid in each year shall not be less than 10% of the total dividends paid in the year.

The legal reserve should be appropriated until its balance reaches the Company's total paid-in capital. Legal reserves may be used to offset losses. If there is no loss carried forward for the Company, the amount of legal reserve in excess of 25% of the paid-in capital could be capitalized into new shares and pay out as cash dividend.

The earnings distribution proposal of the Company for 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	<u>\$ 17,958</u>	<u>\$ 13,523</u>
Cash dividends	<u>\$ 137,982</u>	<u>\$ 119,407</u>
Cash dividend per share (NTD)	<u>\$ 5.20</u>	<u>\$ 4.50</u>

The above cash dividends were distributed following the resolutions made in Board of Directors' meetings dated February 25, 2025 and April 3, 2024, respectively; the distribution of remaining earnings was resolved at the annual general shareholders' meeting held on May 20, 2025 and May 21, 2024, respectively.

The Company's Board of Directors on March 3, 2026, proposed the following earnings distribution plan for 2025:

	<u>2025</u>
Legal reserve	<u>\$ 10,693</u>
Cash dividends	<u>\$ 92,873</u>
Stock dividends	<u>\$ 34,655</u>
Cash dividend per share (NTD)	<u>\$ 3.50</u>
Stock dividend per share (NTD)	<u>\$ 1.31</u>

The aforementioned cash dividends have been approved by the Board of Directors, while the remaining distribution is pending approval at the annual general shareholders' meeting scheduled for May 21, 2026.

XVI. Revenue

(I) Revenue from contracts with customers

	<u>2025</u>	<u>2024</u>
Revenue from digital content	\$ 930,202	\$ 1,338,131
Advertising revenue	76,930	128,942
Project revenue	10,590	18,353
Merchandise sales revenue	<u>1,711</u>	<u>3,096</u>
	<u>\$ 1,019,433</u>	<u>\$ 1,488,522</u>

(II) Contract balance

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1 to March 31, 2024</u>
Accounts receivable	<u>\$ 180,638</u>	<u>\$ 257,602</u>	<u>\$ 196,425</u>
Contract liabilities - current			
Revenue from digital content	<u>\$ 54,189</u>	<u>\$ 24,013</u>	<u>\$ 13,332</u>

The variation of the contract liabilities is the result of the difference in the time point when the Company fulfills the obligations and the customer make the payment. Other significant changes are as follows:

The contract liabilities from the beginning of the year and recognized as a revenue for the current period at the following amount:

	<u>2025</u>	<u>2024</u>
Contract liabilities		
Revenue from digital content	<u>\$ 23,197</u>	<u>\$ 12,941</u>

XVII. Net income before tax

(I) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 3,942	\$ 4,119
Others	<u>84</u>	<u>74</u>
	<u>\$ 4,026</u>	<u>\$ 4,193</u>

(II) Other profit and loss

	<u>2025</u>	<u>2024</u>
Gains (losses) from disposal of property, plant and equipment	\$ 7	(\$ 148)
Net foreign exchange gain	3,228	835
Others	<u>(1,089)</u>	<u>35</u>
	<u>\$ 2,146</u>	<u>\$ 722</u>

(III) Financial cost

	<u>2025</u>	<u>2024</u>
Interest on bank borrowings	\$ 392	\$ 1,268
Interest on lease liabilities	<u>591</u>	<u>594</u>
	<u>\$ 983</u>	<u>\$ 1,862</u>

(IV) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 5,946	\$ 6,482
Right-of-use assets	22,620	21,122
Intangible assets	<u>1,333</u>	<u>1,141</u>
	<u>\$ 29,899</u>	<u>\$ 28,745</u>

Depreciation expense by function

Operating cost	\$ 19,212	\$ 19,012
Operating expenses	<u>9,354</u>	<u>8,592</u>
	<u>\$ 28,566</u>	<u>\$ 27,604</u>

Amortization expense by function

Operating cost	\$ 629	\$ 529
Marketing expense	536	465
Administrative expense	<u>168</u>	<u>147</u>
	<u>\$ 1,333</u>	<u>\$ 1,141</u>

(V) Employee benefit expense

	<u>2025</u>	<u>2024</u>
Short-term employee benefits		
Salary expense	\$ 192,271	\$ 228,662
Employee insurance premium	13,823	12,641
Other personnel expenses	4,961	4,713
Share-based payment		
Equity settled	-	672
Retirement benefits		
Defined contribution plan	5,701	5,386
Defined benefit plan	164	142
	<u>\$ 216,920</u>	<u>\$ 252,216</u>
Summary by function		
Operating cost	\$ 108,089	\$ 131,653
Operating expenses	<u>108,831</u>	<u>120,563</u>
	<u>\$ 216,920</u>	<u>\$ 252,216</u>

(VI) Remuneration to employees and directors

At the shareholders' meeting on May 20, 2025, the Company resolved to amend the Articles of Incorporation, revising that if the Company records a profit for the year, 5% to 10% and up to 3% shall be respectively allocated as remuneration to employees and directors, and that 40% to 50% of the amount allocated for employee remuneration for that year shall be designated for entry-level employees. However, if the Company has an accumulated loss, the Company shall reserve an amount to make up for it, and then provide remuneration to employees and directors in accordance with the aforementioned percentages. The 2025 and 2024 remuneration to employees and directors were resolved by the Board of Directors on March 3, 2026 and February 25, 2025, respectively, as follows:

Estimated percentage

	<u>2025</u>	<u>2024</u>
Employee remuneration	10%	10%
Profit-sharing remuneration for directors	3%	3%

Amount

	<u>2025</u>	<u>2024</u>
Employee remuneration	\$ 15,521	\$ 25,952
Profit-sharing remuneration for directors	4,656	7,786

If there is any change in the amount after the approval and release date of annual individual financial statements, the change is treated as a change in accounting estimates and accounted in the following year.

For the information about remuneration to the employees and directors resolved by the board of directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

XVIII. Income Tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Income tax expense		
Incurred in the current year	\$ 27,644	\$ 46,076
Imposing on undistributed earnings	860	-
Adjustments from previous years	(377)	258
Deferred income tax		
Incurred in the current year	(58)	52
Income tax expense recognized in profit or loss	<u>\$ 28,069</u>	<u>\$ 46,386</u>

The reconciliation of accounting income and income tax expense is as follows:

	<u>2025</u>	<u>2024</u>
Net profit before tax	<u>\$ 135,032</u>	<u>\$ 225,785</u>
Income tax on net profit before tax calculated at the statutory tax rate (20%)	\$ 27,006	\$ 45,157
Imposing on undistributed earnings	860	-
Adjustments from previous years	(377)	258
Nondeductible expenses and losses for tax purposes	<u>580</u>	<u>971</u>
Income tax expense recognized in profit or loss	<u>\$ 28,069</u>	<u>\$ 46,386</u>

(II) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2025

	Opening balance	Recognized in profit or loss	Recognized in other comprehensiv e income	Closing balance
<u>Deferred income tax assets</u>				
Payables for leave	\$ 1,088	\$ 101	\$ -	\$ 1,189
Defined benefit retirement plan	1,234	(15)	9	1,228
Unrealized exchange loss	33	(28)	-	5
	<u>\$ 2,355</u>	<u>\$ 58</u>	<u>\$ 9</u>	<u>\$ 2,422</u>

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensiv e income	Closing balance
<u>Deferred income tax assets</u>				
Payables for leave	\$ 995	\$ 93	\$ -	\$ 1,088
Defined benefit retirement plan	1,282	(4)	(44)	1,234
Unrealized exchange loss	174	(141)	-	33
	<u>\$ 2,451</u>	<u>(\$ 52)</u>	<u>(\$ 44)</u>	<u>\$ 2,355</u>

(III) Authorization of income tax

The Company's filings up to 2023 have been approved by the tax authority.

XIX. Earnings per share

	2025	2024
Basic earnings per share	<u>\$ 4.03</u>	<u>\$ 6.85</u>
Diluted earnings per share	<u>\$ 3.99</u>	<u>\$ 6.74</u>

The net profit and the weighted average number of common stocks used for calculating earnings per share are as follows:

Net profit for the year

	2025	2024
Net profit used to calculate basic/diluted earnings per share	<u>\$ 106,963</u>	<u>\$ 179,399</u>

<u>Number of shares</u>	Unit: thousand shares	
	<u>2025</u>	<u>2024</u>
The weighted average number of common stocks used for calculating basic earnings per share are as follows:	26,535	26,203
Effect of dilutive potential common stocks:		
Employee remuneration	<u>255</u>	<u>400</u>
The weighted average number of common stocks used for calculating diluted earnings per share are as follows:	<u>26,790</u>	<u>26,603</u>

When the Company can select stocks or cash as the remuneration to employees, it is assumed that the employee's remuneration is paid with stocks when the diluted EPS is calculated. The weighted average outstanding common stocks are added when the potential common stocks have diluting capability to calculate the diluted EPS. The dilutive effect of the potential common stocks will continue to be taken into account when calculating diluted earnings per share for next year's decision of share-based employee remuneration.

XX. Share-based payment agreements

Employee stock option plan - capital increase in cash

On February 27, 2024, the board of directors resolved to make a capital increase in cash and reserve a certain percentage of the issued shares for subscription among employees in accordance with the Company Act.

Employee stock options are valued using the Black-Scholes model. The inputs for the valuation model are as follows:

	<u>March 2024</u>
Stock price on the grant date	NTD 52.87
Exercise price	NTD 50
Expected volatility	67.02%
Expected duration	0.0417 years
Expected dividend yield	-
Risk-free interest rate	1.0885%

Remuneration cost recognized for exercise of employee stock options due to capital increase in cash in 2025 was NT\$672 thousand.

XXI. Capital risk management

The Company conducts capital management to ensure continuous operation of the Company while maximizing shareholders' return by optimizing the liability and equity

balances through capital increase in cash, bank borrowings and other financing methods adopted for management of the capital.

The Company's capital structure consists of equity (i.e. capital stock, capital reserve, and retained earnings).

The Company is not subject to other external capital requirements.

XXII. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

In the Company's management's opinion, the book values of financial assets and liabilities that are not measured at fair value are approximately equal to their fair values or their fair values cannot be measured reliably.

(II) Type of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost (Note 1)	\$ 455,732	\$ 860,000
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost (Note 2)	134,553	123,857

Note 1: The balance includes financial assets measured at amortized cost, such as cash, accounts receivable, other receivables and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, such as accounts and notes payable and other payables.

(III) Financial risk management objectives and policies

The Company's main financial instruments include cash, accounts receivable, other receivables, refundable deposits, accounts and notes payable and other payables. The financial management department of the Company provides services to all business units, and supervises and manages related financial risks of the operations of the Company through the internal risk report on risk exposure by intensity and scope. Such risks include market risk (including exchange rate risk and interest rate risks), credit risk and liquidity risk.

1. Market risk

The main financial risk for the Company's operating activities is the risk of changes in foreign currency exchange rate and interest rates.

(1) Exchange rate risk

The Company is engaged in purchase transactions denominated in foreign currencies, which expose the Company to the risk of exchange rate fluctuation.

The Company manages its foreign exchange positions by opening foreign currency deposit accounts and repaying foreign currency liabilities arising from purchases in foreign currency generated by the timely trading of foreign currency deposits, in order to reduce the impact of exchange rate changes on profit and loss and achieve the effect of natural hedging.

Please refer to Note XXIV for the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date.

Sensitivity analysis

The Company is mainly affected by fluctuations of the US dollar exchange rate.

The sensitivity analysis includes only outstanding monetary items in foreign currencies, and the translation at the end of the period is adjusted based on a 5% change in exchange rate. The sensitivity analysis of the exchange rate risk is mainly calculated for monetary items denominated in foreign currencies at the end of the financial reporting period. When NTD depreciated by 5% against the respective currency, the Company's net profit before tax for 2025 and 2024 would increase by NT\$2,439 thousand and decrease by NT\$649 thousand, respectively.

(2) Interest rate risk

The book value of the financial assets exposed to the interest rate risk on the balance sheet date is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
With fair value interest rate risk		
- Financial assets	\$ 60,000	\$ 230,894
- Financial liabilities	52,473	20,172
With cash flow interest rate risk		
- Financial assets	180,085	332,410

Sensitivity analysis

The following sensitivity analysis is based on the exposure of the non-derivative instruments to interest rate risk on the balance sheet date. For liabilities subject to floating interest rate, the analysis method is based on the assumption that the amount of the liabilities outstanding on the balance sheet date remains outstanding throughout the reporting period. In addition, based on the assessment of the reasonably possible change in interest rate, if the rate increased by 50 basis points, with all other variables held constant, the Company's net profit before tax for 2025 and 2024 would increase by NT\$900 thousand and NT\$1,662 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. As of the balance sheet date, the Company's potential highest credit risk exposure due to failure of the counterparty to fulfill its obligations and the financial loss brought about by the financial guarantee that the Company provided was mainly derived from the book value of the financial assets recognized in the individual balance sheet.

The policy adopted by the Company is to conduct transactions only with counterparties with excellent reputation, and the Company has a large customer base that is not related to each other, so the concentration of credit risk is not high. Accordingly, the Company's management believes that the Company has no significant credit risk.

3. Liquidity risk

The Company manages and maintains sufficient cash to support group operations and mitigate the impact of cash flow fluctuations. The Company's management supervises the use of the bank's financing facilities and ensures compliance with the terms of the loan contract to manage the liquidity risk.

(1) Liquidity and interest rate risk table for non-derivative financial liabilities

The maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Company may be required to repay, using the undiscounted cash flows of the financial liabilities, including principal and estimated interest. Accordingly, bank

borrowings for which the Company may be required to repay immediately are included in the earliest time band in the table below, without considering the probability that the bank will exercise such right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

December 31, 2025

	<u>Less than 1 year</u>	<u>1 to 5 years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 12,542	\$ 42,652
Accounts and notes payable	39,254	-
Other payables	<u>181,436</u>	<u>-</u>
	<u>\$ 233,232</u>	<u>\$ 42,652</u>

December 31, 2024

	<u>Less than 1 year</u>	<u>1 to 5 years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 19,570	\$ 793
Accounts and notes payable	43,603	-
Other payables	<u>207,503</u>	<u>-</u>
	<u>\$ 270,676</u>	<u>\$ 793</u>

(2) Financing facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured bank financing facilities		
- Unused amount	<u>\$ 230,000</u>	<u>\$ 380,000</u>

XXIII. Related party transactions

(I) Name of related party and relationship

<u>Name of related party</u>	<u>Relationship with the Company</u>
Yi-Chun Chen	Key management person

(II) Remuneration of key management personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 36,755	\$ 40,964
Retirement benefits	678	713
Share-based payment	-	18
	<u>\$ 37,433</u>	<u>\$ 41,695</u>

The remuneration to directors and other management personnel is determined by the Remuneration Committee based on individual performance and market trends.

(III) Endorsements/guarantees

Acquisition of endorsements/guarantees

<u>Type/name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Key management personnel/ Yi-Chun Chen		
Guaranteed amount	<u>\$ 230,000</u>	<u>\$ 380,000</u>

XXIV. Information on foreign currency assets and liabilities with significant effect

The following information is summarized and stated based on the foreign currencies other than the Company's functional currency. The disclosed exchange rate represents the rate of such foreign currencies to the functional currency. Foreign currency assets and liabilities with significant effect are as follows:

December 31, 2025

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 1,982	31.430 (USD: NTD)	\$ 62,291
Foreign currency liabilities			
<u>Monetary item</u>			
USD	430	31.430 (USD: NTD)	13,521

December 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 109	32.785 (USD: NTD)	\$ 3,583
Foreign currency liabilities			
<u>Monetary item</u>			
USD	505	32.785 (USD: NTD)	16,572

The Company's foreign exchange gains (including both realized and unrealized amounts) for 2025 and 2024 were NTD 3,228 thousand and NTD 835 thousand, respectively. Due to the wide variety of foreign currency transactions, exchange gains and losses by major currencies with significant impact cannot be disclosed separately.

XXV. Disclosures in the notes

(I) Significant transactions:

1. Lending funds to others: None
2. Providing endorsements/guarantees for others: None
3. Holding of securities at the end of the period excluding investment in subsidiaries and joint venture equity in associated companies): None.
4. Purchases or sales of goods from or to related parties reaching NTD 100 million or more than 20% of paid-in capital: None.
5. Receivables from related parties reaching NTD 100 million or more than 20% of paid-in capital: None.

(II) Information on investees: None.

(III) Information on investment in China: None.

XXVI. Department information

The information is provided for the chief operating decision maker for resource allocation and segment performance assessment and focuses on each type of products delivered or supplied.

The Company is mainly engaged in the management of digital content and video/audio service platforms, establishment and setup of video/audio website, the production of online programs, and digital editing. The reportable segments of the Company are the content and channel operation departments.

(I) Department revenues and operating results

The following is an analysis of the revenue and operating results of the Company's business units by reportable segments.

	Content Business Department	Others	Total
<u>2025</u>			
Segment revenue	<u>\$ 930,202</u>	<u>\$ 89,231</u>	<u>\$ 1,019,433</u>
Segment profit/loss	<u>\$ 195,906</u>	<u>\$ 8,081</u>	<u>\$ 203,987</u>
Cost of other departments			(78,048)
Non-operating income and expenditures			<u>9,093</u>
Net profit before tax			<u>\$ 135,032</u>

	Content Business Department	Others	Total
<u>2024</u>			
Segment revenue	<u>\$ 1,338,131</u>	<u>\$ 150,391</u>	<u>\$ 1,488,522</u>
Segment profit/loss	<u>\$ 228,799</u>	<u>\$ 70,977</u>	<u>\$ 299,776</u>
Cost of other departments			(77,425)
Non-operating income and expenditures			<u>3,434</u>
Net profit before tax			<u>\$ 225,785</u>

Segment profit refers to the profit earned by each segment, excluding the apportionable headquarters' administrative costs and non-operating income and expenditure. These measured amounts are provided for the chief operating decision maker for resource allocation and segment performance assessment.

- (II) The Company's assets and liabilities are not available to operating decision makers, so the measured amounts of assets and liabilities are not disclosed.
- (III) Income from main products and services: Please refer to Note XVI (I)
- (IV) Information by region

The Company mainly operates in Taiwan.

- (V) Information on major customers

Single customers accounting for 10% or more of the Company's total revenue:

	<u>2025</u>	<u>2024</u>
RB0002	<u>\$ 709,900</u>	<u>\$1,180,951</u>

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ELTA Technology Co., Ltd.
Statement of Cash
December 31, 2025

Statement 1

Unit: NTD thousand

<u>Name</u>	<u>Abstract</u>	<u>Amount</u>
Cash on hand and petty cash		\$ 367
Check deposits		1,102
Demand deposits		117,989
Foreign currency demand deposits	USD 1,967 thousand @31.430	
	EUR 5 thousand @36.900	
	RMB 14 thousand @4.496	
	JPY 106 thousand @0.201	<u>62,096</u>
		<u>\$ 181,554</u>

ELTA Technology Co., Ltd.
Statement of Accounts Receivable
December 31, 2025

Statement 2

Unit: NTD thousand

<u>Name</u>	<u>Amount</u>
RB0002	\$ 165,768
Others (Note)	<u>14,870</u>
	<u>\$ 180,638</u>

Note: The amount of each item does not exceed 5% of the amount of this item.

ELTA Technology Co., Ltd.
Statement of Changes in Right-of-use Assets
December 31, 2025

Statement 3

Unit: NTD thousand

	<u>Building</u>	<u>Machinery and equipment</u>	<u>Transportatio n equipment</u>	<u>Total</u>
Costs				
Balance on January 1, 2025	\$ 60,595	\$ 31,069	\$ 989	\$ 92,653
Increase for the current year	54,276	-	1,341	55,617
Decrease for the current year	(54,227)	-	-	(54,227)
Balance on December 31, 2025	<u>60,644</u>	<u>31,069</u>	<u>2,330</u>	<u>94,043</u>
Accumulated depreciation				
Balance on January 1, 2025	52,839	20,712	192	73,743
Increase for the current year	11,374	10,357	889	22,620
Decrease for the current year	(54,227)	-	-	(54,227)
Balance on December 31, 2025	<u>9,986</u>	<u>31,069</u>	<u>1,081</u>	<u>42,136</u>
Net as of December 31, 2025	<u>\$ 50,658</u>	<u>\$ -</u>	<u>\$ 1,249</u>	<u>\$ 51,907</u>

ELTA Technology Co., Ltd.
Statement of Accounts and Notes Payable
December 31, 2025

Statement 4

Unit: NTD thousand

Name	Amount
PA0002	\$ 14,730
PC0095	5,638
PB0124	5,488
PC0106	3,111
PB0335	2,299
Others (Note)	<u>7,988</u>
	<u>\$ 39,254</u>

Note: The amount of each item does not exceed 5% of the amount of this item.

ELTA Technology Co., Ltd.
Statement of Operating Cost
January 1 to December 31, 2025

Statement 5

Unit: NTD thousand

<u>Item</u>	<u>Amount</u>
Royalty cost	\$ 449,401
Salary cost	99,820
Listing cost	78,327
Other costs (Note)	<u>114,608</u>
	<u>\$ 742,156</u>

Note: The amount of each item does not exceed 5% of the amount of this item.

ELTA Technology Co., Ltd.
Statement of Operating Expenses
January 1 to December 31, 2025

Statement 6

Unit: NTD thousand

Name	Marketing expense	Administrative and general affairs expenses	Total
Payroll expense	\$ 45,169	\$ 47,282	\$ 92,451
Labor expense	221	6,117	6,338
Insurance premium	5,746	4,895	10,641
Depreciation expense	6,741	2,613	9,354
Other expenses (Note)	<u>15,345</u>	<u>17,209</u>	<u>32,554</u>
	<u>\$ 73,222</u>	<u>\$ 78,116</u>	<u>\$ 151,338</u>

Note: The amount of each item does not exceed 5% of the amount of this item.

ELTA Technology Co., Ltd.
Summary statement of Current Employee Benefits, Depreciation, Depletion and Amortization Expenses by Function
January 1 to December 31, 2025 and 2024

Statement 7

Unit: NTD thousand

	2025			2024		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense (note)						
Salary expense	\$ 99,820	\$ 85,565	\$ 185,385	\$ 124,062	\$ 95,234	\$ 219,296
Labor and national health insurance expenses	4,231	9,592	13,823	3,830	8,811	12,641
Pension expense	1,954	3,911	5,865	1,831	3,697	5,528
Remuneration for directors	-	6,886	6,886	-	9,366	9,366
Share-based payment	-	-	-	-	672	672
Other employee benefit expenses	2,084	2,877	4,961	1,930	2,783	4,713
	<u>\$ 108,089</u>	<u>\$ 108,831</u>	<u>\$ 216,920</u>	<u>\$ 131,653</u>	<u>\$ 120,563</u>	<u>\$ 252,216</u>
Depreciation expense	<u>\$ 19,212</u>	<u>\$ 9,354</u>	<u>\$ 28,566</u>	<u>\$ 19,012</u>	<u>\$ 8,592</u>	<u>\$ 27,604</u>
Amortization expense	<u>\$ 629</u>	<u>\$ 704</u>	<u>\$ 1,333</u>	<u>\$ 529</u>	<u>\$ 612</u>	<u>\$ 1,141</u>

Note 1: The average number of employees for 2025 and 2024 was 151 and 141, respectively. Among them, there were 10 directors who did not serve as employees concurrently. The basis of calculation is consistent with employee benefit expense.

Note 2: (1) The average employee benefit expense for 2025 and 2024 was NTD 1,490 thousand and NTD 1,854 thousand, respectively.

(2) The average employee salary expense for 2025 and 2024 was NTD 1,315 thousand and NTD 1,674 thousand, respectively.

(3) The adjustment range of the average employee salary expense was -21.45%.

Note 3: The Company's remuneration policy (including directors, managers and employees) is as follows:

(1) Directors: In accordance with Article 26 of the Articles of Incorporation, the Company may resolve to appropriate no more than 3% of the profit of the year as remuneration to directors, taking into account the Company's operating results and the contribution of the directors to the Company. The "Regulations on Directors' and Managers' Remuneration" of the Company is used as the basis for review and approval of the remuneration. Besides referring to the Company's overall operating performance, future business risks and development trends of the industry, the achievement rate of personal performance, the contribution to the performance of the Company, the achievement rate of the goals, profitability, operating benefits, and contributions are taken into account comprehensively to calculate the ratio of remuneration and pay reasonable remuneration. All of these are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed from time to time depending on the actual operating conditions and relevant laws and regulations in order to seek a balance between the Company's sustainable operations and risk control.

(2) Managers: As for the remuneration policy for managers, reasonable remuneration is paid based on the Company's remuneration philosophy and with reference to industry standards, and individual performance evaluations, including financial indicators (such as the achievement rate of the Company's revenue, net profit before tax and net profit after tax) and non-financial indicators (such as instructors in charge of education and training and major deficiencies of subordinate departments in legal compliance and operational risk) As for the procedure for determining remuneration, the Performance Evaluation Guidelines of the Company are the basis for review and approval. The reasonableness of related performance evaluation and remuneration is reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed in a timely manner depending on the actual operating conditions and relevant laws and regulations, in order to seek a balance between the Company's sustainable operations and risk control.

(3) Employees: The Company conducts annual market salary survey to analyze individual employees' salaries, bonuses, and annual incomes. Salary adjustments are made in accordance with the Company's work rules and performance evaluation results to ensure compliance with market standards and the principle of internal and external fairness.