

# ELTA Technology Co., Ltd.

## Financial Reports and Independent Auditors' Review Report Second Quarter of 2025 and 2024

Address: 4F, No. 41, Section 1, Zhonghua Road,  
Zhongzheng District, Taipei City  
Telephone: (02)2341-1100

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# Independent Auditors' Review Report

To Shareholders of ELTA Technology Co., Ltd.:

## Foreword

We have audited the balance sheets of ELTA Technology Co., Ltd. as of June 30, 2025 and 2024, and the statements of comprehensive income, changes in equity, and cash flows for the three months ended June 30, 2025 and 2024, along with the notes to the financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the 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 financial statements based on our reviews.

## Scope

We conducted our reviews in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity.” A review of 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 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.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial statements are not prepared, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC, and therefore fail to present fairly the financial position and performance of ELTA Technology Co., Ltd. as of June 30, 2025 and 2024, and its financial performance for the three months ended June 30, 2025 and 2024, and financial performance and cash flows for the six months ended June 30, 2025 and 2024.

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

August 5, 2025

### 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

June 30, 2025 and December 31, 2024 and June 30, 2024  
(In Thousands of New Taiwan Dollars)

| Code | Assets                                                               | June 30, 2025 |     | December 31, 2024 |     | June 30, 2024 |     |
|------|----------------------------------------------------------------------|---------------|-----|-------------------|-----|---------------|-----|
|      |                                                                      | Amount        | %   | Amount            | %   | Amount        | %   |
|      | Current assets                                                       |               |     |                   |     |               |     |
| 1100 | Cash (Note VI)                                                       | \$ 88,038     | 9   | \$ 335,422        | 33  | \$ 321,174    | 25  |
| 1136 | Financial assets measured at amortized cost - current (Note VII)     | 140,000       | 14  | 230,894           | 22  | 86,538        | 7   |
| 1170 | Accounts receivable (Note VIII)                                      | 203,839       | 21  | 257,602           | 25  | 156,255       | 12  |
| 1200 | Other receivables                                                    | 22,494        | 2   | 28,049            | 3   | 21,435        | 1   |
| 1330 | Programs to be broadcast (Notes IX)                                  | 84,609        | 8   | 82,026            | 8   | 78,256        | 6   |
| 1410 | Prepayment (Note X)                                                  | 400,868       | 41  | 44,457            | 4   | 564,709       | 44  |
| 1470 | Other current assets                                                 | 2,108         | -   | 10,926            | 1   | 9,901         | 1   |
| 11XX | Total current assets                                                 | 941,956       | 95  | 989,376           | 96  | 1,238,268     | 96  |
|      | Non-current assets                                                   |               |     |                   |     |               |     |
| 1535 | Financial assets measured at amortized cost - non-current (Note VII) | 10,000        | 1   | -                 | -   | -             | -   |
| 1600 | Property, plant and equipment: (Note XI)                             | 11,162        | 1   | 12,436            | 1   | 10,897        | 1   |
| 1755 | Right-of-use assets (Note XII)                                       | 9,398         | 1   | 18,910            | 2   | 29,540        | 2   |
| 1780 | Intangible assets                                                    | 2,277         | -   | 2,080             | -   | 2,539         | -   |
| 1840 | Deferred income tax assets (Note IV)                                 | 2,474         | 1   | 2,355             | -   | 2,355         | -   |
| 1915 | Prepayment for equipment                                             | 1,112         | -   | 1,112             | -   | 417           | -   |
| 1920 | Refundable deposits                                                  | 8,033         | 1   | 8,033             | 1   | 8,034         | 1   |
| 15XX | Total non-current assets                                             | 44,456        | 5   | 44,926            | 4   | 53,782        | 4   |
| 1XXX | Total assets                                                         | \$ 986,412    | 100 | \$ 1,034,302      | 100 | \$ 1,292,050  | 100 |
|      | Liabilities and equity                                               |               |     |                   |     |               |     |
|      | Current liabilities                                                  |               |     |                   |     |               |     |
| 2100 | Short-term borrowings (Notes XIII and XXIII)                         | \$ 100,000    | 10  | \$ -              | -   | \$ -          | -   |
| 2130 | Contract liabilities (Note XVI)                                      | 55,391        | 6   | 24,013            | 2   | 456,491       | 35  |
| 2170 | Accounts and notes payable                                           | 63,253        | 6   | 43,603            | 4   | 72,774        | 6   |
| 2219 | Other payables (Notes XXIV)                                          | 117,768       | 12  | 207,503           | 20  | 135,157       | 10  |
| 2230 | Current income tax liabilities                                       | 12,955        | 1   | 28,027            | 3   | 11,536        | 1   |
| 2280 | Lease liabilities - current (Note XII)                               | 9,155         | 1   | 19,391            | 2   | 22,231        | 2   |
| 2399 | Other current liabilities                                            | 3,833         | -   | 3,533             | -   | 9,695         | 1   |
| 21XX | Total current liabilities                                            | 362,355       | 36  | 326,070           | 31  | 707,884       | 55  |
|      | Non-current liabilities                                              |               |     |                   |     |               |     |
| 2570 | Deferred income tax liabilities (Note XIV)                           | 218           | -   | -                 | -   | 17            | -   |
| 2580 | Lease liabilities - non-current (Note XII)                           | 963           | -   | 781               | -   | 8,995         | 1   |
| 2640 | Net defined benefit liability                                        | 6,130         | 1   | 6,166             | 1   | 6,385         | -   |
| 25XX | Total non-current liabilities                                        | 7,311         | 1   | 6,947             | 1   | 15,397        | 1   |
| 2XXX | Total liabilities                                                    | 369,666       | 37  | 333,017           | 32  | 723,281       | 56  |
|      | Equity (Note XV and XX)                                              |               |     |                   |     |               |     |
| 3110 | Common stock capital                                                 | 265,350       | 27  | 265,350           | 26  | 265,350       | 20  |
| 3200 | Capital reserve                                                      | 215,676       | 22  | 215,676           | 21  | 215,676       | 17  |
|      | Retained earnings                                                    |               |     |                   |     |               |     |
| 3310 | Legal reserve                                                        | 49,080        | 5   | 31,122            | 3   | 31,122        | 3   |
| 3350 | Undistributed earnings                                               | 86,640        | 9   | 189,137           | 18  | 56,621        | 4   |
| 3300 | Total retained earnings                                              | 135,720       | 14  | 220,259           | 21  | 87,743        | 7   |
| 3XXX | Total equity                                                         | 616,746       | 63  | 701,285           | 68  | 568,769       | 44  |
|      | Total liabilities and equity                                         | \$ 986,412    | 100 | \$ 1,034,302      | 100 | \$ 1,292,050  | 100 |

The attached notes are part of the financial statements.

# ELTA TECHNOLOGY CO., LTD.

## Statement of Comprehensive Income

January 1 to June 30, 2025 and 2024

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

| Code |                                              | April 1 to June 30,<br>2025 |              | April 1 to June 30,<br>2024 |              | January 1 to June 30,<br>2025 |              | January 1 to June 30,<br>2024 |              |
|------|----------------------------------------------|-----------------------------|--------------|-----------------------------|--------------|-------------------------------|--------------|-------------------------------|--------------|
|      |                                              | Amount                      | %            | Amount                      | %            | Amount                        | %            | Amount                        | %            |
| 4000 | Operating revenue (Note XVI)                 | \$ 293,425                  | 100          | \$ 229,744                  | 100          | \$ 537,452                    | 100          | \$ 430,570                    | 100          |
| 5000 | Operating cost (Note XVII)                   | <u>229,725</u>              | <u>78</u>    | <u>168,709</u>              | <u>73</u>    | <u>412,661</u>                | <u>77</u>    | <u>311,572</u>                | <u>72</u>    |
| 5900 | Gross operating profit                       | <u>63,700</u>               | <u>22</u>    | <u>61,035</u>               | <u>27</u>    | <u>124,791</u>                | <u>23</u>    | <u>118,998</u>                | <u>28</u>    |
|      | Operating expense (Note XVII)                |                             |              |                             |              |                               |              |                               |              |
| 6100 | Marketing expense                            | 15,829                      | 6            | 16,517                      | 7            | 30,857                        | 6            | 29,200                        | 7            |
| 6200 | Administrative expense                       | <u>21,669</u>               | <u>7</u>     | <u>17,017</u>               | <u>8</u>     | <u>33,663</u>                 | <u>6</u>     | <u>31,495</u>                 | <u>7</u>     |
| 6000 | Total operating expenses                     | <u>37,498</u>               | <u>13</u>    | <u>33,534</u>               | <u>15</u>    | <u>64,520</u>                 | <u>12</u>    | <u>60,695</u>                 | <u>14</u>    |
| 6900 | Net operating profit                         | <u>26,202</u>               | <u>9</u>     | <u>27,501</u>               | <u>12</u>    | <u>60,271</u>                 | <u>11</u>    | <u>58,303</u>                 | <u>14</u>    |
|      | Non-operating income and expense (Note XVII) |                             |              |                             |              |                               |              |                               |              |
| 7100 | Interest income                              | 1,767                       | -            | 1,146                       | -            | 2,632                         | -            | 1,717                         | -            |
| 7010 | Other income                                 | 3                           | -            | 74                          | -            | 3                             | -            | 155                           | -            |
| 7020 | Other profit and loss                        | 5,002                       | 2            | ( 2,977)                    | ( 1)         | 3,615                         | 1            | 605                           | -            |
| 7050 | Financial cost                               | ( <u>102</u> )              | -            | ( <u>519</u> )              | -            | ( <u>188</u> )                | -            | ( <u>1,611</u> )              | -            |
| 7000 | Total non-operating income and expense       | <u>6,670</u>                | <u>2</u>     | ( <u>2,276</u> )            | ( <u>1</u> ) | <u>6,062</u>                  | <u>1</u>     | <u>866</u>                    | -            |
| 7900 | Net profit before tax                        | 32,872                      | 11           | 25,225                      | 11           | 66,333                        | 12           | 59,169                        | 14           |
| 7950 | Income tax expense (Note XVIII)              | ( <u>6,198</u> )            | ( <u>2</u> ) | ( <u>5,311</u> )            | ( <u>2</u> ) | ( <u>12,890</u> )             | ( <u>2</u> ) | ( <u>12,109</u> )             | ( <u>3</u> ) |
| 8200 | Net profit for the period                    | <u>26,674</u>               | <u>9</u>     | <u>19,914</u>               | <u>9</u>     | <u>53,443</u>                 | <u>10</u>    | <u>47,060</u>                 | <u>11</u>    |
| 8500 | Total comprehensive income for the period    | <u>\$ 26,674</u>            | <u>9</u>     | <u>\$ 19,914</u>            | <u>9</u>     | <u>\$ 53,443</u>              | <u>10</u>    | <u>\$ 47,060</u>              | <u>11</u>    |
|      | Earnings per share (Note XIX)                |                             |              |                             |              |                               |              |                               |              |
| 9710 | Basic                                        | <u>\$ 1.01</u>              |              | <u>\$ 0.77</u>              |              | <u>\$ 2.01</u>                |              | <u>\$ 1.82</u>                |              |
| 9810 | Diluted                                      | <u>\$ 1.00</u>              |              | <u>\$ 0.76</u>              |              | <u>\$ 2.00</u>                |              | <u>\$ 1.81</u>                |              |

The attached notes are part of the financial statements.

# ELTA TECHNOLOGY CO., LTD.

## Statement of Changes in Equity January 1 to June 30, 2025 and 2024 (In Thousands of New Taiwan Dollars)

| Code |                                                                   | Common stock capital (Note XV)                  |                   | Capital reserve<br>(Note XV) | Retained earnings |                           | Total equity      |
|------|-------------------------------------------------------------------|-------------------------------------------------|-------------------|------------------------------|-------------------|---------------------------|-------------------|
|      |                                                                   | Number of<br>common shares<br>(thousand shares) | Amount            |                              | Legal reserve     | Undistributed<br>earnings |                   |
| A1   | Balance on January 1, 2024                                        | 25,035                                          | \$ 250,350        | \$ 124,976                   | \$ 17,599         | \$ 142,491                | \$ 535,416        |
|      | Earnings appropriation and distribution for 2023                  |                                                 |                   |                              |                   |                           |                   |
| B1   | Legal reserve                                                     | -                                               | -                 | -                            | 13,523            | ( 13,523 )                | -                 |
| B5   | Cash dividend - NTD 4.5 per share                                 | -                                               | -                 | -                            | -                 | ( 119,407 )               | ( 119,407 )       |
| D1   | Net profit for the six months ended June 30, 2024                 | -                                               | -                 | -                            | -                 | 47,060                    | 47,060            |
| D5   | Total comprehensive income for the six months ended June 30, 2024 | -                                               | -                 | -                            | -                 | 47,060                    | 47,060            |
| E1   | Cash capital increase                                             | 1,500                                           | 15,000            | 90,028                       | -                 | -                         | 105,028           |
| N1   | Share-based payment transactions                                  | -                                               | -                 | 672                          | -                 | -                         | 672               |
| Z1   | Balance on June 30, 2024                                          | <u>26,535</u>                                   | <u>\$ 265,350</u> | <u>\$ 215,676</u>            | <u>\$ 31,122</u>  | <u>\$ 56,621</u>          | <u>\$ 568,769</u> |
| A1   | Balance on January 1, 2025                                        | 26,535                                          | \$ 265,350        | \$ 215,676                   | \$ 31,122         | \$ 189,137                | \$ 701,285        |
|      | Earnings appropriation and distribution for 2024                  |                                                 |                   |                              |                   |                           |                   |
| B1   | Legal reserve                                                     | -                                               | -                 | -                            | 17,958            | ( 17,958 )                | -                 |
| B5   | Cash dividend - NTD 5.2 per share                                 | -                                               | -                 | -                            | -                 | ( 137,982 )               | ( 137,982 )       |
| D1   | Net profit for the six months ended June 30, 2025                 | -                                               | -                 | -                            | -                 | 53,443                    | 53,443            |
| D5   | Total comprehensive income for the six months ended June 30, 2025 | -                                               | -                 | -                            | -                 | 53,443                    | 53,443            |
| Z1   | Balance on June 30, 2025                                          | <u>26,535</u>                                   | <u>\$ 265,350</u> | <u>\$ 215,676</u>            | <u>\$ 49,080</u>  | <u>\$ 86,640</u>          | <u>\$ 616,746</u> |

The attached notes are part of the financial statements.

# ELTA TECHNOLOGY CO., LTD.

## Statement of Cash Flows

January 1 to June 30, 2025 and 2024

(In Thousands of New Taiwan Dollars)

| Code              |                                                               | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|-------------------|---------------------------------------------------------------|-------------------------------|-------------------------------|
|                   | Cash flow from operating activities                           |                               |                               |
| A10000            | Net profit before tax                                         | \$ 66,333                     | \$ 59,169                     |
| A20010            | Revenue and expense                                           |                               |                               |
| A20100            | Depreciation expense                                          | 13,706                        | 13,774                        |
| A20200            | Amortization expense                                          | 620                           | 538                           |
| A20900            | Financial cost                                                | 188                           | 1,611                         |
| A21200            | Interest income                                               | ( 2,632 )                     | ( 1,717 )                     |
| A21900            | Share-based payment transaction                               | -                             | 672                           |
| A22500            | Gains from disposal of property,<br>plant and equipment       | ( 4 )                         | ( 2 )                         |
| A24100            | Foreign exchange gain                                         | ( 913 )                       | ( 619 )                       |
| A29900            | Others                                                        | -                             | ( 35 )                        |
| A30000            | Net changes in operating assets and<br>liabilities            |                               |                               |
| A31150            | Accounts receivable                                           | 53,741                        | 40,170                        |
| A31180            | Other receivables                                             | 6,009                         | 6,166                         |
| A31220            | Program to be broadcast                                       | ( 2,583 )                     | ( 6,166 )                     |
| A31230            | Prepayments                                                   | ( 356,411 )                   | ( 497,727 )                   |
| A31240            | Other current assets                                          | 8,818                         | ( 7,267 )                     |
| A32125            | Contract liabilities                                          | 31,378                        | 443,159                       |
| A32150            | Accounts and notes payable                                    | 20,490                        | 38,261                        |
| A32180            | Other payables                                                | ( 89,425 )                    | ( 36,389 )                    |
| A32230            | Other current liabilities                                     | 300                           | 7,221                         |
| A32240            | Net defined benefit liability                                 | ( 36 )                        | ( 24 )                        |
| A33000            | Cash inflow (outflow) from operations                         | ( 250,421 )                   | 60,795                        |
| A33500            | Income tax paid                                               | ( 27,863 )                    | ( 29,084 )                    |
| AAAA              | Net cash inflow (outflow) from<br>operating activities        | ( 278,284 )                   | 31,711                        |
|                   | Cash flow from investing activities                           |                               |                               |
| B00040            | Acquisition of financial assets<br>measured at amortized cost | ( 30,000 )                    | ( 60,894 )                    |
| B00050            | Disposal of financial assets measured at<br>amortized cost    | 110,894                       | 96,235                        |
| B02700            | Purchase of property, plant and<br>equipment                  | ( 1,579 )                     | ( 4,439 )                     |
| B02800            | Disposal of property, plant and<br>equipment                  | 4                             | 1,716                         |
| B03700            | Increase in refundable deposits                               | -                             | ( 1,301 )                     |
| B04500            | Acquisition of intangible assets                              | ( 817 )                       | ( 252 )                       |
| (To be Continued) |                                                               |                               |                               |

(Continued from previous page)

| Code   |                                               | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|--------|-----------------------------------------------|-------------------------------|-------------------------------|
| B07100 | Increase in prepayment for equipment          | \$ -                          | ( \$ 417 )                    |
| B07500 | Interest received                             | <u>2,178</u>                  | <u>2,079</u>                  |
| BBBB   | Net cash inflows from investing<br>activities | <u>80,680</u>                 | <u>32,727</u>                 |
|        | Cash flow from financing activities           |                               |                               |
| C00100 | Increase in short-term borrowings             | 100,000                       | 410,000                       |
| C00200 | Decrease in short-term borrowings             | -                             | ( 410,000 )                   |
| C04020 | Lease principal repayment                     | ( 11,395 )                    | ( 10,728 )                    |
| C04500 | Distribution of cash dividends                | ( 137,982 )                   | ( 119,407 )                   |
| C04600 | Cash capital increase                         | -                             | 105,028                       |
| C05600 | Interest paid                                 | ( <u>149</u> )                | ( <u>1,611</u> )              |
| CCCC   | Net cash outflow from financing<br>activities | ( <u>49,526</u> )             | ( <u>26,718</u> )             |
| DDDD   | Effect of exchange rate changes on cash       | ( <u>254</u> )                | <u>780</u>                    |
| EEEE   | Cash increase (decrease) in current period    | ( 247,384 )                   | 38,500                        |
| E00100 | Cash balance at the beginning of the period   | <u>335,422</u>                | <u>282,674</u>                |
| E00200 | Closing cash balance                          | <u><u>\$ 88,038</u></u>       | <u><u>\$ 321,174</u></u>      |

The attached notes are part of the financial statements.

ELTA Technology Co., Ltd.  
Notes to the financial statements  
January 1 to June 30, 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 financial statements are presented in New Taiwan Dollar 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 parent company only financial statements were approved by the Board of Directors on August 5, 2025.

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 the amended 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.

| Application Of new standards, amendments and interpretations                                                                                                                                         | Effective date announced by IASB |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Contents of the amended application guidance on financial asset classification under the 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 Electricity from Natural Resources"                                                                                                             | January 1, 2026                  |
| "IFRS Annual Improvements - Volume 11"                                                                                                                                                               | January 1, 2026                  |
| IFRS 17 "Insurance Contracts"                                                                                                                                                                        | January 1, 2023                  |
| Amendments to IFRS 17                                                                                                                                                                                | January 1, 2023                  |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"                                                                                                          | January 1, 2023                  |

As of the approval and release date of the individual financial statements, the Company has been concluded that the amendments to the above standards and interpretations 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                           |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures"                                                        | 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.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

The income statement should categorize income and expense items into operating, investing, financing, income tax, and discontinued operations.

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 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 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" approved and released by the FSC. The individual financial statements do not include all the disclosures required by IFRS accounting standards for a full set of annual financial statements.

(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) Other significant accounting policies

In addition to the following, please refer to the summary of significant accounting policies in the 2024 parent company only financial statements.

1. Defined Benefits and Post-employment Benefits

The interim pension cost is calculated for the period from the beginning to the end of the current period based on the pension cost rate determined by actuarial calculations at the end of the previous year, and is adjusted for major market fluctuations in the current period, as well as major plan amendments, repayments or other major one-off items.

2. Income tax

Income tax expenses represent the sum of current income and deferred income taxes. The interim income tax is evaluated on an annual basis, and is calculated based on the interim pre-tax benefits at the tax rate applicable to the expected annual total earnings.

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

The significant accounting judgments used in the individual financial statements and the main sources of uncertainty in estimates and assumptions are the same as those in the individual financial statements for the year ended December 31, 2024.

VI. Cash

|                                  | June 30, 2025    | December 31, 2024 | June 30, 2024     |
|----------------------------------|------------------|-------------------|-------------------|
| Cash on hand and revolving funds | \$ 382           | \$ 403            | \$ 356            |
| Checks and demand deposits       | 87,656           | 335,019           | 320,818           |
|                                  | <u>\$ 88,038</u> | <u>\$ 335,422</u> | <u>\$ 321,174</u> |

VII. Financial assets measured at amortized cost

|                                                          | June 30, 2025     | December 31, 2024 | June 30, 2024    |
|----------------------------------------------------------|-------------------|-------------------|------------------|
| <u>Current</u>                                           |                   |                   |                  |
| Time deposit with an initial maturity date over 3 months | <u>\$ 140,000</u> | <u>\$ 230,894</u> | <u>\$ 86,538</u> |
| Interest rate range (%)                                  | 1.45% ~ 1.71%     | 1.45% ~ 1.71%     | 1.45% ~ 1.71%    |
| <u>Non-current</u>                                       |                   |                   |                  |
| Corporate Bonds                                          | <u>\$ 10,000</u>  | <u>\$ -</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

|                            | June 30, 2025     | December 31, 2024 | June 30, 2024     |
|----------------------------|-------------------|-------------------|-------------------|
| Measured at amortized cost |                   |                   |                   |
| Gross carrying amount      | \$ 203,839        | \$ 259,093        | \$ 157,746        |
| Less: Loss allowance       | -                 | ( 1,491 )         | ( 1,491 )         |
|                            | <u>\$ 203,839</u> | <u>\$ 257,602</u> | <u>\$ 156,255</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 loss allowance on accounts receivable of the Company is as follows:

June 30, 2025

|                                                    | Not overdue       | Overdue 1 to 180 days | Overdue more than 181 days | Total             |
|----------------------------------------------------|-------------------|-----------------------|----------------------------|-------------------|
| Gross carrying amount                              | \$ 203,707        | \$ 132                | \$ -                       | \$ 203,839        |
| Allowance for loss (lifetime-expected credit loss) | -                 | -                     | -                          | -                 |
| Amortized cost                                     | <u>\$ 203,707</u> | <u>\$ 132</u>         | <u>\$ -</u>                | <u>\$ 203,839</u> |

December 31, 2024

|                                                    | Not overdue       | Overdue 1 to 180 days | Overdue more than 181 days | Total             |
|----------------------------------------------------|-------------------|-----------------------|----------------------------|-------------------|
| 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> |

June 30, 2024

|                                                    | Not overdue       | Overdue 1 to 180 days | Overdue more than 181 days | Total             |
|----------------------------------------------------|-------------------|-----------------------|----------------------------|-------------------|
| Gross carrying amount                              | \$ 156,255        | \$ -                  | \$ 1,491                   | \$ 157,746        |
| Allowance for loss (lifetime-expected credit loss) | -                 | -                     | ( 1,491 )                  | ( 1,491 )         |
| Amortized cost                                     | <u>\$ 156,255</u> | <u>\$ -</u>           | <u>\$ -</u>                | <u>\$ 156,255</u> |

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

|                                               | January 1 to June 30, 2025 | January 1 to June 30, 2024 |
|-----------------------------------------------|----------------------------|----------------------------|
| Balance at the beginning of the period        | \$ 1,491                   | \$ 1,491                   |
| Less: Actual write-offs of the current period | ( 1,491 )                  | -                          |
| Ending balance                                | <u>\$ -</u>                | <u>\$ 1,491</u>            |

IX. Program to be broadcasted

|                    | June 30, 2025    | December 31, 2024 | June 30, 2024    |
|--------------------|------------------|-------------------|------------------|
| Video to be played | <u>\$ 84,609</u> | <u>\$ 82,026</u>  | <u>\$ 78,256</u> |

The operating costs related to programs to be broadcast in the three months ended June 30, 2025 and 2024, as well as in the six months ended June 30, 2025 and 2024, were NTD 130,351 thousand, NTD 88,317 thousand, NTD 216,915 thousand, and NTD 162,000 thousand, respectively.

X. Prepayments

|                   | June 30, 2025     | December 31, 2024 | June 30, 2024     |
|-------------------|-------------------|-------------------|-------------------|
| Prepaid royalties | \$ 397,925        | \$ 42,123         | \$ 561,675        |
| Others            | <u>2,943</u>      | <u>2,334</u>      | <u>3,034</u>      |
|                   | <u>\$ 400,868</u> | <u>\$ 44,457</u>  | <u>\$ 564,709</u> |

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

XI. Property, plant and equipment

|                         | June 30, 2025    | December 31, 2024 | June 30, 2024    |
|-------------------------|------------------|-------------------|------------------|
| Machinery and equipment | \$ 6,240         | \$ 7,892          | \$ 6,983         |
| Office equipment        | 3,960            | 3,797             | 3,512            |
| Lease improvement       | <u>962</u>       | <u>747</u>        | <u>402</u>       |
|                         | <u>\$ 11,162</u> | <u>\$ 12,436</u>  | <u>\$ 10,897</u> |

Except for the recognition of depreciation expenses, the Company's property, plant, and equipment did not incur any significant additions, disposals, or impairments during the periods from January 1 to June 30, 2025 and 2024. 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 |
| Lease improvement       | 3 to 5 years |

## XII. Lease agreement

### (I) Right-of-use assets

|                                             | June 30, 2025            | December 31, 2024        | June 30, 2024              |
|---------------------------------------------|--------------------------|--------------------------|----------------------------|
| Book value of right-of-use assets           |                          |                          |                            |
| Machinery and equipment                     | \$ 2,470                 | \$ 7,756                 | \$ 15,535                  |
| Building                                    | 5,178                    | 10,357                   | 13,044                     |
| Transportation equipment                    | <u>1,750</u>             | <u>797</u>               | <u>961</u>                 |
|                                             | <u>\$ 9,398</u>          | <u>\$ 18,910</u>         | <u>\$ 29,540</u>           |
|                                             | April 1 to June 30, 2025 | April 1 to June 30, 2024 | January 1 to June 30, 2025 |
| Addition of right-of-use assets             |                          |                          | \$ 1,341                   |
| Depreciation expense of right-of-use assets |                          |                          | \$ 989                     |
| Building                                    | \$ 2,643                 | \$ 2,644                 | \$ 5,287                   |
| Machinery and equipment                     | 2,589                    | 2,589                    | 5,178                      |
| Transportation equipment                    | <u>250</u>               | <u>27</u>                | <u>388</u>                 |
|                                             | <u>\$ 5,482</u>          | <u>\$ 5,260</u>          | <u>\$ 10,853</u>           |

### (II) Lease liabilities

|                                              | June 30, 2025 | December 31, 2024 | June 30, 2024   |
|----------------------------------------------|---------------|-------------------|-----------------|
| Book value of lease liabilities              |               |                   |                 |
| Current                                      | \$ 9,155      | \$ 19,391         | \$ 22,231       |
| Non-current                                  | <u>\$ 963</u> | <u>\$ 781</u>     | <u>\$ 8,995</u> |
| Range of discount rate for lease liabilities |               |                   |                 |
|                                              | June 30, 2025 | December 31, 2024 | June 30, 2024   |
| Building                                     | 1.85% ~ 2.09% | 1.85% ~ 2.09%     | 1.85% ~ 2.09%   |
| Machinery and equipment                      | 2.09%         | 2.09%             | 2.09%           |
| Transportation equipment                     | 2.33% ~ 2.34% | 2.34%             | 2.34%           |

### (III) Important lease-in activities and terms

The underlying assets leased by the Company are buildings, machinery and equipment. The lease period is 3 to 6 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

|                                 | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|---------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Short-term lease expense        | <u>\$ 90</u>                | <u>\$ 214</u>               | <u>\$ 208</u>                 | <u>\$ 334</u>                 |
| Total cash (outflow) for leases | <u>( \$ 5,919 )</u>         | <u>( \$ 5,773 )</u>         | <u>( \$ 11,752 )</u>          | <u>( \$ 11,406 )</u>          |

XIII. Short-term borrowings

|                             |                      |
|-----------------------------|----------------------|
|                             | <u>June 30, 2025</u> |
| <u>Unsecured borrowings</u> | <u>\$ 100,000</u>    |
| Interest rate range (%)     | 2.00% ~ 2.18%        |

The Company's bank financing facilities are guaranteed by the related parties. Please refer to Note 23 for details.

XIV. Other payables

|                                                 | <u>June 30, 2025</u> | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|-------------------------------------------------|----------------------|--------------------------|----------------------|
| Collections payable                             | \$ 49,301            | \$ 59,522                | \$ 65,109            |
| Salaries and bonuses payable                    | 34,518               | 83,958                   | 29,909               |
| Remuneration payable to employees and directors | 9,912                | 33,738                   | 8,841                |
| Business taxes payable                          | 5,848                | 9,553                    | 11,980               |
| Others                                          | <u>18,189</u>        | <u>20,732</u>            | <u>19,318</u>        |
|                                                 | <u>\$ 117,768</u>    | <u>\$ 207,503</u>        | <u>\$ 135,157</u>    |

XV. Equity

(I) Share capital

|                                                | <u>June 30, 2025</u> | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|------------------------------------------------|----------------------|--------------------------|----------------------|
| <u>Common stock capital</u>                    |                      |                          |                      |
| Authorized number of shares (thousand shares)  | <u>36,000</u>        | <u>36,000</u>            | <u>36,000</u>        |
| Authorized capital                             | <u>\$ 360,000</u>    | <u>\$ 360,000</u>        | <u>\$ 360,000</u>    |
| Shares issued and fully paid (thousand shares) | <u>26,535</u>        | <u>26,535</u>            | <u>26,535</u>        |
| Capital stock issued                           | <u>\$ 265,350</u>    | <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>June 30, 2025</u> | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|--------------------------------------------------------------------------------------------------|----------------------|--------------------------|----------------------|
| <u>For covering loss carried forward, cash payment, or capitalization as dividends</u><br>(Note) |                      |                          |                      |
| Stock issuance premium                                                                           | \$ 212,988           | \$ 212,988               | \$ 212,988           |
| Treasury stock trading                                                                           | 2,127                | 2,127                    | 2,127                |
| Expired stock options                                                                            | <u>561</u>           | <u>561</u>               | <u>561</u>           |
|                                                                                                  | <u>\$ 215,676</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 may be 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.

XVI. Revenue

(I) Revenue from contracts with customers

|                              | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Revenue from digital content | \$ 272,879                  | \$ 211,016                  | \$ 490,916                    | \$ 392,092                    |
| Advertising revenue          | 17,421                      | 15,673                      | 42,324                        | 29,882                        |
| Project revenue              | 2,568                       | 2,698                       | 3,156                         | 8,049                         |
| Revenue from sale of goods   | 557                         | 357                         | 1,056                         | 547                           |
|                              | <u>\$ 293,425</u>           | <u>\$ 229,744</u>           | <u>\$ 537,452</u>             | <u>\$ 430,570</u>             |

(II) Contract balance

|                              | June 30, 2025     | December 31, 2024 | June 30, 2024     | January 1 to March<br>31, 2024 |
|------------------------------|-------------------|-------------------|-------------------|--------------------------------|
| Accounts receivable          | <u>\$ 203,839</u> | <u>\$ 257,602</u> | <u>\$ 156,255</u> | <u>\$ 196,425</u>              |
| Contract liabilities         |                   |                   |                   |                                |
| Revenue from digital content | \$ 55,214         | \$ 24,013         | \$ 456,334        | \$ 13,332                      |
| Project revenue              | 177               | -                 | 157               | -                              |
|                              | <u>\$ 55,391</u>  | <u>\$ 24,013</u>  | <u>\$ 456,491</u> | <u>\$ 13,332</u>               |
| Current                      | <u>\$ 55,391</u>  | <u>\$ 24,013</u>  | <u>\$ 456,491</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 amount of contract liabilities recognized in the current period from the beginning is as follows:

|                              | January 1 to June 30,<br>2025 | January 1 to June 30,<br>2024 |
|------------------------------|-------------------------------|-------------------------------|
| Contract liabilities         |                               |                               |
| Revenue from digital content | <u>\$ 19,656</u>              | <u>\$ 11,024</u>              |

XVII. Net income before tax

(I) Interest income

|               | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|---------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank deposits | \$ 1,760                    | \$ 1,138                    | \$ 2,617                      | \$ 1,702                      |
| Others        | 7                           | 8                           | 15                            | 15                            |
|               | <u>\$ 1,767</u>             | <u>\$ 1,146</u>             | <u>\$ 2,632</u>               | <u>\$ 1,717</u>               |

(II) Other profit and loss

|                                           | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|-------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Net foreign currency exchange gain (loss) | \$ 5,000                    | ( \$ 3,014 )                | \$ 3,684                      | \$ 568                        |
| Others                                    | 2                           | 37                          | ( 69 )                        | 37                            |
|                                           | <u>\$ 5,002</u>             | <u>( \$ 2,977 )</u>         | <u>\$ 3,615</u>               | <u>\$ 605</u>                 |

(III) Financial cost

|                               | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|-------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Interest on bank borrowings   | \$ 39                       | \$ 359                      | \$ 39                         | \$ 1,267                      |
| Interest on lease liabilities | 63                          | 160                         | 149                           | 344                           |
|                               | <u>\$ 102</u>               | <u>\$ 519</u>               | <u>\$ 188</u>                 | <u>\$ 1,611</u>               |

(IV) Depreciation and amortization

|                                  | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Property, plant and equipment    | \$ 1,412                    | \$ 1,611                    | \$ 2,853                      | \$ 3,282                      |
| Right-of-use assets              | 5,482                       | 5,260                       | 10,853                        | 10,492                        |
| Intangible assets                | 329                         | 269                         | 620                           | 538                           |
|                                  | <u>\$ 7,223</u>             | <u>\$ 7,140</u>             | <u>\$ 14,326</u>              | <u>\$ 14,312</u>              |
| Depreciation expense by function |                             |                             |                               |                               |
| Operating cost                   | \$ 4,680                    | \$ 4,748                    | \$ 9,399                      | \$ 9,489                      |
| Operating expenses               | 2,214                       | 2,123                       | 4,307                         | 4,285                         |
|                                  | <u>\$ 6,894</u>             | <u>\$ 6,871</u>             | <u>\$ 13,706</u>              | <u>\$ 13,774</u>              |
| Amortization expense by function |                             |                             |                               |                               |
| Operating cost                   | \$ 153                      | \$ 124                      | \$ 292                        | \$ 248                        |
| Marketing expense                | 133                         | 110                         | 248                           | 220                           |
| Administrative expense           | 43                          | 35                          | 80                            | 70                            |
|                                  | <u>\$ 329</u>               | <u>\$ 269</u>               | <u>\$ 620</u>                 | <u>\$ 538</u>                 |

(V) Employee benefit expense

|                              | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Short-term employee benefits |                             |                             |                               |                               |
| Salary expense               | \$ 44,525                   | \$ 40,809                   | \$ 85,032                     | \$ 77,201                     |
| Employee insurance premium   | 3,671                       | 3,226                       | 7,700                         | 6,913                         |
| Other personnel expenses     | 1,221                       | 1,170                       | 2,435                         | 2,340                         |
| Share-based payment          |                             |                             |                               |                               |
| Equity settled               | -                           | -                           | -                             | 672                           |
| Retirement benefits          |                             |                             |                               |                               |
| Defined contribution plan    | 1,403                       | 1,335                       | 2,796                         | 2,646                         |
| Defined benefit plan         | 41                          | 35                          | 82                            | 71                            |
|                              | <u>\$ 50,861</u>            | <u>\$ 46,575</u>            | <u>\$ 98,045</u>              | <u>\$ 89,843</u>              |
| Summary by function          |                             |                             |                               |                               |
| Operating cost               | \$ 24,637                   | \$ 24,135                   | \$ 51,111                     | \$ 48,365                     |
| Operating expenses           | 26,224                      | 22,440                      | 46,934                        | 41,478                        |
|                              | <u>\$ 50,861</u>            | <u>\$ 46,575</u>            | <u>\$ 98,045</u>              | <u>\$ 89,843</u>              |

(VI) Remuneration to employees and directors

At the annual general 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 employee remuneration and director remuneration, and that 40% to 50% of the amount allocated for employee remuneration for that year shall be designated as entry-level employee remuneration. 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 estimated remunerations of employees and directors for the three months and six months ended June 30, 2025 and 2024 are as follows:

Estimated percentage

|                                           | January 1 to June 30,<br>2025 | January 1 to June 30,<br>2024 |
|-------------------------------------------|-------------------------------|-------------------------------|
| Employee remuneration                     | 10%                           | 10%                           |
| Profit-sharing remuneration for directors | 3%                            | 3%                            |

Amount

|                                              | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|----------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Employee remuneration                        | \$ 3,779                    | \$ 3,112                    | \$ 7,625                      | \$ 6,801                      |
| Profit-sharing remuneration<br>for directors | 1,133                       | 933                         | 2,287                         | 2,040                         |

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.

The 2024 and 2023 employees' and directors' remuneration were distributed in cash as resolved by the Board of Directors on February 25, 2025 and February 27, 2024, respectively, as follows:

|                                              | 2024      | 2023      |
|----------------------------------------------|-----------|-----------|
| Employee remuneration                        | \$ 25,952 | \$ 19,751 |
| Profit-sharing remuneration for<br>directors | 7,786     | 5,925     |

There is no difference between the actual amount of employees' and directors' remuneration distributed and the amount recognized in the parent company only financial statements for 2024 and 2023.

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:

|                                                       | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|-------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Income tax expense                                    |                             |                             |                               |                               |
| Incurred in the current<br>period                     | \$ 6,280                    | \$ 5,641                    | \$ 13,168                     | \$ 11,739                     |
| Adjustments from<br>previous years                    | ( 377 )                     | 257                         | ( 377 )                       | 257                           |
|                                                       | 5,903                       | 5,898                       | 12,791                        | 11,996                        |
| Deferred income tax                                   |                             |                             |                               |                               |
| Incurred in the current<br>period                     | 295                         | ( 587 )                     | 99                            | 113                           |
| Income tax expense<br>recognized in profit or<br>loss | \$ 6,198                    | \$ 5,311                    | \$ 12,890                     | \$ 12,109                     |

(II) Authorization of income tax

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

XIX. Earnings per share

|                            | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Basic earnings per share   | \$ 1.01                     | \$ 0.77                     | \$ 2.01                       | \$ 1.82                       |
| Diluted earnings per share | \$ 1.00                     | \$ 0.76                     | \$ 2.00                       | \$ 1.81                       |

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

Net profit for the period

|                                                                     | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
|---------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Net profit used to calculate<br>basic/diluted earnings per<br>share | \$ 26,674                   | \$ 19,914                   | \$ 53,443                     | \$ 47,060                     |

| <u>Number of shares</u>                                                                                      | Unit: thousand shares       |                             |                               |                               |
|--------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
|                                                                                                              | April 1 to June 30,<br>2025 | April 1 to June 30,<br>2024 | January 1 to June<br>30, 2025 | January 1 to June<br>30, 2024 |
| The weighted average number of common stocks used for calculating basic earnings per share are as follows:   | 26,535                      | 25,867                      | 26,535                        | 25,867                        |
| Effect of dilutive potential common stocks:                                                                  |                             |                             |                               |                               |
| Employee remuneration                                                                                        | <u>99</u>                   | <u>82</u>                   | <u>209</u>                    | <u>171</u>                    |
| The weighted average number of common stocks used for calculating diluted earnings per share are as follows: | <u>26,634</u>               | <u>25,949</u>               | <u>26,744</u>                 | <u>26,038</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:

|                               | March 2024   |
|-------------------------------|--------------|
| 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%      |

From January 1 to June 30, 2024, the recognized remuneration cost of employee share options due to cash capital increase 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

|                                                           | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|-----------------------------------------------------------|---------------|-------------------|---------------|
| <u>Financial assets</u>                                   |               |                   |               |
| Financial assets measured at amortized cost (Note 1)      | \$ 472,404    | \$ 860,000        | \$ 593,436    |
| <u>Financial liabilities</u>                              |               |                   |               |
| Financial liabilities measured at amortized cost (Note 2) | 230,743       | 123,857           | 157,201       |

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

Note 2: The balances include financial liabilities measured at amortized cost, including short-term borrowings, 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, short-term borrowings, 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, interest rate risk and other price 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. If the NTD depreciated by 5% against each relevant currency, the Company's net income before tax for the three months ended June 30, 2025 and 2024 would have increased by NTD 98 thousand and decreased by NTD 535 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>June 30, 2025</u> | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|------------------------------------|----------------------|--------------------------|----------------------|
| With fair value interest rate risk |                      |                          |                      |
| - Financial assets                 | \$ 150,000           | \$ 230,894               | \$ 83,744            |
| - Financial liabilities            | 10,118               | 20,172                   | 31,226               |
| With cash flow interest rate risk  |                      |                          |                      |
| - Financial assets                 | 85,043               | 332,410                  | 323,393              |
| - Financial liabilities            | 100,000              | -                        | -                    |

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 reasonable and possible range of changes in interest rates, if interest rates increase by 50 basis points, with all other variables held constant, the Company's net profit before tax for the three months ended June 30, 2025 and 2024 would have decreased by NTD 37 thousand and increased by NTD 808 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 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 fund the operations and thus mitigates 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.

The following maturity analysis of non-derivative financial liabilities is prepared based on the agreed repayment date.

June 30, 2025

|                                             | <u>Less than 1 year</u> | <u>1 to 5 years</u> |
|---------------------------------------------|-------------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |                         |                     |
| Short-term borrowings                       | \$ 100,000              | \$ -                |
| Lease liabilities                           | 9,220                   | 970                 |
| Accounts and notes payable                  | 63,253                  | -                   |
| Other payables                              | 117,768                 | -                   |
|                                             | <u>\$ 290,241</u>       | <u>\$ 970</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>       |

June 30, 2024

|                                             | <u>Less than 1 year</u> | <u>1 to 5 years</u> |
|---------------------------------------------|-------------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |                         |                     |
| Lease liabilities                           | \$ 22,621               | \$ 9,047            |
| Accounts and notes payable                  | 72,774                  | -                   |
| Other payables                              | <u>135,157</u>          | <u>-</u>            |
|                                             | <u>\$ 230,552</u>       | <u>\$ 9,047</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>April 1 to June 30,<br/>2025</u> | <u>April 1 to June 30,<br/>2024</u> | <u>January 1 to June<br/>30, 2025</u> | <u>January 1 to June<br/>30, 2024</u> |
|------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|
| Short-term employee benefits | \$ 6,245                            | \$ 6,039                            | \$ 24,719                             | \$ 23,522                             |
| Retirement benefits          | 231                                 | 181                                 | 360                                   | 356                                   |
| Share-based payment          | <u>-</u>                            | <u>-</u>                            | <u>-</u>                              | <u>18</u>                             |
|                              | <u>\$ 6,476</u>                     | <u>\$ 6,220</u>                     | <u>\$ 25,079</u>                      | <u>\$ 23,896</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

The related parties provide guarantees for the Company's bank financing facilities as follows:

| <u>Type/name of related party</u>         | <u>June 30, 2025</u> | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|-------------------------------------------|----------------------|--------------------------|----------------------|
| Key management personnel/<br>Yi-Chun Chen |                      |                          |                      |
| Guaranteed amount                         | <u>\$ 380,000</u>    | <u>\$ 380,000</u>        | <u>\$ 380,000</u>    |
| Actual amount drawn<br>down               | <u>\$ 100,000</u>    | <u>\$ -</u>              | <u>\$ -</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:

Unit: foreign currency/NTD thousand

June 30, 2025

|                              | <u>Foreign currency</u> |        | <u>Exchange rate</u> | <u>Carrying amount</u> |
|------------------------------|-------------------------|--------|----------------------|------------------------|
| Foreign currency assets      |                         |        |                      |                        |
| <u>Monetary item</u>         |                         |        |                      |                        |
| USD                          | \$ 635                  | 29.300 | (USD:NTD)            | \$ 18,608              |
| Foreign currency liabilities |                         |        |                      |                        |
| <u>Monetary item</u>         |                         |        |                      |                        |
| USD                          | 568                     | 29.300 | (USD:NTD)            | 16,645                 |

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                 |

June 30, 2024

|                              | <u>Foreign currency</u> |       | <u>Exchange rate</u> | <u>Carrying amount</u> |
|------------------------------|-------------------------|-------|----------------------|------------------------|
| Foreign currency assets      |                         |       |                      |                        |
| <u>Monetary item</u>         |                         |       |                      |                        |
| USD                          | \$ 492                  | 32.45 | (USD:NTD)            | \$ 15,952              |
| Foreign currency liabilities |                         |       |                      |                        |
| <u>Monetary item</u>         |                         |       |                      |                        |
| USD                          | 821                     | 32.45 | (USD:NTD)            | 26,642                 |

The Company's foreign currency exchange (loss) gains (including the realized and unrealized) for the three months and six months ended June 30, 2025 and 2024 were NTD 5,000 thousand, NTD (3,014) thousand, NTD 3,684 thousand, and NTD 568 thousand, respectively. Due to the wide variety of foreign currency transactions, it is impossible to disclose the foreign exchange gains and losses by each foreign currency with material effects.

XXV. Disclosures in the notes

(I) Significant transactions:

1. Lending funds to others: None
2. Providing endorsements/guarantees for others: None
3. Holding of major 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 department and channel operation department.

(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<br>Department | Others           | Total             |
|-----------------------------------|--------------------------------|------------------|-------------------|
| <u>January 1 to June 30, 2025</u> |                                |                  |                   |
| Segment revenue                   | <u>\$ 490,916</u>              | <u>\$ 46,536</u> | <u>\$ 537,452</u> |
| Segment profit/loss               | <u>\$ 85,982</u>               | <u>\$ 7,948</u>  | <u>\$ 93,930</u>  |
| Cost of other departments         |                                |                  | ( 33,659 )        |
| Non-operating income and expenses |                                |                  | <u>6,062</u>      |
| Net profit before tax             |                                |                  | <u>\$ 66,333</u>  |
| <u>January 1 to June 30, 2024</u> |                                |                  |                   |
| Segment revenue                   | <u>\$ 392,092</u>              | <u>\$ 38,478</u> | <u>\$ 430,570</u> |
| Segment profit/loss               | <u>\$ 81,359</u>               | <u>\$ 8,435</u>  | <u>\$ 89,794</u>  |
| Cost of other departments         |                                |                  | ( 31,491 )        |
| Non-operating income and expenses |                                |                  | <u>866</u>        |
| Net profit before tax             |                                |                  | <u>\$ 59,169</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.