

ELTA Technology Co., Ltd.

Financial Reports and Independent
Auditors' Review Report
Q2, 2024 and 2023

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§Table of Contents§

Item	Page No.	Note number of the financial statements
I. Cover page	1	-
II. Table of Contents	2	-
III. Independent Auditors' Review Report	3	-
IV. Statement of Financial Position	4	-
V. Statement of Comprehensive Income	5	-
VI. Statement of Changes in Equity	6	-
VII. Statement of Cash Flows	7~8	-
VIII. Notes to the financial statements		
(I) Company history	9	I
(II) The date when the financial reports were authorized for issue and the process involved in authorizing the financial reports for issue.	9	II
(III) Application Of new standards, amendments and interpretations	9~11	III
(IV) Summary of significant accounting policies	11~12	IV
(V) Critical accounting judgments, estimates and key sources of assumption uncertainty	12	V
(VI) Statement of significant accounting items	12~27	VI~XXI
(VII) Related party transactions	27~28	XXII
(VIII) Pledged assets	-	-
(IX) Material contingent liabilities and unrecognized contractual commitments.	-	-
(X) Losses due to material disasters	-	-
(XI) Material events after the reporting period	-	-
(XII) Others	28~29	XXIII to XXIV
(XIII) Disclosures in the notes		
1. Information on significant transactions	29~30	XXV
2. Information on investees	30	XXV
3. Information on investments in Mainland China	30	XXV
4. Information on major shareholders	30	XXV
(XIV) Segment information	30~31	XXVI

Independent Auditors' Review Report

To ELTA Technology Co., Ltd.;

Foreword

We have reviewed the balance sheet of ELTA Technology Co., Ltd. as of June 30, 2024 and 2023 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 and as well as the notes to the financial statements (including the 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 reviews, nothing has come to our attention that has caused us to believe that the accompanying financial statements do not present fairly in all material respects the financial position of the Company as of June 30, 2024 and 2023, its consolidated financial performance three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 2, 2024

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, 2024 and December 31, 2023 and June 30, 2023
(In Thousands of New Taiwan Dollars)

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note VI)	\$ 321,174	25	\$ 282,674	34	\$ 277,540	36
1136	Financial assets measured at amortized cost (Note VII)	86,538	7	121,879	15	86,450	11
1170	Accounts receivable (Note VIII)	156,255	12	196,425	24	154,013	20
1200	Other receivables	21,435	1	27,963	3	23,498	3
1330	Programs to be broadcast (Notes IX)	78,256	6	72,090	9	72,138	10
1410	Prepayment (Note X)	564,709	44	66,982	8	74,973	10
1470	Other current assets	9,901	1	2,578	-	4,543	1
11XX	Total current assets	<u>1,238,268</u>	<u>96</u>	<u>770,591</u>	<u>93</u>	<u>693,155</u>	<u>91</u>
	Non-current assets						
1600	Property, plant and equipment: (Note XI)	10,897	1	10,784	1	8,971	1
1755	Right-of-use assets (Note XII)	29,540	2	39,043	5	49,509	7
1780	Intangible assets	2,539	-	2,825	-	816	-
1840	Deferred income tax assets (Note IV)	2,355	-	2,451	-	2,016	-
1915	Prepayment for equipment	417	-	56	-	1,350	-
1920	Refundable deposits	8,034	1	6,733	1	7,695	1
15XX	Total non-current assets	<u>53,782</u>	<u>4</u>	<u>61,892</u>	<u>7</u>	<u>70,357</u>	<u>9</u>
1XXX	Total assets	<u>\$ 1,292,050</u>	<u>100</u>	<u>\$ 832,483</u>	<u>100</u>	<u>\$ 763,512</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2130	Contract liabilities (Note XV)	\$ 456,491	35	\$ 13,332	2	\$ 91,709	12
2170	Accounts and notes payable	72,774	6	34,352	4	82,121	11
2219	Other payables (Note XIII)	135,157	10	171,546	21	173,454	23
2230	Current income tax liabilities	11,536	1	28,624	3	15,870	2
2280	Lease liabilities (Note XII)	22,231	2	21,476	3	21,253	3
2399	Other current liabilities	9,695	1	2,474	-	5,412	-
21XX	Total current liabilities	<u>707,884</u>	<u>55</u>	<u>271,804</u>	<u>33</u>	<u>389,819</u>	<u>51</u>
	Non-current liabilities						
2570	Deferred income tax liabilities (Note XIV)	17	-	-	-	133	-
2580	Lease liabilities (Note XII)	8,995	1	18,854	2	29,646	4
2640	Net defined benefit liability	6,385	-	6,409	1	5,265	1
25XX	Total non-current liabilities	<u>15,397</u>	<u>1</u>	<u>25,263</u>	<u>3</u>	<u>35,044</u>	<u>5</u>
2XXX	Total liabilities	<u>723,281</u>	<u>56</u>	<u>297,067</u>	<u>36</u>	<u>424,863</u>	<u>56</u>
	Equity (Note XIV and XIX)						
3110	Common stock capital	265,350	20	250,350	30	220,350	29
3200	Capital reserve	215,676	17	124,976	15	32,919	4
	Retained earnings						
3310	Legal reserve	31,122	3	17,599	2	17,599	2
3350	Undistributed earnings	56,621	4	142,491	17	67,781	9
3300	Total retained earnings	<u>87,743</u>	<u>7</u>	<u>160,090</u>	<u>19</u>	<u>85,380</u>	<u>11</u>
3XXX	Total equity	<u>568,769</u>	<u>44</u>	<u>535,416</u>	<u>64</u>	<u>338,649</u>	<u>44</u>
	Total liabilities and equity	<u>\$ 1,292,050</u>	<u>100</u>	<u>\$ 832,483</u>	<u>100</u>	<u>\$ 763,512</u>	<u>100</u>

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Comprehensive Income

For the three months and six months ended June 30, 2024 and 2023

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

Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note XV)	\$ 229,744	100	\$ 223,251	100	\$ 430,570	100	\$ 492,419	100
5000	Operating cost (Note XVI)	<u>168,709</u>	<u>73</u>	<u>146,494</u>	<u>66</u>	<u>311,572</u>	<u>72</u>	<u>339,630</u>	<u>69</u>
5900	Gross operating profit	<u>61,035</u>	<u>27</u>	<u>76,757</u>	<u>34</u>	<u>118,998</u>	<u>28</u>	<u>152,789</u>	<u>31</u>
	Operating expense (Note XVI)								
6100	Marketing expense	16,517	7	20,112	9	29,200	7	42,367	9
6200	Administrative	<u>17,017</u>	<u>8</u>	<u>19,896</u>	<u>9</u>	<u>31,495</u>	<u>7</u>	<u>35,315</u>	<u>7</u>
6000	Total operating expenses	<u>33,534</u>	<u>15</u>	<u>40,008</u>	<u>18</u>	<u>60,695</u>	<u>14</u>	<u>77,682</u>	<u>16</u>
6900	Net operating profit	<u>27,501</u>	<u>12</u>	<u>36,749</u>	<u>16</u>	<u>58,303</u>	<u>14</u>	<u>75,107</u>	<u>15</u>
	Non-operating income and expense (Note XVI)								
7100	Interest income	1,146	-	883	-	1,717	-	1,325	-
7010	Other income	74	-	326	-	155	-	4,451	1
7020	Other profit and loss	(2,977)	(1)	(1,268)	-	605	-	(2,380)	-
7050	Financial cost	(<u>519</u>)	-	(<u>324</u>)	-	(<u>1,611</u>)	-	(<u>645</u>)	-
7000	Total non-operating income and expense	(<u>2,276</u>)	(<u>1</u>)	(<u>383</u>)	-	<u>866</u>	-	<u>2,751</u>	<u>1</u>
7900	Net profit before tax	25,225	11	36,366	16	59,169	14	77,858	16
7950	Income tax expense (Note XVII)	(<u>5,311</u>)	(<u>2</u>)	(<u>9,026</u>)	(<u>4</u>)	(<u>12,109</u>)	(<u>3</u>)	(<u>17,334</u>)	(<u>4</u>)
8200	Net profit for the period	<u>19,914</u>	<u>9</u>	<u>27,340</u>	<u>12</u>	<u>47,060</u>	<u>11</u>	<u>60,524</u>	<u>12</u>
8500	Total comprehensive income for the period	<u>\$ 19,914</u>	<u>9</u>	<u>\$ 27,340</u>	<u>12</u>	<u>\$ 47,060</u>	<u>11</u>	<u>\$ 60,524</u>	<u>12</u>
	Earnings per share (Note XVIII)								
9710	Basic	<u>\$ 0.77</u>		<u>\$ 1.25</u>		<u>\$ 1.82</u>		<u>\$ 2.77</u>	
9810	Diluted	<u>\$ 0.76</u>		<u>\$ 1.24</u>		<u>\$ 1.81</u>		<u>\$ 2.74</u>	

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Changes in Equity January 1 to June 30, 2024 and 2023 (In Thousands of New Taiwan Dollars)

Code		Common stock capital	
		Number of common shares (thousand shares)	Amount
A1	Balance on January 1, 2023	22,035	\$ 220,350
	Earnings appropriation and distribution for 2022		
B1	Legal reserve	-	-
B5	Cash dividend - NT\$2.17 per share	-	-
D1	Net profit for the six months ended June 30, 2023	-	-
D5	Total comprehensive income for the six months ended June 30, 2023	-	-
N1	Share-based payment	-	-
L3	Transfer of treasury stock to employees	-	-
Z1	Balance on June 30, 2023	<u>22,035</u>	<u>\$ 220,350</u>
A1	Balance on January 1, 2024	25,035	\$ 250,350
	Earnings appropriation and distribution for 2023		
B1	Legal reserve	-	-
B5	Cash dividend - NT\$4.5 per share	-	-
D1	Net profit for the six months ended June 30, 2024	-	-
D5	Total comprehensive income for the six months ended June 30, 2024	-	-
E1	Cash capital increase	1,500	15,000
N1	Share-based payment transactions	-	-
Z1	Balance on June 30, 2024	<u>26,535</u>	<u>\$ 265,350</u>

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Cash Flows

January 1 to June 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	Cash flow from operating activities		
A10000	Net profit before tax	\$ 59,169	\$ 77,858
A20010	Revenue and expense		
A20100	Depreciation expense	13,774	13,313
A20200	Amortization expense	538	185
A20900	Financial cost	1,611	645
A21200	Interest income	(1,717)	(1,325)
A21900	Share-based payment transaction	672	2,127
A22500	Gains from disposal of property, plant and equipment	(2)	-
A24100	Net foreign currency exchange (loss) gain	(619)	865
A29900	Others	(35)	-
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	40,170	93,276
A31180	Other receivables	6,166	(902)
A31220	Program to be broadcast	(6,166)	(1,791)
A31230	Prepayments	(497,727)	(18,556)
A31240	Other current assets	(7,267)	14,235
A32125	Contract liabilities	443,159	(2,256)
A32150	Accounts and notes payable	38,261	(17,728)
A32180	Other payables	(36,389)	1,038
A32230	Other current liabilities	7,221	2,282
A32240	Net defined benefit liability	(24)	(16)
A33000	Cash inflow from operations	60,795	163,250
A33500	Income tax paid	(29,084)	(12,702)
AAAA	Net cash inflow from operating activities	<u>31,711</u>	<u>150,548</u>
	Cash flow from investing activities		
B00040	Decreased (increased) financial assets measured at amortized cost	35,341	(80,006)
B02700	Purchase of property, plant and equipment	(4,439)	(2,315)
B02800	Disposal of property, plant and equipment	1,716	-
B03800	Increase in refundable deposits	(1,301)	-
B04500	Acquisition of intangible assets	(252)	(694)

(To be Continued)

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Code		January 1 to June 30, 2024	January 1 to June 30, 2023
B07100	Increase in prepayment for equipment	(\$ 417)	\$ -
B07500	Interest received	<u>2,079</u>	<u>1,325</u>
BBBB	Net cash inflows (outflows) from investing activities	<u>32,727</u>	(<u>81,690</u>)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	410,000	60,000
C00200	Decrease in short-term borrowings	(410,000)	(60,000)
C04020	Lease principal repayment	(10,728)	(10,464)
C04500	Distribution of cash dividends	(119,407)	-
C04600	Cash capital increase	105,028	-
C05000	Transfer of treasury stock to employees	-	4,893
C05600	Interest paid	(<u>1,611</u>)	(<u>645</u>)
CCCC	Net cash outflow from financing activities	(<u>26,718</u>)	(<u>6,216</u>)
DDDD	Effect of exchange rate changes on cash	<u>780</u>	(<u>187</u>)
EEEE	Increase in cash and cash equivalents for the current period	38,500	62,455
E00100	Beginning cash and cash equivalents	<u>282,674</u>	<u>215,085</u>
E00200	Ending cash and cash equivalents	<u>\$ 321,174</u>	<u>\$ 277,540</u>

The attached notes are part of the financial statements.

ELTA Technology Co., Ltd.
Notes to the financial statements
January 1 to June 30, 2024 and 2023
(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. The Company's shares were approved by Taipei Exchange on December 10, 2015 to trade on the emerging stock market. The Company's shares switched to listing on the innovative board of the Taiwan Stock Exchange (TWSE) on 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 individual financial statements were approved by the Board of Directors on August 2, 2024.

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 2025

Application Of new standards, amendments and interpretations	Effective date announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: This will be applicable to annual reporting periods beginning on or after January 1, 2025. At the initial application of the amendment, comparative periods shall not be restated. Instead, the impact should be recognized in retained earnings or the cumulative translation adjustment of foreign operations (as applicable) and the related affected assets and liabilities as of the initial application date.

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)
"IFRS Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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 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
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 pre-tax profit and loss, as well as the subtotals and 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 2023 individual financial statements.

1. Criteria for classifying assets and liabilities into current and non-current.

Current assets include:

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

Current liabilities include:

- (1) Liabilities held mainly for the purpose of trading;
- (2) Liabilities that are due to be settled within 12 months after the reporting period (an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue is also considered a current liability), and
- (3) Liabilities for which there is no substantive right to defer settlement beyond the balance sheet date to at least 12 months after the balance sheet date.

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

2. 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.

3. 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. Critical 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, 2023.

VI. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 356	\$ 395	\$ 285
Checks and demand deposits	320,818	282,279	257,255
Cash equivalents (investment originally matures within three months)			
Time deposits with banks	-	-	20,000
	<u>\$ 321,174</u>	<u>\$ 282,674</u>	<u>\$ 277,540</u>

VII. Financial assets measured at amortized cost

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investment			
Time deposit with an initial maturity date over 3 months	\$ 86,538	\$ 121,879	\$ 86,450
Interest rate range (%)	1.45%~1.71%	1.30%~5.20%	1.10%~1.58%

VIII. Accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Gross carrying amount	\$ 157,746	\$ 197,916	\$ 155,504
Less: Loss allowance	(1,491)	(1,491)	(1,491)
	\$ 156,255	\$ 196,425	\$ 154,013

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, 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	\$ 156,255	\$ -	\$ -	\$ 156,255

December 31, 2023

	Not overdue	Overdue 1 to 180 days	Overdue more than 181 days	Total
Gross carrying amount	\$ 194,316	\$ 2,109	\$ 1,491	\$ 197,916
Allowance for loss (lifetime-expected credit loss)	-	-	(1,491)	(1,491)
Amortized cost	\$ 194,316	\$ 2,109	\$ -	\$ 196,425

June 30, 2023

	Not overdue	Overdue 1 to 180 days	Overdue more than 181 days	Total
Gross carrying amount	\$ 152,813	\$ 1,200	\$ 1,491	\$ 155,504
Allowance for loss (lifetime- expected credit loss)	<u>-</u>	<u>-</u>	(<u>1,491</u>)	(<u>1,491</u>)
Amortized cost	<u>\$ 152,813</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 154,013</u>

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Opening and closing balance	<u>\$ 1,491</u>	<u>\$ 1,491</u>

IX. Program to be broadcasted

	June 30, 2024	December 31, 2023	June 30, 2023
Video to be played	<u>\$ 78,256</u>	<u>\$ 72,090</u>	<u>\$ 72,138</u>

The operating costs related to programs to be broadcast in the three months ended June 30, 2024 and 2023, as well as in the six months ended June 30, 2024 and 2023, were NTD88,317 thousand, NTD59,297 thousand, NTD162,000 thousand, and NTD133,075 thousand, respectively.

X. Prepayments

	June 30, 2024	December 31, 2023	June 30, 2023
Prepaid royalties	\$ 561,675	\$ 64,916	\$ 72,605
Others	<u>3,034</u>	<u>2,066</u>	<u>2,368</u>
	<u>\$ 564,709</u>	<u>\$ 66,982</u>	<u>\$ 74,973</u>

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

XI. Property, plant and equipment

	June 30, 2024	December 31, 2023	June 30, 2023
Machinery and equipment	\$ 6,983	\$ 5,501	\$ 3,077
Office equipment	3,512	3,512	3,855
Transportation equipment	-	1,363	1,705
Lease improvement	<u>402</u>	<u>408</u>	<u>334</u>
	<u>\$ 10,897</u>	<u>\$ 10,784</u>	<u>\$ 8,971</u>

Except for depreciation, there was no significant addition, disposal, or impairment of the Company's property, plant and equipment in 2024 and from January 1 to June 30, 2023. Depreciation expenses were calculated on the straight-line basis over the following useful lives

Machinery and equipment	3 to 7 years
Office equipment	3 to 5 years
Transportation equipment	3 to 5 years
Lease improvement	3 to 5 years

XII. Lease agreement

(I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Book value of right-of-use assets			
Machinery and equipment	\$ 15,535	\$ 20,713	\$ 25,892
Building	13,044	18,330	23,617
Transportation equipment	<u>961</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,540</u>	<u>\$ 39,043</u>	<u>\$ 49,509</u>
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024
Addition of right-of-use assets			\$ 989
Depreciation expense of right-of-use assets			\$ 37,438
Building	\$ 2,644	\$ 2,643	\$ 5,287
Machinery and equipment	2,589	2,589	5,178
Transportation equipment	<u>27</u>	<u>-</u>	<u>27</u>
	<u>\$ 5,260</u>	<u>\$ 5,232</u>	<u>\$ 10,492</u>

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Book value of lease liabilities			
Current	<u>\$ 22,231</u>	<u>\$ 21,476</u>	<u>\$ 21,253</u>
Non-current	<u>\$ 8,995</u>	<u>\$ 18,854</u>	<u>\$ 29,646</u>

Range of discount rate for lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Building	1.85% ~ 2.09%	1.85% ~ 2.09%	1.85% ~ 2.09%
Machinery and equipment	2.09%	2.09%	2.09%
Transportation equipment	2.34%	-	-

(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, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term lease expense	\$ 214	\$ 77	\$ 334	\$ 184
Total cash (outflow) for leases	(\$ 5,773)	(\$ 5,583)	(\$ 11,406)	(\$ 11,198)

XIII. Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Collections payable	\$ 65,109	\$ 49,852	\$ 56,015
Salaries and bonuses payable	29,909	70,295	33,722
Business taxes payable	11,980	6,305	7,146
Remuneration payable to employees and directors	8,841	25,676	11,634
Dividends payable	-	-	47,817
Others	19,318	19,418	17,120
	<u>\$ 135,157</u>	<u>\$ 171,546</u>	<u>\$ 173,454</u>

XIV. Equity

(I) Share capital

	June 30, 2024	December 31, 2023	June 30, 2023
<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>25,035</u>	<u>22,035</u>
Capital stock issued	<u>\$ 265,350</u>	<u>\$ 250,350</u>	<u>\$ 220,350</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 NT\$50 and NT\$74.46 per share, respectively. The share capital of NT\$108,028 thousand was

collected in full. Underwriting expense of NT\$3,000 thousand was deducted from capital reserve.

On July 31, 2023, the Company's board of directors resolved to increase capital by cash and issued 3,000 thousand new shares at a premium of NT\$40 per share. The capital increase base date was August 11, 2023.

(II) Capital reserve

	June 30, 2024	December 31, 2023	June 30, 2023
<u>For covering loss carried forward, cash payment, or capitalization as dividends</u> (Note)			
Stock issuance premium	\$ 212,988	\$ 122,288	\$ 30,231
Treasury stock trading	2,127	2,127	2,127
Expired stock options	561	561	561
	<u>\$ 215,676</u>	<u>\$ 124,976</u>	<u>\$ 32,919</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 XVI(VII) about remuneration to employees and directors and.

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 2023 and 2022 are as follows:

	2023	2022
Legal reserve	\$ 13,523	\$ 6,096
Cash dividends	\$ 119,407	\$ 47,817
Cash dividend per share (NTD)	\$ 4.50	\$ 2.17

The above cash dividends were distributed following the resolutions made in board of directors meetings dated April 3, 2024 and April 27, 2023, respectively; the distribution of remaining earnings was resolved at the annual general meeting held on May 21, 2024 and June 7, 2023, respectively.

(IV) Treasury shares (January 1 to June 30, 2024: Nil)

	Transferred treasury shares to employees (thousand shares)
Number of shares on January 1, 2023	300
Decrease in current period	(300)
Number of shares on June 30, 2023	-

The treasury stock held by the Company shall not be pledged in accordance with the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights.

XV. Revenue

(I) Revenue from contracts with customers

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue from digital content	\$ 211,016	\$ 209,551	\$ 392,092	\$ 456,208
Advertising revenue	15,673	9,560	29,882	30,109
Project revenue	2,698	3,741	8,049	5,472
Revenue from sale of goods	357	399	547	630
	<u>\$ 229,744</u>	<u>\$ 223,251</u>	<u>\$ 430,570</u>	<u>\$ 492,419</u>

(II) Contract balance

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Accounts and notes receivable	<u>\$ 156,255</u>	<u>\$ 196,425</u>	<u>\$ 154,013</u>	<u>\$ 247,224</u>
Contract liabilities				
Revenue from digital content	\$ 456,334	\$ 13,332	\$ 91,592	\$ 93,791
Project revenue	<u>157</u>	<u>-</u>	<u>117</u>	<u>174</u>
	<u>\$ 456,491</u>	<u>\$ 13,332</u>	<u>\$ 91,709</u>	<u>\$ 93,965</u>
Current	<u>\$ 456,491</u>	<u>\$ 13,332</u>	<u>\$ 91,709</u>	<u>\$ 93,965</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, 2024	January 1 to June 30, 2023
Contract liabilities		
Revenue from digital content	\$ 11,024	\$ 17,394
Project revenue	<u>-</u>	<u>167</u>
	<u>\$ 11,024</u>	<u>\$ 17,561</u>

XVI. Net profit before tax

(I) Interest income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Bank deposits	\$ 1,138	\$ 876	\$ 1,702	\$ 1,312
Others	<u>8</u>	<u>7</u>	<u>15</u>	<u>13</u>
	<u>\$ 1,146</u>	<u>\$ 883</u>	<u>\$ 1,717</u>	<u>\$ 1,325</u>

(II) Other income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Government subsidies	\$ -	\$ 321	\$ 81	\$ 2,273
Others	<u>74</u>	<u>5</u>	<u>74</u>	<u>2,178</u>
	<u>\$ 74</u>	<u>\$ 326</u>	<u>\$ 155</u>	<u>\$ 4,451</u>

Government subsidies include subsidies from Occupational Health and Safety Administration, Ministry of Labor and subsidies for international competitions.

(III) Other profit and loss

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net foreign currency exchange (loss) gain	(\$ 3,014)	(\$ 1,265)	\$ 568	(\$ 2,377)
Gains from disposal of property, plant and equipment	2	-	2	-
Others	<u>35</u>	(<u>3</u>)	<u>35</u>	(<u>3</u>)
	(<u>\$ 2,977</u>)	(<u>\$ 1,268</u>)	<u>\$ 605</u>	(<u>\$ 2,380</u>)

(IV) Financial cost

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest on bank borrowings	\$ 359	\$ 62	\$ 1,267	\$ 95
Interest on lease liabilities	<u>160</u>	<u>262</u>	<u>344</u>	<u>550</u>
	<u>\$ 519</u>	<u>\$ 324</u>	<u>\$ 1,611</u>	<u>\$ 645</u>

(V) Depreciation and amortization

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Property, plant and equipment	\$ 1,611	\$ 1,454	\$ 3,282	\$ 2,848
Right-of-use assets	5,260	5,232	10,492	10,465
Intangible assets	<u>269</u>	<u>96</u>	<u>538</u>	<u>185</u>
	<u>\$ 7,140</u>	<u>\$ 6,782</u>	<u>\$ 14,312</u>	<u>\$ 13,498</u>
Depreciation expense by function				
Operating cost	\$ 4,748	\$ 4,648	\$ 9,489	\$ 9,269
Operating expenses	<u>2,123</u>	<u>2,038</u>	<u>4,285</u>	<u>4,044</u>
	<u>\$ 6,871</u>	<u>\$ 6,686</u>	<u>\$ 13,774</u>	<u>\$ 13,313</u>
Amortization expense by function				
Operating cost	\$ 124	\$ 45	\$ 248	\$ 86
Operating expenses				
Marketing expense	110	37	220	72
Administrative	<u>35</u>	<u>14</u>	<u>70</u>	<u>27</u>
	<u>\$ 269</u>	<u>\$ 96</u>	<u>\$ 538</u>	<u>\$ 185</u>

(VI) Employee benefit expense

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits				
Salary expense	\$ 40,809	\$ 49,713	\$ 77,201	\$ 102,943
Employee insurance premium	3,226	2,539	6,913	5,692
Other personnel expenses	1,170	881	2,340	1,763
Share-based payment				
Equity settled	-	2,127	672	2,127

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	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Retirement benefits				
Defined contribution plan	\$ 1,335	\$ 1,246	\$ 2,646	\$ 2,459
Defined benefit plan	<u>35</u>	<u>31</u>	<u>71</u>	<u>61</u>
	<u>\$ 46,575</u>	<u>\$ 56,537</u>	<u>\$ 89,843</u>	<u>\$ 115,045</u>
Summary by function				
Operating cost	\$ 24,135	\$ 26,255	\$ 48,365	\$ 53,255
Operating expenses	<u>22,440</u>	<u>30,282</u>	<u>41,478</u>	<u>61,790</u>
	<u>\$ 46,575</u>	<u>\$ 56,537</u>	<u>\$ 89,843</u>	<u>\$ 115,045</u>

(VII) Remuneration to employees and directors

If the Company makes a profit, the Company shall appropriate 5% to 10% and no more than 3% as the remuneration to employees and directors, respectively. 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, 2024 and 2023 are as follows:

Estimated percentage

	January 1 to June 30, 2024	January 1 to June 30, 2023
Profit-sharing remuneration for employees	10%	10%
Profit-sharing remuneration for directors	3%	3%

Amount

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Profit-sharing remuneration for employees	\$ 3,112	\$ 4,180	\$ 6,801	\$ 8,949
Profit-sharing remuneration for directors	933	1,254	2,040	2,685

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 2023 and 2022 employees' and directors' remuneration were distributed in cash as resolved by the Board of Directors on February 27, 2024 and April 27, 2024, respectively, as follows:

	2023	2022
Remuneration to employees	\$ 19,751	\$ 4,073
Profit-sharing remuneration for directors	5,925	2,444

There is no difference between the actual amount of employees' and directors' remuneration distributed and the amount recognized in the individual financial statements for 2023 and 2022.

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.

XVII. 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, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Income tax expense				
Incurred in the current period	\$ 5,641	\$ 7,220	\$ 11,739	\$ 15,621
Imposing on undistributed earnings	-	352	-	352
Adjustments from previous years	<u>257</u>	<u>1,361</u>	<u>257</u>	<u>1,361</u>
	5,898	8,933	11,996	17,334
Deferred income tax				
Incurred in the current period	(<u>587</u>)	<u>93</u>	<u>113</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 5,311</u>	<u>\$ 9,026</u>	<u>\$ 12,109</u>	<u>\$ 17,334</u>

(II) Authorization of income tax

The Company's filings up to 2022 have been approved by the tax authority.

XVIII. Earnings per share

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Basic earnings per share	<u>\$ 0.77</u>	<u>\$ 1.25</u>	<u>\$ 1.82</u>	<u>\$ 2.77</u>
Diluted earnings per share	<u>\$ 0.76</u>	<u>\$ 1.24</u>	<u>\$ 1.81</u>	<u>\$ 2.74</u>

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

Net profit for the period

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net profit used to calculate basic/diluted earnings per share	\$ 19,914	\$ 27,340	\$ 47,060	\$ 60,524
<u>Number of shares</u>				Unit: thousand shares
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
The weighted average number of common stocks used for calculating basic earnings per share are as follows:	25,867	21,823	25,867	21,823
Effect of dilutive potential common stocks:				
Profit-sharing remuneration for employees	82	217	171	291
The weighted average number of common stocks used for calculating diluted earnings per share are as follows:	25,949	22,040	26,038	22,114

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.

XIX. Share-based payment agreements

(I) 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	NT\$52.87
Exercise price	NT\$50
Expected volatility	67.02%
Expected duration	0.0417 year
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.

(II) Employee stock option plan - transfer of treasury stocks

On April 27, 2023, the board of directors resolved to transfer 300 thousand shares of treasury stocks to the employees. The transfer was made to the employees under the establishment of the Company.

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

	May 2023
Stock price on the grant date	NT\$23.39
Exercise price	NT\$16.31
Expected volatility	54.65 %
Expected duration	0.0329 year
Expected dividend yield	-
Risk-free interest rate	1.0188 %

Compensation cost recognized for transfer of treasury stocks to employees in 2023 was NT\$2,127 thousand.

XX. 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.

XXI. 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, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets measured at amortized cost (Note 1)	\$ 593,436	\$ 635,674	\$ 549,196
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	157,201	103,622	203,073

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

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

(III) Financial risk management objectives and policies

The Company's main financial instruments include cash and cash equivalents, accounts receivable, other receivables, refundable deposits, accounts and notes payable and other payables. The financial management department of the Company provides services to all business units, and supervises and manages related financial risks of the operations of the Company through the internal risk report on risk exposure by intensity and scope. Such risks include market risk (including exchange rate risk, 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 six months ended June 30, 2024 and 2023 would have decreased by NT\$535 thousand and NT\$1,148 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:

	June 30, 2024	December 31, 2023	June 30, 2023
With fair value interest rate risk			
- Financial assets	\$ 83,744	\$ 119,085	\$ 86,450
- Financial liabilities	31,226	40,330	50,899
With cash flow interest rate risk			
- Financial assets	323,393	283,490	275,832

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 six months ended June 30, 2024 and 2023 would have increased by NT\$808 thousand and NT\$690 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 and cash equivalents to support group operations and mitigate the impact of cash flow fluctuations. The Company's management supervises the use of the bank's financing facilities and ensures compliance with the terms of the loan contract to manage the liquidity risk.

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

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>

December 31, 2023

	<u>Less than 1 year</u>	<u>1 to 5 years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 22,051	\$ 19,010
Accounts and notes payable	34,352	-
Other payables	<u>171,546</u>	<u>-</u>
	<u>\$ 227,949</u>	<u>\$ 19,010</u>

June 30, 2023

	<u>Less than 1 year</u>	<u>1 to 5 years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 22,041	\$ 30,035
Accounts and notes payable	82,121	-
Other payables	<u>173,454</u>	<u>-</u>
	<u>\$ 277,616</u>	<u>\$ 30,035</u>

XXII. 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, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term employee benefits	\$ 6,039	\$ 9,865	\$ 23,522	\$ 23,713
Retirement benefits	181	171	356	340
Share-based payment	<u>-</u>	<u>390</u>	<u>18</u>	<u>390</u>
	<u>\$ 6,220</u>	<u>\$ 10,426</u>	<u>\$ 23,896</u>	<u>\$ 24,443</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:

Type/name of related party	June 30, 2024	December 31, 2023	June 30, 2023
Key management personnel/ Yi-Chun Chen			
Guaranteed amount	\$ 380,000	\$ 380,000	\$ 300,000
Actual amount drawn down	\$ -	\$ -	\$ -

XXIII. Others

The Company was subject to the appeal with the declaration made by ERA COMMUNICATIONS CO., LTD. (hereinafter referred to as the "Era Company") in February 2022, for the case of compensation for breach of contract and restoration of reputation regarding the authorization of the 2014 World Cup broadcast by the court of third instance. In March 2024, the two parties completed the cooperation agreement and agreed to withdraw the relevant litigation for appealing the authorization of the broadcast of the event.

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, 2024

	Foreign currency	Exchange rate	Carrying amount
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

December 31, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 1,438	30.705 (USD:NTD)	\$ 44,164
Foreign currency liabilities			
<u>Monetary item</u>			
USD	138	30.705 (USD:NTD)	4,249

June 30, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 524	31.14 (USD:NTD)	\$ 16,323
Foreign currency liabilities			
<u>Monetary item</u>			
USD	1,262	31.14 (USD:NTD)	39,291

The Company's foreign currency exchange (loss) gains (including the realized and unrealized) for the three months and six months ended June 30, 2024 and 2023 were NT\$(3,014) thousand, NT\$(1,265) thousand, NT\$(568) thousand, and NT\$(2,377) 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 securities at the end of the period excluding investment in subsidiaries and joint venture equity in associated companies): None.
4. Aggregate purchases or sales of the same securities reaching NT\$300 million or more than 20% of paid-in capital: None.
5. Acquisition of real estate reaching NT\$300 million or more than 20% of paid-in capital: None.
6. Disposal of real estate reaching NT\$300 million or more than 20% of paid-in capital: None.

7. Purchases or sales of goods from or to related parties reaching NT\$100 million or more than 20% of paid-in capital: None.
 8. Receivables from related parties reaching NT\$ 100 million or more than 20% of paid-in capital: None.
 9. Trading in derivative instruments: None.
- (II) Information on investees: None.
- (III) Information on investment in Mainland China: None.
- (IV) Information on major shareholders: Names of shareholders with a shareholding ratio of more than 5%, and the number and percentage of shares held.: Table 1.

XXVI. Segment 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) Segment revenues and operating results

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

	Content Business Department	Others	Total
<u>January 1 to June 30, 2024</u>			
Segment revenue	\$ 392,092	\$ 38,478	\$ 430,570
Segment profit/loss	\$ 81,359	\$ 8,435	\$ 89,794
Cost of other departments			(31,491)
Non-operating income and expenses			866
Net profit before tax			\$ 59,169
<u>January 1 to June 30, 2023</u>			
Segment revenue	\$ 456,208	\$ 36,211	\$ 492,419
Segment profit/loss	\$ 105,428	\$ 4,994	\$ 110,422
Cost of other departments			(35,315)
Non-operating income and expenses			2,751
Net profit before tax			\$ 77,858

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.

ELTA Technology Co., Ltd.
Information on major shareholders
June 30, 2024

Attachment 1

Unit: shares

Name of major shareholders	Shares	
	Number of shares held	Shareholding %
Yi Da Asset Management Co., Ltd.	3,876,755	14.61 %
UNION INFORMATION TECHNOLOGY CORPORATION	3,537,210	13.33 %
Huazhi Investment Co., Ltd.	2,108,905	7.95 %
Yi-Chun Chen	1,539,136	5.80 %

Note: The information on major shareholders are acquired from the data of the Taiwan Depository & Clearing Corporation with respect to the shareholders holding aggregately 5% or more of the common and special stocks of the Company that have been registered and delivered in dematerialized form (including treasury stocks) on the last business day at the end of the current quarter. The capital stock stated in the individual financial statements of the Company may be different from the number of stocks that have been actually registered and delivered in dematerialized form due to different bases of compilation and calculation.