

ELTA Technology Co., Ltd.

Financial Reports and Independent
Auditors' Review Report
First Quarter of 2024 and 2023

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§Table of Contents§

	<u>Item</u>	<u>Page No.</u>	<u>Numbering of Notes to Financial Statements</u>
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 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	9~10	III
	(IV) Summary of significant accounting policies	10~11	IV
	(V) Critical accounting judgments, estimates and key sources of assumption uncertainty	11	V
	(VI) Statement of significant accounting items	11~25	VI~XXII
	(VII) Related party transactions	25	XXIII
	(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	26	XXIV and XXV
	(XIII) Disclosures in the notes		
	1. Information on significant transactions	27	XXVI
	2. Information on investees	27	XXVI
	3. Information on investments in Mainland China	27	XXVI
	4. Information on major shareholders	27	XXVI
(XIV)	Segment information	27~28	XXVII

Independent Auditors' Review Report

To ELTA Technology Co., Ltd.;

Foreword

We have reviewed the statement of financial position of ELTA Technology Co., Ltd. as of March 31, 2024 and 2023 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the period from January 1 to March 31, 2024 and 2023, and 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 March 31, 2024 and 2023, its consolidated financial performance three months ended March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 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

May 3, 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

March 31, 2024 and December 31, 2023 and March 31, 2023

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note VI)	\$ 656,794	58	\$ 282,674	34	\$ 199,569	26
1136	Financial assets measured at amortized cost						
	(Note VII)	82,538	7	121,879	15	66,450	8
1170	Accounts receivable (Note VIII)	146,213	13	196,425	24	237,327	31
1200	Other receivables	26,594	2	27,963	3	23,445	3
1330	Programs to be broadcast (Notes IX)	79,009	7	72,090	9	78,839	10
1410	Prepayment (Note X)	84,279	7	66,982	8	69,428	9
1470	Other current assets	8,693	1	2,578	-	23,571	3
11XX	Total current assets	<u>1,084,120</u>	<u>95</u>	<u>770,591</u>	<u>93</u>	<u>698,629</u>	<u>90</u>
	Non-current assets						
1600	Property, plant and equipment: (Note XI)	9,940	1	10,784	1	10,055	2
1755	Right-of-use assets (Note XII)	33,811	3	39,043	5	54,741	7
1780	Intangible assets	2,556	-	2,825	-	218	-
1840	Deferred income tax assets (Note IV)	2,303	-	2,451	-	1,976	-
1990	Other non-current assets	7,483	1	6,789	1	9,045	1
15XX	Total non-current assets	<u>56,093</u>	<u>5</u>	<u>61,892</u>	<u>7</u>	<u>76,035</u>	<u>10</u>
1XXX	Total assets	<u>\$ 1,140,213</u>	<u>100</u>	<u>\$ 832,483</u>	<u>100</u>	<u>\$ 774,664</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes XIII and XXIII)	\$ 150,000	13	\$ -	-	\$ -	-
2130	Contract liabilities (Note XVI)	13,747	1	13,332	2	92,907	12
2170	Accounts and notes payable	96,153	8	34,352	4	124,067	16
2219	Other payables (Notes XXIV)	132,341	12	171,546	21	108,940	14
2230	Current income tax liabilities	34,688	3	28,624	3	19,600	3
2280	Lease liabilities (Note XII)	21,588	2	21,476	3	21,142	3
2399	Other current liabilities	3,065	-	2,474	-	15,628	2
21XX	Total current liabilities	<u>451,582</u>	<u>39</u>	<u>271,804</u>	<u>33</u>	<u>382,284</u>	<u>50</u>
	Non-current liabilities						
2527	Deferred income tax liabilities (Note XIV)	552	-	-	-	-	-
2580	Lease liabilities (Note XII)	13,413	1	18,854	2	35,001	4
2640	Net defined benefit liability	6,404	1	6,409	1	5,273	1
25XX	Total non-current liabilities	<u>20,369</u>	<u>2</u>	<u>25,263</u>	<u>3</u>	<u>40,274</u>	<u>5</u>
2XXX	Total liabilities	<u>471,951</u>	<u>41</u>	<u>297,067</u>	<u>36</u>	<u>422,558</u>	<u>55</u>
	Equity (Note XV and XX)						
3110	Common stock capital	265,350	23	250,350	30	220,350	28
3200	Capital reserve	215,676	19	124,976	15	30,792	4
	Retained earnings						
3310	Legal reserve	17,599	2	17,599	2	11,503	2
3350	Undistributed earnings	169,637	15	142,491	17	94,354	12
3300	Total retained earnings	<u>187,236</u>	<u>17</u>	<u>160,090</u>	<u>19</u>	<u>105,857</u>	<u>14</u>
3500	Treasury stock	-	-	-	-	(4,893)	(1)
3XXX	Total equity	<u>668,262</u>	<u>59</u>	<u>535,416</u>	<u>64</u>	<u>352,106</u>	<u>45</u>
	Total liabilities and equity	<u>\$ 1,140,213</u>	<u>100</u>	<u>\$ 832,483</u>	<u>100</u>	<u>\$ 774,664</u>	<u>100</u>

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Comprehensive Income

January 1 to March 31, 2024 and 2023

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

Code		January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
4000	Operating revenue (Note XVI)	\$ 200,826	100	\$ 269,168	100
5000	Operating cost (Note XVII)	<u>142,863</u>	<u>71</u>	<u>193,136</u>	<u>72</u>
5900	Gross operating profit	<u>57,963</u>	<u>29</u>	<u>76,032</u>	<u>28</u>
	Operating expense (Note XVII)				
6100	Marketing expense	12,683	7	22,255	8
6200	Administrative	<u>14,478</u>	<u>7</u>	<u>15,419</u>	<u>6</u>
6000	Total operating expenses	<u>27,161</u>	<u>14</u>	<u>37,674</u>	<u>14</u>
6900	Net operating profit	<u>30,802</u>	<u>15</u>	<u>38,358</u>	<u>14</u>
	Non-operating income and expense (Note XVII)				
7100	Interest income	571	-	442	-
7010	Other income	81	-	4,125	1
7020	Other profit and loss	3,582	2	(1,112)	-
7050	Financial cost	(<u>1,092</u>)	<u>-</u>	(<u>321</u>)	<u>-</u>
7000	Total non-operating income and expense	<u>3,142</u>	<u>2</u>	<u>3,134</u>	<u>1</u>
7900	Net profit before tax	33,944	17	41,492	15
7950	Income tax expense (Note XVIII)	(<u>6,798</u>)	(<u>3</u>)	(<u>8,308</u>)	(<u>3</u>)
8200	Net profit for the period	<u>27,146</u>	<u>14</u>	<u>33,184</u>	<u>12</u>
8500	Total comprehensive income for the period	<u>\$ 27,146</u>	<u>14</u>	<u>\$ 33,184</u>	<u>12</u>
	Earnings per share (Note XIX)				
9710	Basic	<u>\$ 1.08</u>		<u>\$ 1.53</u>	
9810	Diluted	<u>\$ 1.07</u>		<u>\$ 1.51</u>	

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Changes in Equity January 1 to March 31, 2024 and 2023 (In Thousands of New Taiwan Dollars)

Code		Common stock capital (Note XV)		Capital reserve	Retained earnings			Total equity
		Number of common shares (thousand shares)	Amount		Legal reserve	Undistributed earnings	Treasury stock	
A1	Balance on January 1, 2023	22,035	\$ 220,350	\$ 30,792	\$ 11,503	\$ 61,170	(\$ 4,893)	\$ 318,922
D1	Net profit for the three months ended March 31, 2023	-	-	-	-	33,184	-	33,184
D5	Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	33,184	-	33,184
Z1	Balance on March 31, 2023	22,035	\$ 220,350	\$ 30,792	\$ 11,503	\$ 94,354	(\$ 4,893)	\$ 352,106
A1	Balance on January 1, 2024	25,035	\$ 250,350	\$ 124,976	\$ 17,599	\$ 142,491	\$ -	\$ 535,416
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	27,146	-	27,146
D5	Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	27,146	-	27,146
E1	Cash capital increase	1,500	15,000	90,028	-	-	-	105,028
N1	Share-based payment transactions	-	-	672	-	-	-	672
Z1	Balance on March 31, 2024	26,535	\$ 265,350	\$ 215,676	\$ 17,599	\$ 169,637	\$ -	\$ 668,262

The attached notes are part of the financial statements.

ELTA TECHNOLOGY CO., LTD.

Statement of Cash Flows

January 1 to March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash flow from operating activities		
A10000	Net profit before tax	\$ 33,944	\$ 41,492
A20010	Revenue and expense		
A20100	Depreciation expense	6,903	6,627
A20200	Amortization expense	269	89
A20900	Financial cost	1,092	321
A21200	Interest income	(571)	(442)
A21900	Share-based payment transaction	672	-
A24100	Foreign exchange loss	375	219
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	50,374	9,825
A31180	Other receivables	1,579	(2,840)
A31220	Program to be broadcast	(6,919)	(8,492)
A31230	Prepayments	(17,297)	(13,011)
A31240	Other current assets	(6,059)	(2,748)
A32125	Contract liabilities	415	(1,058)
A32150	Accounts and notes payable	61,567	25,170
A32180	Other payables	(39,300)	(15,659)
A32230	Other current liabilities	591	12,498
A32240	Net defined benefit liability	(5)	(8)
A33000	Cash generated from operations	87,630	51,983
A33500	Income tax paid	(34)	(39)
AAAA	Net cash inflow from operating activities	<u>87,596</u>	<u>51,944</u>
	Cash flow from investing activities		
B00040	Disposal (acquisition) of financial assets measured at amortized cost	39,341	(60,000)
B02700	Purchase of property, plant and equipment	(827)	(1,945)
B03700	Increase in refundable deposits	(750)	-
B07500	Interest received	<u>361</u>	<u>388</u>
BBBB	Net cash inflows (outflows) from investing activities	<u>38,125</u>	(<u>61,557</u>)

(To be Continued)

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Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	\$ 410,000	\$ 20,000
C00200	Decrease in short-term borrowings	(260,000)	(20,000)
C04020	Lease principal repayment	(5,329)	(5,220)
C04600	Cash capital increase	105,028	-
C05600	Interest paid	(997)	(321)
CCCC	Net cash inflow (outflow) from financing activities	<u>248,702</u>	<u>(5,541)</u>
DDDD	Effect of exchange rate changes on cash	<u>(303)</u>	<u>(362)</u>
EEEE	Cash increase (decrease) in current period	374,120	(15,516)
E00100	Cash balance at the beginning of the period	<u>282,674</u>	<u>215,085</u>
E00200	Closing cash balance	<u>\$ 656,794</u>	<u>\$ 199,569</u>

The attached notes are part of the financial statements.

ELTA Technology Co., Ltd.
Notes to the financial statements
January 1 to March 31, 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 May 3, 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 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)
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Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
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IFRS 17 "Insurance Contracts"	January 1, 2023
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Amendments to IFRS 17	January 1, 2023
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Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
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IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
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Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)
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Note 1: Unless stated otherwise, the aforementioned new/amended/revised standards or interpretations will become effective in annual reporting periods beginning on or after the respective effective date.

Note 2: 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.

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 this individual financial statements, the Company continues to evaluate the impact of other standards and amendments to interpretations on the financial status and financial performance, and the relevant impact will 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. 11. 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

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and revolving funds	\$ 377	\$ 395	\$ 329
Checks and demand deposits	656,417	282,279	199,240
	<u>\$ 656,794</u>	<u>\$ 282,674</u>	<u>\$ 199,569</u>

VII. Financial assets measured at amortized cost

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Domestic investment			
Time deposit with an initial maturity date over 3 months	<u>\$ 82,538</u>	<u>\$ 121,879</u>	<u>\$ 66,450</u>
Interest rate range (%)	1.30%~5.20%	1.30%~5.20%	1.22%~1.57%

VIII. Accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Measured at amortized cost			
Gross carrying amount	\$ 147,704	\$ 197,916	\$ 238,818
Less: Loss allowance	<u>(1,491)</u>	<u>(1,491)</u>	<u>(1,491)</u>
	<u>\$ 146,213</u>	<u>\$ 196,425</u>	<u>\$ 237,327</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:

March 31, 2024

	<u>Not overdue</u>	<u>Overdue 1 to 180 days</u>	<u>Overdue more than 181 days</u>	<u>Total</u>
Gross carrying amount	\$ 145,268	\$ 945	\$ 1,491	\$ 147,704
Allowance for loss (lifetime-expected credit loss)	<u>-</u>	<u>-</u>	<u>(1,491)</u>	<u>(1,491)</u>
Amortized cost	<u>\$ 145,268</u>	<u>\$ 945</u>	<u>\$ -</u>	<u>\$ 146,213</u>

December 31, 2023

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

March 31, 2023

	Not overdue	Overdue 1 to 180 days	Overdue more than 181 days	Total
Gross carrying amount	\$ 235,610	\$ 1,717	\$ 1,491	\$ 238,818
Allowance for loss (lifetime-expected credit loss)	-	-	(1,491)	(1,491)
Amortized cost	<u>\$ 235,610</u>	<u>\$ 1,717</u>	<u>\$ -</u>	<u>\$ 237,327</u>

Information on loss allowance of accounts receivable is as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Opening and closing balance	<u>\$ 1,491</u>	<u>\$ 1,491</u>
IX. <u>Program to be broadcast</u>		
	March 31, 2024	December 31, 2023
Video to be played	<u>\$ 79,009</u>	<u>\$ 72,090</u>
		March 31, 2023
		<u>\$ 78,839</u>

The operating costs related to programs to be broadcast in 2024 and for the three months ended March 31, 2023 were NTD 73,683 thousand and NTD 73,778 thousand, respectively.

X. Prepayments

	March 31, 2024	December 31, 2023	March 31, 2023
Prepaid royalties	\$ 82,588	\$ 64,916	\$ 67,612
Others	<u>1,691</u>	<u>2,066</u>	<u>1,816</u>
	<u>\$ 84,279</u>	<u>\$ 66,982</u>	<u>\$ 69,428</u>

XI. Property, plant and equipment

	March 31, 2024	December 31, 2023	March 31, 2023
Machinery and equipment	\$ 5,655	\$ 5,501	\$ 3,529
Office equipment	2,737	3,512	4,368
Transportation equipment	1,193	1,363	1,875
Lease improvement	<u>355</u>	<u>408</u>	<u>283</u>
	<u>\$ 9,940</u>	<u>\$ 10,784</u>	<u>\$ 10,055</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 March 31, 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

	March 31, 2024	December 31, 2023	March 31, 2023
Book value of right-of-use assets			
Machinery and equipment	\$ 15,687	\$ 18,330	\$ 26,261
Building	<u>18,124</u>	<u>20,713</u>	<u>28,480</u>
	<u>\$ 33,811</u>	<u>\$ 39,043</u>	<u>\$ 54,741</u>
	January 1 to March 31, 2024	January 1 to March 31, 2023	
Addition of right-of-use assets	<u>\$ -</u>	<u>\$ 37,438</u>	
Depreciation expense of right-of-use assets			
Building	\$ 2,643	\$ 2,644	
Machinery and equipment	<u>2,589</u>	<u>2,589</u>	
	<u>\$ 5,232</u>	<u>\$ 5,233</u>	

(II) Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Book value of lease liabilities			
Current	<u>\$ 21,588</u>	<u>\$ 21,476</u>	<u>\$ 21,142</u>
Non-current	<u>\$ 13,413</u>	<u>\$ 18,854</u>	<u>\$ 35,001</u>

Range of discount rate for lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Building	1.85% ~ 2.09%	1.85% ~ 2.09%	1.85% ~ 2.09%
Machinery and equipment	2.09%	2.09%	2.09%

(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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term lease expense	<u>\$ 120</u>	<u>\$ 107</u>
Total cash (outflow) for leases	<u>(\$ 5,633)</u>	<u>(\$ 5,615)</u>

XIII. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Bank borrowings	\$ 150,000	\$ -	\$ -
Interest rate range (%)	1.93% ~ 2.21%	-	-

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

XIV. Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Collections payable	\$ 55,532	\$ 49,852	\$ 59,328
Remuneration payable to employees, directors and supervisors	30,472	25,676	12,716
Salaries and bonuses payable	25,804	70,295	18,827
Business taxes payable	1,285	6,305	3,393
Others	19,248	19,418	14,676
	<u>\$ 132,341</u>	<u>\$ 171,546</u>	<u>\$ 108,940</u>

XV. Equity

(I) Share capital

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Common stock capital</u>			
Authorized number of shares (thousand shares)	36,000	36,000	36,000
Authorized capital	\$ 360,000	\$ 360,000	\$ 360,000
Shares issued and fully paid (thousand shares)	26,535	25,035	22,035
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 was collected in full. Underwriting expense of NT\$3,000 thousand was deducted from capital reserve. The Company has registered for the changes of this financial report before the publication date, but has not yet been approved by the competent authority.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>For covering loss carried forward, cash payment, or capitalization as dividends (Note)</u>			
Stock issuance premium	\$ 212,988	\$ 122,288	\$ 30,231
Treasury stock trading	2,127	2,127	-
Expired stock options	<u>561</u>	<u>561</u>	<u>561</u>
	<u>\$ 215,676</u>	<u>\$ 124,976</u>	<u>\$ 30,792</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, directors and supervisors as specified in the Company's Articles of Incorporation, please refer to Note XVII (VII) about remuneration to employees, directors and supervisors.

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	<u>\$ 13,523</u>	<u>\$ 6,096</u>
Cash dividends	<u>\$ 119,407</u>	<u>\$ 47,817</u>
Cash dividend per share (NTD)	<u>\$ 4.50</u>	<u>\$ 2.17</u>

The above cash dividends were distributed by resolution of the Board of Directors on April 3, 2024 and April 27, 2023, respectively. The remaining distribution items for 2022 were resolved by the shareholders' meeting on June 7, 2023. The remainder of the 2023 earnings appropriation is yet to be resolved by the shareholders' meeting on May 21, 2024.

(IV) Treasury shares (January 1 to March 31, 2024: Nil)

Transfer of shares
to employees
(thousand shares)

Number of shares on January 1 and March 31, 2023 300

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.

XVI. Revenue

(I) Revenue from contracts with customers

	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenue from digital content	<u>\$ 181,076</u>	<u>\$ 246,657</u>
Advertising revenue	14,209	20,549
Project revenue	5,351	1,731
Revenue from sale of goods	<u>190</u>	<u>231</u>
	<u>\$ 200,826</u>	<u>\$ 269,168</u>

(II) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Accounts receivable	<u>\$ 146,213</u>	<u>\$ 196,425</u>	<u>\$ 237,327</u>	<u>\$ 247,224</u>
Contract liabilities				
Revenue from digital content	\$ 13,577	\$ 13,332	\$ 92,691	\$ 93,791
Project revenue	<u>170</u>	<u>-</u>	<u>216</u>	<u>174</u>
	<u>\$ 13,747</u>	<u>\$ 13,332</u>	<u>\$ 92,907</u>	<u>\$ 93,965</u>
Current	<u>\$ 13,747</u>	<u>\$ 13,332</u>	<u>\$ 92,907</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 March 31, 2024	January 1 to March 31, 2023
Contract liabilities		
Revenue from digital content	\$ 8,329	\$ 14,843
Project revenue	<u>-</u>	<u>100</u>
	<u>\$ 8,329</u>	<u>\$ 14,943</u>
XVII. <u>Net profit before tax</u>		
(I) Interest income		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Bank deposits	\$ 564	\$ 436
Others	<u>7</u>	<u>6</u>
	<u>\$ 571</u>	<u>\$ 442</u>
(II) Other income		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Government subsidies	\$ 81	\$ 1,952
Others	<u>-</u>	<u>2,173</u>
	<u>\$ 81</u>	<u>\$ 4,125</u>
Government subsidies include subsidies from Occupational Health and Safety Administration, Ministry of Labor and subsidies for international competitions.		
(III) Other profit and loss		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Net foreign currency exchange gain (loss)	<u>\$ 3,582</u>	<u>(\$ 1,112)</u>
(IV) Financial cost		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Interest on bank borrowings	\$ 908	\$ 33
Interest on lease liabilities	<u>184</u>	<u>288</u>
	<u>\$ 1,092</u>	<u>\$ 321</u>
(V) Depreciation and amortization		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Property, plant and equipment	\$ 1,671	\$ 1,394
Right-of-use assets	5,232	5,233
Intangible assets	<u>269</u>	<u>89</u>
	<u>\$ 7,172</u>	<u>\$ 6,716</u>

(To be Continued)

(Continued from previous page)

	January 1 to March 31, 2024	January 1 to March 31, 2023
Depreciation expense by function		
Operating cost	\$ 4,741	\$ 4,621
Operating expenses	<u>2,162</u>	<u>2,006</u>
	<u>\$ 6,903</u>	<u>\$ 6,627</u>
Amortization expense by function		
Operating cost	\$ 124	\$ 41
Operating expenses		
Marketing expense	110	35
Administrative	<u>35</u>	<u>13</u>
	<u>\$ 269</u>	<u>\$ 89</u>
(VI) Employee benefit expense		
	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits		
Salary expense	\$ 36,392	\$ 53,230
Employee insurance premium	3,687	3,153
Other personnel expenses	1,170	882
Share-based payment		
Equity settled	672	-
Retirement benefits		
Defined contribution plan	1,311	1,213
Defined benefit plan	<u>36</u>	<u>30</u>
	<u>\$ 43,268</u>	<u>\$ 58,508</u>
Summary by function		
Operating cost	\$ 24,230	\$ 27,000
Operating expenses	<u>19,038</u>	<u>31,508</u>
	<u>\$ 43,268</u>	<u>\$ 58,508</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 remuneration of employees and directors for the three months ended March 31, 2024 and 2023 is as follows:

<u>Estimated percentage</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Profit-sharing remuneration for employees	10%	10%
Profit-sharing remuneration for directors	3%	3%
<u>Amount</u>	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Profit-sharing remuneration for employees	\$ 3,689	\$ 4,769
Profit-sharing remuneration for directors	1,107	1,431

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:

	<u>2023</u>	<u>2022</u>
Remuneration to employees	\$ 19,751	\$ 4,073
Remuneration to directors and supervisors	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.

XVIII. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Income tax expense		
Incurred in the current period	\$ 6,098	\$ 8,401
Deferred income tax		
Incurred in the current period	<u>700</u>	(<u>93</u>)
Income tax expense recognized in profit or loss	<u>\$ 6,798</u>	<u>\$ 8,308</u>

(II) Authorization of income tax

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

XIX. Earnings per share

	January 1 to March 31, 2024	January 1 to March 31, 2023
Basic earnings per share	<u>\$ 1.08</u>	<u>\$ 1.53</u>
Diluted earnings per share	<u>\$ 1.07</u>	<u>\$ 1.51</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

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net profit used to calculate basic/diluted earnings per share	<u>\$ 27,146</u>	<u>\$ 33,184</u>

Number of shares

	January 1 to March 31, 2024	Unit: thousand shares January 1 to March 31, 2023
The weighted average number of common stocks used for calculating basic earnings per share are as follows:	25,200	21,735
Effect of dilutive potential common stocks:		
Profit-sharing remuneration for employees	<u>221</u>	<u>247</u>
The weighted average number of common stocks used for calculating diluted earnings per share are as follows:	<u>25,421</u>	<u>21,982</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	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 March 31, 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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets measured at amortized cost (Note 1)	\$ 919,622	\$ 635,674	\$ 534,486
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	320,933	103,622	198,071

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 XXV 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 Japanese Yen and US dollar exchange rate.

The sensitivity analysis includes only outstanding monetary items in foreign currencies, and the translation at the end of the period is adjusted based on a 5% change in exchange rate. The sensitivity analysis of the exchange rate risk is mainly calculated for monetary items denominated in foreign currencies at the end of the financial reporting period. When NTD depreciated by 5% against each relevant currency, the Company's net income before tax for 2024 and for the three months ended March 31, 2023 would have decreased by NT\$21,902 thousand and NT\$488 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:

	March 31, 2024	December 31, 2023	March 31, 2023
With fair value interest rate risk			
- Financial assets	\$ 79,744	\$ 119,085	\$ 63,695
- Financial liabilities	35,001	40,330	56,143
With cash flow interest rate risk			
- Financial assets	658,793	283,490	200,639
- Financial liabilities	150,000	-	-

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 2024 and for the three months ended March 31, 2023 will increase by NT\$636 thousand and NT\$251 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.

March 31, 2024

	<u>Less than 1 year</u>	<u>1 to 5 years</u>
<u>Non-derivative financial liabilities</u>		
Short-term borrowings	\$ 151,061	\$ -
Lease liabilities	22,057	13,492
Accounts and notes payable	96,153	-
Other payables	<u>132,341</u>	<u>-</u>
	<u>\$ 401,612</u>	<u>\$ 13,492</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>

March 31, 2023

	<u>Less than 1 year</u>	<u>1 to 5 years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 22,035	\$ 35,548
Accounts and notes payable	124,067	-
Other payables	108,940	-
	<u>\$ 255,042</u>	<u>\$ 35,548</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
Hui-Chu Lin	Key management person

(II) Remuneration of key management personnel

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Short-term employee benefits	\$ 17,483	\$ 13,848
Retirement benefits	175	169
Share-based payment	18	-
	<u>\$ 17,676</u>	<u>\$ 14,017</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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Key management personnel/ Yi-Chun Chen, Hui-Chu Lin			
Guaranteed amount	\$ -	\$ -	\$ 150,000
Actual amount drawn down	\$ -	\$ -	\$ -
Key management personnel/ Yi-Chun Chen			
Guaranteed amount	\$ 380,000	\$ 380,000	\$ 300,000
Amount disbursed (recorded as secured bank loan)	\$ 150,000	\$ -	\$ -

XXIV. 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.

XXV. 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

March 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 1,439	32.00 (USD:NTD)	\$ 46,058
JPY	2,165,385	0.2115 (JPY: NTD)	457,979

Foreign currency
liabilities

Monetary item

USD	\$ 2,063	32.00 (USD:NTD)	\$ 66,007
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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

Monetary item

USD	138	30.705 (USD:NTD)	4,249
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March 31, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 3,201	30.45 (USD:NTD)	\$ 97,477
Foreign currency liabilities			
<u>Monetary item</u>			
USD	2,881	30.45 (USD:NTD)	87,711

The foreign currency exchange gains (losses) that have a significant impact are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Foreign currency	Exchange rate	Exchange rate
USD	31.45 (USD:NTD)	31.395 (USD:NTD)
JPY	0.212 (JPY:NTD)	0.23 (JPY:NTD)
	Net exchange gain	Net exchange loss
	\$ 723	(\$ 1,112)
	2,859	-
	<u>\$ 3,582</u>	<u>(\$ 1,112)</u>

XXVI. 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.

XXVII. 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
January 1 to March 31, 2024			
Segment revenue	<u>\$ 181,076</u>	<u>\$ 19,750</u>	<u>\$ 200,826</u>
Segment profit/loss	<u>\$ 40,960</u>	<u>\$ 4,320</u>	<u>\$ 45,280</u>
Cost of other departments			(14,478)
Non-operating income and expenses			<u>3,142</u>
Net profit before tax			<u>\$ 33,944</u>
January 1 to March 31, 2023			
Segment revenue	<u>\$ 246,657</u>	<u>\$ 22,511</u>	<u>\$ 269,168</u>
Segment profit/loss	<u>\$ 47,120</u>	<u>\$ 6,657</u>	<u>\$ 53,777</u>
Cost of other departments			(15,419)
Non-operating income and expenses			<u>3,134</u>
Net profit before tax			<u>\$ 41,492</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.

ELDA TECHNOLOGY CO., LTD.
Information on major shareholders
March 31, 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	1,537,136	5.79%

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.