

Brogent Technologies Inc.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Brogent Technologies Inc.

Opinion

We have audited the accompanying parent company only financial statements of Brogent Technologies Inc. (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers..

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified during the audit of the Corporation's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

The recognition of project contract revenue

Project contract revenue is the main operating revenue of the Corporation. The Corporation recognizes revenue based on the stage of completion of performance obligations. Since the recognition of project contract revenue is calculated manually and involves material accounting estimates and judgments, the accuracy of project contract revenue was deemed to be a key audit matter.

Refer to Notes 4, 5 and 23 for accounting policy on project contract, accounting estimates and assumptions, and details of project revenue.

We performed the following key audit matter procedures:

1. We obtained an understanding of and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the project contract revenue, including the measurement of the percentage of completion.
2. We verified and recalculated, on a sampling basis, the accuracy of the percentage of completion, including the related supporting documents.
3. We recalculated the sampled project contract revenue measured by the percentage of completion and checked whether it was recognized correctly.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen Wu and Li-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

Brogent Technologies Inc.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 375,747	7	\$ 621,181	13
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	35,637	1	32	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	72,400	1	64,300	2
Financial assets at amortized cost - current (Notes 4, 9 and 31)	140,982	3	145,601	3
Accounts receivable, net (Notes 4, 5 and 10)	160,290	3	157,265	3
Accounts receivable - related parties (Notes 4, 10 and 30)	160,867	3	245,160	5
Contract assets - current (Notes 4, 5 and 23)	1,210,804	23	940,357	20
Other receivables (Note 4)	12,710	-	1,407	-
Other receivables - related parties (Note 30)	5,187	-	8,026	-
Current tax assets (Notes 4 and 25)	963	-	1,516	-
Inventories (Notes 4 and 11)	233,151	5	245,558	5
Prepayments	41,653	1	64,010	1
Refundable deposits - current	3,897	-	5,567	-
Other current assets	11,139	-	12,187	-
Total current assets	2,465,427	47	2,512,167	52
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 9 and 31)	111,069	2	20,403	1
Investments accounted for using the equity method (Notes 4 and 12)	1,238,588	24	995,205	21
Property, plant and equipment (Notes 4, 13 and 31)	802,250	15	725,253	15
Right-of-use assets (Notes 4 and 14)	215,102	4	238,203	5
Intangible assets (Notes 4 and 15)	200,060	4	76,768	2
Deferred tax assets (Notes 4 and 25)	99,356	2	105,374	2
Refundable deposits	8,102	-	7,820	-
Long-term receivables (Notes 4, 5 and 10)	19,668	-	-	-
Other non-current assets	72,856	2	108,175	2
Total non-current assets	2,767,051	53	2,277,201	48
TOTAL	\$ 5,232,478	100	\$ 4,789,368	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ -	-	\$ 430,000	9
Notes payable (Note 18)	2,209	-	487	-
Accounts payable (Note 18)	46,057	1	54,064	1
Accounts payable - related parties (Note 30)	79	-	921	-
Contract liabilities (Note 23)	92,422	2	145,626	3
Other payables (Notes 19 and 30)	110,377	2	80,852	2
Current tax liabilities	3,716	-	-	-
Provisions - current (Note 4)	37,114	1	4,964	-
Lease liabilities - current (Notes 4 and 14)	27,685	1	27,071	1
Current portion of long-term borrowings (Note 16)	15,473	-	15,203	-
Current portion of bonds payable (Notes 4 and 17)	12,379	-	163,102	3
Other current liabilities	2,945	-	2,249	-
Total current liabilities	350,456	7	924,539	19
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	383,932	7	79,014	2
Long-term borrowings (Note 16)	288,344	6	414,367	9
Deferred tax liabilities (Notes 4 and 25)	14,413	-	-	-
Lease liabilities - non-current (Notes 4 and 14)	197,159	4	222,274	4
Total non-current liabilities	883,848	17	715,655	15
Total liabilities	1,234,304	24	1,640,194	34
EQUITY (Note 22)				
Share capital				
Ordinary shares	701,317	13	647,786	14
Advance receipts for ordinary share	4,264	-	571	-
Total share capital	705,581	13	648,357	14
Capital surplus	3,179,313	61	2,672,817	56
Retained earnings (deficit to be compensated)				
Unappropriated earnings (accumulated deficit)	73,402	1	(167,662)	(4)
Total retained earnings (deficit to be compensated)	73,402	1	(167,662)	(4)
Other equity	39,878	1	(4,338)	-
Total equity	3,998,174	76	3,149,174	66
TOTAL	\$ 5,232,478	100	\$ 4,789,368	100

The accompanying notes are an integral part of the parent company only financial statements.

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 5, 23 and 30)	\$ 1,302,159	100	\$ 847,582	100
OPERATING COSTS (Notes 11, 24 and 30)	<u>703,948</u>	<u>54</u>	<u>501,088</u>	<u>59</u>
GROSS PROFIT	<u>598,211</u>	<u>46</u>	<u>346,494</u>	<u>41</u>
OPERATING EXPENSES (Notes 10, 23, 24 and 30)				
Selling and marketing expenses	107,264	8	88,571	10
General and administrative expenses	289,155	22	262,968	31
Research and development expenses	138,062	11	106,891	13
Expected credit loss	<u>32,341</u>	<u>2</u>	<u>77,047</u>	<u>9</u>
Total operating expenses	<u>566,822</u>	<u>43</u>	<u>535,477</u>	<u>63</u>
OPERATING PROFIT (LOSS)	<u>31,389</u>	<u>3</u>	<u>(188,983)</u>	<u>(22)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 30)				
Interest income	8,955	1	12,341	2
Other income	16,599	1	5,629	1
Other gains and losses	111,011	8	7,053	1
Finance costs	(27,083)	(2)	(21,595)	(3)
Share of profit or loss of subsidiaries and associates accounted for using the equity method	<u>(41,203)</u>	<u>(3)</u>	<u>(22,587)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>68,279</u>	<u>5</u>	<u>(19,159)</u>	<u>(2)</u>
PROFIT (LOSS) BEFORE INCOME TAX	99,668	8	(208,142)	(24)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 25)	<u>(26,266)</u>	<u>(2)</u>	<u>28,378</u>	<u>3</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>73,402</u>	<u>6</u>	<u>(179,764)</u>	<u>(21)</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	8,100	-	(3,598)	(1)

(Continued)

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023	
	Amount	%	Amount	%
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	\$ (1,407)	-	\$ (938)	-
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>37,523</u>	<u>3</u>	<u>(12,362)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>44,216</u>	<u>3</u>	<u>(16,898)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 117,618</u>	<u>9</u>	<u>\$ (196,662)</u>	<u>(23)</u>
EARNINGS (LOSS) PER SHARE (NT\$; Note 26)				
Basic	<u>\$ 1.10</u>		<u>\$ (2.79)</u>	
Diluted	<u>\$ 1.10</u>		<u>\$ (2.79)</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Retained Earnings (Deficit to be Compensated)						Other Equity			
		Advance Receipts for Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or loss On financial Assets at FVTOCI	Total	Total Equity
Ordinary shares										
BALANCE AT JANUARY 1, 2023	\$ 614,431	\$ 10,743	\$ 2,648,189	\$ 127,421	\$ 14,857	\$ (243,005)	\$ (8,516)	\$ 30,000	\$ 21,484	\$ 3,194,120
Offset the deficit of 2022 (Note 22)										
Legal reserve used to offset accumulated deficits	-	-	-	(127,421)	-	127,421	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,857)	14,857	-	-	-	-
	-	-	-	(127,421)	(14,857)	142,278	-	-	-	-
Capital surplus used to offset accumulated deficits (Note 22)	-	-	(100,727)	-	-	100,727	-	-	-	-
Cash dividends from capital surplus (Note 22)	-	-	(93,776)	-	-	-	-	-	-	(93,776)
Net loss in 2023	-	-	-	-	-	(179,764)	-	-	-	(179,764)
Other comprehensive loss in 2023, net of income tax	-	-	-	-	-	-	(12,362)	(4,536)	(16,898)	(16,898)
Total comprehensive loss in 2023	-	-	-	-	-	(179,764)	(12,362)	(4,536)	(16,898)	(196,662)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	12,102	-	(12,102)	(12,102)	-
Convertible bonds converted to ordinary shares (Note 17)	33,355	(10,172)	219,131	-	-	-	-	-	-	242,314
Disposal of subsidiaries	-	-	-	-	-	-	3,178	-	3,178	3,178
BALANCE AT DECEMBER 31, 2023	647,786	571	2,672,817	-	-	(167,662)	(17,700)	13,362	(4,338)	3,149,174
Equity component of convertible bonds (Note 17)	-	-	152,711	-	-	-	-	-	-	152,711
Capital surplus used to offset accumulated deficits (Note 22)	-	-	(167,662)	-	-	167,662	-	-	-	-
Cash dividends from capital surplus (Note 22)	-	-	(34,350)	-	-	-	-	-	-	(34,350)
Net profit in 2024	-	-	-	-	-	73,402	-	-	-	73,402
Other comprehensive income in 2024, net of income tax	-	-	-	-	-	-	37,523	6,693	44,216	44,216
Total comprehensive income in 2024	-	-	-	-	-	73,402	37,523	6,693	44,216	117,618
Convertible bonds converted to ordinary shares (Note 17)	53,531	3,693	547,020	-	-	-	-	-	-	604,244
Share-based payment (Note 27)	-	-	8,777	-	-	-	-	-	-	8,777
BALANCE AT DECEMBER 31, 2024	\$ 701,317	\$ 4,264	\$ 3,179,313	\$ -	\$ -	\$ 73,402	\$ 19,823	\$ 20,055	\$ 39,878	\$ 3,998,174

The accompanying notes are an integral part of the parent company only financial statements.

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 99,668	\$ (208,142)
Adjustments for:		
Income and expenses		
Depreciation expense	123,889	119,586
Amortization expense	25,483	16,916
Expected credit loss	32,341	77,047
Net gain on fair value changes of financial assets at fair value through profit or loss	(5,670)	(6,437)
Finance cost	27,083	21,595
Interest income	(8,955)	(12,341)
Dividend income	(2,500)	(4,000)
Share-based payment compensation costs	8,577	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	41,203	22,587
Net loss (gain) on foreign currency exchange	(5,469)	4,082
Loss on inventories	2,849	4,244
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(32,044)	92,812
Accounts receivable	(29,227)	(1,608)
Accounts receivable - related parties	84,293	(132,156)
Contract assets	(296,163)	(2,423)
Other receivables	(12,037)	10,234
Other receivables - related parties	2,839	12,573
Inventories	9,558	57,790
Prepayments	22,357	(6,753)
Other current assets	1,048	(1,736)
Notes payable	1,722	(11,285)
Accounts payable	(8,007)	(46,348)
Accounts payable - related parties	(842)	921
Contract liabilities	(53,204)	66,303
Other payables	23,567	58
Provisions	32,150	(3,656)
Other current liabilities	696	(14)
Cash generated from operations	85,205	69,849
Income tax paid	(1,566)	(1,827)
Net cash generated from operating activities	83,639	68,022
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	637	61,465
Acquisition of financial assets at amortized cost	(410,487)	(133,396)
Proceeds from disposal of financial assets at amortized cost	329,909	91,673

(Continued)

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Acquisition of investments accounted for using the equity method	\$ -	\$ (20,000)
Payments for property, plant and equipment	(167,660)	(61,353)
Acquisition of intangible assets	(113,259)	(85,187)
Decrease (increase) in refundable deposits	1,388	(483)
Decrease in other receivables from related parties	-	58,344
Interest received	8,961	12,465
Dividends received	<u>2,500</u>	<u>4,000</u>
Net cash used in investing activities	<u>(348,011)</u>	<u>(72,472)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(430,000)	200,000
Proceeds from issuance of convertible bonds	899,786	-
Repayment of convertible bonds	(600)	-
Proceeds from long-term borrowings	289,400	300,000
Repayment of long-term borrowings	(415,153)	(114,911)
Repayment of the principal portion of lease liabilities	(28,080)	(27,270)
Cash dividends from capital surplus	(34,350)	(93,776)
Acquisition of additional interests in subsidiaries	(248,270)	(64,660)
Interests paid	<u>(13,795)</u>	<u>(17,450)</u>
Net cash generated from financing activities	<u>18,938</u>	<u>181,933</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(245,434)	177,483
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>621,181</u>	<u>443,698</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 375,747</u>	<u>\$ 621,181</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

Brogent Technologies Inc.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Brogent Technologies Inc. (the “Corporation”) was incorporated in October 2001. The Corporation is mainly engaged in the research, development, design, production and sales of simulator rides and its key components and peripheral products, embedded media software, streaming media, 3D dynamic simulation technology, internet interaction media and multiple-monitor setups.

The Corporation’s shares have been trading on the Taipei Exchange since December 2012.

The parent company only financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF PARENT COMPANY ONLY FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation’s board of directors on March 11, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and enforced by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and enforced by the FSC did not have any material impact on the accounting policies of the Corporation.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Corporation shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent company only financial statements were approved, the Corporation assessed that the application of the above standards and interpretations will not have a material impact on the Corporation's parent company only financial position and financial performance.

- c. The IFRS Accounting Standards issued but not yet endorsed and enforced by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	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 by IASB
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: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be categorized into the operating, investing, financing, income taxes, and discontinued operations.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
- To enhance compliance with the requirements for aggregation and disaggregation, the Corporation shall identify the assets, liabilities, equity, income, expenses, and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation labels items as "other" only if it cannot find a more descriptive label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Corporation as a whole, the

Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the parent company only financial statements had been approved, the Corporation was continuing to assess the possible impact of the application of the above standards and interpretations on the Corporation's parent company only financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Corporation is engaged in the project contracts, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Corporation's project contracts-related assets and liabilities.

d. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the parent company only financial statements, the functional currencies of the entities in the Corporation (including subsidiaries operating in other countries that use currencies different from the currency of the Corporation) are translated into the Corporation's functional currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of the Corporation's entire interest in a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

e. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in subsidiaries is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiaries. The Corporation also recognizes the changes in the Corporation's share of equity in subsidiaries attributable to the Corporation.

When the Corporation loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between: (a) the aggregate of the fair value of consideration received and the fair value of any remaining investment in the former subsidiary at the date control is lost; and (b) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interest. The Corporation shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would have been required if the Corporation had directly disposed of the related assets and liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent that interests in the subsidiaries are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes changes in the Corporation's share of the equity of associates.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus and investments accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription for the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further loss. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Corporation transacts with its associate, profits and losses resulting from the transactions are recognized in the Corporation's parent company only financial statements only to the extent that interests in the associate are not related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant component is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit, or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit, or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when these assets are mandatorily classified or designated as at FVTPL, including mutual funds and derivative instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value and any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not

permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost and contract assets.

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Corporation considers that a debtor would default if internal or external information show that the debtor is unlikely to pay its creditors (without taking into account any collateral held by the Corporation).

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities held by the Corporation are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Provisions

Provisions, including warranty obligations, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Project contract revenue

Revenue comes from the development, construction and sale of simulator rides and related films. The Corporation recognizes revenue upon the completion percentage of each performance obligation. The output and degree of completion of performance obligation is measured based on working days of each performance item. Contract assets recognized during the performance obligations are satisfied and reclassified to accounts receivable at the point the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Corporation recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Corporation adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Corporation satisfies its performance obligation.

2) Licensing revenue

Revenue comes from authorizing the use of intellectual property rights of the films. The license granted provides the customer with the right to use the intellectual property that exists at the point of grant, and the revenue is recognized when the license is transferred. Advance receipts of royalty are recognized as contract liabilities. In addition, licensing revenue based on the actual sales of the customer is recognized when the sales occur.

3) Sale of tickets

Revenue comes from sales of tickets for simulator rides at operated outlets. Sales of tickets are recognized at the point when services are performed.

4) Service revenue

Service revenue comes from maintenance service to simulator rides and is recognized when the service is rendered.

5) Rental revenue

Rental revenue comes from rendering simulator rides, of which accounting policy is described in Note 4 (n).

n. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If the future lease payments change due to the period changes, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered services entitling them to the contributions.

r. Share-based payment arrangements

Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Corporation's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grant is vested immediately.

At the end of each reporting period, the Corporation revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding increase in capital surplus - employee share options.

Equity-settled share-based payment arrangements granted to the employees of subsidiaries

The grant by the Corporation of its equity instruments to the employees of subsidiaries under employee share options is treated as a capital contribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value, and is recognized over the vesting period as an addition to the investment in the subsidiaries, with a corresponding credit to capital surplus - employee share options.

s. Taxation

Income tax expense (income) represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Corporation considers the possible impact of economic environment. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a. Estimated impairment of accounts receivable and contract assets

The provision for impairment of accounts receivable and contract assets is based on assumptions on probability of default and loss given default. The Corporation uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Corporation's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Measurement of the percentage of completion of project contract

Project contract revenue is recognized by the percentage of completion method. The progress of completion is measured based on the working days of completed performance items. Since the estimated working days may be modified as assessed and determined by the management based on the nature and content of work, etc. for each project contract, the measurement of the percentage of completion and revenue may be affected.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 1,133	\$ 979
Checking accounts and demand deposits	374,614	347,691
Cash equivalents		
Time deposits with original maturities of 3 months or less	<u>-</u>	<u>272,511</u>
	<u>\$ 375,747</u>	<u>\$ 621,181</u>

- a. The market rate intervals of cash equivalents at the end of the year were as follows:

	December 31	
	2024	2023
Time deposits (%)	-	0.86-2.80

- b. The Corporation interacts with various financial institutions with sound credit ratings to disperse credit risk; hence, there was no expected credit loss.

7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	December 31	
	2024	2023
<hr/> Financial assets <hr/>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ 827	\$ 32
Non-derivative financial assets		
Mutual funds	<u>34,810</u>	<u>-</u>
	<u>\$ 35,637</u>	<u>\$ 32</u>

8. FINANCIAL ASSETS AT FVTOCI - CURRENT

	December 31	
	2024	2023
<hr/> Current <hr/>		
Domestic investments in equity instruments		
Listed shares	<u>\$ 72,400</u>	<u>\$ 64,300</u>

The Corporation elected to designate the investments in equity instruments as financial assets at FVTOCI as they were not held for trading or short-term profit.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
Time deposits with original maturities of more than 3 months	\$ -	\$ 46,532
Pledged time deposits	156,051	105,338
Pledged demand deposits	<u>96,000</u>	<u>14,134</u>
	<u>\$ 252,051</u>	<u>\$ 166,004</u>
Current	\$ 140,982	\$ 145,601
Non-current	<u>111,069</u>	<u>20,403</u>
	<u>\$ 252,051</u>	<u>\$ 166,004</u>

- a. The market rate intervals at the end of the year were as follows:

	December 31	
	2024	2023
Time deposits (%)	0.66-4.20	0.54-4.15

- b. The counterparties of the bank deposits of the Corporation were banks with sound credit ratings and no significant default concerns, and therefore, there was no expected credit losses.
- c. Refer to Note 31 for information on financial assets at amortized cost pledged as collateral.

10. ACCOUNTS RECEIVABLE AND LONG-TERM RECEIVABLES

	December 31	
	2024	2023
Accounts receivable- third parties		
At amortized cost		
Gross carrying amount	\$ 273,909	\$ 264,350
Allowance for impairment loss	<u>(113,619)</u>	<u>(107,085)</u>
	<u>\$ 160,290</u>	<u>\$ 157,265</u>
Accounts receivable - related parties		
At amortized cost		
Gross carrying amount	<u>\$ 160,867</u>	<u>\$ 245,160</u>
Long-term receivables		
At amortized cost		
Gross carrying amount	<u>\$ 19,668</u>	<u>\$ -</u>

The Corporation's accounts receivable with a credit period of 90 days are recognized as current assets on the balance sheet, or as long-term receivables if the credit period is longer than 90 days. The recognition of the accounts receivable as current assets or as long-term receivables depends on the repayment period stated in the agreement between the Corporation and the creditor. To minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each trade debt at the end of the reporting period to ensure

that adequate allowance is made for possible irrecoverable amounts. Thus, management believes the Corporation's credit risk is significantly reduced.

The Corporation measures the loss allowance for accounts receivable at an amount equal to lifetime expected credit losses (ECLs). The ECLs on accounts receivable are estimated by reference to the past default experience of the customer and the customer's current financial position, as well as the industry outlook. The Corporation determined that the accounts receivable from related parties would be recovered, so no loss allowance was made. The Corporation determined the provision for loss allowance based on the past due days from the invoice date or from the end of the credit term for different segments distinguished according to the type of accounts receivable from third parties.

The Corporation writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Corporation continues to attempt collect on these receivables to recover outstanding payments. Where recoveries are made, these are recognized in profit or loss.

The following table details the aging analysis and loss allowance of accounts receivable:

December 31, 2024

Segment A

	Up to 3 Months	4-6 Months	7-12 Months	Over 1 Year	With Signs of Default	Total
Expected credit loss rate (ECL) (%)	0.3	1	2-4	12-50	100	
Gross carrying amount	\$ 121,287	\$ 1,590	\$ 2,623	\$ 206,638	\$ 96,082	\$ 428,220
Loss allowance (lifetime ECLs)	<u>(321)</u>	<u>(15)</u>	<u>(52)</u>	<u>(16,635)</u>	<u>(96,082)</u>	<u>(113,105)</u>
Amortized cost	<u>\$ 120,966</u>	<u>\$ 1,575</u>	<u>\$ 2,571</u>	<u>\$ 190,003</u>	<u>\$ -</u>	<u>\$ 315,115</u>

Segment B

	Not Past Due	1 Months Past Due	2-3 Months Past Due	4-6 Months Past Due	Over 6 Months	Total
Gross carrying amount	\$ 26,224	\$ -	\$ -	\$ -	\$ -	\$ 26,224
Loss allowance (lifetime ECLs)	<u>(514)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(514)</u>
Amortized cost	<u>\$ 25,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,710</u>

December 31, 2023

	Up to 3 Months	4-6 Months	7-12 Months	Over 1 Year	With Signs of Default	Total
Expected credit loss rate (%)	0-0.3	0-1	0-3	0-40	100	
Gross carrying amount	\$ 131,617	\$ 2,299	\$ 239,427	\$ 40,061	\$ 96,106	\$ 509,510
Loss allowance (lifetime ECLs)	<u>(396)</u>	<u>(24)</u>	<u>(95)</u>	<u>(10,464)</u>	<u>(96,106)</u>	<u>(107,085)</u>
Amortized cost	<u>\$ 131,221</u>	<u>\$ 2,275</u>	<u>\$ 239,332</u>	<u>\$ 29,597</u>	<u>\$ -</u>	<u>\$ 402,425</u>

The movements of the loss allowance for accounts receivable were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 107,085	\$ 48,508
Impairment loss recognized	<u>6,534</u>	<u>58,577</u>
Balance at December 31	<u>\$ 113,619</u>	<u>\$ 107,085</u>

11. INVENTORIES

	December 31	
	2024	2023
Project materials	<u>\$ 233,151</u>	<u>\$ 245,558</u>

The operating costs recognized as losses on inventories for the years ended December 31, 2024 and 2023 were \$2,849 thousand and \$4,244 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Investment in subsidiaries	\$ 1,233,542	\$ 983,267
Investment in associates	<u>5,046</u>	<u>11,938</u>
	<u>\$ 1,238,588</u>	<u>\$ 995,205</u>

Refer to Table 5 for investments accounted for using the equity method Information.

a. Investment in subsidiaries

Unlisted Company	December 31			
	2024		2023	
	Carrying Amount	Percentage of Ownership	Carrying Amount	Percentage of Ownership
Dili Jie Holdings Limited (“Dili Jie”)	\$ 435,697	100	\$ 432,973	100
Brogent Hong Kong Limited (“Brogent HK”)	495,147	100	262,210	100
Brogent Global Inc. (“Brogent Global”)	<u>302,698</u>	100	<u>288,084</u>	100
	<u>\$ 1,233,542</u>		<u>\$ 983,267</u>	

The Corporation subscribed to the cash capital increase of Brogent HK for the years ended December 31, 2024 and 2023, and the amounts were \$248,270 thousand (US\$7,645 thousand) and \$64,660 thousand (US\$2,000 thousand), respectively.

b. Investments in associates

	December 31	
	2024	2023
Associates that are not individually material	\$ <u>5,046</u>	\$ <u>11,938</u>
Aggregate information of associates that are not individually material:		
	For the Year Ended December 31	
	2024	2023
The Corporation's share of:		
Net losses and total comprehensive losses for the year	\$ <u>(6,892)</u>	\$ <u>(8,062)</u>

In May 2023, the Corporation invested \$20,000 thousand in cash to establish Scroll Application Technology Co., Ltd. and acquired 48.78% equity interest.

13. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2024	2023
Assets used by the Corporation	\$ 691,498	\$ 594,060
Assets leased under operation	<u>110,752</u>	<u>131,193</u>
	<u>\$ 802,250</u>	<u>\$ 725,253</u>

For the year ended December 31, 2024

	Assets Used by the Corporation				Assets Leased under Operation
	Buildings	Other Equipment	Equipment to be Inspected and Property under Construction	Total	Other Equipment
<u>Cost</u>					
Balance at January 1	\$ 642,629	\$ 325,982	\$ 17,490	\$ 986,101	\$ 188,189
Additions	-	30,954	143,252	174,206	-
Reclassification	-	<u>9,182</u>	<u>(9,348)</u>	<u>(166)</u>	<u>166</u>
Balance at December 31	<u>\$ 642,629</u>	<u>\$ 366,118</u>	<u>\$ 151,394</u>	<u>\$ 1,160,141</u>	<u>\$ 188,355</u>
<u>Accumulated depreciation</u>					
Balance at January 1	\$ 222,122	\$ 169,919	\$ -	\$ 392,041	\$ 56,996
Depreciation expense	<u>23,272</u>	<u>53,330</u>	<u>-</u>	<u>76,602</u>	<u>20,607</u>
Balance at December 31	<u>\$ 245,394</u>	<u>\$ 223,249</u>	<u>\$ -</u>	<u>\$ 468,643</u>	<u>\$ 77,603</u>
Carrying amount at December 31	<u>\$ 397,235</u>	<u>\$ 142,869</u>	<u>\$ 151,394</u>	<u>\$ 691,498</u>	<u>\$ 110,752</u>

For the year ended December 31, 2023

	Assets Used by the Corporation				Assets Leased under Operation
	Buildings	Other Equipment	Equipment to be Inspected and Property under Construction	Total	Other Equipment
<u>Cost</u>					
Balance at January 1	\$ 642,629	\$ 338,552	\$ 48,348	\$ 1,029,529	\$ 106,625
Additions	-	14,987	49,796	64,783	910
Reclassification	-	-	(80,654)	(80,654)	80,654
Disposals	-	(27,557)	-	(27,557)	-
Balance at December 31	<u>\$ 642,629</u>	<u>\$ 325,982</u>	<u>\$ 17,490</u>	<u>\$ 986,101</u>	<u>\$ 188,189</u>
<u>Accumulated depreciation</u>					
Balance at January 1	\$ 195,839	\$ 144,357	\$ -	\$ 340,196	\$ 42,393
Depreciation expense	26,283	53,119	-	79,402	14,603
Disposals	-	(27,557)	-	(27,557)	-
Balance at December 31	<u>\$ 222,122</u>	<u>\$ 169,919</u>	<u>\$ -</u>	<u>\$ 392,041</u>	<u>\$ 56,996</u>
Carrying amount at December 31	<u>\$ 420,507</u>	<u>\$ 156,063</u>	<u>\$ 17,490</u>	<u>\$ 594,060</u>	<u>\$ 131,193</u>

- a. Depreciation expenses were recognized on a straight-line basis over the following useful lives:

	Assets Used by the Corporation	Assets Leased under Operation
Buildings		
Main buildings	50 years	-
Others	3-20 years	-
Other equipment	3-15 years	5-10 years

- b. The Corporation rents the simulator rides under operating lease. All operating leases include the rights to adjust the rental according to the market rate when the lessee extends the lease terms, and the lessee does not have bargain purchase options to acquire the asset at the end of the lease terms.
- c. Refer to Note 31 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.
- d. The reconciliation of the additions and the payments stated in the statements of cash flows was as follows:

	For the Year Ended December 31	
	2024	2023
Additions to property, plant and equipment	\$ 174,206	\$ 65,693
Capitalized interest	(511)	-
Increase in other non-current assets	197	-
Increase in payables for equipment	<u>(6,232)</u>	<u>(4,340)</u>
Cash paid	<u>\$ 167,660</u>	<u>\$ 61,353</u>

14. LEASE ARRANGEMENTS

a. Right-of-use assets

For the year ended December 31, 2024

	Land	Buildings	Transportation Equipment	Total
<u>Cost</u>				
Balance at January 1	\$ 253,946	\$ 52,796	\$ 9,549	\$ 316,291
Additions	-	-	3,579	3,579
Derecognized	-	-	(7,081)	(7,081)
Balance at December 31	<u>\$ 253,946</u>	<u>\$ 52,796</u>	<u>\$ 6,047</u>	<u>\$ 312,789</u>
<u>Accumulated depreciation</u>				
Balance at January 1	\$ 54,584	\$ 17,342	\$ 6,162	\$ 78,088
Depreciation expense	14,389	8,727	3,564	26,680
Derecognized	-	-	(7,081)	(7,081)
Balance at December 31	<u>\$ 68,973</u>	<u>\$ 26,069</u>	<u>\$ 2,645</u>	<u>\$ 97,687</u>
Carrying amount at December 31	<u>\$ 184,973</u>	<u>\$ 26,727</u>	<u>\$ 3,402</u>	<u>\$ 215,102</u>

For the year ended December 31, 2023

	Land	Buildings	Transportation Equipment	Total
<u>Cost</u>				
Balance at January 1	\$ 140,523	\$ 52,796	\$ 19,284	\$ 212,603
Additions	113,423	-	2,467	115,890
Derecognized	-	-	(12,202)	(12,202)
Balance at December 31	<u>\$ 253,946</u>	<u>\$ 52,796</u>	<u>\$ 9,549</u>	<u>\$ 316,291</u>
<u>Accumulated depreciation</u>				
Balance at January 1	\$ 42,401	\$ 8,615	\$ 13,693	\$ 64,709
Depreciation expense	12,183	8,727	4,671	25,581
Derecognized	-	-	(12,202)	(12,202)
Balance at December 31	<u>\$ 54,584</u>	<u>\$ 17,342</u>	<u>\$ 6,162</u>	<u>\$ 78,088</u>
Carrying amount at December 31	<u>\$ 199,362</u>	<u>\$ 35,454</u>	<u>\$ 3,387</u>	<u>\$ 238,203</u>

b. Lease liabilities

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Carrying amount		
Current	<u>\$ 27,685</u>	<u>\$ 27,071</u>
Non-current	<u>\$ 197,159</u>	<u>\$ 222,274</u>
		(Continued)

	December 31	
	2024	2023
Range of discount rates (%) for lease liabilities		
Land	1.71-2.17	1.71-2.17
Buildings	1.71-1.85	1.71-1.85
Transportation equipment	1.71-2.23	1.71-2.17
		(Concluded)

c. Material lease activities and terms

The Corporation leases land and buildings for the use as business spaces and for the use of offices and plants with lease terms that will expire between May 2030 and July 2053. The lease contract for land specifies that lease payments will be adjusted on the basis of changes in the announced land value and price. The Corporation does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	\$ 5,080	\$ 2,227
Expenses relating to low-value asset leases	\$ 367	\$ 369
Total cash outflow for leases	\$ 38,162	\$ 33,488

The Corporation has elected to apply the recognition exemption for leases of certain subject qualifying as short-term leases and low-value asset leases, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INTANGIBLE ASSETS

For the year ended December 31, 2024

	Film	Other	Total
Cost			
Balance at January 1	\$ 75,064	\$ 52,562	\$ 127,626
Additions	138,625	10,150	148,775
Derecognized	-	(622)	(622)
Balance at December 31	<u>\$ 213,689</u>	<u>\$ 62,090</u>	<u>\$ 275,779</u>
Accumulated amortization			
Balance at January 1	\$ 24,848	\$ 26,010	\$ 50,858
Amortization expense	16,718	8,765	25,483
Derecognized	-	(622)	(622)
Balance at December 31	<u>\$ 41,566</u>	<u>\$ 34,153</u>	<u>\$ 75,719</u>
Carrying amount at December 31	<u>\$ 172,123</u>	<u>\$ 27,937</u>	<u>\$ 200,060</u>

For the year ended December 31, 2023

	Film	Other	Total
<u>Cost</u>			
Balance at January 1	\$ 71,862	\$ 47,521	\$ 119,383
Additions	3,202	11,247	14,449
Derecognized	<u>-</u>	<u>(6,206)</u>	<u>(6,206)</u>
Balance at December 31	<u>\$ 75,064</u>	<u>\$ 52,562</u>	<u>\$ 127,626</u>
<u>Accumulated amortization</u>			
Balance at January 1	\$ 15,993	\$ 24,155	\$ 40,148
Amortization expense	8,855	8,061	16,916
Derecognized	<u>-</u>	<u>(6,206)</u>	<u>(6,206)</u>
Balance at December 31	<u>\$ 24,848</u>	<u>\$ 26,010</u>	<u>\$ 50,858</u>
Carrying amount at December 31	<u>\$ 50,216</u>	<u>\$ 26,552</u>	<u>\$ 76,768</u>

a. The above intangible assets are amortized on a straight-line basis over the following useful lives:

Film	3-10 years
Others	3-25 years

b. The reconciliation of the additions to intangible assets and the payments stated in the statements of cash flows was as follows:

	For the Year Ended December 31	
	2024	2023
Additions to intangible assets	\$ 148,775	\$ 14,449
Increase (decrease) in other non-current assets	<u>(35,516)</u>	<u>70,738</u>
Cash paid	<u>\$ 113,259</u>	<u>\$ 85,187</u>

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Unsecured bank loans	<u>\$ -</u>	<u>\$ 430,000</u>
Interest rate (%)	-	1.90-1.95

b. Long-term borrowings

	December 31	
	2024	2023
<u>Secured borrowings (Note 31)</u>		
Bank loans - repayable before October 2031	\$ 214,417	\$ 429,570
<u>Unsecured borrowings</u>		
Bank loans - repayable before June 2026	<u>89,400</u>	<u>-</u>
	303,817	429,570
Current portion	<u>(15,473)</u>	<u>(15,203)</u>
Long-term borrowings	<u>\$ 288,344</u>	<u>\$ 414,367</u>
Interest rate (%)	2.23-2.34	2.10-2.17

17. BONDS PAYABLE

	December 31	
	2024	2023
3rd domestic secured convertible bonds (a)	\$ 12,379	\$ 79,014
4th domestic secured convertible bonds (b)	-	163,102
5th domestic secured convertible bonds (c)	<u>383,932</u>	<u>-</u>
	396,311	242,116
Current portion	<u>(12,379)</u>	<u>(163,102)</u>
	<u>\$ 383,932</u>	<u>\$ 79,014</u>

- a. In October 2020, the Corporation issued its 3rd domestic five-year unsecured zero-coupon convertible bonds (changed to secured at the issuance date of the 5th domestic secured convertible bonds) with an aggregate principal amount of \$711,490 thousand (101.64% of the face value) and a par value of \$100 thousand per bond certificate.

The conversion price was set at NT\$103.5 per share. Bondholders are entitled to convert bonds into the Corporation's ordinary shares between January 13, 2021 and October 12, 2025.

If the closing price of the Corporation's ordinary shares continues to be at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Corporation has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the 40th day before the maturity date.

Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (1.2547%) after two and a half years from the issuance.

The amount of the face value of the convertible bonds plus interest compensation (2.5251%) has to be fully paid off in cash at maturity by the Corporation.

As of December 31, 2024, the total amount of the bonds converted by the bondholders was \$687,800 thousand.

- b. In October 2020, the Corporation issued its 4th domestic four-year unsecured zero-coupon convertible bonds (changed to secured at the issuance date of the 5th domestic secured convertible bonds) with an aggregate principal amount of \$500,000 thousand and a par value of \$100 thousand per bond certificate.

The amount of the face value of the convertible bonds plus interest compensation (1.5085%) has to be fully paid off in cash at maturity by the Corporation.

As of December 31, 2024, the total amount of bonds converted by the bondholders was \$499,400 thousand. The remaining amount of \$600 thousand had been redeemed at maturity.

- c. In March 2024, the Corporation issued its 5th domestic three-year secured zero-coupon convertible bonds with an aggregate principal amount of \$918,632 thousand (114.83% of the face value) and a par value of \$100 thousand per bond certificate.

The conversion price was set at NT\$111.7 per share. Bondholders are entitled to convert bonds into the Corporation's ordinary shares between June 5, 2024 and March 4, 2027.

If the closing price of the Corporation's ordinary shares continues to be at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Corporation has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the 40th day before the maturity date.

Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (0.2001%) after two years from the issuance.

The amount of the face value of the convertible bonds has to be fully paid off in cash at maturity by the Corporation.

	<u>Amount</u>
Proceeds from issuance (less transaction costs of \$18,846 thousand)	\$ 899,786
Buy/Sell options	(800)
Equity component	<u>(152,711)</u>
Liability component at the date of issue	<u>\$ 746,275</u>

As of December 31, 2024, the total amount of bonds converted by the bondholders was \$396,300 thousand.

- d. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options; the effective interest rate for the equity and liability component was 0.8% to 2.3% per annum, respectively, on initial recognition.

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Liability component at January 1	\$ 242,116	\$ 480,781
Liability component at the date of issue	746,275	-
Interest charged at an effective interest rate	14,082	3,944
Redeem convertible bonds	(609)	-
Converted into ordinary shares	<u>(605,553)</u>	<u>(242,609)</u>
Liability component at December 31	<u>\$ 396,311</u>	<u>\$ 242,116</u>

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Corporation's notes payable and accounts payable were generated from operating activities. The average credit period for purchases of goods or service is around 45 to 120 days. The Corporation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms and, therefore, there was no interest was charged on the outstanding balance.

19. OTHER PAYABLES

	December 31	
	2024	2023
Payables for salaries	\$ 39,123	\$ 34,573
Payables for compensation of employees and remuneration of directors	6,816	-
Payables for equipment	11,983	5,751
Payables for travel expense	2,269	2,223
Payables for service fee	4,071	3,870
Payables for insurance	3,830	3,591
Others	<u>42,285</u>	<u>30,844</u>
	<u>\$ 110,377</u>	<u>\$ 80,852</u>

20. RETIREMENT BENEFIT PLANS

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Corporation's assets and liabilities relating to the project contract was based on its operating cycle. The amount for related assets and liabilities expected to be recovered or settled more than 12 months after the reporting period were as follows:

	Within 12 Months	More Than 12 Months	Total
December 31, 2024			
Assets			
Financial assets at amortized cost - current	\$ 88,721	\$ 52,261	\$ 140,982
Contract assets - current	<u>240,398</u>	<u>970,406</u>	<u>1,210,804</u>
	<u>\$ 329,119</u>	<u>\$ 1,022,667</u>	<u>\$ 1,351,786</u>
Liabilities			
Contract liabilities - current	<u>\$ 59,942</u>	<u>\$ 32,480</u>	<u>\$ 92,422</u>

(Continued)

	Within 12 Months	More Than 12 Months	Total
<hr/> December 31, 2023 <hr/>			
Assets			
Financial assets at amortized cost - current	\$ 48,544	\$ 97,057	\$ 145,601
Accounts receivable, net (including related parties)	167,343	235,082	402,425
Contract assets - current	<u>106,194</u>	<u>834,163</u>	<u>940,357</u>
	<u>\$ 322,081</u>	<u>\$ 1,166,302</u>	<u>\$ 1,488,383</u>
Liabilities			
Contract liabilities - current	<u>\$ 58,495</u>	<u>\$ 87,131</u>	<u>\$ 145,626</u>
			(Concluded)

22. EQUITY

a. Ordinary shares

	<hr/> December 31 <hr/>	
	2024	2023
Number of shares authorized (in thousands)	<u>90,000</u>	<u>90,000</u>
Shares authorized	<u>\$ 900,000</u>	<u>\$ 900,000</u>
Number of shares issued and fully paid (in thousands)	<u>70,558</u>	<u>64,836</u>
Shares issued	<u>\$ 705,581</u>	<u>\$ 648,357</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends.

The number of the Corporation's authorized shares reserved for the issuance of employee share option is 2,000 thousand shares.

The change in the Corporation's ordinary shares was due to the conversion of the convertible bonds. As of December 31, 2024 and 2023, there were 426 thousand and 57 thousand shares, respectively, which had not yet been registered and were recognized as advance receipts for ordinary shares of \$4,264 thousand and \$571 thousand, respectively; these transactions, with subscription base dates determined to be January 17, 2025 and January 23, 2024, respectively, were registered before the date of approval of the parent company only financial statements.

b. Capital surplus

	<hr/> December 31 <hr/>	
	2024	2023
May be used to offset deficit, distributed as cash dividends or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 3,092,825	\$ 2,663,243

(Continued)

	December 31	
	2024	2023
<hr/> May not be used for any purpose <hr/>		
Equity component of convertible bonds payable	\$ 86,488	\$ 9,574
	<u>\$ 3,179,313</u>	<u>\$ 2,672,817</u>
		(Concluded)

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years. Where there is still balance, the Corporation shall set aside as a legal reserve 10% of the sum of said profit in balance and the amount of profit (of loss) items adjusted to the current year's undistributed earnings other than the said profit until the legal reserve equals the Corporation's paid-in capital. The accumulated distributable earnings be set aside or reversed as a special reserve in accordance with the laws or regulations and may be retained at the discretion of the Corporation in accordance with its business needs, in addition to the payment of dividends, the remaining balance, if any, shall be distributed as dividends to shareholders by resolution of the shareholders' meeting. In accordance with the Articles, the board of directors is authorized to resolve that all or part of the dividends and bonuses, capital surplus or legal reserve be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds or more of the total number of directors, and a report of such distribution shall be submitted to the shareholders in their meeting.

The dividends policy of the Corporation considers the plans for the expansion of the scale of operations and research and development plans, and the overall environment and the features of the industry in order to pursue sustainable operations and long-term benefits for shareholders. The dividends to shareholders can be paid in cash or issued as shares, but cash dividends shall be not less than 10% of the total dividends.

Legal reserve may be used to offset a deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The offset of the deficit for 2022 was approved by the shareholders in their meeting in May 2023, which resolved to reverse the special reserve of \$14,857 thousand, offset the deficit by the legal reserve of \$127,421 thousand and the capital surplus of \$100,727 thousand. Moreover, in March 2023, the Corporation's board of directors resolved to distribute \$93,776 thousand in cash from its capital surplus at \$1.5 per share.

The offset of the deficit for 2023 was presented to the shareholders in their meeting in May 2024, who approved to offset the deficit of \$167,662 thousand by capital surplus. In August 2024, the Corporation's board of directors approved the distribution of cash dividends from capital surplus at NT\$0.5 per share, and authorized the Chairman to distribute the total dividend amount of \$34,350 thousand based on the number of outstanding shares on the base date of distribution.

The appropriation of earnings for 2024 was as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 7,340	
Cash dividends	<u>63,502</u>	\$ 0.9
	<u>\$ 70,842</u>	

The above appropriation of cash dividends was approved by the Corporation's board of directors on March 11, 2025; the other proposed appropriations will be presented to the shareholders at their meeting in June 2025 for approval.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31 2024	2023
Balance at January 1	\$ (17,700)	\$ (8,516)
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	37,523	(12,362)
Reclassification adjustment		
Disposal of foreign operations	<u>-</u>	<u>3,178</u>
Balance at December 31	<u>\$ 19,823</u>	<u>\$ (17,700)</u>

2) Unrealized gain on financial asset at FVTOCI

	For the Year Ended December 31 2024	2023
Balance at January 1	\$ 13,362	\$ 30,000
Recognized for the year		
Unrealized gains (losses) - equity instruments	8,100	(3,598)
Share from subsidiaries and associates accounted for using the equity method	(1,407)	(938)
Reclassification adjustment		
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(12,102)</u>
Balance at December 31	<u>\$ 20,055</u>	<u>\$ 13,362</u>

23. REVENUE

	For the Year Ended December 31	
	2024	2023
Project contract revenue	\$ 1,139,697	\$ 719,832
Service revenue	64,898	75,754
Licensing revenue	46,941	6,936
Sales of tickets and merchandise	27,678	21,326
Rental revenue	<u>22,945</u>	<u>23,734</u>
	<u>\$ 1,302,159</u>	<u>\$ 847,582</u>

Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable (including related parties and long-term receivables)	<u>\$ 340,825</u>	<u>\$ 402,425</u>	<u>\$ 327,238</u>
Contract assets			
Project contract	\$ 1,223,118	\$ 958,401	\$ 965,673
Reserves of project contract	122,652	91,206	81,511
Less: Allowance for impairment loss	<u>(134,966)</u>	<u>(109,250)</u>	<u>(90,785)</u>
	<u>\$ 1,210,804</u>	<u>\$ 940,357</u>	<u>\$ 956,399</u>
Contract liabilities			
Project contract	\$ 56,412	\$ 111,710	\$ 52,351
Others	<u>36,010</u>	<u>33,916</u>	<u>26,972</u>
	<u>\$ 92,422</u>	<u>\$ 145,626</u>	<u>\$ 79,323</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Corporation's satisfaction of performance obligations and the respective customer's payment.

The movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 109,250	\$ 90,785
Loss allowance recognized	<u>25,716</u>	<u>18,465</u>
Balance at December 31	<u>\$ 134,966</u>	<u>\$ 109,250</u>

24. PROFIT (LOSS) BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 7,959	\$ 10,324
Others (Note 30)	<u>996</u>	<u>2,017</u>
	<u>\$ 8,955</u>	<u>\$ 12,341</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividends	\$ 2,500	\$ 4,000
Government grants	10,919	390
Others	<u>3,180</u>	<u>1,239</u>
	<u>\$ 16,599</u>	<u>\$ 5,629</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net gain on financial assets at FVTPL	\$ 5,670	\$ 6,437
Net foreign exchange gain	<u>105,341</u>	<u>616</u>
	<u>\$ 111,011</u>	<u>\$ 7,053</u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	\$ 8,877	\$ 14,029
Interest on lease liabilities	4,635	3,622
Interest on convertible bonds	14,082	3,944
Less: Amounts included in the cost of qualifying assets	<u>(511)</u>	<u>-</u>
	<u>\$ 27,083</u>	<u>\$ 21,595</u>
Capitalization rate (%)	2.26	-

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 97,209	\$ 94,005
Right-of-use assets	26,680	25,581
Intangible assets	<u>25,483</u>	<u>16,916</u>
	<u>\$ 149,372</u>	<u>\$ 136,502</u>
An analysis of depreciation by function		
Operating costs	\$ 35,191	\$ 29,125
Operating expenses	<u>88,698</u>	<u>90,461</u>
	<u>\$ 123,889</u>	<u>\$ 119,586</u>
An analysis of amortization by function		
Operating costs	\$ 16,718	\$ 8,855
Operating expenses	<u>8,765</u>	<u>8,061</u>
	<u>\$ 25,483</u>	<u>\$ 16,916</u>

f. Employee benefits

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 287,144	\$ 255,464
Post-employment benefits (Note 20)		
Defined contribution plans	12,060	11,139
Share-based payments		
Equity-settled	<u>8,577</u>	<u>-</u>
	<u>\$ 307,781</u>	<u>\$ 266,603</u>
An analysis by function		
Operating costs	\$ 57,592	\$ 70,186
Operating expenses	<u>250,189</u>	<u>196,417</u>
	<u>\$ 307,781</u>	<u>\$ 266,603</u>

g. Compensation of employees and remuneration of directors

According to its Articles of Incorporation, the Corporation accrues compensation of employees and remuneration of directors at rates of 5% to 15% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. But if the Corporation still has accumulated deficit, it should first set aside an amount for offset of the deficit.

The estimated employee compensation and remuneration for the directors in 2024 were \$5,748 thousand and \$1,068 thousand, respectively, which are estimated at 5% and 1%, respectively, of the aforementioned pre-tax net income. The board of directors resolved not to accrue compensation of employees and remuneration of directors for 2023 due to net loss before income tax.

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

- a. The major components of income tax expense (benefit) were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 5,835	\$ 1,168
Deferred tax		
In respect of the current year	<u>20,431</u>	<u>(29,546)</u>
	<u>\$ 26,266</u>	<u>\$ (28,378)</u>

A reconciliation of accounting loss and income tax expense (benefit) was as follows:

	For the Year Ended December 31	
	2024	2023
Profit (loss) before income tax	<u>\$ 99,668</u>	<u>\$ (208,142)</u>
Income tax expense (benefit) of net profit (loss) before tax calculated at the statutory rate	\$ 19,933	\$ (41,629)
Domestic investment income	(1,485)	(75)
Unrecognized net loss of foreign investments	8,936	11,446
Permanent differences	(116)	712
Unrecognized loss carryforwards	1,498	-
Investment credits	(2,500)	-
Withholding tax	<u>-</u>	<u>1,168</u>
	<u>\$ 26,266</u>	<u>\$ (28,378)</u>

- b. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	<u>\$ 963</u>	<u>\$ 1,516</u>
Current tax liabilities		
Income tax payable	<u>\$ 3,716</u>	<u>\$ -</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
<hr/> Deferred tax assets <hr/>			
Temporary differences			
Allowance for impairment loss	\$ 40,166	\$ 6,578	\$ 46,744
Others	<u>8,010</u>	<u>2,414</u>	<u>10,424</u>
	48,176	8,992	57,168
Loss carryforwards	<u>57,198</u>	<u>(15,010)</u>	<u>42,188</u>
	<u>\$ 105,374</u>	<u>\$ (6,018)</u>	<u>\$ 99,356</u>
<hr/> Deferred tax liabilities <hr/>			
Unrealized gain on foreign currency exchange	<u>\$ -</u>	<u>\$ 14,413</u>	<u>\$ 14,413</u>

For the year ended December 31, 2023

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
<hr/> Deferred tax assets <hr/>			
Temporary differences			
Allowance for impairment loss	\$ 25,024	\$ 15,142	\$ 40,166
Others	<u>3,568</u>	<u>4,442</u>	<u>8,010</u>
	28,592	19,584	48,176
Loss carryforwards	<u>47,868</u>	<u>9,330</u>	<u>57,198</u>
	<u>\$ 76,460</u>	<u>\$ 28,914</u>	<u>\$ 105,374</u>
<hr/> Deferred tax liabilities <hr/>			
Temporary differences	<u>\$ 632</u>	<u>\$ (632)</u>	<u>\$ -</u>

d. The aggregate amount of deductible temporary differences for which deferred tax assets were not recognized

	December 31	
	2024	2023
Foreign investment loss	<u>\$ 124,070</u>	<u>\$ 108,737</u>

- e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities were not recognized.

As of December 31, 2024 and 2023, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities were recognized were \$113,910 thousand and \$110,740 thousand, respectively.

- f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Expiry Year
\$ 70,403	2031
101,306	2032
<u>39,230</u>	2033
<u>\$ 210,939</u>	

- g. Income tax assessments

The income tax returns of the Corporation through 2022 had been assessed by the tax authorities.

26. EARNINGS (LOSS) PER SHARE

The profit (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

- a. Net profit (loss) for the year

	For the Year Ended December 31	
	2024	2023
Net profit (loss) for the year	<u>\$ 73,402</u>	<u>\$ (179,764)</u>

- b. Weighted average number of shares outstanding (in thousands)

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	66,905	64,328
Effect of potentially dilutive ordinary shares		
Compensation of employees	40	-
Employee share options	<u>29</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>66,974</u>	<u>64,328</u>

When calculating diluted earnings per share and if the Corporation has the option to distribute employee compensation in the form of shares or cash, it is assumed that employee compensation will be paid in shares. The potential common shares will be included in the weighted average number of shares outstanding for the calculation of diluted earnings per share if these shares have a dilutive effect. When calculating diluted earnings per share prior to the decision on the number of shares to be issued for employee compensation in the next year, the dilutive effect of these potential common shares will also

continue to be considered.

If the Corporation's outstanding convertible bonds are converted, they will not be included in the calculation of diluted earnings per share as they have an anti-dilutive effect.

27. SHARE-BASED PAYMENT ARRANGEMENTS

The Corporation and its subsidiaries were granted 1,000 units of share options in April 2024. Each option represents 1,000 shares of the Corporation ordinary shares. The vesting period of these options is 5 years. Qualified employees may exercise the share options at certain percentages of the options after 2 years from the grant date. The options were granted at an exercise price equal to the closing price of the Corporation's ordinary shares listed on the grant date. For any subsequent changes in the Corporation's ordinary shares, the exercise price is adjusted accordingly.

Information on the Corporation's employee share options is as follows:

	For the Year Ended December 31, 2024	
	Number of Options (Units)	Weighted-average Exercise Price (NT\$)
<hr/> Employee share options <hr/>		
Balance at January 1	-	\$ -
Options granted	1,000	115
Options forfeited	<u>(15)</u>	115
Balance at December 31	<u>985</u>	115
Options exercisable, end of the year	<u>-</u>	-
Weighted-average fair value of options granted (NT\$)	<u>\$ 38.06</u>	

As of December 31, 2024, the weighted average remaining contract term of the outstanding employee share options was 4.3 years.

Employee share options granted in April 2024 were priced using the binomial option pricing model and the inputs to the model were as follows:

Grant-date share price (NT\$)	\$ 115
Exercise price (NT\$)	115
Expected volatility	34.77%
Expected life (in years)	5 years
Risk-free interest rate	1.6070%

Expected volatility was based on the historical share price volatility over the past 5 years and took into account the effect of the early exercise of the employee share options.

The compensation costs recognized by the Corporation and its subsidiaries in 2024 amounted to \$8,577 thousand and \$200 thousand, respectively.

28. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of net debt and equity. The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Corporation is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Corporation's management considers that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values, except for convertible bonds.

The carrying amounts and fair values of the convertible bonds as of December 31, 2024 and 2023 were as follows:

	December 31	
	2024	2023
Book value	<u>\$ 396,311</u>	<u>\$ 242,116</u>
Fair value	<u>\$ 400,626</u>	<u>\$ 239,996</u>

The fair value of bonds payable based on Level 3 fair value measurement was determined using the binomial option pricing model where the significant and unobservable input was historical volatility.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 34,810	\$ -	\$ -	\$ 34,810
Derivative instruments	<u>-</u>	<u>-</u>	<u>827</u>	<u>827</u>
	<u>\$ 34,810</u>	<u>\$ -</u>	<u>\$ 827</u>	<u>\$ 35,637</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	<u>\$ 72,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,400</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative instruments	\$ <u>-</u>	\$ <u>-</u>	\$ <u>32</u>	\$ <u>32</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ <u>64,300</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>64,300</u>

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments at FVTPL

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ 32	\$ 429
Additions	(800)	-
Convertible bonds converted into ordinary share	(1,309)	(295)
Recognized in gains (losses)	<u>2,904</u>	<u>(102)</u>
Balance at December 31	<u>\$ 827</u>	<u>\$ 32</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of redemption options and put options of convertible bonds were determined using the binomial option pricing model where the significant and unobservable input was historical volatility.

c. Categories of financial instruments

	<u>December 31</u>	
	2024	2023
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 998,519	\$ 1,212,430
Financial assets at FVTPL	35,637	32
Financial assets at FVTOCI	72,400	64,300
<u>Financial liabilities</u>		
Amortized cost (2)	858,850	1,238,010

- 1) The balances comprise cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties and long-term receivables), other receivables (including related parties) and refundable deposits, etc.

- 2) The balances comprise short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portion) and bonds payable (including current portion), etc.
- d. Financial risk management objectives and policies

The Corporation's corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Corporation through analyzing the degree of exposures. The corporate treasury function reports regularly to the Corporation's management. The risks include market risk, credit risk and liquidity risk.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks as follows:

a) Foreign currency risk

The carrying amounts of the Corporation's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Corporation was mainly exposed to the USD and RMB.

The sensitivity analysis included only monetary items. A positive number below indicates an increase in pre-tax profit associated with the functional currency weakening 1% against the relevant currency.

	For the Year Ended December 31	
	2024	2023
USD	\$ 12,552	\$ 11,424
RMB	5,070	8,287

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings. The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 175,719	\$ 424,380
Financial liabilities	621,155	841,461
Cash flow interest rate risk		
Financial assets	470,561	361,773
Financial liabilities	303,817	509,570

Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

Had interest rates been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$1,667 thousand and decreased/increased by \$1,478 thousand, respectively, which were mainly attributable to the Corporation's variable-rate bank deposits and borrowings.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in equity securities. The Corporation manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax profit for the year ended December 31, 2024 would have increased/decreased by \$348 thousand, as a result of the changes in the fair value of financial assets at FVTPL; other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by \$724 thousand and \$643 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the potential for financial loss to the Corporation when a counterparty defaults on its contractual obligations. At the end of the reporting period, the Corporation's maximum exposure to credit risk could be equal to the carrying amount of the recognized financial assets and contract assets as stated in the parent company only balance sheets.

Refer to Note 10 for the financial risk management policies adopted by the Corporation.

The Corporation's credit risk was mainly concentrated in the following groups, which accounted for 44% and 29% of net accounts receivable (including long-term receivables) as of December 31, 2024 and 2023, respectively.

	December 31	
	2024	2023
Group A	\$ 56,334	\$ -
Group B	34,128	-
Group C	26,045	4,763
Group D	20,146	21,208
Group E	6,537	42,863
Group F	6,504	29,789
Group G	-	18,418
	<u>\$ 149,694</u>	<u>\$ 117,041</u>

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, the management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at the end of the year.

	Within 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
<u>December 31, 2024</u>					
Non-interest bearing liabilities	\$ 158,722	\$ -	\$ -	\$ -	\$ 158,722
Lease liabilities	31,845	44,844	42,849	149,334	268,872
Variable interest rate liabilities	22,258	226,560	35,730	34,241	318,789
Fixed interest rate liabilities	12,508	411,778	-	-	424,286
Financial guarantee contracts	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
	<u>\$ 240,333</u>	<u>\$ 683,182</u>	<u>\$ 78,579</u>	<u>\$ 183,575</u>	<u>\$ 1,185,669</u>
<u>December 31, 2023</u>					
Non-interest bearing liabilities	\$ 136,324	\$ -	\$ -	\$ -	\$ 136,324
Lease liabilities	31,672	52,647	42,849	170,758	297,926
Variable interest rate liabilities	104,372	137,623	162,733	143,818	548,546
Fixed interest rate liabilities	514,931	80,892	-	-	595,823
Financial guarantee contracts	<u>38,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,911</u>
	<u>\$ 826,210</u>	<u>\$ 271,162</u>	<u>\$ 205,582</u>	<u>\$ 314,576</u>	<u>\$ 1,617,530</u>

The variable interest rate liabilities for the Corporation's non-derivative financial liabilities with individual maturities of more than 5 years have repayment periods ranging from 5 to 10 years. The maturity analysis of lease liabilities with a term of more than 5 years was as follows:

	5 to Less than 10 Years	10-20 Years	More than 20 Years	Total
December 31, 2024	<u>\$ 53,711</u>	<u>\$ 51,456</u>	<u>\$ 44,167</u>	<u>\$ 149,334</u>
December 31, 2023	<u>\$ 69,990</u>	<u>\$ 51,456</u>	<u>\$ 49,312</u>	<u>\$ 170,758</u>

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and its related parties were as follows:

a. Related party name and relationship

Related Party Name	Relationship
Brogent Global	Subsidiary
StarLite Design & Planning Limited (StarLite)	Subsidiary
Brogent HK	Subsidiary
Brogent Rides (Shanghai) Limited (Brogent Rides)	Subsidiary
Brogent Creative (Shanghai) Limited (Brogent Creative)	Subsidiary
HaiWei Culture Creative and Development (Shanghai) Limited (HaiWei Creative)	Subsidiary
Brogent Japan Entertainment	Subsidiary's associate
Chih-Hung Ouyang	Key Management (Chairman of the board)
Shen-Hao Cheng	Key Management (Director of the board)

b. Operating revenue

Line Item	Related Party Type/Name	For the Year Ended December 31	
		2024	2023
Project contract revenue	Subsidiaries	\$ 142,244	\$ 17,079
Rental revenue	Subsidiaries	\$ 19,015	\$ 12,469
	Associates	-	6,946
		\$ 19,015	\$ 19,415
Service revenue	Subsidiaries	\$ 3,410	\$ 191
	Associates	-	1,841
		\$ 3,410	\$ 2,032
Licensing revenue	Associates	\$ -	\$ 121

The Corporation undertook the project contract from the related party, negotiated and determined the price based on the estimated project costs plus reasonable management fees and profits, and collected the payments according to the payment terms stipulated in the contract.

c. Purchase of goods, operating costs and operating expenses

Line Item	Related Party Type/Name	For the Year Ended December 31	
		2024	2023
Operating costs	Subsidiaries	\$ 18,161	\$ 16,040
Operating expenses	Subsidiaries	\$ 12,139	\$ 6,342
	Key Managements	816	816
		\$ 12,955	\$ 7,158

d. Contract assets and contract liabilities

Line Item	Related Party Type/Name	December 31	
		2024	2023
Contract assets	Subsidiaries	\$ <u>92,040</u>	\$ <u>14,382</u>
Contract liabilities	Subsidiaries		
	Brogent HK	\$ 11,972	\$ 10,201
	Brogent Rides	<u>23,351</u>	<u>20,402</u>
		\$ <u>35,323</u>	\$ <u>30,603</u>

e. Receivables from related parties

Line Item	Related Party Type/Name	December 31	
		2024	2023
Accounts receivable - related parties	Subsidiaries		
	Brogent Rides	\$ 148,042	\$ 241,677
	Others	<u>12,825</u>	<u>3,483</u>
		\$ <u>160,867</u>	\$ <u>245,160</u>
Other receivables - related parties	Subsidiaries		
	Brogent Global	\$ 5,187	\$ 7,940
	HaiWei Creative	<u>-</u>	<u>86</u>
		\$ <u>5,187</u>	\$ <u>8,026</u>

The outstanding receivables from related parties are unsecured and without the allowance for losses.

f. Payables to related parties

Line Item	Related Party Type/Name	December 31	
		2024	2023
Accounts payable	Subsidiaries	\$ <u>79</u>	\$ <u>921</u>
Other payables	Subsidiaries	\$ <u>3,226</u>	\$ <u>5,083</u>

The outstanding payables to related parties are unsecured.

g. Loans to related parties

In 2023, the Corporation received an interest income of \$1,904 thousand from financing provided to its subsidiary, Brogent HK, at an interest rate of 3.5%.

h. The Corporation signed a labor service contract with its subsidiary, Brogent Global, and the service fees were determined based on the actual costs agreed upon by both parties. The service revenues recognized as a deduction from operating expenses in 2024 and 2023 were \$211 thousand and \$704 thousand, respectively.

i. The Corporation signed a project technical service contract with its subsidiary, HaiWei Creative, and the service fees were determined based on the actual costs agreed upon by both parties. The service revenue recognized as a deduction from operating expenses in 2023 was \$86 thousand.

j. Endorsements and guarantees

Related Party Category	December 31	
	2024	2023
Subsidiaries		
Amount endorsed	\$ 129,010	\$ 93,290
Amount utilized	\$ 15,000	\$ 38,911

k. Chih-Hung Ouyang, the key management members of the Corporation, provided the guarantees for some borrowings of the Corporation.

l. Compensation of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 11,605	\$ 9,258
Post-employment benefits	108	108
Share-based payments	<u>301</u>	<u>-</u>
	<u>\$ 12,014</u>	<u>\$ 9,366</u>

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for various performance obligations:

	December 31	
	2024	2023
Financial assets at amortized cost - current		
Time deposits and demand deposits	\$ 140,982	\$ 99,069
Financial assets at amortized cost - non-current		
Time deposits	111,069	20,403
Property, plant and equipment		
Buildings	<u>374,492</u>	<u>391,681</u>
	<u>\$ 626,543</u>	<u>\$ 511,153</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. As of December 31, 2024, the Corporation's outstanding notes payable for performance and warranty under various construction projects amounted to \$15,468 thousand; letters of guarantee for warranty under various construction projects amounted to \$128,455 thousand.
- b. As of December 31, 2024, the performance guarantee amount issued by the Corporation for obtaining research and development subsidies amounted to \$88,000 thousand.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate (\$)	NTD (In Thousands)
<hr/> December 31, 2024 <hr/>			
Financial assets			
Monetary items			
USD	\$ 38,496	32.78 (USD:NTD)	\$ 1,261,909
RMB	113,229	4.48 (RMB:NTD)	507,041
Financial liabilities			
Monetary items			
USD	206	32.78 (USD:NTD)	6,745
<hr/> December 31, 2023 <hr/>			
Financial assets			
Monetary items			
USD	37,301	30.71 (USD:NTD)	1,145,514
RMB	191,418	4.33 (RMB:NTD)	828,652
Financial liabilities			
Monetary items			
USD	101	30.71 (USD:NTD)	3,099

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$105,341 thousand and \$616 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Corporation.

34. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: Table 2
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
 - 9) Trading in derivative instruments: Note 7
- b. Information on investees: Table 5
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year:

Transaction Party	Counterparty	Operating Revenue	Accounts Receivable
The Corporation	Brogent Rides	\$ 122,947	\$ 148,042
Brogent Global	HaiWei Creative	15,352	117,778
Brogent HK	Brogent Creative	23,902	-
Brogent Creative	Chang'an Above	14,739	-
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7

TABLE 1

Brogent Technologies Inc.

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn (Note 2)	Interest Rate (%)	Nature of Financing	Transaction Amount	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Total Financing Limit (Note 1)	Note
													Item	Value			
0	Brogent Technologies Inc. (the "Corporation")	Brogent Global	Other receivables - related parties	Yes	\$ 150,000	\$ 150,000	\$ -	-	Short-term financing	\$ -	Operating Capital	\$ -	-	\$ -	\$ 399,817	\$ 1,599,269	
0	The Corporation	Brogent HK	Other receivables - related parties	Yes	150,000	150,000	-	-	Short-term financing	-	Operating Capital	-	-	-	399,817	1,599,269	
0	The Corporation	StarLite	Other receivables - related parties	Yes	50,000	50,000	-	-	Short-term financing	-	Operating Capital	-	-	-	399,817	1,599,269	

Note 1: The financing limit for each borrowing company and the total financing limit shall not exceed 10% and 40% respectively of the latest equity of the Corporation.

Note 2: The exchange rate was US\$1=NT\$32.78.

TABLE 2**Brogent Technologies Inc.**

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit of Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Year	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiary in Mainland China	Note
		Name	Relationship											
0	Brogent Technologies Inc. (the “Corporation”)	Brogent Creative	Subsidiary	\$ 1,199,452	\$ 44,780	\$ 44,780	\$ -	\$ -	1.12	\$ 1,999,087	Y	N	Y	
0	The Corporation	Brogent Global	Subsidiary	1,199,452	50,000	50,000	15,000	-	1.25	1,999,087	Y	N	N	
0	The Corporation	StarLite	Subsidiary	1,199,452	34,230	34,230	-	-	0.86	1,999,087	Y	N	N	

Note 1: The limit on endorsement/guarantee given for each party and the total financing limit shall not exceed 30% and 50% respectively of the latest equity of the Corporation.

Note 2: The exchange rate was RMB1=NT\$4.478.

TABLE 3

Brogent Technologies Inc.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Brogent Technologies Inc. (the "Corporation")	Fund							
	Franklin Templeton SinoAm Premium High Yield Bond Fund	-	Financial assets at FVTPL - current	2,000,000	\$ 21,019	-	\$ 21,019	
	Franklin Templeton SinoAm Global High Yield Bond Fund	-	Financial assets at FVTPL - current	231,635	\$ 13,791	-	\$ 13,791	
Brogent Global	Ordinary Shares Ruentex Industries Ltd.	-	Financial assets at FVTOCI - current	1,000,000	\$ 72,400	0.09	\$ 72,400	
	Equity Investment Jump Media International Co., Ltd.	-	Financial assets at FVTPL - current	264,001	\$ -	0.93	\$ -	
	This is Holland B.V.	-	Financial assets at FVTPL - non-current	100	\$ 10,587	10	\$ 10,587	
	Preference Shares This is Holland B.V.	-	Financial assets at amortized cost - non-current	200	\$ 34,150	-	\$ 34,150	
Holey Holdings Limited	Equity Investment Discover NY Project Company, LLC	-	Financial assets at FVTPL - non-current	2,310	\$ 114,068	19.09	\$ 114,068	
	Preference Shares Discover NY Project Company, LLC	-	Financial assets at FVTPL - non-current	1,223	\$ 138,725	-	\$ 138,725	
Brogent HK	Equity Investment Discover NY Project Company, LLC	-	Financial assets at FVTPL - non-current	500	\$ 24,690	4.13	\$ 24,690	
Brogent Rides	Equity Investment Fly Over The World Cultural Development Co., Ltd.	-	Financial assets at FVTPL - non-current	36,000,000	\$ 201,510	6.04	\$ 201,510	
	Beijing Huawei Global Cultural Development Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,050,000	\$ -	17.50	\$ -	

TABLE 4

Brogent Technologies Inc.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Brogent Technologies Inc. (the “Corporation”) Brogent Global	Brogent Rides	Subsidiaries	\$ 148,042	-	\$ -	-	\$ -	\$ -
	HaiWei Creative	Subsidiaries	117,778	-	-	-	-	-

TABLE 5

Brogent Technologies Inc.
INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note (Note 2)
				December 31, 2024	December 31, 2023	Number of shares	(%)	Carrying Amount			
Brogent Technologies Inc. (the “Corporation”)	Brogent HK	Hong Kong	Reinvestment and trading business	\$ 619,217	\$ 370,947	-	100.00	\$ 495,147	\$ (35,302)	\$ (35,302)	Subsidiary
The Corporation	Brogent Global	Taiwan	Development and management business of self-operated outlets, site planning and film production	300,000	300,000	36,214,332	100.00	302,698	10,192	10,371	Subsidiary
The Corporation	Dili Jie	British Virgin Islands	Reinvestment and trading business	296,593	296,593	-	100.00	435,697	(9,380)	(9,380)	Subsidiary
The Corporation	Scroll Application Technology Co., Ltd.	Taiwan	Sales and research and development of software services	20,000	20,000	2,000,000	48.78	5,046	(12,701)	(6,892)	Associates
Brogent HK	Brogent Japan Entertainment	Japan	Management business development and sales of the peripheral products of simulator rides in Japan	10,161	10,161	-	35.90	4,981	(4,789)	(1,719)	Associates
Brogent HK	StarLite	Canada	Design and management business	37,505	37,505	-	100.00	2,123	(7,783)	(7,783)	Subsidiary
Dili Jie	Jetway	Cayman Islands	Reinvestment and trading business	298,659	298,659	-	100.00	435,675	(9,380)	(9,380)	Subsidiary
Jetway	Garley	British Virgin Islands	Reinvestment and trading business	131,258	131,258	-	100.00	181,467	(1,638)	(1,638)	Subsidiary
Jetway	Holey Holdings Limited	British Virgin Islands	Reinvestment and trading business	168,391	168,391	-	100.00	254,155	(7,493)	(7,493)	Subsidiary
Brogent Global	Jetmay	British Virgin Islands	Reinvestment and trading business	99,276	99,276	-	100.00	117,999	(3,605)	(3,605)	Subsidiary

Note 1: The share of profit (loss) recognized for the year ended December 31, 2024 included eliminated unrealized gains or losses.

Note 2: Refer to Table 6 for the information on investments in mainland China.

TABLE 6

Brogent Technologies Inc.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Brogent Rides	Import and export business	\$ 529,402	Reinvested through the third region Brogent HK and Garley	\$ 222,712	\$ 248,270	\$ -	\$ 470,982	\$ (5,585)	100.00	\$ (5,585)	\$ 571,614	\$ -	Note 2
Brogent Creative	Development and management business of self-operated outlets	58,214	Reinvested through the third region Brogent Rides	-	-	-	-	(23,959)	100.00	(23,959)	62,891	-	Note 2
HaiWei Creative	Whole planning business	89,560	Reinvested through the third region Jetmay	88,454	-	-	88,454	(3,604)	100.00	(3,604)	117,972	-	Note 2
Chang'an Above Limited	Development and management business of self-operated outlets	291,070	Reinvested through the third region Brogent Rides	-	-	-	-	(16,961)	25.00	(5,698)	106,268	-	Note 2

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
Brogent Technologies Inc. (the “Corporation”)	\$ 559,436	\$ 559,436	\$ 2,398,904

Note 1: The exchange rate was RMB\$4.478=NT\$1.00.

Note 2: The investment gain (loss) was recognized based on the parent company only financial statements audited by the Corporation’s CPA.

TABLE 7**Brogent Technologies Inc.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of the Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Chih-Hung Ouyang	3,907,191	5.53

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, including shares that have been issued without physical registration by the Brogent Technologies Inc. as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to the Market Observation Post System.

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STATEMENT 1

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount
Cash on hand		<u>\$ 1,133</u>
Cash in banks		
Demand deposits		290,453
Checking deposits		53
Foreign currency deposits	USD565 thousand, RMB406 thousand, EUR282 thousand, CAD 6 thousand, JPY243,270 thousand	<u>84,108</u>
		<u>374,614</u>
		<u>\$ 375,747</u>

Note: Exchange rate:

USD1=NTD32.78

RMB1=NTD4.48

EUR1=NTD34.15

JPY1=NTD0.21

STATEMENT 2

Brogent Technologies Inc.

**PARENT COMPANY ONLY STATEMENT OF ACCOUNTS RECEIVABLE AND
LONG-TERM RECEIVABLES**

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related parties	
Brogent Rides	\$ 148,042
Others (Note 1)	<u>12,825</u>
	<u>160,867</u>
Unrelated parties (Note 2)	
Group A	69,109
Group B	56,502
Group C	34,229
Group D	26,224
Group E	24,487
Group F	22,828
Others (Note 1)	<u>60,198</u>
	293,577
Less: Allowance for impairment loss	<u>(113,619)</u>
	<u>179,958</u>
	<u>\$ 340,825</u>

Note 1: The amounts for individual clients included in “Others” did not exceed 5% of the account balance.

Note 2: Including long-term receivables.

STATEMENT 3

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF OTHER RECEIVABLES

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related parties	
Brogent Global	<u>\$ 5,187</u>
Non-related parties	
Tax refund receivables	11,850
Interest receivables	666
Others	<u>194</u>
	<u>12,710</u>
	<u>\$ 17,897</u>

STATEMENT 4

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF INVENTORIES

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Carrying Amount	Net Realizable Value (Note)
Project materials	<u>\$ 233,151</u>	<u>\$ 242,697</u>

Note: Refer to Note 4 to the parent company only financial statements for accounting policies on net realizable value.

STATEMENT 5

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF PREPAYMENTS

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount
Prepaid expenses	\$ 23,772
Prepayments to suppliers	11,609
Offset against business and input tax payable	3,216
Prepaid insurance	2,930
Others (Note)	<u>126</u>
	<u>\$ 41,653</u>

Note: The amounts for individual items included in “Others” did not exceed 5% of the account balance.

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollar, Unless Stated Otherwise)

Name	Balance, January 1, 2024		Additions in Investment (Note 1)		Decrease in Investment (Note 1)		Balance, December 31, 2024			Net Asset Value (Note 2)		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	% of Ownership	Amount	Unit Price (NT\$)	Total Amount	Collateral
Brogent HK	-	\$ 262,210	-	\$ 248,270	-	\$ 15,333	-	100	\$ 495,147	\$ -	\$ 495,147	None
Brogent Global	36,214,332	288,084	-	14,614	-	-	36,214,332	100	302,698	8.31	300,860	None
Dili Jie	-	432,973	-	2,724	-	-	-	100	435,697	-	435,697	None
Scroll Application Technology	2,000,000	<u>11,938</u>	-	<u>-</u>	-	<u>6,892</u>	2,000,000	49	<u>5,046</u>	2.52	<u>5,046</u>	None
		<u>\$ 995,205</u>		<u>\$ 265,608</u>		<u>\$ 22,225</u>			<u>\$ 1,238,588</u>		<u>\$ 1,236,750</u>	

Note 1: Changes in this year include acquisition of investments, the share of profits and losses of subsidiaries and associates accounted for using the equity method, exchange differences on translation of the financial statements of foreign operations, the share of other comprehensive income of the associate, and upstream and downstream transactions.

Note 2: The net equity value is calculated based on the financial statements of each invested company and the shareholding ratio of Brogent Technologies Inc.

STATEMENT 7

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Related parties (Note)	\$ <u>79</u>
Unrelated parties	
Company A	7,211
Company B	5,495
Company C	5,298
Company D	4,500
Company E	4,419
Company F	2,807
Others (Note)	<u>16,327</u>
	<u>46,057</u>
	\$ <u>46,136</u>

Note: The amounts for individual vendors included in “Others” did not exceed 5% of the account balance.

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Bank Name	Contract Period Contract Period and Repayment Terms	Interest Rates (%)	Balance, December 31, 2024			Collateral
			Current	Non-current	Total	
Collate raised Borrowing						
Taiwan Cooperative Bank	Repay monthly before October 2031	2.23	\$ 15,473	\$ 98,944	\$ 114,417	Buildings
Taiwan Cooperative Bank	Repayment due in February 2026	2.30	-	100,000	100,000	Buildings
Unsecured loan						
Taiwan Cooperative Bank	Repayment due in June 2026	2.34	-	89,400	89,400	-
			<u>\$ 15,473</u>	<u>\$ 288,344</u>	<u>\$ 303,817</u>	

STATEMENT 9**Brogent Technologies Inc.****PARENT COMPANY ONLY STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Summary	Lease Term	Discount Rate (%)	Amount
Land	Business space	2012.03-2053.07	1.71-2.17	\$ 190,348
Building	Offices and factories	2021.02-2030.05	1.71-1.85	31,068
Transportation equipment	Official vehicle	2023.07-2027.11	2.17-2.23	<u>3,428</u>
				224,844
Less: current				<u>(27,685)</u>
Lease liabilities - non-current				<u>\$ 197,159</u>

STATEMENT 10

Brogent Technologies Inc.

**PARENT COMPANY ONLY STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Amount
Cost of project contract	\$ 600,232
Cost of Licensing	17,143
Cost of tickets sales and merchandise	25,717
Cost of services	38,330
Cost of rental	<u>22,526</u>
	<u>\$ 703,948</u>

STATEMENT 11**Brogent Technologies Inc.****PARENT COMPANY ONLY STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Marketing Expense	General and Administrative Expense	Research and Development Expense	Total
Employee benefits (Note)	\$ 42,663	\$ 104,612	\$ 102,914	\$ 250,189
Depreciation	1,865	81,923	4,910	88,698
Miscellaneous purchases	1,937	2,487	13,081	17,505
Professional service expense	9,694	17,262	2,060	29,016
Amortization	1,092	6,135	1,538	8,765
Advertisement expense	29,369	317	-	29,686
Water, electricity and gas expense	12	8,579	-	8,591
Traveling expense	9,246	7,805	1,319	18,370
Others	<u>11,386</u>	<u>60,035</u>	<u>12,240</u>	<u>83,661</u>
	<u>\$ 107,264</u>	<u>\$ 289,155</u>	<u>\$ 138,062</u>	534,481
Expected credit loss				<u>32,341</u>
				<u>\$ 566,822</u>

Note: Refer to Statement 12.

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION **FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023** **(In Thousands of New Taiwan Dollars)**

	For the Year Ended December 31					
	2024			2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefit (Notes 1 and 2)						
Salaries	\$ 46,417	\$ 206,213	\$ 252,630	\$ 56,774	\$ 162,080	\$ 218,854
Labor and health insurance	5,639	17,235	22,874	7,061	15,005	22,066
Pension	2,903	9,168	12,071	3,554	7,626	11,180
Remuneration of directors	-	4,968	4,968	-	3,630	3,630
Others	<u>2,633</u>	<u>12,816</u>	<u>15,449</u>	<u>2,797</u>	<u>8,862</u>	<u>11,659</u>
	57,592	250,400	307,992	70,186	197,203	267,389
Less: Revenue from providing services to subsidiaries	-	(211)	(211)	-	(786)	(786)
	<u>\$ 57,592</u>	<u>\$ 250,189</u>	<u>\$ 307,781</u>	<u>\$ 70,186</u>	<u>\$ 196,417</u>	<u>\$ 266,603</u>
Depreciation	\$ 35,191	\$ 88,698	\$ 123,889	\$ 29,125	\$ 90,461	\$ 119,586
Amortization	16,718	8,765	25,483	8,855	8,061	16,916

Note 1: The average numbers of the employees of Brogent Technologies Inc. (the "Corporation") in 2024 and 2023 were 277 and 283, respectively, including 7 non-employee directors in each of these years.

Note 2: The average employee benefits and salaries of the Corporation were as follows:

- a. The average employee benefits for the years ended December 31, 2024 and 2023 amounted to \$1,122 thousand and \$956 thousand, respectively.
- b. The average salaries for the years ended December 31, 2024 and 2023 were \$936 thousand and \$793 thousand, respectively.
- c. The average salary increased by 18% year-on year.
- d. The Corporation has set up an audit committee, replacing supervisors.

(Continued)

- e. The Corporation's salary policies (including directors, executive officers and employees) are as follows:

1) Independent director

The Corporation may pay remuneration to independent directors on a monthly basis, regardless of profit or loss, subject to adjustment by the remuneration committee based on their participation and contribution to the Corporation's operations, and the remuneration will be submitted to the board of directors for approval.

2) Directors

According to the Articles of the Corporation, the remuneration of directors shall not be higher than 2% of the annual profit, and the board of directors is authorized to determine the individual remuneration based on the degree of the directors' participation and contribution to the Corporation's operations and the common level of peers.

3) Executive officers

The remuneration committee of the Corporation may determine the content and amount of the remuneration of the executive officers based on the officers' degree of participation in the Corporation's operations, the value of their contributions, and the achievement of performance targets, as well as the common level of peers.

4) Employees

The Corporation shall formulate a reasonable salary policy based on the common level of peers and listed companies to maintain internal fairness and external competitiveness. In addition, according to the Corporation's Articles, where the Corporation makes a profit in a fiscal year, the compensation of employees shall be accrued at a rate between 5% and 15%.

(Concluded)