

# **B'IN LIVE CO., LTD.**

## **2023 Annual Report**

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Annual report is available at:

<http://mops.twse.com.tw>

<http://www.bin-live.com>

### Note to Readers

This is a translation of the 2023 annual report (The “annual report”) of B'IN LIVE CO., LTD. (The “Company”).

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 version shall prevail.

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Title: CEO

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**II. Headquarters, Branches and Plant**

Headquarters: 3F., No. 370, Xinhua 1st Rd., Neihu Dist., Taipei City 114, Taiwan

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Branches: None.

Plant: None.

**III. Stock Transfer Agent**

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**IV. Certified Public Accountant (CPA) and accounting firm for the financial statements of the most recent year:**

Name: CPA Yu-Hung Kuo and Hsiu-Ming Hsu

CPA Firm: Deloitte & Touche Taiwan

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan

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**V. Overseas Trade Places for Listed Negotiable Securities and Method to Inquire for Such Overseas Negotiable Securities: None.****VI. Web: <http://www.bin-live.com>**

# **B'IN LIVE CO., Ltd.**

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## One. Report to Shareholders

Dear Shareholders,

Thank you all shareholders for attending the Shareholders Annual General Meeting for this year amidst your busy schedule. The 2023 Business Overview and the 2024 Business Plan of the Company and subsidiaries are summarized for reporting as follows:

### I. 2023 Business Results

#### (I) 2023 Business Plan Implementation Outcomes

In view of the business situation in 2023, the consolidated operating revenue was NTD 2,558,560 thousand, an increase of NTD 1,255,916 thousand, compared to the previous year of NTD 1,302,644 thousand. The operating gains was NTD 273,896 thousand, an increase of NTD 276,856 thousand, compared to the previous year losses of NTD 2,960 thousand. Gains that were attributable to the Company's owners were NTD 294,797 thousand, an increase of NTD 308,561 thousand, compared to the previous year losses of NTD 13,764 thousand, with earnings per share at NTD 6.68.

#### (II) 2023 Budget Execution Status

The Company and subsidiaries has not issued finance forecast for 2023. Hence, there is no comparison information available for the actual and estimated amounts. The preparation of the annual budget and execution for the daily operations are based on the Company's budget management regulations.

#### (III) 2023 Finance Expenditures and Profitability Analysis

			Unit: %; NT\$	
Item			2023	2022
Financial position	Debt ratio (%)		48.40	51.54
	Long-term Funds to Property, Plant and Equipment (%)		301.58	275.59
Solvency	Current ratio (%)		156.19	146.64
	Quick ratio (%)		143.02	143.28
	Times interest earned		186.00	(10.19)
Profitability	Return on assets (%)		20.68	(1.65)
	Return on equity (%)		40.91	(3.42)
	To paid-in capital	Operating profit (losses) (%)	61.52	(0.67)
		Income (losses) before tax (%)	75.13	(4.75)
	Net profit (losses) margin (%)		11.38	(1.50)
	Basic earnings (losses) per share		6.68	(0.31)

#### (IV) 2023 Research and Development Status

The major R&D for business activities of the Company and its subsidiaries are the creative conception, design of visual information, planning of stage space, and the research of how to apply new technologies in the market on performance events.

The global performance industry presents steady trends in recent years. The

Company has participated in more than 200 concerts and other activities each year in the past. It has not only won acclaims from customers and performance artists, but has also created many classic works in the Mandarin music scene. From the beginning of 2020, B'in Live was profoundly impacted by the outbreak of the COVID-19 pandemic for three consecutive years, causing almost a complete halt to global offline performance activities. Finally, in 2023, the post-pandemic concert market experienced a rapid boom. Following the lifting of lockdown restrictions, artists/performance teams enthusiastically returned to the live concert market. The Company participated in and executed various domestic and international live performances, including Mayday's "Mayday Fly to 2023" world tour, JJ Lin's "JJ20" world tour, Rene Liu's "Final Call" tour, Accusefive's first new world tour "Around the New World," Richie Jen's "On My Way" tour, Nick Chou's REALIVE Kaohsiung Arena Concert, Hebe Tien's "One, after Another" Taipei Final Show, and more. Our performance landscape extends across Asia, North America, Europe, and Australia. Furthermore, we undertook technical coordination for overseas artists performing in Taiwan, such as BLACKPINK's "BORN PINK" World Tour in Kaohsiung and Coldplay's "MUSIC of the SPHERES" World Tour in Kaohsiung, among others. In terms of event organizing, we organized ONE OK ROCK's "Luxury Disease Asia Tour 2023" in TAIWAN, as well as various other events, including galas, award ceremonies, festivals, sports events, and television studio recording programs. Examples include the 2023 Hakka Expo opening ceremony, the 2023 Taiwan Lantern Festival: "Taipei Together," the 2023 Golden Indie Music Awards, 2023 SUPERSTAR (sports performances), professional basketball leagues, and outdoor theater performances at the 2023 Yilan International Children's Folklore & Folkgame Festival. Furthermore, in 2023, the Company obtained operating rights for the Taoyuan Sunlight Arena and provided professional stage technical services for the Taipei Music Center, expanding into diverse business scopes to drive business momentum.

In 2023, the Company participated in two major design competitions in Asia, namely the K-DESIGN Award and the DFA Design for Asia Awards. The stage design of Nick Chou's "REALIVE" world tour won the K-DESIGN Award 2023 GOLD WINNER and DFA Design for Asia Awards 2023 Silver Award. The stage design of Xiao Bing Chih's "Project X" tour and Mixer's "WE: 10th Anniversary Concert" tour were also recognized by the K-DESIGN Award 2023 WINNER.

## II. Overview of the 2024 Business Plan

### (I) Business Guideline

The Company and subsidiaries are the only total solutions provider for performances in Taiwan equipped with software design skills and hardware equipment. We are deeply involved in the various professional disciplines for more than ten years, such as, spatial-visual design, software performance production, hardware technologies and engineering. We are also the few professional behind-the-scene teams in Taiwan who can take on contracted work in activity planning and production for concerts, award ceremonies, corporate end-of-year parties, and commercial performances. The Company

and subsidiaries constantly uphold to the service spirit of creating the greatest value for our customers in shaping a quality “B’IN LIVE” brand image. By combining diversified marketing business strategies to steadily create market values, and for an active approach and prudent evaluation, we aim to realize the Company’s management philosophy of “Innovation, Branding, and Sustainability.” This can bring more economic benefits for the cultural creativity of music industry.

(II) Expected sales volume and its basis

The Company and subsidiaries have not prepared the annual finance forecast for release. Hence, there are no expected sales volume and related statistics.

(III) Important production and sales policy

The Company is the only company providing software and hardware resource integration service in Taiwan. Besides independently providing planning services of the production and creative conception of the program at the initial stage of events, stage and set design services, visual design services, hardware technology coordination services, hardware equipment leasing services, etc., the Company is also able to provide all other services required to hold the events. Under the one-stop service, the Company’s teams communicate and cooperate at the initial creative design stage regarding whether the customer's expectations and requirements can be met to achieve the customer's goals. The Company and subsidiaries are actively extending the breadth of our entertainment performance services. Expansion includes integrated business as an event organizer for concerts and public relations marketing and actively incubating original IP. The Company and subsidiaries have appointed dedicated personnel to learn about the development and application of domestic and foreign software and hardware equipment and 5G technology to apply in performance activities or concerts for the improvement of the overall creativity and quality presented in the performance activities.

III. Future Company Development Strategies

In addition to our ongoing dedication to concert planning and production, as well as various commercial performances, the Company has deeply engaged in producing and executing shows in the mainland China market. We leverage our comprehensive services and world-class technical services and equipment to bring globally renowned artists to perform in Taiwan. Looking ahead, we are committed to actively expanding its operational scope by enhancing our event organizing business. We will prioritize negotiations for the operation of venues with different capacities, aiming to fully integrate venue utilization into our event organizing operations. This strategic approach is designed to optimize business performance and achieve robust and diversified operational outcomes.

IV. Influence of External Competition, Legal and Regulatory Environment, and Macroeconomic Situation

The lack of performance spaces in Taiwan has always been a common nightmare for music and performance companies who want to organize large concerts. The government unit has in recent years constructed two popular music centers in Taipei and Kaohsiung

Cities, plus the private establishment of the Zepp New Taipei of the Live House. Hopes are held for the future when the Taipei Dome begins operations which aids in improving the current situation.

Taiwanese pop music is the indicator of the development of Chinese pop music and is also the leader of the Chinese pop music trend. Because pop music not only shows the creativity and distribution of music but also shows the superior lifestyle and culture in Taiwan compared with other countries. Moreover, the government is also actively promoting and subsidizing cultural and creative industries, which will further facilitate the development of the pop music industry. In the popular music market, the record companies of Taiwan have established office locations in Asia and China. Their overseas market scale has exceeded that of the domestic market. There remain room for growth of the industry's future development.

The Company and subsidiaries are committed to the philosophy of “As long as it is a performance, it is the service scope of B'IN” and we continue to offer diverse and flexible service items. Apart from optimizing creation value for the customers and bringing much economic benefits for the local music and cultural industry in Taiwan, it is hoped that the operation performance will grow steadily this year in reaching the expectations of the shareholders for the Company.

Wishing all shareholders

good health and prosperity.

B'IN LIVE CO., Ltd.

Chairman Yu-Yang Chou



## Two. Company Profile

I. Date of establishment: January 2, 2014

II. Company history

Year	Highlights
January 2014	The Company was formerly the production department of B'in Music International Limited, specializing in concert organization for its singers or other record companies. B'IN LIVE CO., was incorporated by splitting up in early 2014 with authorized and paid-in capital amounting to NT\$500 thousand.
	Production- JJ LIN : TIMELINE WORLD TOUR (2013~2015)
	Production-JONATHAN LEE : EVEN IF YOUTH IS NEVER LASTING WORLD TOUR (2013~2015)
	Production- DELLA : ONE IN A THOUSAND WORLD TOUR (2013~2014)
July 2014	In July 2014, the Company cooperated with the best who work behind the scenes, including FREE LANCERS GROUPS in the stage and set design field, LianLy, ShenHua, and ShenYi Company in the equipment field, and New Processing Broadcast Production Co., Ltd. in the technical coordination field. Together the brand "B'IN LIVE" reached the milestone in offering one-stop solutions to concert events.
August 2014	The Company's authorized capital increased to NT\$50,000 thousand. The paid-in capital amounted to NT\$50,000 thousand after a cash capital increase of NT\$49,500 thousand was carried out.
September 2014	The Hong Kong subsidiary, B'IN LIVE LIMITED, was set up, with an authorized capital of HKD100 thousand.
December 2014	Production- HEBE TIEN : IF TOUR - Taipei Arena
	Production-MAGIC POWER : OUR S MP TOUR - Taipei Arena
January 2015	The authorized capital of the Hong Kong subsidiary, B'IN LIVE LIMITED, increased to HKD5,000 thousand.
	Production-WAKIN CHAU : WAKIN CHAU WORLD TOUR (2015~2017)
	Production-DELLA : THE FIRST DAY TO SAY I LOVE YOU TOUR (2015~2016)
March 2015	The Company made an indirect investment in B'IN LIVE (SHANGHAI) LTD. through its subsidiary B'IN LIVE LIMITED. The registered capital amounted to CNY5,000 thousand.
April 2015	The Company's authorized capital increased to NT\$350,000 thousand. The paid-in capital amounted to NT\$53,700 thousand after a cash capital increase of NT\$3,700 thousand was carried out.
July 2015	The Company increased its capital by NT\$49,136 thousand by transferring earnings and capital surplus. The paid-in capital increased to NT\$102,836 thousand.
September 2015	Production- RENE : RENEXT WORLD TOUR (2015~2017)
	Production- LI JIAN : LI JIAN WORLD TOUR (2015~2016)

Year	Highlights
November 2015	Production-VICTOR WONG : I'M STILL HERE FOR YOU TOUR (2015~2017)
May 2016	Production-MAYDAY 「 JUST ROCK IT 2016 」
June 2016	The Company's paid-in capital amounted to NT\$123,336 thousand after a cash capital increase of NT\$20,500 thousand was carried out.
August 2016	The Company increased its capital by NT\$123,335 thousand by transferring earnings and capital surplus. The paid-in capital increased to NT\$246,671 thousand.
September 2016	Production2016 SUPER STAR
December 2016	Production- MAYDAY : RE:LIVE JUST ROCK IT! 2016 FINAL CONCERT
	Production-2016 MIGU MUSIC AWARDS
	Production-2016 AMWAY
	Production-2016 JOANNA : FANTASY JUSTICE AND ABSURDITY WORLD TOUR
January 2017	Promotion- MONSTER NO.8 WACKY PARADISE in KAOHSIUNG
	Production-12TH MUSIC KKBOX AWARDS CEREMONY
	The registration for the public offering of the Company took effect on January 11, 2017.
March 2017	The Company's paid-in capital amounted to NT\$256,671 thousand after a cash capital increase of NT\$10,000 thousand was carried out.
	Production-MAYDAY : LIFE LIVE TOUR(2017~2019)
	The Company received approval for Emerging Stock Market registration from Taipei Exchange.
May 2017	Production-1TH GOLDEN FEATHER AWARDS
June 2017	Production-2017 Hito MUSIC AWARDS
August 2017	The Company increased its capital by NT\$51,334 thousand by transferring earnings and capital surplus. The paid-in capital increased to NT\$308,005 thousand.
September 2017	Production- 2017 SUPER STAR
October 2017	Production- LO TAYOU : LEAVING HOME WITH YOUTHFUL DREAM TOUR (2017~2019)
	Production- 2017 TAIWAN INDIE MUSIC FESTIVAL
	Production- 2017 TAIPEI LIVE FOREVER
	Promotion-WON FU : HALLOWEEN CONCERT
November 2017	Production-DOUBLE PCHOME : SUPERSTAR CONCERT
	Production- MC JIN : I AMHIPMAM TOUR (2017~2018)
	Production- DOUBLE 11TH TMAIL PARTY
December 2017	Production- 2017 TSMC CONCERT
	Production-CHRIS LEE : LIU XING TOUR (2017~2018)

Year	Highlights
January 2018	Promotion-MONSTER NO.8 WACKY PARADISE in TAICHUNG
	Production-2018 CHINA RESOURCES NEW YEAR CONCERT °
	Production- 13TH MUSIC KKBOX AWARDS CEREMONY
February 2018	The Company carried out the public offering before the initial listing. Common shares amounted to 3,000 thousand shares were issued by cash capital increase. The paid-in capital increased to NT\$338,005 thousand.
	The company's stock has been listed since February 7, 2018. The Company became the first listed company in the cultural and creative industry.
March 2018	The subsidiaries, GORGEOUS ENTERTAINMENT CO., LTD. and CHILL CO., LTD., were established, with an authorized capital of NT\$5,000 thousand respectively.
May 2018	Production- 12018 GOLDEN PIN DESIGN AWARD
July 2018	Promotion and production-JACKY WU : JACKY WU CONCERT in TAIPEI ARENA
August 2018	The Company increased its capital by NT\$16,900 thousand by transferring capital surplus. The paid-in capital increased to NT\$354,905 thousand.
	The Company made an indirect investment in B'IN LIVE (CHENGDU) LTD. through its subsidiary B'IN LIVE LIMITED. The registered capital amounted to CNY6,000 thousand.
	Production-2018 GOLDEN VISUAL AWARDS
	Production-2018 THE NIGHT OF UNLIMITED POWER : REAL ME
	Production-2018 DANCE IN METRO
September 2018	Production-S.H.E : 17TH LIVE CONCERT
	Production-MICHAEL WONG : LONELY PLANET WORLD TOUR
	Production-VALEN HSU : FREYJA TOUR
	Production-2018 SUPER STAR
October 2018	Production-2018 GOLDEN TRIPOD AWARDS FOR PUBLICATIONS
	Production-2018 GOLDEN INDIE MUSIC AWARDS
November 2018	Production-DOUBLE PCHOME : UNLIMITED CONCERT
December 2018	Production-MIGU MUSIC AWARDS
	Coordination-2018 CHRISMASLAND IN NEW TAIPEI CITY
January 2019	Promotion-ØZI : LOST IN PARADISE CONCERT
February 2019	Promotion and production-5566 : SINCE 5566 TOUR in TAIPEI ARENA
April 2019	Production-MAYDAY : JUST ROCK IT - BLUE TOUR
	Production-RICHIE JEN : RICHIE JEN TOUR
May 2019	Promotion and production-JACKY WU : JACKY WU CONCERT in KAOHSIUNG ARENA
	Production-JONATHAN LEE : THOSE SONGS THROUGH THE YEARS
July 2019	Promotion and production-TAIPEI EASTERN DISTRICT PLUS+

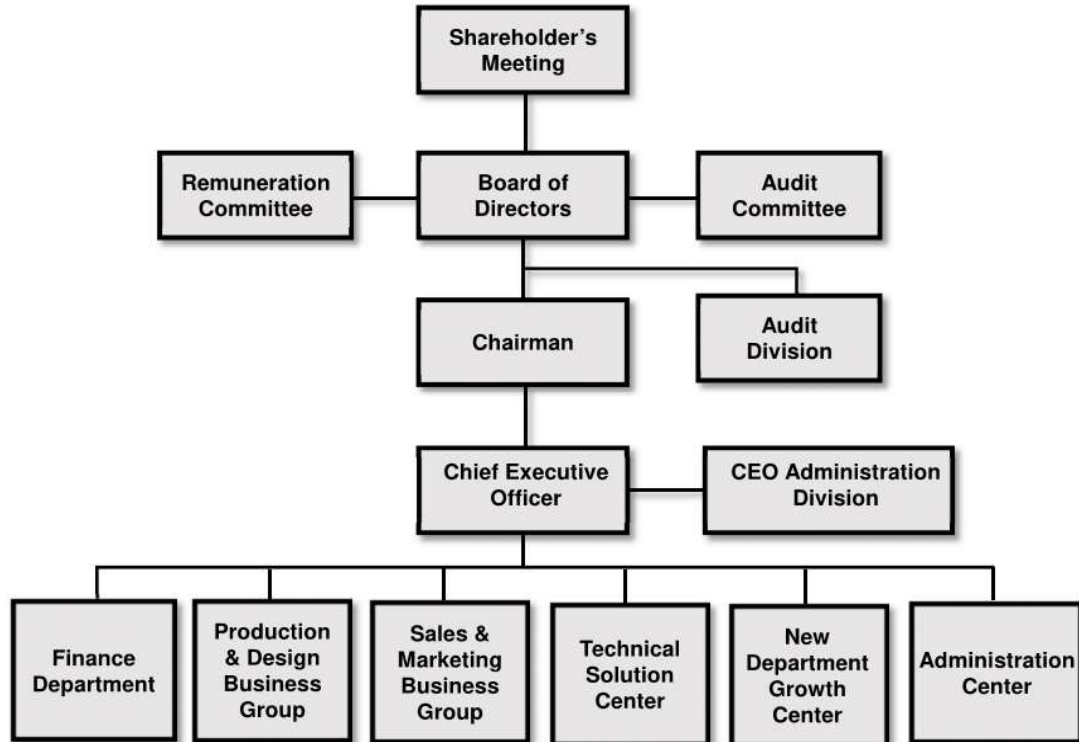
Year	Highlights
August 2019	Production-10TH SUPER SLIPPA
	Production-PChome 88 CARNIVAL
	The Company increased its capital by NT\$17,429 thousand by transferring earnings. The paid-in capital increased to NT\$372,334 thousand.
September 2019	Production-2019 SUPER STAR
	The Company issued restricted stock amounting to NT\$1,000 thousand. The paid-in capital increased to NT\$373,334 thousand.
November 2019	Production-FIRST BANK 120th ANNIVERSARY CONCERT
	Production-2019 10TH GOLDEN INDIE MUSIC AWARDS
	The subsidiary Bin Live Japan Co., Ltd was established, with a paid-in capital of JPY 30,000 thousand.
December 2019	Production-2019 GOLDEN PIN DESIGN AWARD
	Organization and production-2019 TAIPEI : NEW YEAR'S EVE PARTY
	Organization and production-2019 LOVE KAOHSIUNG SEASON OF CHASING LIGHT
February 2020	Production-WAKIN: WAKIN FANTASY JOURNEY LIVE CONCERT
April 2020	Production-RENE : FOR YOU ONLINE CONCERT
	The Company issued restricted stock amounting to NT\$1,000 thousand. The paid-in capital increased to NT\$374,334 thousand.
May 2020	The Company issued restricted stock amounting to NT\$1,000 thousand. The paid-in capital increased to NT\$375,334 thousand.
	Production-MAYDAY : LIVE IN THE SKY ONLINE CONCERT
August 2020	Production-11TH SUPER SLIPPA
	Promotion and production-SINCE 5566 TOUR in KAOHSIUNG ARENA
September 2020	Production-TAIPEI MUSIC CENTER : HI! TMC IS OPENING, OPENING CONCERT
	Promotion and production-TARCY SU : FLOWER OF LIFE, 30TH ANNIVERSARY TOUR (2020~2022)
	Production-HEBE TIEN : ONE, AFTER ANOTHER TOUR in TAIPEI ARENA (2020~2023)
	The Company increased its capital by NT\$18,400 thousand by transferring capital surplus. The paid-in capital increased to NT\$393,734 thousand.
October 2020	Production-JJ LIN : DRIFTER LIKE YOU DO LIVE STREAM CONCERT
November 2020	The Company's paid-in capital amounted to NT\$448,734 thousand after a cash capital increase of NT\$55,000 thousand was carried out.

Year	Highlights
December 2020	Organization and production-2021 TAIPEI : NEW YEAR'S EVE PARTY
	Organization and production-2020 KAOHSIUNG : FORMOSA BOULEVARD STATION HIGHLIGHT SHOW
	Production-MAYDAY : MAYDAY FLY TO 2021-2023 TOUR(2020~2023)
April 2021	Production-2021 WAKIN CHAU : WAKIN CHAU WORLD TOUR(2021~2024)
May 2021	Production-ACCUSEFIVE : LOST AND FOUND TOUR(2020~2023)
October 2021	Planning-2021 NTCH : LUNATIC TOWN AUTUMN FESTIVAL
	Production- KAOHSIUNG MUSIC CENTER : SEA THE FUTURE, OPENING CONCERT
November 2021	The Company issued restricted stock amounting to NT\$1,000 thousand. The paid-in capital increased to NT\$449,734 thousand.
December 2021	Production-MUYAO : AWAKENING-6TH ANNIVERSARY SPECIAL PROJECT CROSSOVER CONCERT
	Production-2021 GOODDAY CHARITABLE CONCERT
	Organization and production-2022 TAIPEI : NEW YEAR'S EVE PARTY
January 2022	The Company's paid-in capital amounted to NT\$443,404 thousand after cancellation of treasury shares decrease of NT\$6,330 thousand was carried out
July 2022	Promotion and production-SANDEE CHAN : DISCIPLINE X DOGMA CONCERT
August 2022	Promotion and production-DANIEL LO : DANIEL LO TOU
September 2022	Production- ACCUSEFIVE : LOVE IN PARADISE CONCERT
October 2022	Production- RENE : FINAL CALL TOUR (2022~2024)
	Promotion and production -5566 「2056 20 <sup>th</sup> CONCERT」。
November 2022	Production- JJ20 World Tour (2022~2024)
	Production- NICKTHEREAL “REALIVE” Taipei Arena (2022~2024)
	Production- GOLDEN INDIE MUSIC AWARDS (2022~2023)
	Promotion and production- AARON YAN 「YAN Universe」 Taipei Concert
December 2022	Production- MAYDAY NOWHERE Re: Live (2022~2024)
	Production- to ebb 2022 Taipei Arena
	Organization and production-2023 TAIPEI : NEW YEAR'S EVE PARTY
April 2023	Production- Accusefive's first new world tour “Around the New World (2023~2024)
	Production- Richie Jen's 「On My Way」 tour (2023~2024)
May 2023	Production- CHRIS LEE 「HAVE A NICE WEEK」 Concert (2023~2024)
August 2023	Organization and production- 2023 Hakka Expo opening ceremony
September 2023	Organized ONE OK ROCK's “Luxury Disease Asia Tour 2023” in TAIWAN
December 2023	The Company issued restricted stock amounting to NT\$1,800 thousand. The paid-in capital increased to NT\$445,204 thousand.
	Production- MAYDAY : #5525 LIVE TOUR (2023~2024)

### Three. Corporate Governance Report

#### I. Organizational structure

##### (I) Organizational structure



##### (II) Businesses of each major department

Department	Responsibility
Audit Division	<ul style="list-style-type: none"> <li>Evaluating the design and revision of the internal control policies and internal audit policies of the Company</li> <li>Offering suggestions for improving operation efficiency and effectiveness of internal control</li> </ul>
Chief Executive Officer / CEO Administration Division	<ul style="list-style-type: none"> <li>Developing overall operation strategies and objectives of the Company</li> <li>Execution of resolutions of the Board of Directors</li> <li>Responsible for drafting and reviewing various contracts and documents, negotiation of legal affairs, settling litigation, and selection of lawyers</li> <li>Responsible for the application and management of Trademark and copyright</li> <li>Maintaining cooperate image, handling public relation crisis, and maintaining media relations</li> </ul>

Department	Responsibility
	<ul style="list-style-type: none"> <li>• Managing and coordinating the daily operation of departments</li> <li>• Responsible for corporate management and the introduction and application of new technical solutions</li> </ul>
Production & Design Business Group	<ul style="list-style-type: none"> <li>• Responsible for undertaking and completing the performance production and equipment leasing.</li> <li>• Responsible for undertaking and completing the planning and design of the stage set, space, vision, lighting, and multimedia integration, etc. of the performance activity.</li> </ul>
Sales & Marketing Business Group	<ul style="list-style-type: none"> <li>• Responsible for market development, promotion, client service, and undertaking and completing the equipment leasing for activities</li> <li>Responsible for the public tenders and enterprise activities</li> <li>• Responsible for the cross-functional cooperation, and integration of external resources, media, and sponsorship, etc., to bring more benefits</li> </ul>
Technical Solution Center	<ul style="list-style-type: none"> <li>• Responsible for the coordination work of logistics of activities, preparation of the equipment layout, exhibition of the stage atmosphere of the lighting, audio, video, and musical instruments, and making the purchase plan for the procurement of equipment on a timely basis of appropriate quantities based on the sales target of the Company</li> </ul>
New Department Growth Center	<ul style="list-style-type: none"> <li>• Analysis and assessment of investment opportunity</li> <li>• Responsible for the planning and execution of investment projects and performance tracking and management</li> <li>• Responsible for the development of new organization</li> </ul>
Administration Center	<ul style="list-style-type: none"> <li>• Responsible for the overall recruitment, training, retaining, employment, communication with employees, general and administration affairs, etc.</li> <li>• Responsible for document approval, paperwork, insurance management, labor relations, labor safety management, and employee benefits, etc.</li> <li>• Responsible for the establishment of the information system of hardware and software, and support and backup of the Company's system</li> </ul>
Finance Department	<ul style="list-style-type: none"> <li>• Responsible for financial planning, planning for capital management, allocation, and budget, accounting, closing, and the establishment and enforcement of tax system</li> </ul>

## II. Background information of the Directors, President, Vice Presidents, Assistant Presidents and managers of various departments and branches

### (I) Information on Directors

#### 1. Background information of Directors

Date: April 20, 2024 Unit: Share: %

Position	Name	Gender and age	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Education and major past	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director, or supervisor			Remark
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relation	
Chairman	Yu-Yang Chou	Male 41-50	ROC	2013.12.26	2023.06.14	3 years	53,196	0.12%	53,196	0.12%	311,871	0.70%	1,549,824	3.48%	Bachelor of Electronic Engineering, Hwa Hsia University of Technology Production Manager of Production Department of B'in Music International Limited Manager of Ursa Major Music Co., Ltd. Beijing Branch Producer of Eastern Public Relation Co., Ltd..	Chief Executive Officer of B'IN LIVE CO., Ltd Owner of B'IN LIVE LIMITED Owner of Yi Yue Investment Limited Director (Legal Representative) of Empty Shells Pictures Co., Ltd. Owner of Bin Live Japan CO., LTD. Chairman of Showin Ltd.	—	—	—	Note
Directors	Xiang Zhi Limited	—	ROC	2014.07.14	2023.06.14	3 years	5,431,287	12.25%	5,431,287	12.20%	—	—	—	—	—	—	—	—	—	—
	Representative: Chieh-Ying Wu	Female 51-60	ROC	2023.06.14	2023.06.14	3 years	-	-	40,785	0.09%	—	—	212,789	0.48%	Master of The Bryan School of Business and Economics, University of North Carolina at Greensboro Finance Manager of Rock Internet Corporation Financial Director of Content Creation Division of Rock Records Co., Ltd.	Deputy General Manager of Finance and Director (Legal Representative) of B'IN Music International Limited Director (Legal Representative) of Xiang Zhi International Co., Ltd. Director (Legal Representative) of Fanta Integrated Marketing Co., Ltd. Director (Legal Representative) of Ibeams Co., Ltd. Owner and Director (Legal Representative) of Hsin Chi Limited Owner of B'in Music (HK) Co. Limited	—	—	—	—
Directors	Sheng-Hua Wen	Male 41-50	ROC	2019.06.19	2023.06.14	3 years	367,985	0.83%	404,985	0.91%	—	—	67,799	0.15%	Graduated from Taichung Municipal Kuang-Fu Junior high and Elementary School Hardware Engineer of LianLy Co., Ltd. Hardware Engineer of ShenYi Co., Ltd. Hardware Engineer of HongYii Tech Co., Ltd.	Chief of Business, B'IN LIVE CO., Ltd. Director (Legal Representative) of Chill Co.,Ltd	—	—	—	—
Directors	Ming-Wen Tan	Male 41-50	ROC	2022.06.16	2023.06.14	3 years	157,015	0.38%	177,015	0.40%	—	—	—	—	China University of Technology Project Manager Assistant of New Processing Broadcast Production Co., Ltd. Show Crew of Super Dome Production Co., Ltd. Show Crew of Asia Plus Broadcasting Limited Administrative Operator of Eastern Dome Management Co., Ltd.	Technical Production Director, B'IN LIVE CO., Ltd.	—	—	—	—



Position	Name	Gender and age	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Education and major past	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director, or supervisor			Remark
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relation	
Directors	Jui-Chuan Chang	Female 41-50	ROC	2023.06.14	2023.06.14	3 years	96,214	0.22%	116,214	0.26%	—	—	—	—	Master of Accounting, Department of Business Administration, Tunghai University Financial Manager of Shihlin Paper Corporation Accounting Manager of Terawins, Inc. Audit Manager of PricewaterhouseCoopers Taiwan	Chief Financial Officer B'IN LIVE CO., Ltd. Owner of B'in Live (SHANGHAI) Co., Ltd. Director (Legal Representative) of Chill Co., Ltd. Supervisor of Empty Shells Pictures Co., Ltd. Supervisor of PhotoTaxis Co., Ltd. Supervisor of Bin333 Co., Ltd. Supervisor of Me Music International Limited	—	—	—	—
Independent director	Fan-Chuan Shih	Male 41-50	ROC	2017.06.21	2023.06.14	3 years	—	—	—	—	—	—	—	—	Master of Financial and Economic Law, National Chung Cheng University Lawyer of Tatone (T&T) International Law Office Independent Director of Unitel High Technology Corporation Supervisor of Central Investment Holding Co. Ltd. Supervisor of Hsin Yu Tai Investment Co., LTD Financial Law Committee of Taiwan Bar Association of all rights reserved Member The 17th Executive Supervisor of The Institute of Internal Auditors-Chinese	Leader Lawyer of STRING Law firm Independent Arbitrator of Chinese Arbitration Association, Taipei Independent Director of Sofiva Genomics Co., Ltd. Independent Director of Diamond Biotechnology Co., Ltd. Independent Director of Bio Preventive Medicine Corp. Director of the Institute of Internal Auditors-Chinese Taiwan Taiwan bar Association Member of the Criminal Law Commission Lecturer of Securities & Futures Institute, the Institute of Internal Taiwan Securities Association Taiwan Corporate Governance Association the Allied Association for Science Parks Industries accounting research and development foundation and Taiwan Academy of Banking and Finance	—	—	—	—
Independent director	Yung-Lung Chen	Male 51-60	ROC	2019.06.19	2023.06.14	3 years	—	—	—	—	—	—	—	—	Bachelor of Accounting, Fu Jen Catholic University Associate Director of Audit Department of PricewaterhouseCoopers Taiwan Vice President of Pre-listing Tutoring Department of Fulagai Consulting and Trading Ltd.	Chief Executive Officer of Keysheen Vietnam Ltd. Owner of Qixin Liben Management Consultants Co., Ltd. Independent Director of Tong Ming Enterprise Co Ltd.	—	—	—	—

Position	Name	Gender and age	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Education and major past	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director, or supervisor			Remark
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relation	
Independent director	Yu-Hsun Liu	Male 31-40	ROC	2020.06.16	2023.06.14	3 years	—	—	—	—	—	—	—	—	Master of Business and Management, National Chiao Tung University Owner of Choco Media Co., Limited and Chief Executive Officer of LINE TV The 1st director and 2nd executive director of New Media Entertainment Association The 1st and 2nd Director of DMA Taiwan Digital Media and Marketing Association	Chief Executive Officer and Director (Legal Representative) of WeMo Corp. Owner of Mu Wei Er Limited Owner of Oh!cool Co., Ltd. Industry Professional of Appworks Ventures Co., Ltd. Director of Taipei National Chiao Tung University Alumni Association	—	—	—	—
Independent director	Wei-Chun Lu	Male 41-50	ROC	2023.06.14	2023.06.14	3 years	—	—	—	—	—	—	—	—	Master of Business Administration, National Taiwan University Senior Manager of Hon Hai Precision Industry Co., LTD. Semiconductor Business Group Planning and Investment Office Director of Fujie Industrial Investment Fund Partnership Manager of CTBC Venture Capital Co., Ltd. Associate Researcher of National Development Fund, Executive Yuan	Owner of Sage Partners Limited Owner and Director (Legal Representative) of Sofa Studio, Ltd. Owner and Director (Legal Representative) of Keystone Game Studio Inc. Owner and Director (Legal Representative) of Serenity Entertainment International Co., Ltd. Owner and Director (Legal Representative) of of Entertainment Machine Operator Ltd.	—	—	—	—

Note : Due to the Company's operational needs, the chairman of the Company also serves as the chief executive officer. he sets the operating goals and business development strategies of the Company and leads the teamwork across departments to ensure the achievement of operational performance. There were four independent directors in the company and no instances of more than half of the directors concurrently holding positions as employees or managers.

## 2. Major shareholders of corporate shareholder

Date: April 20, 2024

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder	Shareholding percentage
Xiang Zhi Limited	B'in Music International Limited. (Taiwan)	100.00%

## 3. Major shareholders of major corporate shareholders of cooperate shareholder

Date: April 20, 2024

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder	Shareholding percentage
B'in Music International Limited. (Taiwan)	B'in Music International Limited.	100.00%

4. Disclosure of information on the professional qualifications of directors and the independence of independent directors

Date: April 20, 2024

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of positions as an independent director in other public companies
Yu-Yang Chou	<ul style="list-style-type: none"> <li>● Incumbent chairman and president of the Company</li> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Served in Eastern Public Relation Co., Ltd. and B'in Music International Limited. Has been dedicated to the performance industry for years and possesses skills in professional leadership, event creativity, business management, and strategic planning. Leads the continuous growth of the Company.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>	Not applicable.	0
Xiang Zhi Limited Representative: Chieh-Ying Wu	<ul style="list-style-type: none"> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Served in Rock Records Co., Ltd. and B'in Music International Limited. Has been dedicated to the pop music industry for years. Familiar with the performance industry market and has rich experience in market strategy development and business promotion.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		0
Sheng-Hua Wen	<ul style="list-style-type: none"> <li>● Incumbent Chief of Business of the Company</li> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Served in LianLy Co., Ltd. and ShenYi Co., Ltd. Has been dedicated to the performance industry for years and possesses skills in professional leadership, event creativity, business management, and strategic planning. Leads the continuous growth of the Company.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		0
Ming-Wen Tan	<ul style="list-style-type: none"> <li>● Incumbent Technical Production Director of the Company</li> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Served in New Processing Broadcast Production Co., Ltd. , Super Dome Production Co., Ltd. and Asia Plus Broadcasting Limited. Has been dedicated to the performance industry for years and possesses skills in professional leadership, event creativity, business management, and strategic planning. Leads the continuous growth of the Company.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		0
Jui-Chuan Chang	<ul style="list-style-type: none"> <li>● Chief Financial Officer of the Company</li> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Served in Shihlin Paper Corporation, Terawins, Inc. and PricewaterhouseCoopers Taiwan. Has been dedicated to the performance industry for years and possesses skills in professional leadership, business management, and strategic planning. Leads the continuous growth of the Company.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		0

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of positions as an independent director in other public companies
Fan-Chuan Shih	<ul style="list-style-type: none"> <li>● Master of Financial and Economic Law, National Chung Cheng University. The convenor of the audit committee and remuneration committee of the Company. Leader Lawyer of STRing Lawfirm. Arbitrator of Chinese Arbitration Association, Taipei. Executive supervisor of the Institute of Internal Auditors-Chinese Taiwan.</li> <li>● Has at least five years of work experience in commerce, law, finance, and cooperate business. Skilled in fields such as law and internal audit.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>	<p>All of the independent directors meet the following circumstances</p> <ul style="list-style-type: none"> <li>● Does not meet any of the circumstances set forth in Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies</li> <li>● the Person (or the person under others' names), together with the person's spouse and minor children, do not hold the Company's shares.</li> <li>● has not received remuneration for providing commerce, law, finance, and accounting service for the Company or its affiliated companies in the most recent two years.</li> </ul>	3
Yung-Lung Chen	<ul style="list-style-type: none"> <li>● Bachelor of Accounting, Fu Jen Catholic University. The member of the audit committee and remuneration committee of the Company. Chief Executive Officer of Keysheen Vietnam Ltd. Associate Director of Audit Department of PricewaterhouseCoopers Taiwan. Vice President of Pre-listing Tutoring Department of Fulagai Consulting and Trading Ltd.</li> <li>● Has at least five years of work experience in commerce, finance, accounting, and cooperate business. Experienced in the operation of multinational enterprises and specialized in the field of operation analysis, finance, and accounting.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		1
Yu-Hsun Liu	<ul style="list-style-type: none"> <li>● Master of Business and Management, National Yang Ming Chiao Tung University. The member of the audit committee and remuneration committee of the Company. Owner of Oh!cool Co., Ltd. and Owner of Mu Wei Er Limited. Once the industry Professional of Appworks Ventures Co., Ltd.</li> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Specialized in industry and market competitiveness analysis and business innovation promotion.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		0
Wei-Chun Lu	<ul style="list-style-type: none"> <li>● Master of Business Administration, National Taiwan University. The member of the audit committee and remuneration committee of the Company. Owner of Sage Partners Limited. Senior Manager of Hon Hai Precision Industry Co., LTD. Semiconductor Business Group Planning and Investment Office. Director of Fujie Industrial Investment Fund Partnership. Manager of CTBC Venture Capital Co., Ltd. Associate Researcher of National Development Fund.</li> <li>● Has at least five years of work experience in commerce, finance, and cooperate business. Experienced in the operation of multinational enterprises and specialized in the field of operation analysis, industry and market competitiveness analysis and business innovation promotion.</li> <li>● Does not meet any of the circumstances set forth in Article 30 of the Company Act</li> </ul>		0

Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors.

State the accounting or financial background and work experience and whether they meet any of the circumstances set forth in Article 30 of the Company Act, if they are members of the audit committee and possess accounting or financial expertise.

Note 2: State the independent status of the independent directors, including but not limited to whether the person, the person's spouse, or relatives within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliated companies, the number and percentage of shares held by the person, the person's spouse and or relatives (or under others' name) within the second degree of kinship, whether the person serves as a director, supervisor, or employee of companies having a certain relationship with the Company (with reference to Subparagraph 5~8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and the amount of remuneration for providing commerce, law, finance, and accounting service for the Company or its affiliated companies in the most recent two years.

## 5. Diversity and independence of the Board of Directors

According to Article 20 of Corporate Governance Best Practice Principles, Board members should be diversified in a manner that supports the Company's operations, business activities, and growth requirements. The diversification policy should include, but is not limited to, the following two principles:

- (1) Background and value: Gender, age, nationality, culture etc.
- (2) Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing, or technology), professional skill, and industry experience.

All board members shall possess the knowledge, skills, and characters needed to exercise their duties. In order to achieve the goals of corporate governance, the overall capabilities of the board of directors are as follows:

- (1) Ability to make operational judgments.
- (2) Accounting and financial analysis
- (3) Business administration.
- (4) Crisis management.
- (5) Industry knowledge.
- (6) Vision of the global market.
- (7) Leadership.
- (8) Decision making.

The Company's Board of Directors consists of 9 members, among whom are 4 independent directors and 2 female directors, accounting for 44% and 22% of the total board composition, respectively. Moreover, independent directors serve terms not exceeding three consecutive periods, and there have been no instances of the situations specified in Article 26-3, Paragraphs 3 and 4 of the Securities Exchange Act among all serving directors. The specific management objectives of the diversity policy of the Board of Directors and the achievement are as follows:

DIVERSITY MANAGEMENT GOALS	ACHIEVEMENT STATUS
Sufficient and diversified professional knowledge and skills and professional background	Achieved
Emphasis on gender equality within the composition of the Board of Directors, ensuring that there is at least one director of a different gender.	Achieved
Over half of the independent directors shall serve no more than three consecutive terms.	Achieved
The number of directors who are spouses or relatives within the second degree of kinship does not exceed two.	Achieved

● The implementation of the diversification policy is as follows:

Name of director	Nationality	Gender	Concurrently serve as the Company's employee	Composition					
				Age			Tenure of independent directors		
				31 to 40 years old	41 to 50 years old	51 to 60 years old	less than 3 years	3 to 6 years	7 to 9 years
Yu-Yang Chou	ROC	Male	V		V				
Chieh-Ying Wu	ROC	Female				V			
Sheng-Hua Wen	ROC	Male	V		V				
Ming-Wen Tan	ROC	Male	V		V				
Jui-Chuan Chang	ROC	Female	V		V				
Fan-Chuan Shih	ROC	Male			V				V
Yung-Lung Chen	ROC	Male				V		V	
Yu-Hsun Liu	ROC	Male		V				V	
Wei-Chun Lu	ROC	Male			V		V		

Name of director	Professional background				Professional knowledge and skills:						
	Industry knowledge	Marketing or technology	Finance and accounting	Law	The ability to make judgments about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Industry Knowledge	An international market perspective	Leading/ decision making ability
Yu-Yang Chou	V	V			V		V	V	V	V	V
Chieh-Ying Wu	V		V		V	V	V	V	V	V	V
Sheng-Hua Wen	V	V			V		V	V	V	V	V
Ming-Wen Tan	V	V			V		V	V	V	V	V
Jui-Chuan Chang	V		V		V	V	V	V	V	V	V
Fan-Chuan Shih				V	V		V	V		V	V
Yung-Lung Chen		V	V		V	V	V	V		V	V
Yu-Hsun Liu	V	V			V		V	V	V	V	V
Wei-Chun Lu	V		V		V	V	V	V	V	V	V

## (II) Information of the President, Vice Presidents, Assistant Presidents and managers of various departments and branches

Date: April 20, 2024 Unit: Share; %

Position	Name	Gender	Nationality	Date of Appointment	Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Education and major past	Concurrent positions in other companies	Spouse or relatives of the second degree or closer acting as managerial officers			Employee stock options granted to managerial officers	Remarks
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relation		
Chief Executive Officer	Yu-Yang Chou	Male	ROC	2014.01.02	53,196	0.12%	311,871	0.70%	1,549,824	3.48%	Bachelor of Electronic Engineering, Hwa Hsia University of Technology Production Manager of Production Department of B'in Music International Limited Manager of Ursa Major Music Co., Ltd. Beijing Branch Producer of Eastern Public Relation Co., Ltd.	Owner of B'IN LIVE LIMITED Owner of Yi Yue Investment Limited Director (Legal Representative) of Empty Shells Pictures Co., Ltd. Director of Bin Live Japan CO., LTD. Chairman of Showin Ltd.	—	—	—	—	Note
Chief Creative Officer	Tsung-Chun Yang	Male	ROC	2014.07.01	—	—	19,125	0.04%	934,038	2.10%	Bachelor of Visual Communication Design, National Taiwan University of Arts Chief Video Content Director of Production Department of B'in Music International Limited	Owner of Ru Guo Investment Limited Director (Legal Representative) of PhotoTaxis Co., Ltd. Director (Legal Representative) of Bin333 Co., Ltd.	—	—	—	—	—
Chief of Business	Sheng-Hua Wen	Male	ROC	2014.07.01	404,985	0.91%	—	—	67,799	0.15%	Hardware Engineer of LianLy Co., Ltd. Hardware Engineer of ShenYi Co., Ltd. Hardware Engineer of HongYii Tech Co., Ltd.	Director (Legal Representative) of Chill Co., Ltd.	—	—	—	—	—
Chief Incubation Officer	Chieh-Li Chen	Male	ROC	2014.07.01	—	—	2,314	0.01%	711,781	1.60%	Diploma in Advertisement Design, Shilin High School of Commerce Art Director of Liann Yee Production Co., Ltd. Art Director of Asia Plus Broadcasting Limited	Owner of Fu Li Shi Limited	—	—	—	—	—
Chief Technology Officer	Shih-Wei Chen	Male	ROC	2020.07.01	313,551	0.70%	—	—	—	—	Diploma of Architecture, KaiNan High School of Commerce and Industry Hardware Engineer of Shen Hua Video Limited	-	—	—	—	—	—
Chief Administrative Officer	Yu-Hsuan Wu	Female	ROC	2021.11.1	44,861	0.10%	—	—	—	—	Bachelor of Law, Soochow University Show Crew of Production Department of B'in Music International Limited	-	—	—	—	—	—
Chief Financial Officer	Jui-Chuan Chang	Female	ROC	2014.07.15	116,214	0.26%	—	—	—	—	Master of Accounting, Department of Business Administration, Tunghai University Financial Manager of Shihlin Paper Corporation Accounting Manager of Terawins, Inc. Audit Manager of PricewaterhouseCoopers Taiwan	Owner of B'in Live (SHANGHAI) Co., Ltd. Director (Legal Representative) of Chill Co., Ltd. Supervisor of Empty Shells Pictures Co., Ltd. Supervisor of PhotoTaxis Co., Ltd. Supervisor of Bin333 Co., Ltd. Supervisor of Me Music International Limited	—	—	—	—	—
Finance Manager	Han-Wei Hsu	Male	ROC	2019.07.16	3,000	0.01%	—	—	—	—	Master of Accounting, Soochow University Audit Manager of PricewaterhouseCoopers Taiwan Manager of the Financial and Accounting Department of Solteam Incorporation Senior Manager of the Financial and Accounting Department of XAC Inc.	Chief Accountant of Chill Co., Ltd.	—	—	—	—	—

Note : Due to the Company's operational needs, the chairman of the Company also serves as the chief executive officer. he sets the operating goals and business development strategies of the Company and leads the teamwork across departments to ensure the achievement of operational performance. There were four independent directors in the company and no instances of more than half of the directors concurrently holding positions as employees or managers.

### III. Remuneration paid to Directors, Presidents, and Vice Presidents in the most recent year (2023)

#### (I) Remuneration to general directors and independent directors

Unit: NTD thousands; %

Position			Name	Directors' compensation								Sum of A, B, C, and D and as a percentage of net income after tax		Compensation received as an employee								Sum of A, B, C, D, E, F, and G as a percentage of net income		Compensation from the parent company or business investments other than subsidiaries
				Compensations (A)		Severance payment and pension (B)		Remunerations for Director (C)		Services rendered Fee (D)				Salaries, bonuses, special allowances etc. (E)		Severance payment and pension (F)		Employee remuneration (G)						
				The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
																		Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Directors	Chairman	Yu-Yang Chou	0	0	0	0	822	822	8	8	830 (0.28%)	830 (0.28%)	10,145	16,350	0	0	0	0	0	0	10,975 (3.72%)	17,180 (5.83%)	0	
	Directors	Xiang Zhi Limited Representative: Tsung-Yang Tsai(Note 1)	0	0	0	0	0	0	4	4	4 (0.00%)	4 (0.00%)	0	243	0	0	0	0	0	0	247 (0.08%)	247 (0.08%)	0	
	Directors	Xiang Zhi Limited Representative: Chieh-Ying Wu (Note 2)	0	0	0	0	822	822	6	6	828 (0.28%)	828 (0.28%)	0	0	0	0	0	0	0	0	828 (0.28%)	828 (0.28%)	0	
	Directors	Shen-Hua Wen	0	0	0	0	822	822	6	6	828 (0.28%)	828 (0.28%)	3,563	7,560	108	108	0	0	0	0	4,499 (1.53%)	8,496 (2.88%)	0	
	Directors	Ming-Wen Tan	0	0	0	0	822	822	10	10	832 (0.28%)	832 (0.28%)	2,426	6,694	108	108	300	0	300	0	3,666 (1.24%)	7,934 (2.69%)	0	
	Directors	Jui-Chuan Chang (Note 2)	0	0	0	0	822	822	6	6	828 (0.28%)	828 (0.28%)	2,995	8,324	108	108	500	0	500	0	4,431 (1.50%)	9,760 (3.31%)	0	
Independent director	Independent director	Fan-Chuan Shih	325	325	0	0	0	0	10	10	335 (0.11%)	335 (0.11%)	0	0	0	0	0	0	0	0	335 (0.11%)	335 (0.11%)	0	
	Independent director	Yung-Lung Chen	325	325	0	0	0	0	10	10	335 (0.11%)	335 (0.11%)	0	0	0	0	0	0	0	0	335 (0.11%)	335 (0.11%)	0	
	Independent director	Yu-Hsun Liu	325	325	0	0	0	0	10	10	335 (0.11%)	335 (0.11%)	0	0	0	0	0	0	0	0	335 (0.11%)	335 (0.11%)	0	
	Independent director	Wei-Chun Lu (Note 2)	200	200	0	0	0	0	6	6	206 (0.07%)	206 (0.07%)	0	0	0	0	0	0	0	0	206 (0.07%)	206 (0.07%)	0	

#### Details:

- Policy, system, standard, and structure by which independent director compensation is paid, and the association between the amount paid and independent directors' responsibilities, the risks borne, and time committed, etc. In accordance with the guidelines for the "Remuneration of Directors, Independent Directors, and Managerial officers", independent directors are paid fixed amounts of rewards on a monthly basis and are not allocated the director remuneration.
- Compensation received by directors for providing service (e.g. consultancy service without the title of an employee for Parent Company, all companies included in the financial statements, and investees) in the most recent year except those disclosed in the above table: None.

Note 1: The end of a director's term on June 13, 2023.

Note 2: Elected on June 14, 2023.



### Remuneration ranges

Remuneration ranges paid to each director of the Company	Director's name			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All Consolidated Entities (H)	The Company	All Consolidated Entities (I)
Below NT\$ 1,000,000	Yu-Yang Chou, Xiang Zhi Limited (Representative: Tsung-Yang Tsai), Xiang Zhi Limited (Representative: Chieh-Ying Wu), Sheng-Hua Wen, Ming-Wen Tan, Jui-Chuan Chang, Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu, Wei-Chun Lu	Yu-Yang Chou, Xiang Zhi Limited (Representative: Tsung-Yang Tsai), Xiang Zhi Limited (Representative: Chieh-Ying Wu), Sheng-Hua Wen, Ming-Wen Tan, Jui-Chuan Chang, Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu, Wei-Chun Lu	Xiang Zhi Limited (Representative: Tsung-Yang Tsai), Xiang Zhi Limited (Representative: Chieh-Ying Wu), Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu, Wei-Chun Lu	Xiang Zhi Limited (Representative: Tsung-Yang Tsai), Xiang Zhi Limited (Representative: Chieh-Ying Wu), Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu, Wei-Chun Lu
NT\$ 1,000,000 (inclusive) - NT\$ 2,000,000 (non-inclusive)	—	—	—	—
NT\$ 2,000,000 (inclusive) - NT\$ 3,500,000 (non-inclusive)	—	—	—	—
NT\$ 3,500,000 (inclusive) - NT\$ 5,000,000 (non-inclusive)	—	—	Sheng-Hua Wen, Ming-Wen Tan, Jui-Chuan Chang	—
NT\$ 5,000,000 (inclusive) - NT\$ 10,000,000 (non-inclusive)	—	—	—	Sheng-Hua Wen, Ming-Wen Tan, Jui-Chuan Chang
NT\$ 10,000,000 (inclusive) - NT\$ 15,000,000 (non-inclusive)	—	—	Yu-Yang Chou	—
NT\$ 15,000,000 (inclusive) - NT\$ 30,000,000 (non-inclusive)	—	—	—	Yu-Yang Chou
NT\$ 30,000,000 (inclusive) - NT\$ 50,000,000 (non-inclusive)	—	—	—	—
NT\$ 50,000,000 (inclusive) - NT\$ 100,000,000 (non-inclusive)	—	—	—	—
NT\$ 100,000,000 and above	—	—	—	—
Total	10	10	10	10

\* The compensation information showed in this table is different from the notion of the Income Tax Act, and this table is only used for information disclosure, not for taxation.

### (II) Remuneration paid to Directors, Presidents, and Vice Presidents in the most recent year (2023)

Unit: NTD thousands; %

Position	Name	Salary (A)		Severance payment and pension (B)		Bonuses and special disbursements (C)		Remuneration for employees (D)				Sum of A, B, C, and D and as a percentage of net income after tax		Compensation from the parent company or business investments other than subsidiaries
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chief Executive Officer	Yu-Yang Chou	7,342	7,342	108	108	5,798	17,332	500	0	500	0	13,748 (4.67%)	25,282 (8.58%)	0
Chief Financial Officer	Jui-Chuan Chang													

### Remuneration ranges

Range of compensation to the President and Vice Presidents	Names of President and Vice Presidents	
	The Company	All Consolidated Entities
Below NT\$ 1,000,000	—	—
NT\$ 1,000,000 (inclusive) - NT\$ 2,000,000 (non-inclusive)	—	—
NT\$ 2,000,000 (inclusive) - NT\$ 3,500,000 (non-inclusive)	—	—
NT\$ 3,500,000 (inclusive) - NT\$ 5,000,000 (non-inclusive)	Jui-Chuan Chang	—
NT\$ 5,000,000 (inclusive) - NT\$ 10,000,000 (non-inclusive)	—	Jui-Chuan Chang
NT\$ 10,000,000 (inclusive) - NT\$ 15,000,000 (non-inclusive)	Yu-Yang Chou	—
NT\$ 15,000,000 (inclusive) - NT\$ 30,000,000 (non-inclusive)	—	Yu-Yang Chou
NT\$ 30,000,000 (inclusive) - NT\$ 50,000,000 (non-inclusive)	—	—
NT\$ 50,000,000 (inclusive) - NT\$ 100,000,000 (non-inclusive)	—	—
NT\$ 100,000,000 and above	—	—
Total	4	4

\* The compensation information showed in this table is different from the notion of the Income Tax Act, and this table is only used for information disclosure, not for taxation.

### (III) Top five highest-paid managers in the most recent year (2023)

Position	Name	Salary (A)		Severance payment and pension (B)		Bonuses and special disbursements,etc. (C)		Remuneration for employees (D)				Sum of A, B, C, and D and as a percentage of net income after tax		Compensation from the parent company or business investments other than subsidiaries
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chief Executive Officer	Yu-Yang Chou	4,353	4,353	0	0	5,792	11,997	0	0	0	0	10,145 (3.44%)	16,350 (5.55%)	0
Chief CreativeOfficer	Tsung-Chun Yang	3,663	3,663	108	108	3,338	9,338	0	0	0	0	7,109 (2.41%)	13,109 (4.45%)	0
Chief Administrative Officer	Yu-Hsuan Wu	2,814	2,814	108	108	209	6,116	500	0	500	0	3,631 (1.23%)	9,538 (3.24%)	0
Chief Financial Officer	Jui-Chuan Chang	2,989	2,989	108	108	6	5,335	500	0	500	0	3,603 (1.22%)	8,932 (3.03%)	0
Chief Incubation Officer	Chieh-Li Chen	3,006	3,006	108	108	251	4,248	500	0	500	0	3,865 (1.31%)	7,862 (2.67%)	0

\* The compensation information showed in this table is different from the notion of the Income Tax Act, and this table is only used for information disclosure, not for taxation.

(IV) Names of managerial officers entitled to employee remuneration and distribution status:

Unit: NTD thousand

	Position	Name	Amount paid in shares (Note)	Amount paid in cash (Note)	Total	Total as a percentage of net income after tax (%)
Managerial officers	Chief Executive Officer	Yu-Yang Chou	—	2,000	2,000	0.68%
	Chief Creative Officer	Tsung-Chun Yang				
	Chief of Business	Sheng-Hua Wen				
	Chief Financial Officer	Jui-Chuan Chang				
	Chief Technology Officer	Shih-Wei Chen				
	Chief Incubation Officer	Chieh-Li Chen				
	Chief Administrative Officer	Yu-Hsuan Wu				
	Finance Manager	Han-Wei Hsu				

Note : The employee remuneration for 2023 was approved by the board of directors resolution on March 6, 2024, and the amount to be distributed is an estimate.

(V) Compare and explain the analysis of the total amount of remuneration paid by the Company and all companies in the consolidated financial statements to the Company's directors, president, and vice presidents in the last two years as a percentage of the net profit after tax of the parent company only or individual financial statements, and explain the remuneration policies, standards and packages, procedures for determining remuneration and the association with business performance and future risk

1. Directors', Presidents', and vice presidents' remuneration paid in the last two years as a percentage of net profit after tax.

Position	2023 The ratio of total remuneration to net profit after tax (%)		2022 The ratio of total remuneration to net profit after tax (%)	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Directors	8.77	15.49	(79.37)	(82.92)
President and Vice Presidents	4.67	8.58	(100.62)	(100.62)

2. Remuneration policies, standards and packages, procedures of determining remuneration, and the association with business performance and future risks

According to the Remuneration of Directors, Independent Directors, and Managerial officers Policy of the Company, independent directors are paid fixed amounts of rewards on a monthly basis and the allocation of director remuneration is not allowed. General directors receive the allocated remuneration as stipulated in the Company's Articles of Association. In accordance with Article 25 of the Articles of Association, Directors' remuneration takes into consideration the overall performance of the Board of Directors, operating performance and future operation of the Company, individual director's participation and contribution to the company operations, and self-evaluation results of the performance of the Board, board members and members of the functional committees, and is subject to a maximum of 2% of current year profit, resolution by the Board of Directors, and final approval of shareholders in a shareholder meeting.

The procedures for determining the compensation for presidents and vice presidents

are stipulated in the “Remuneration of Directors, Independent Directors, and Managerial officers Policy”. Compensation includes salary, bonus, severance, pension, employee stock option, restricted stock awards, employee stock ownership trust and other rewards, which are determined according to managers’ position, their responsibility and contribution to the Company, as well as compensation of competitors in the same industry. The employee remuneration is subject to a minimum of 2% of current year profit according to Article 25 of the company's Articles of Association. Status of the performance assessment of the managers for the employee remuneration and rewards. The assessment criteria includes financial profit index achievement status (contribution of the business group to the company operation profits, new customer development), management index achievement status (such as, incubation of start-up organizations, promoting process improvements, talent cultivation). The scope and reasonableness of the relevant remuneration are presented for review and approval by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed in due course depending on the operating status and relevant laws and regulations to strike a balance between sustainable development and risk control of the Company.

#### IV. Corporate governance

##### (I) Operation of board meeting

A total of 9 board meetings were held in 2023 and as of the publication date of the annual report. The attendance of the directors is as follows:

Position	Name	Attendance in Person	Number of proxy attendance	Rate of attendance in person (%) (B/A)	Remarks
Chairman	Yu-Yang Chou	7	2	77.78%	Re-elected on June 14, 2023 (Should attend 9 times)
Director	Xiang Zhi Limited Representative: Tsung-Yang Tsai	2	0	100%	The end of a director's term on June 13 2023 (Should attend 2 times)
Director	Xiang Zhi Limited Representative: Chieh-Ying Wu	7	0	100%	Elected on June 14, 2023(Should attend 7 times)
Director	Sheng-Hua Wen	9	0	100%	Re-elected on June 14, 2023 (Should attend 9 times)
Director	Ming-Wen Tan	9	0	100%	Re-elected on June 14, 2023 (Should attend 9 times)
Director	Jui-Chuan Chang	7	0	100%	Elected on June 14, 2023(Should attend 7 times)
Independent director	Fan-Chuan Shih	9	0	100%	Re-elected on June 14, 2023 (Should attend 9 times)
Independent director	Yung-Lung Chen	9	0	100%	Re-elected on June 14, 2023 (Should attend 9 times)
Independent director	Yu-Hsun Liu	9	0	100%	Re-elected on June 14, 2023 (Should attend 9 times)
Independent director	Wei-Chun Lu	7	0	100%	Elected on June 14, 2023(Should attend 7 times)

Other mandatory disclosures:

1. For board meetings that meet any of the following descriptions, state the date, the session, the contents of the motions, all independent directors' opinions, and how the Company responded to such opinions:

- (1) Conditions listed in Article 14-3 of the Securities and Exchange Act:

Article 14-3 of the Securities and Exchange Act does not apply as the Company has already established an Audit Committee.

- (2) Other than the aforementioned matters, matters resolved by the board meeting but with objections or reservations of independent directors with records or statements in writing in place: None.

2. For the directors' conflict of interest recusal, the director's name, contents of the motion, the reason for conflicts and interests recusals, and deliberation participation shall be recorded:

Execution status of recusal by directors for motions with conflicts of interests in 2023 and as of the publication date of the annual report		
Date of the Board of Directors meeting	Motion	Name of recused director
March 22, 2023	The Company 2022 managerial officers year-end bonus distribution	Sheng-Hua Wen, Ming-Wen Tan
May 4, 2023	For the director candidate roster nominate and review by the board of directors	Yu-Yang Chou, Tsung-Yang Tsai, Sheng-Hua Wen, Ming-Wen Tan, Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu
May 4, 2023	For removal of the non-competition restrictions against the new directors and their representatives	Yu-Yang Chou, Tsung-Yang Tsai, Sheng-Hua Wen, Fan-Chuan Shih
June 14, 2023	The appointment of the Company's 4th Remuneration Committee members.	Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu, Wei-Chun Lu
August 9, 2023	The Company loans to subsidiary Chill Co.,Ltd.	Sheng-Hua Wen, Jui-Chuan Chang
November 9, 2023	The Company's 2023 distribution of new restricted employee shares.	Yu-Yang Chou, Sheng-Hua Wen
November 9, 2023	The disbursement of incentives to managerial officers under the "Implementation Rules of Employee Stock Ownership Trust".	Ming-Wen Tan, Jui-Chuan Chang
January 25, 2024	The proposal for the Company's 2023 year-end bonus for managerial officers.	Yu-Yang Chou, Sheng-Hua Wen, Ming-Wen Tan, Jui-Chuan Chang
May 8, 2024	The change of Corporate Governance Officer	Jui-Chuan Chang

Reasons for recusal: The contents of the above-mentioned motion involve personal interest of the recused director. It was processed according to Article 15 of the Company's Rules of Procedure for Board of Directors Meetings.

Status of participating and voting:

- (1) For the director candidate roster nominate and review by the board of directors: Candidate lists are reviewed individually. The directors involved in their own interests do not participate in the discussion and vote. Passed as proposed without objection from remaining attending Directors when asked by the chairperson (or acting chairperson).
- (2) Other Motion: The director has recused himself according to the laws. Passed as proposed without objection from remaining attending Directors when asked by the chairperson (or acting chairperson).

3. TWSE/TPEX listed companies are required to disclose the evaluation cycle and duration, evaluation scope, method, and contents of evaluation about the Board of Directors' self (or peer) evaluations performed:

The results of the 2023 performance evaluation of the overall Board of Directors, individual directors, Audit Committee, and Remuneration Committee were all excellent, and have been reported to the Board of Directors on March 6, 2024. The average scores for the following: Self-evaluation of the overall board performance at 4.58 points; Self-evaluation of the individual member performance at 4.79 points; the directors gave reviews of acknowledgements indicating that the overall board operation is in good status; self-evaluation of audit committee performance at 4.96 points; self-evaluation of the remuneration committee performance at 4.85 points; the operation of both aspects are good, fully exerting their duties. (The full score for the above evaluations is 5 points)

Evaluation Cycle	Evaluation duration	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the Board of Directors	Internal self-assessment of the Board of Directors	The scope of performance evaluation on the overall Board of Directors consists of 45 indicators of the following five major elements: Participation in the Company's operations, Board's decision quality, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.
		Performance self-assessment of the Board members	Self-assessment of the Board members	The scope of performance evaluation on the Board members consists of 23 indicators of the following six major elements: Comprehension of the Company's targets and missions, directors' duty awareness, participation in the Company's operations, management and communication of internal relations, professionalism and continuing education of directors, and internal control.
		Performance evaluation of the Audit Committee and Remuneration Committee	Internal self-assessment of the Board of Directors	The scope of performance evaluation on the functional committees consists of 24 indicators of the following five major elements: Participation in the Company's operations, functional committee's duty awareness, functional committee's decision quality, formation and election of functional committee members, and internal control.

4. Enhancements to the functionality of board of directors in the current and the most recent year (e.g. assembly of Audit Committee, improvement of information transparency etc.), and progress of such enhancements:

(1) The company adopted a candidate nomination system for director election. There are four independent directors, and the Audit Committee and Remuneration Committee are composed of all independent directors. To protect shareholders' interests, the Company implements the principle of operational transparency, regularly and irregularly

disclosing operational information on the Market Observation Post System, and clarifying media reports.

- (2) On the duty of the Company's Chairman and CEO, it has been add one more seat of independent director for the re-election of the board directors at the 2023 shareholders annual general meeting, for a total of four seats of independent directors.
- (3) The Company purchases liability insurance for the directors and important employees every year, which has been reported to the Board of Directors on August 9, 2023.
- (4) The Company conducts the performance evaluation on the Board of Directors, individual director and functional committees at the end of March every year to improve the operational efficiency of the Board meetings. The 2023 evaluation results have been reported to the Board of Directors on March 6, 2024.

(II) Functionality of Audit Committee

A total of 6 Audit Committee meetings were held in 2023 and as of the publication date of the annual report. The attendance of the independent directors is as follows:

Position	Name	Attendance in Person	Number of proxy attendance	Rate of attendance in person (%) (B/A)	Remarks
Independent director	Fan-Chuan Shih	6	0	100%	Re-elected on June 14, 2023 (Should attend 6 times)
Independent director	Yung-Lung Chen	6	0	100%	Re-elected on June 14, 2023 (Should attend 6 times)
Independent director	Yu-Hsun Liu	6	0	100%	Re-elected on June 14, 2023 (Should attend 6 times)
Independent director	Wei-Chun Lu	4	0	100%	Elected on June 14, 2023 (Should attend 4 times)

The Audit Committee is composed of all three independent directors. The meeting should be held at least once a quarter. The Audit Committee's responsibility includes the supervision of the fair presentation of financial statements, the hiring (dismissal), independence, and performance of the certifying accountant, the effectiveness of internal control policies, the compliance of relevant laws and regulations, and the control of the company's existing or potential risks, etc. Major duties of the Audit Committee include the review of the following matters for 2023:

1. The adoption or amendment of the internal control policy pursuant to Article 14-1 of the Securities and Exchange Act.
2. The assessment of the effectiveness of the internal control policy.
3. The adoption or amendment of, pursuant to Article 36-1 of the Securities and Exchange Act, the procedures for handling financial or business activities of a material nature, such as the acquisition or disposal of assets, loaning of funds to others, and endorsements or guarantees for others.
4. Matters involving the director's interests.
5. Transactions of material assets or derivative products.
6. Material loans to others, endorsements or guarantees.
7. Collection, issuance or private placement of any marketable securities with nature of equity.
8. Authorization, dismissal or remuneration of CPA.
9. Appointment and dismissal of finance, accounting, or internal audit managers.
10. The annual financial statements signed or stamped by the chairman of the Board, the

manager, and the accounting supervisor.

11. Other material matters so required by the Company or competent authorities.

Please refer to “Other mandatory disclosures” for the resolutions made by the Audit Committee and how the Company responded to the Audit Committee’s opinion.

Other mandatory disclosures:

1. If the Audit Committee’s operation meets any of the following descriptions, state the date of the meeting, the session, the contents of the motions, independent directors' objections, reservations, or the contents of their major suggestions, the Audit Committee's resolution, and how the Company responded to the Audit Committee's opinion:

(1)Matters referred to in Article 14-5 of the Securities and Exchange Act

Audit Committee Term and date	Motion	Objections or qualified opinions expressed by Independent Directors or material suggestions	The Audit Committee’s resolution outcomes	The Company’s response to the opinions of the Audit Committee
12th meeting of 2nd Committee March 22, 2023	1. The Company’s 2022 Business Report and Financial Statements. 2. Issuance of the Company’s 2022 Internal System Statement of Declaration. 3. The Company’s appointment of Certified Public Accountants for 2023.	None	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed.
13th meeting of 2nd Committee May 4, 2023	1.The appointment and dismissal of the Company’s Audit Supervisor. 1. 2.Proposal for issuance of new restricted employee shares	None	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed.
1th meeting of 3nd Committee August 9, 2023	The Company loans to subsidiary Chill Co.,Ltd.	None	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed.
2th meeting of 3nd Committee November 9, 2023	1. The Company’s 2024 Audit Plan Table. 2. The 2023 CPA audit fees evaluation.	None	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed.
3th meeting of 3nd Committee March 6, 2024	1. The Company’s 2023 Business Report and Financial Statements. 2. Issuance of the Company’s 2023 Internal System Statement of Declaration. 3. The Company’s appointment of Certified Public Accountants for 2024.	None	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed.
4th meeting of 3nd Committee May 8, 2024	1. Consolidated Financial Statements for Q1 2024. 2. Issuance of New Common Shares from Earnings	None	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed.

(2) Other than the conditions described above, any resolutions not approved by the Audit Committee but passed by two-thirds or more of all the directors: None.

2. The implementation of independent directors' avoidance of proposals with personal interests involved; state the name of the independent director, the content of the proposal,



the reason for the avoidance of personal interests, and the voting participation status: None.

3. Communication between the independent directors and the internal audit supervisor and the CPA (including material discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

- (1) There are direct channels of communication for independent directors, internal audit supervisors, and certifying accountants, and the communication outcome is good.
- (2) The internal audit supervisor conducts audits on a monthly basis according to the annual audit plan. The audit report is submitted to the independent directors periodically before the end of the next month after completion. There is no objection from the independent directors.
- (3) When reviewing the financial report, the independent directors communicated and discussed thoroughly with the CPA regarding the financial and business-related issues in the financial statements. The communication in 2023 and as of the publication date of the annual report is summarized as follows:

Date	Meeting	Communication Party	Major Matters Discussed	Suggestion and Implementation Status
2023.03.22	Other forms of meeting	Certified public accountant	1. Key audit matters 2. Audit results of 2023 consolidated financial statements 3. The application of The International Ethics Standards Board for Accountants (IESBA). 4. 2021 Audit Quality Indicators (AQI) Report.	Acknowledged
2023.03.22	Board of Directors	Internal audit supervisor	1. Summary report of 2023 Q4 audit operations 2. 2023 "Statement of Declaration for Internal Control System"	Acknowledged
2023.05.04	Board of Directors	Internal audit supervisor	Summary report of 2023 Q1 audit operations	Acknowledged
2023.08.09	Board of Directors	Internal audit supervisor	Summary report of 2023 Q2 audit operations	Acknowledged
2023.11.09	Other forms of meeting	Certified public accountant	Key audit matters	Acknowledged
2023.11.09	Board of Directors	Internal audit supervisor	Summary report of 2023 Q3 audit operations	Acknowledged
2024.03.06	Other forms of meeting	Certified public accountant	1. Key audit matters 2. Audit results of 2023 consolidated financial statements 3. The application of The International Ethics Standards Board for Accountants (IESBA). 4. 2022 Audit Quality Indicators (AQI) Report.	Acknowledged
2024.03.06	Board of Directors	Internal audit supervisor	1. Summary report of 2023 Q4 audit operations 2. 2023 "Statement of Declaration for Internal Control System" (AQI) Report.	Acknowledged
2024.05.08	Board of Directors	Internal audit supervisor	Summary report of 2024 Q1 audit operations	Acknowledged

(III) Corporate Governance Status and Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Does the Company follow the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	V		The “Corporate Governance Practices” has been established by the Company according to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, resolved by the Board of Directors and disclosed on the Market Observation Post System and the Company’s website.	No major difference.
2. Shareholding structure and shareholders' equity				
(1) Has the Company established and implemented internal operating procedures for handling shareholders’ suggestions, concerns, disputes, and litigation matters?	V		(1) The Company has disclosed the contact information of the spokesperson and deputy spokesperson on the Market Observation Post System to deal with shareholders’ suggestions, disputes, and litigation matters.	(1) No major difference.
(2) Has the Company maintained a list of the major shareholders who actually control the Company and those who have ultimate control over the major shareholders?	V		(2) The Company has obtained information about the shareholding of the directors, managerial officers, and major shareholders with more than 10% ownership. The Company reports the change of ownership every month according to the regulations and discloses information about major shareholders with more than 5% ownership in the financial statements every quarter.	(2) No major difference.
(3) Has the Company established and implemented risk management and firewalls between the Company and its affiliated companies?	V		(3) The Company has established and implemented internal control policies such as “Transaction Procedures for Group Enterprises, Specific Companies, and Related Parties” and the “Supervision and Management Policy for Subsidiaries”.	(3) No major difference.
(4) Has the Company established internal regulations to prevent insiders from trading securities by using information not disclosed on the market?	V		(4) The Company has established policies such as the “Operating Procedures for Material Internal Information,” “Ethical Code of Conduct,” “Ethical Corporate Management Procedures and Behavioral Guidelines” and the “Regulation for Preventing Insider Trading” to prevent insiders from trading securities by using information not disclosed on the market.	(4) No major difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
3. Composition and responsibilities of the board of directors				
(1) Has the Board of Directors established and implemented diversification policies and specific management objectives?	V		(1) Taking into account the future operation direction, the 5 <sup>th</sup> Board of Directors is composed of members of industry experts who have professional knowledge and work experience in different fields covering business, finance, law, and corporate business, etc., which will be of great help to the company's future development. Please refer to page 14-15 of the annual report for the implementation of the diversification policy .	(1) No major difference.
(2) Other than the Remuneration Committee and the Audit Committee which are required by law, has the Company assembled other functional committees at its own discretion?		V	(2) Other than the Remuneration Committee and the Audit Committee, the Company has not assembled any functional committees. The Company will establish other functional committees based on its needs after assessment in the future.	(2)The Company will act depending on needs or requirements by law in the future.
(3) Has the Company established a methodology for evaluating the performance of the Board of Directors, conducted the performance evaluation regularly on an annual basis, submitted the evaluation result to the board meeting, and applied the same as a reference for individual directors' remuneration and nomination?	V		(3) The company established the "Performance Evaluation on the Board of Directors" on November 8, 2019, and amended it on March 24, 2021 and has conducted regular performance evaluations on an annual basis. The evaluation scope includes the performance evaluation of the Board of Directors, individual board members and functional committees. The evaluation method may include the internal evaluation of the Board of Directors, the self-evaluation of the board members, and entrusting external professional institutions and experts or using other appropriate methods for performance evaluation. It will be applied as a reference for individual directors' remuneration and nomination in the future. Please refer to pages 22-23 of the annual report for relevant evaluation content. The results of the 2023 performance evaluation of the overall Board of Directors, individual directors, Audit Committee, and Remuneration Committee were all excellent, and have been reported to the Board of Directors on March 6, 2024.	(3) No major difference.
(4) Does the Company conduct regular assessments regarding the independence of its CPA?	V		(4) The Company's Audit Committee and Board of Directors regularly reference the Declaration of Independence provided by the CPAs and the AQIs to evaluate the independence and suitability of the CPAs. The case has been reviewed by the Board on March 6, 2024 and the appointment has been approved. The procedures for the evaluation of independence and suitability is to confirm whether the CPAs are a stakeholder of the Company and whether there are conflicts of interests for business, and to obtain the Declaration of	(4) No major difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Independence issued by the Independent Auditors for use by the Company in the evaluation. The Company has referenced related regulations of Article 47 of the Certified Public Accountant Act and "The Bulletin of Norm of Professional Ethics for Certified Public Accountant of R.O.C., No.10 Integrity, Objectivity and Independence" to establish the CPA Evaluation Procedures. Please refer to Note I for explanations; we have also referenced the five major aspects and 13 indicator items of the "2022 AQIs" to confirms that the training hours, turnover rate, quality control review, and quality control support capabilities of attesting CPAs and accounting firms are superior to industry averages. Furthermore, the Company has continuously implemented cloud-based audit platforms and tools over the past three years to enhance audit quality.	
4. Has the TWSE/TPEX listed company allocated an adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, the convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	V		<p>For the practice of corporate governance and to enable the board to exert their duties in maintaining the rights of investors, the Company's Board of Directors has on March 22, 2023 passed by resolution the appointment of Chief Financial Officer Jui-Chuan Chang as the Company's Corporate Governance Officer. The scope of duties for the responsible corporate governance related matters:</p> <ol style="list-style-type: none"> <li>(1) Process related matters for the meetings of the board of directors and shareholders.</li> <li>(2) Prepare meeting minutes for the board and shareholders' meetings.</li> <li>(3) Support directors in onboarding and continuous education.</li> <li>(4) Provide directors the information required for performing business.</li> <li>(5) Support the directors in legal compliance.</li> <li>(6) Report to the Board of Directors on the review results of whether the independent director is qualified meeting the related laws and regulations at time of nomination, election and during tenure.</li> <li>(7) Processed related matters to change of directors.</li> <li>(8) Other matters established based on the Articles of Incorporation or the contracts.</li> </ol> <p>The continuing education of corporate governance officer in 2023 is as follows, with a total of 21 hours:</p>	No major difference.

Evaluation Item	Implementation status					Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons	
	Yes	No	Summary				
			Study date	Organizer	Course name	Training hours	
			2023/7/7	Accounting Research and Development Foundation (ARDF)	Analysis of Common Internal Control Management Deficiencies and Practical Cases in Enterprises	6	
			2023/7/12		Correct Understanding of Corporate Governance Evaluation Indicators	3	
			2023/10/20		Latest Developments in “ESG Sustainability” and “Self-Compiled Financial Statements” Policies and Internal Control Management Best Practices	6	
			2023/8/18	Taiwan Corporate Governance Association	Big Data Analysis and Fraud Prevention	3	
			2023/10/20	Securities and Futures Institute (SFI Taiwan)	2023 Insider Trading Prevention Conference	3	
5. Does the Company establish a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders’ concerns on corporate social responsibilities?	V		The Company has established a stakeholders section on its website and appointed competent departments to take charge of communications with stakeholders such as investors, employees, customers, and suppliers and disclose the implementation status of communication with various stakeholders and disclose the implementation status of communication with stakeholders.				No major difference.
6. Does the Company engage a share transfer agency to handle shareholder meeting affairs?	V		The Company has engaged the professional share transfer agency, the stock agency division of KGI Securities, to handle shareholder meeting affairs.				No major difference.
7. Information disclosure							
(1) Has the Company established a website that discloses financial, business, and corporate governance-related information?	V		(1) The Company has established a website (www.bin-liVe.com) which the Company regularly discloses financial, business, and corporate governance-related information on, and is maintained by dedicated personnel.				(1) No major difference.
(2) Has the Company adopted other means to disclose information (e.g. English website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	V		(2) The Company has set up web pages in three languages: Traditional Chinese, Simplified Chinese and English. The Company has assigned the spokesperson and deputy spokesperson and appointed dedicated personnel to collect and disclose corporate information. The company's investor conferences and financial reports are disclosed on the Market Observation Post System or Company's website to improve the Company's information transparency.				(2) No major difference.
(3) Does the Company publish and make the official filing of the annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and, Q3 financial reports along with monthly business performance before the designated due dates?	V		(3) The Company has published and filed annual and quarterly financial statements within the time limit prescribed by laws and regulations.				(3) The Company will consider publishing and filing financial statements in advance within the time limit prescribed by laws and regulations.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
8. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and liability insurance for directors and supervisors)?	V		<p>(1) Employee rights and employee care: In addition to taking out labor and health insurance and contributing to pensions for employees, to protect employee benefits, the Company has established an Employee Welfare Committee in accordance with the law, designed various welfare measures, held Welfare Committee meetings, and coordinated the utilization of employee welfare funds, including marriage allowance, funeral subsidy, holiday and year-end bonus, and annual birthday bonus and health examinations.</p> <p>(2) Investor relations: The company has established the Rules of Procedure for Shareholders' Meetings by the law and convenes shareholders' meetings every year by the Company Act. Shareholders are granted adequate opportunities to raise questions and propose. Corporate information is disclosed on the Market Observation Post System. The Company also has appointed the spokesperson and deputy spokesperson as a communication channel with investors.</p> <p>(3) Supplier Relations: The Company and its suppliers comply with the acquisition and payment internal control policy. The Company has built a partnership with its suppliers based on equality and reciprocity for maintaining long-term collaboration. Regular supplier evaluations are conducted to identify and reject unethical suppliers. The Company actively develops new suppliers and builds a relationship of cooperation, mutual trust, and mutual benefit to pursue win-win growth with suppliers.</p> <p>(4) Stakeholders' interests: There is good communication between the Company and its employees, customers, and suppliers, whose opinions and suggestions are properly responded to.</p> <p>(5) Continuing education of directors: The Company complies with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", informs directors about corporate governance information, and arranges a series of training</p>	No major difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			<p>courses related to finance, business and commerce for directors irregularly. Please refer to Note 2 for the education status of general and independent directors for 2022.</p> <p>(6) Implementation of risk management policies and risk measurements: The company has established regulations and management measures in accordance with laws and regulations and conducted risk assessment and management to mitigate and avoid any risks.</p> <p>(7) Implementation of customer policy: In order to provide customers with all-round services and protections, the Company responds to customer complaints timely and well. The Company also understands customers' needs to improve the effectiveness of interaction between the two parties.</p> <p>(8) Liability insurance for directors and supervisors: The Company has purchased liability insurance for the members of the 4<sup>th</sup> Board of Directors. The insurance status for 2023 has been reported to the Board of Directors on August 9, 2023, and published on the Market Observation Post System.</p>	
<p>9. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not required to fill in if not in the list of assessed companies)</p> <p>(1) The outcomes of the 2023 "10th Corporate Governance Evaluation," the improvements made as compared to the previous one year are as follows:</p> <ul style="list-style-type: none"> <li>i. More than half of the directors and the audit committee convener attend the AGM in person, and did the company disclose in the minutes the names of those who attended.</li> <li>ii. The chairman of the board attend the AGM in person.</li> <li>iii. The company provide the English annual report 16 days before the day of the AGM.</li> <li>iv. The company record in the AGM minutes the important contents of shareholders' questions and the company's replies.</li> <li>v. The company's board members include two female directors.</li> <li>vi. The company established a cyber-security risk management framework, adopted cyber security policies and concrete management programs, and invested in resources for cyber security management and furthermore disclose these on the company's website or in its annual report.</li> <li>vii. The annual financial report in English filed to the MOPS by 16 days before the AGM.</li> <li>viii. The company upload the changes in the shareholding of insiders in the previous month to the MOPS by the 10th (inclusively) of each month.</li> <li>ix. The company disclose the connection between director and managerial officer performance assessment and remuneration in its annual report.</li> <li>x. The company have a designated unit in charge of promoting ethical corporate management, with responsibility for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and disclose the unit's operations and implementation on the company's website and in its annual report, and the unit report to the board of directors at least once a year.</li> <li>xi. The company disclose on its website or in its annual report the identities, issues of concern to, channels of communication with, and means for responding to, stakeholders that it has identified.</li> </ul>				

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
xii. The company have a policy to promote diversity or gender equality in the workplace and disclose its implementation.				
xiii. The company invest resources to support domestic cultural development, and disclose the methods and results of that support on the company's website or in its annual report or sustainability report.				
(2) For the indicator items that have not gain any score in the 2023 “10th Corporate Governance Evaluation,” they are prioritized in the 2024 Enhancement Items and Measures as follows:				
i. Expected the company’s interim financial reports all approved by the Audit Committee and submitted to the board for discussion and resolution for 2024.				
ii. Expected to adopted succession planning for board members and key executives, and disclosed the operational status of such planning on its website and in its annual report.				
iii. Expected to have a designated unit in charge of promoting sustainable development that, following the principle of materiality, conducted risk assessment on environmental, social, or corporate governance issues related to the company's operations, and adopted relevant risk management policies or strategies, and did the board of directors oversee the promotion of sustainable development, and did it disclose the same on the company's website and in its annual report.				

Note 1: Assessment procedures for CPA independence

Evaluation Item	The evaluation item is met or not
1. The CPA has never provided the Company with the audit service for consecutive seven years.	Yes
2. No direct substantial financial interest between the CPA and the Company.	Yes
3. The CPA has avoided any inappropriate relationship with the Company.	Yes
4. CPA should ensure the integrity, objectivity, and independence of its assistants.	Yes
5. The CPA has never held the company's position of director, supervisor, managerial officer, or any position materially critical to the audited case now or in the most recent two years.	Yes
6. The non-audit services provided by the CPA for the Company have no direct important influence on the audit case.	Yes
7. The CPA doesn't hold any of the Company's shares.	Yes
8. No borrowing/lending of funds between the CPA and the Company.	Yes
9. There is no joint investment or financial benefit-sharing relationship between the CPA and the Company.	Yes
10. The CPA never accepts any expensive gift, present or special offer from the Company or its directors, supervisors, managerial officers, or major shareholders.	Yes
11. The CPA is not involved in the management position which makes decisions for the Company.	Yes
12. The Integrity and Objectivity of the CPA are not impacted by the lack or loss of independence.	Yes
13. The CPA has no relationships of spouses, direct blood relatives, direct in-laws, or relatives within the second degree of kinship with the Company's owner or managerial officers.	Yes
14. No commissions related to the business have been collected by the CPA.	Yes
15. Up to now, neither the CPA has been punished nor the independence has been damaged.	Yes

Note 2: Education status of general and independent directors.

The education status of general and independent directors for 2023 is as follows:



Position	Name	Study date	Organizer	Course name	Training hours
Chairman	Yu-Yang Chou	2023/11/9	Securities and Futures Institute (SFI Taiwan)	Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Director	Chieh-Ying Wu	2023/9/26-27	Securities and Futures Institute (SFI Taiwan)	“(Independent) Directors and Supervisors and Corporate Governance Practice Workshop”	12
		2023/11/9		Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Director	Sheng-Hua Wen	2023/11/9	Securities and Futures Institute (SFI Taiwan)	Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Director	Ming-Wen Tan	2023/11/9	Securities and Futures Institute (SFI Taiwan)	Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Director	Jui-Chuan Chang	2023/8/11	Taiwan Corporate Governance Association	The Role and Responsibilities of the Board of Directors/Senior Management in ESG Governance	3
		2023/9/15		How to Conduct Board Meetings? Practical Sharing of Common Deficiencies in the Operation of Board Meetings of Listed Companies	3
		2023/10/6	Accounting Research and Development Foundation (ARDF)	Practical Analysis of the Latest “Sustainable Development Action Plan” and the Impact of Net Zero Carbon Emission on Financial Statements	6
		2023/11/9	Securities and Futures Institute (SFI Taiwan)	Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Independent director	Fan-Chuan Shih	2023/5/10	Securities and Futures Institute (SFI Taiwan)	From CSR to ESG Corporate Management	3
		2023/11/8		Ethical Corporate Management and Legal Responsibilities of Directors and Supervisors	3
Independent director	Yung-Lung Chen	2023/11/9	Securities and Futures Institute (SFI Taiwan)	Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Independent director	Yu-Hsun Liu	2023/11/9	Securities and Futures Institute (SFI Taiwan)	Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3
Independent director	Wei-Chun Lu	2023/9/26-27	Securities and Futures Institute (SFI Taiwan)	“(Independent) Directors and Supervisors and Corporate Governance Practice Workshop”	12
		2023/11/09		Latest Developments in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators	3
				Utilizing the Functional Benefits of Functional Committees under the Board of Directors	3

(IV) The Composition and operation of the Remuneration Committee

The Company has assembled the Remuneration Committee and established committee regulations in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”. The duty of the Remuneration Committee is to assess the directors’ and managerial officers’ remuneration policy and system from a professional and objective perspective and to make suggestions to the Board of Directors as a reference for decision-making.

1. Information of Remuneration Committee members

Identity	Criteria Name	Professional qualifications and experience	Independence status	Number of positions as Remuneration Committee member in other public companies	Remarks
Independent director	Fan-Chuan Shih	Note	Note	3	-
Independent director	Yung-Lung Chen	Note	Note	1	-
Independent director	Yu-Hsun Liu	Note	Note	0	-
Independent director	Wei-Chun Lu	Note	Note	0	-

Note: Please refer to page 13-14 of the annual report for the disclosure of information on the professional qualifications of directors and the independence of independent directors.

2. Information on the operations of the Remuneration Committee

- (1) There are three members of the Remuneration Committee of the Company.
- (2) Current members’ term of service: From June 14, 2023 to June 13, 2026. A total of 5 meetings were held in 2023 and as of the publication date of the annual report. Members’ attendance records are summarized below:

Position	Name	Attendance in Person	Number of proxy attendance	Percentage of in-person attendance (%)	Remarks
convener	Fan-Chuan Shih	5	0	100%	Re-elected on June 14, 2023 (Should attend 5 times)
Member	Yung-Lung Chen	5	0	100%	Re-elected on June 14, 2023 (Should attend 5 times)
Member	Yu-Hsun Liu	5	0	100%	Re-elected on June 14, 2023 (Should attend 5 times)
Member	Wei-Chun Lu	3	0	100%	Elected on June 14, 2023 (Should attend 3 times)

Other mandatory disclosures:

- i. If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, details such as the date and session of board meetings held, the discussed agenda, the Board's resolution, and how the Company has responded to the Remuneration Committee's opinions (if the compensation approved by the Board of Directors is better than the Remuneration Committee's suggestion, the differences and reasons should be stated): None.
- ii. If the Remuneration Committee's resolutions are objected to or reserved by members with records or statements in writing in place, state the date and session of the Remuneration Committee, the contents of the motions, all members' opinions, and how the Company responded to such opinions: None.
- iii. The matters of discussion and resolution results of the Remuneration Committee, and the Company's response to the opinions of the Remuneration Committee:

The session and the date of the Remuneration Committee	Motion	The Remuneration Committee's resolutions	The Company's response to the opinions of the Remuneration Committee
8th meeting of 3rd Committee March 22, 2023	(i) The Company's 2022 managerial officers' end-of-year bonuses distribution. (ii) Salary adjustment for the Company's managerial officers.	Passed by all attending members	Proposed to the Board of Directors meeting and agreed and passed
9th meeting of 3rd Committee May 4, 2023	(i) Amendments to the Regulations Governing the Remuneration for Director, Independent Director and Managerial Officers. (ii) The Company organize 「Employee Stock Ownership Trust Plan」		
1th meeting of 4nd Committee November 9, 2023	(i) The amendments to the Company's "Procedures for Issuance of New Restricted Employee Shares 2023". (ii) Amendments to the "Implementation Measures for Employee Stock Ownership Trust".		
2th meeting of 4nd Committee January 25, 2024	(i) The resolution to amend the "Guidelines for the Remuneration of Directors, Independent Directors, and Managerial Officers". (ii) Proposal for the Company's 2023 year-end bonus and performance and earnings bonus for managerial officers.		
3th meeting of 4nd Committee March 6, 2024	The Company's 2023 distribution of remunerations to directors and employees.		

(V) Promotion of sustainable development and deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Promotion items	Implementation status			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1.Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	V		In March 2024, the “ESG Sustainable Implementation Task Force” was formally established, with the CEO serving as its chair. The task force comprises members from various departments, including Finance, Human Resources, General Affairs, Information Security, Occupational Safety and Health, Engineering Center, Business Division, Performance Division, and Innovation Center, as well as professional external consultants specializing in sustainability development. The primary objective is to enhance the implementation of the ESG system in Taiwan and ensure alignment with international standards. Regular progress updates are provided to the board of directors, with the aim of completing the 2024 ESG Report by 2025.	No major difference.
2.Has the Company conducted a risk assessment on environmental, social, and corporate governance issues that are relevant to its operations and implemented risk management policies or strategies based on principles of materiality? (Note 1)		V	As of the date of publication of the annual report, the “ESG Sustainable Implementation Task Force” is still discussing the major ESG topics and related risk management strategies.	The Company will be executed concurrently with the completion of the 2024 ESG report.
3. Environmental issues				
(1) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		(1) The environmental management system of the Company: i. Periodically clean and disinfect the office environment. ii. Periodically clean and maintain the air conditioning to keep the efficiency of the machines and reduce energy waste.	(1) No major difference.
(2) Is the Company committed to achieving efficient use of resources and using recycled materials that produce less impact on the environment?	V		(2) The company is committed to improving the utilization efficiency of various resources when performing operating activities and implementing internal management. Relevant environmental protection policies: Promote electronic sign-off to save paper usage, promote the recycling and reuse of copy paper, and practice waste sorting and recycling.	(2) No major difference.
(3) Does the Company evaluate the potential risks and	V		(3) The Company has assessed the current and future potential	

Promotion items	Implementation status			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?</p> <p>(4) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?</p>		V	<p>risks and opportunities that climate change brings about and has included it in the risk management. Continuously promote various energy-saving and carbon emission reduction measures and advocate water conservation, temperature control of air conditioning, etc., to reduce the impact of corporate operations on the environment.</p> <p>(4) The Company has begun to conduct greenhouse gas emissions related data compilation planning work and continues to follow related topics. Measures adopted in the Company's policies for energy saving, carbon emission reduction, and greenhouse gas emission reduction: Keep an eye on climate change and temperature change, adjust the air-conditioning temperature of the office environment timely, turn off lights when not in use, keep replacing electronic lights with LED lights, and recycle and reuse the waste paper to implement energy saving and carbon emission reduction.</p>	<p>(3) No major difference.</p> <p>(4) The Company will complete the greenhouse gas inventory and assurance according to the reference index and the prescribed time schedule released by the competent authority</p>
<p>4. Social issues</p> <p>(1) Has the company formulated relevant management policies and procedures according to relevant laws and regulations and the International Bill of Human Rights?</p>	V		<p>(1) In accordance with the Labor Standards Act and other relevant laws and regulations, and with reference to the United Nations Human Rights Guiding Principles (UNGPs), which highlight the three guiding principles of “state duty to protect human rights,” “corporate responsibility to respect human rights,” and “access to remedy for human rights abuses,” the Company has formulated “work rules” to safeguard employee rights. Additionally, the Company has reported these rules to the competent labor authority as required by law. The Company has also complied with the “Act of Gender Equality in Employment” and established the “Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” to protect gender equality in employment and provide its employees with a work environment free of sexual harassment.</p>	<p>(1) No major difference.</p>

Promotion items	Implementation status			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(2) Does the Company establish and implement reasonable employee benefit measures (including remuneration, leaves and other benefits) and adequately reflect its operating performance or result to the employee remuneration?	V		<p>(2) According to the Company's Articles of Association, if the Company has annual profit, it should appropriate no less than 2% as employees' remuneration.</p> <p>The Company has established various benefit measures and leave policies for employees based on the "Labor Standards Act" and relevant laws and regulations. The remuneration policies are established by taking into account the industry characteristics, market conditions, and future development. Based on the achievement progress of the operating goal of the Company and the results of department and employee performance evaluation, employees with contributions are rewarded properly by connecting operating performance to the employees' remuneration. In addition, "Restricted Stock Awards" is granted as deferred remuneration to bond senior managerial officers and key talents with the long-term performance of the Company (Please refer to page 58-60 of the annual report for the implementation status.)</p> <p>Furthermore, since November 2023, the Company has continuously promoted sustainable operations. We have established an employee stock trust and organized the employees (members) to form the "Employee Welfare Trust Plan Shareholding Association." Employees contribute a fixed amount from their monthly salary, and the Company also contributes 100% of the reward, which is deposited into the trust account. This arrangement allows employees to share in the Company's operational growth, achieving not only the goal of retaining talent but also assisting employees in accumulating wealth through savings for their future retirement.</p> <p><u>Other Benefit</u></p> <p>With regard to other benefits, the Company has established the Employee Welfare Committee in accordance with the law and appropriated welfare funds for various welfare affairs, such as providing marriage allowances, funeral subsidies, birthday bonuses, department banquets, and company trips. To promote a more comprehensive employee welfare system, the Company provides various employee benefits, including health</p>	(2) No major difference.

Promotion items	Implementation status			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(3) Operating performance or results are also appropriately reflected in the compensation of employees (annual salary adjustment and promotion based on performance appraisal).	V		<p>check-ups, group insurance coverage including overseas travel insurance, subsidies for childcare for employees' children, subsidies for employees' on-the-job training, breastfeeding rooms, a variety of magazines, employee travel opportunities, as well as Mid-Autumn Festival and Dragon Boat Festival bonuses.</p> <p><u>Diversity at Workplace:</u>  The Group continues to promote workplace diversity and equal opportunities for advancement, without discrimination based on gender, race, age, skin color, nationality, religion, marital status, sexual orientation, physical or mental disability, or any other reason. This promotes equal pay and promotion opportunities for all genders and ethnic groups.  The Company's outstanding talents come from diverse backgrounds. Approximately 99% of the employees are from ROC, 2% of the employees are disabled, 79% of the employees possess education at College and University and above, 75% of them are at an energetic stage between 20 to 40 years of age, female employees account for 46% of the entire employees, and female managers account for 40%. Two female directors were elected to the 5th Board of Directors at the 2023 Annual General Meeting of Shareholders. The Company will continue to promote workplace diversity and equality opportunities for promotion.</p> <p>(3) To improve the safe and healthy working environment for employees, the following measures have been taken:</p> <ol style="list-style-type: none"> <li>Arrange periodical health examinations for employees (In 2023, a total of 145 employees were examined and the costs amounted to NT\$510 thousand).</li> <li>Carry out periodical inspections of the operating environment (In 2023, a total of two inspections were made and the costs amounted to NT\$8 thousand).</li> <li>Establish relevant work safety rules such as the Regulations of Occupational Safety and Health Management, Regulations of Emergency Response, Regulations of Contractors Management, and Regulations of Operation Management in</li> </ol>	(3) No major difference.

Promotion items	Implementation status			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(4) Does the Company establish effective career development training plans for employees?	V		<p>Elevated Areas to conduct safety and health inspections of operating sites and mitigate the risk of occupational injuries.</p> <p>iv. Arrange safety and health training for new employees (In 2023, a total of 90 employees are trained) and encourage employees to obtain certificates related to occupational safety and health.</p> <p>v. Arrange contracted professional medical personnel to provide on-site health services, and subscribe to healthcare magazines to keep employees informed of new health knowledge (In 2023, on-site health services: 36 times; professional doctors: 3 times). Since September 2022, the Neihu Health Station has set up the Body Fat Caliper, sphygmomanometer, and health magazines for employees to measure their own health and to receive new health knowledge.</p> <p>vi. No fire incidents occurred in 2023.</p> <p>(4) The Company encourages its employees to attend external training lessons based on their career planning and business requirement. Internal training lessons on professional knowledge and core skills are also available to improve employees' literacy.</p>	(4) No major difference.
(5) Does the Company comply with relevant laws and international standards, and formulate relevant right and interest protection policies and grievance procedures to deal with customers for products and services, such as customer health and safety, customer privacy, marketing and labelling, etc.?	V		<p>(5) The Company applies and uses trademarks in accordance with relevant regulations by the Intellectual Property Office, Ministry of Economic Affairs. In addition, the Company has established procedures for risk identification and management regarding the sales and acquisition cycles of the internal control system. Dedicated personnel is in charge of customer complaints, customer services, and suppliers for all business units.</p>	(5) No major difference.
(6) Has the company formulated a vendor management policy that requires vendors to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights issues? What is the implementation status?	V		<p>(6) The Company carefully selects business partners and maintains good communication with them. Additionally, the suppliers have agreed in the anti-bribery statement that they should strictly abide by laws and relevant regulations and rules to conduct legal business transactions and that if there is any violation, the Company has the right to terminate the partnership.</p>	(6) No major difference.



Promotion items	Implementation status			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
5.Does the Company prepare a sustainability report or any report of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by the assurance or opinion of a third-party certifier?		V	The Company has not prepared a sustainability report.	The “ESG Sustainable Implementation Task Force” was formally established and with the aim of completing the 2024 ESG Report by 2025.
6.If the Company has the sustainable development best practice principles established in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences between the operation and the principles: The Company has established the Sustainable Development Best Practice Principles which has been approved by board resolution. The operation status has been explained above and there are no significant differences.				
7.Other information useful to the understanding of the implementation of sustainable development: (1) Consumer rights: The Company has appointed personnel to deal with customer complaints and has prepared a feedback mailbox and contact information on the Company’s website. (2) Labor rights and safety: The company has established employment policies in accordance with the Act of Gender Equality in Employment and the Employment Service Act, implemented equality of employment conditions, training and promotion, and provided employees with a good working environment. (3) Environmental Protection: The Company is engaged in the cultural and creative industry. No production factory has been built and no direct pollution has been caused. The company abides by environmental protection laws and regulations and implements policies such as garbage sorting, air pollution control, and conservation of water and electricity. In response to carbon reduction and environmental protection efforts, the Company has reduced the burning of joss paper during the Qingming Festival by participating in a collective worship ceremony and replacing it with government-promoted alternatives (“donate instead of burn joss paper”). We donated NT\$18,000 to the Taiwan PM2.5 Control Association. (4) Industry-Academia Collaboration: In FY2023, the Company participated in the Next Generation Design Industry-Academia Collaboration organized by the Taiwan Design Research Institute. Themed “Beyond Sustainability,” this collaboration encouraged businesses and students to think broadly about how to practice sustainability while meeting various lifestyle needs, fostering collaborative innovation between industry and academia. The Company sponsored a bonus of NT\$130,000, and 3~6 professional employees participated in many workshops and visits with enterprises and students. Subsequently, corporate internship opportunities were also provided. (5) Invest resources to support culture development in Taiwan: The Company is the only performance total solution service provider in Taiwan with software design skills and hardware equipment. Through investments and strategic collaborations, we invest resources in the cultural and creativity industry in the hope to bring on the overall cultural and creativity industry development fulfilling corporate social responsibility. The Company has invested in Empty Shells Pictures Co., Ltd. for NTD 5.50 million. This company has filmed the movie “Incantation” released in the upper half of 2022 and has become number one in box office in history for Taiwan original creation of horror movies. We are continuing our investment in the production of a second horror film. We are in negotiations with Shochiku Films, one of Japan's three major film production companies, to align with international standards. In 2023, the Company invested in the Broadway jazz ballet production “Sugar Hill: The Ellington/Strayhorn Nutcracker,” aiming to enrich Taiwan's performance culture and promote its diversified development.				

Note 1: The principle of materiality refers to those who have a significant impact on the Company's investors and other stakeholders in relation to environmental, social, and corporate governance issues.

## (VI) Implementation of Climate-Related Information

Item	Implementation status									
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	In March 2024, the “ESG Sustainable Implementation Task Force” was formally established, and selects qualified personnel from each unit to take on and assist in promoting sustainable development-related matters based on their functions. Meetings are held from time to time to review the company's goals, performance and progress towards sustainable development, including the management of climate risks and opportunities and implementation results. In the future, it will be incorporated into the annual and sustainable implementation status, and will be report to the Board at least once a year and supervised by the board of directors. Since 2022, the Board of Directors has reviewed the implementation status of GHG inventory and verification every quarter to keep abreast of the progress. In 2023, a total of 4 reports on the implementation status of the GHG inventory and verification were presented to the Board of Directors, explaining the progress updates.									
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).										
3. Describe the financial impact of extreme weather events and transformative actions.	<table><tr><th>Risks and opportunities</th><th>Financial impact of the countermeasure</th></tr><tr><td>Carbon pricing</td><td>Under the Climate Change Response Act, the government will enact 2050 net-zero emissions into law and will impose a carbon fee on industries with high direct or indirect emissions in 2025. This risk may cause an increase in financial operating costs, but because The Company is not in a high-carbon emission industry at this stage, it will not have an impact on the overall operating financial impact. In the future, in addition to confirming that the company will implement a comprehensive GHG inventory in 2025, the company will also evaluate the possibility of purchasing energy-saving equipment and set carbon reduction goals.</td></tr><tr><td>Changing rainfall patterns and extreme changes in climate patterns</td><td>The Company operations may be subject to the risk of extreme weather events, such as typhoons, deluge, and other extreme weather disasters, affecting the company's operations and causing financial losses. In response to the measures, the company has not only strengthened the waterproofing standard procedures for equipment installation, but also carried out relevant insurance operations to reduce this risk and not have an impact on the overall operation.</td></tr><tr><td>Average temperature rise</td><td>Average temperatures continue to rise, resulting in increased energy consumption and increased operating costs. Response plans include updating energy-saving equipment and evaluating the use of renewable energy options.</td></tr></table>	Risks and opportunities	Financial impact of the countermeasure	Carbon pricing	Under the Climate Change Response Act, the government will enact 2050 net-zero emissions into law and will impose a carbon fee on industries with high direct or indirect emissions in 2025. This risk may cause an increase in financial operating costs, but because The Company is not in a high-carbon emission industry at this stage, it will not have an impact on the overall operating financial impact. In the future, in addition to confirming that the company will implement a comprehensive GHG inventory in 2025, the company will also evaluate the possibility of purchasing energy-saving equipment and set carbon reduction goals.	Changing rainfall patterns and extreme changes in climate patterns	The Company operations may be subject to the risk of extreme weather events, such as typhoons, deluge, and other extreme weather disasters, affecting the company's operations and causing financial losses. In response to the measures, the company has not only strengthened the waterproofing standard procedures for equipment installation, but also carried out relevant insurance operations to reduce this risk and not have an impact on the overall operation.	Average temperature rise	Average temperatures continue to rise, resulting in increased energy consumption and increased operating costs. Response plans include updating energy-saving equipment and evaluating the use of renewable energy options.	
	Risks and opportunities	Financial impact of the countermeasure								
	Carbon pricing	Under the Climate Change Response Act, the government will enact 2050 net-zero emissions into law and will impose a carbon fee on industries with high direct or indirect emissions in 2025. This risk may cause an increase in financial operating costs, but because The Company is not in a high-carbon emission industry at this stage, it will not have an impact on the overall operating financial impact. In the future, in addition to confirming that the company will implement a comprehensive GHG inventory in 2025, the company will also evaluate the possibility of purchasing energy-saving equipment and set carbon reduction goals.								
Changing rainfall patterns and extreme changes in climate patterns	The Company operations may be subject to the risk of extreme weather events, such as typhoons, deluge, and other extreme weather disasters, affecting the company's operations and causing financial losses. In response to the measures, the company has not only strengthened the waterproofing standard procedures for equipment installation, but also carried out relevant insurance operations to reduce this risk and not have an impact on the overall operation.									
Average temperature rise	Average temperatures continue to rise, resulting in increased energy consumption and increased operating costs. Response plans include updating energy-saving equipment and evaluating the use of renewable energy options.									

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The "ESG Sustainable Implementation Task Force" established by the company uses cross-department discussions to identify issues based on regulations, policies, markets, environment, etc. based on its structure, and then evaluates risk values and opportunity values. Finally, carry out risk response and implementation policies, follow up with continuous follow-up reviews,
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	As of the date of publication of the annual report, the Company has not used scenario analysis to assess its resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	As of the date of publication of the annual report, the Company has not yet had a transition plan to manage climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	As of the date of publication of the annual report, the Company has not use the internal carbon pricing as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	As of the date of publication of the annual report, the Company has not set climate-related targets.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	According to the "Roadmap for the Sustainable Development of TWSE Listed and TPEX Listed Companies" published by the Financial Supervisory Commission in March 2022, the Company is one of the companies with a paid-in capital of less than NT\$5 billion and should apply the greenhouse gas inventory and verification in the third stage (i.e., complete the inventory in 2026 and complete the verification in 2028), and will follow the reference guidelines and relevant regulations of the competent authorities to implement the greenhouse gas inventory and verification operations.

(VII)Enforcement of ethical corporate management, any deviation and causes of deviation from Principle for Ethical Corporate Management Best Practice and Guidelines for Codes of Ethical Conduct for TWSE/GTSM Listed Companies

Evaluation Item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1. Establishment of integrity policies and solutions				
(1) Has the company established an ethical management policy that has been passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on the rigorous and thorough implementation of such policies and methods?	V		(1) The Company has established operating procedures for the “Ethical Corporate Management Procedures and Behavioral Guidelines” to prevent unethical conducts, penalty and complaint system procedures. The policy has been disclosed on the Company’s website.	(1) No major difference.
(2) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has established a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	V		(2) The Company has specified in the “Ethical Corporate Management Procedures and Behavioral Guidelines” the measures to be taken against the activities in the business scope with a higher risk of unethical conduct: Employees are strictly prohibited from giving and taking bribes, involved in improper sponsorship, providing or accepting unreasonable gifts or treats, or involved in activities that infringe trade secrets. The Company also promotes improving employees’ awareness.	(2) No major difference.
(3) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct, implemented the plan, and regularly reviewed and amended it.	V		(3) The Company has established operating procedures in the “Ethical Corporate Management Procedures and Behavioral Guidelines” to prevent unethical conduct.	(3) No major difference.
2. Enforcement of business integrity				
(1) Does the company evaluate the ethical records of its counterparty, and explicitly stipulate the terms concerning ethical behaviors in the contract signed with the counterparty?	V		(1) The Company conducts evaluations of transaction parties according to the “Ethical Corporate Management Procedures and Behavioral Guidelines” on their legitimacy, ethical corporate management policy, and included the integrity terms in the contract for signing with the transaction party where necessary.	(1) No major difference.

Evaluation Item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(2) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?	V		<p>(2) To uphold the integrity of our operations, the Finance Department and Audit Office have established the “Ethical Corporate Management Promotion Team.” This team is tasked with developing and overseeing the implementation of corporate integrity operation policies and preventive measures. Their primary objective is to ensure the effective adherence to ethical management guidelines throughout the organization.</p> <p>The Ethical Corporate Management Promotion Team regularly reports to the Board of Directors the results of the ethical management of the previous year. It assists the Board of Directors in assessing whether the preventive measures for ethical management established by the Company are operating effectively. The 2023 report on the implementation of ethical management was completed on November 9, 2023.</p> <p><u>Related implementation reports in 2023:</u></p> <p>I. Compliance and implementation:</p> <ul style="list-style-type: none"> <li>i. No material violation of the Ethical Corporate Management Best Practice Principles.</li> <li>ii. All employees (including directors) are required to sign the Declaration of Integrity Principles and Code of Ethics. In 2023, as of now, 100% of new employees and 95% of current employees have signed the declaration.</li> </ul> <p>II. Complaint Mechanism</p> <p>The Company has established an internal complaint channel and a dedicated section on the Company website for reporting issues. Employees are regularly requested to evaluate and sign a conflict of interest declaration forms. As of 2023, no complaints have been received through the complaint mailbox.</p>	(2) No major difference.

Evaluation Item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(3) Has the Company defined any policy to prevent conflict of interest, provided appropriate channels for an explanation , and implemented it?	V		<p>III.Enhanced Advocacy</p> <p>i. New employees receive mandatory legal knowledge training upon joining, including ethical corporate management regulations, totaling approximately 90 employees and lasting about 15 hours in 2023.</p> <p>ii. Internal meetings and communications are used to disseminate information on ethical corporate management regulations and important considerations. Related initiatives were conducted 4 times in 2023.</p> <p>iii. From time to time, the relevant letters from competent authorities are communicated to directors and insiders.</p> <p>(3) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Ethical Corporate Management Procedures and Behavioral Guidelines” which state that when performing business activities, if there are conflicts of interest with the Company or improper benefits, the employee of the Company should report relevant information to the Company. Additionally, every year, employees are required to evaluate and sign a conflict of interest declaration form. The signing rate for new employees in 2023 was 100%, with an overall signing rate of 95%. The directors of our company have handled matters where they have conflicts of interest with items on the board meeting agenda per Article 15 of the Company's “Board Meeting Regulations,” which pertains to avoiding conflicts of interest by directors during each board meeting.</p>	(3) No major difference.
(4) Has the company established an effective accounting system and internal control system in order to implement ethical management, propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an accountant to carry out the review?	V		<p>(4) To thoroughly implement ethical management, the Company has established an accounting system and internal control system, the implementation status of which is reviewed by the audit unit.</p>	(4) No major difference.

Evaluation Item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(5) Does the Company regularly organize internal and external educational training on ethical corporate management?	V		(5) The Company actively encourages employees to participate in courses related to corporate governance, and irregularly announces training in relevant laws and regulations and insider trading prevention to employees in meetings to emphasize ethical corporate management and prevent unethical behavior. In 2023 the Company held internal legal training (including compliance with laws and regulations on ethical management). A total number of 90 employees participated, and 15 hours are spent. In addition, educational promotion has been provided to the newly-elected directors for the year when they assume office and 12 hours of related courses have been arranged. Current arrangement made was for the directors and managerial officers, a total of 10 persons, for 6 hours of related educational promotion, and to provide the promotion materials by the Securities and Exchange Act to all of the internal personnel from time to time which have been provided for four times in 2023.	(5) No major difference.
3. Whistleblowing system				
(1) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		(1) The Company has established the Whistleblowing System Implementation Regulation according to the “Ethical Corporate Management Procedures and Behavioral Guidelines” and has built the whistleblowing channel disclosed on the company website. There were no occurrences of effective complaint cases from internal or external persons for the current year.	(1) No major difference.
(2) Has the company implemented any standard procedures for investigating the complaints received, subsequent measures after carrying out an investigation, and confidentiality measures for handling reported misconduct?	V		(2) The Company has established the Whistleblowing System Implementation Regulation according to the “Ethical Corporate Management Procedures and Behavioral Guidelines” which have stated the investigation standard procedures for the acceptance of the complaint case, the	(2) No major difference.

Evaluation Item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(3) Has the Company adopted any measures to protect whistleblowers from being abused due to the file of complaints?	V		subsequent measures and related confidentiality mechanism that shall be adopted after the completion of the investigation, and has built the related process mechanism. There were no occurrences of such events for the current year. (3) The Company has established the “Ethical Code of Conduct,” “Ethical Corporate Management Procedures and Behavioral Guidelines” and “Whistleblowing System Implementation Regulation” which declare the Company’s full efforts in protecting the whistleblower with measures preventing them from improper treatment as a result of whistleblowing.	(3) No major difference.
4. Enhanced information disclosure Has the Company disclosed its integrity principles and progress onto its website and MOPS?	V		The Company has established the “Ethical Corporate Management Best Practice Principles” and disclosed on the Market Observation Post System and Company’s website.	No major difference.
5. If the Company has established business integrity policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”, please describe its current practices and any deviations from the Best Practice Principles: The Company has established the “Ethical Corporate Management Best Practice Principles “ and “Ethical Corporate Management Procedures and Behavioral Guidelines” based on the “Principle for Ethical Corporate Management Best Practice and Guidelines for Codes of Ethical Conduct for TWSE/GTSM Listed Companies”. There is no material deviation.				
6. Other important information that helps to understand the operation status of the Company's ethical corporate management (such as the Company's review and amendment of its Ethical Corporate Management Best Practice Principles): None.				

(VIII) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched.

The Company has adopted the “Corporate Governance Best Practice Principles”, “Rules Governing the Scope of Powers of Independent Directors”, “Ethical Code of Conduct”, and “Ethical Corporate Management Best Practice Principles”, etc.. Relevant information is disclosed on the Market Observation Post System (<http://mops.twse.com.tw>) and the INVESTOR section on the Company’s website (<http://www.bin-live.com>).

(IX) Other significant information that will provide a better understanding of the state of the Company’s implementation of corporate governance may also be disclosed:

For the operation of corporate governance of the Company, please search the Market Observation Post System, the website of which is <http://mops.twse.com.tw>.



(X) Disclosures relating to the implementation of internal control system

1. Internal Control Statements

**B'IN LIVE CO., LTD.**  
**Internal Control System Statements**

Date: March 6, 2024

Based on the findings of a self-assessment, WT Microelectronics Co., Ltd. states the following with regard to its internal control system during the year 2023.

- I. The Company acknowledges and understands that the establishment, enforcement and maintenance of the internal control system are the responsibility of the Board of Directors and management, and that the company has already established such a system. The aim of the system is to provide reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profitabilities, performance, and safeguard of asset security), reliability, timeliness, and transparency of reporting, and compliance with applicable ruling laws and regulations.
- II. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria introduced by the Regulations cover the process of management control and consist of five major elements, each representing a different stage of internal control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. Monitoring activities. Each of the elements in turn contains certain audit items. Please refer to the Regulations for details.
- IV. The Company has adopted the aforementioned measures for an examination of the effectiveness of the design and implementation of the internal control system.
- V. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of Thursday, December 31, 2023 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.
- VI. This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. If any fraudulent information, concealment or unlawful practices are discovered in the content of the aforementioned information, the Company shall be held liable under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This statement of declaration was approved by the Board on March 6, 2024 in the presence of 7 directors, who concurred unanimously.

**B'IN LIVE CO., LTD.**

**Chairman and President: Yu-Yang Chou (Signature and Seal)**

2. If an external CPA reviewed the internal control system, the result of such review must be disclosed: None.

(XI) For the most recent year and up to the publication date of the annual report, if there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main deficiencies, and situation of improvement: None.

(XII) Major resolutions passed in shareholder meetings and board meetings held in the most recent year and up to the publication date of the annual report

1. Major resolutions of shareholder meetings and implementation status

Date of meeting	Major resolutions and implementation status
June 14, 2023 (Annual General Meeting of Shareholders)	<p>(1) Ratified the Company's 2022 Business Report and Financial Statements. Execution status: Resolved by the shareholders meeting.</p> <p>(2) Ratified the proposal to offset losses for 2022. Execution status: Resolved by the shareholders meeting.</p> <p>(3) Passed the proposal for issuance of new restricted employee shares. Execution status: Passed to issued restricted stock amounting to 180,000 shares and approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 1120356857 dated November 24, 2023.</p> <p>(4) Election of 5th term of directors. Name list of the elected directors: Yu-Yang Chou, Xiang Zhi Limited Representative: Chieh-Ying Wu, Sheng-Hua Wen, Ming-Wen Tan and Jui-Chuan Chang. Name list of the elected independent directors: Fan-Chuan Shih, Yung-Lung Chen, Yu-Hsun Liu and Wei-Chun Lu Execution status: Has released the material information announcement and completed the change registration on June 26, 2023.</p> <p>(5) Passed the lifting of the non-compete restrictions on newly-elected directors and their representatives. Execution status: Effective after the shareholders meeting resolution, and released for material information announcement.</p>

2. Major resolutions of board meetings

Date of meeting	Major resolutions
March 22, 2023	<p>(1) Passed the Company's 2022 Business Report and Financial Statements.</p> <p>(2) Passed the issuance of the Company's 2022 Internal System Statement of Declaration.</p> <p>(3) Passed the appointment of the Company's Corporate Governance Officer.</p> <p>(4) Passed the Company's appointment of Certified Public Accountants for 2023.</p> <p>(5) Passed the Company's 2022 managerial officers' end-of-year bonuses distribution.</p> <p>(6) Passed the salary adjustment for the Company's managerial officers.</p> <p>(7) Passed the amendment to partial articles of the Corporate Governance Best-Practice Principles.</p> <p>(8) Passed the amendment to partial articles of the Sustainable</p>

Date of meeting	Major resolutions
	<p>Development Best-Practice Principles.</p> <p>(9) Passed the amendment to partial articles of the Ethical Corporate Management Best-Practice Principles.</p> <p>(10) Passed the amendment to partial articles of the Ethical Corporate Management Procedures and Behavioral Guidelines.</p> <p>(11) Passed the amendment to partial articles of the Ethical Code of Conduct.</p> <p>(12) Passed the 5th Board Directors election matters.</p> <p>(13) Passed the convening of the 2023 Annual General Meeting of Shareholders and the acceptance of shareholders proposal acceptance and nomination period.</p>
May 4, 2023	<p>(1) Passed the Company's proposal to offset losses in 2022.</p> <p>(2) Passed the appointment and dismissal of the Company's Audit Supervisor.</p> <p>(3) Passed the proposal for issuance of new restricted employee shares, submitted for discussion</p> <p>(4) Passed the amendments to the Regulations Governing the Remuneration for Director, Independent Director and Managerial Officers.</p> <p>(5) Passed the Company organize 「Employee Stock Ownership Trust Plan」</p> <p>(6) Passed the amendment to partial articles of Remuneration Committee Charter</p> <p>(7) Passed the renewal of contract for credit line from Chang Hwa Bank.</p> <p>(8) Passed the nomination and review of the nominated director candidates.</p> <p>(9) Passed the lifting of the non-compete restrictions on newly-elected directors and their representatives.</p> <p>(10) Passed the correction to the Company's 2023 Annual General Meeting of Shareholders convening summary.</p>
June 14, 2023	<p>(1) Election of the 5th Chairman of the Company.</p> <p>(2) Passed the appointment of the Company's 4th Remuneration Committee members.</p>
August 9, 2023	<p>(1) Passed the Company's application and contract renewal of credit lines with financial institutions.</p> <p>(2) Passed the Company loans to subsidiary Chill Co.,Ltd.</p>
November 9, 2023	<p>Passed the amendments to the Company's "Procedures for Issuance of New Restricted Employee Shares 2023"</p>
November 9, 2023	<p>(1) Passed the Company's 2024 Audit Plan Table.</p> <p>(2) Passed the evaluation of the FY2023 CPA fees.</p> <p>(3) Passed the Company's 2023 distribution of new restricted employee shares.</p> <p>(4) Passed amendments to the "Implementation Measures for Employee Stock Ownership Trust."</p> <p>(5) Passed the disbursement of incentives to managerial officers under the "Implementation Rules of Employee Stock Ownership Trust".</p> <p>(6) Passed the Company's application and contract renewal of credit lines with financial institutions.</p>

Date of meeting	Major resolutions
January 25, 2024	(1) Passed the resolution to amend the “Guidelines for the Remuneration of Directors, Independent Directors, and Managerial Officers.” (2) Passed the proposal for the Company's 2023 year-end bonus and performance and earnings bonus for managerial officers.
March 6, 2024	(1) Passed the Company's 2023 distribution of remunerations to directors and employees. (2) Passed the Company’s 2023 Business Report and Financial Statements. (3) Passed the issuance of the Company’s 2023 Internal System Statement of Declaration. (4) Passed the Company assessments regarding the independence and appointment of Certified Public Accountants for 2024. (5) Passed the amendment to partial articles of the Board of Directors Meeting Regulations. (6) Passed the amendment to partial articles of the Audit Committee Charter. (7) Passed the convening of the 2024 Annual General Meeting of Shareholders and the acceptance of shareholders proposal acceptance period.
May 8, 2024	(1) Passed the Company’s 2024 Q1 Consolidated Financial Statements. (2) Passed the Company's 2023 Earnings Distribution. (3) Passed to issue of new common shares from earnings. (4) Passed to add agenda of the 2024 Annual General Shareholders' Meeting. (5) Passed to change of Corporate Governance Officer. (6) Passed the Company’s application and contract of credit lines with financial institutions.

(XIII) Documented dissenting opinion made by directors or supervisors against board resolutions in the most recent year and up to the publication date of the annual report: None.

(XIV) Resignation and dismissal of the Chairman, President, head of accounting, head of finance, chief internal auditor, head of corporate governance, and head of R&D in the most recent year and up to the publication date of the annual report:

Position	Name	Date of Appointment	Date of release	Reason for resignation or dismissal
Audit supervisor	Tzu-Ying Li	May 5, 2022	March 31, 2023	Resigned due to personal career planning
Corporate Governance Officer.	Jui-Chuan Chang	March 22, 2023	May 8, 2024	Position adjustment

# V. Certifying CPA's audit fees

## (I) Certifying CPA's audit fees

Unit: NTD thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche Taiwan	Yu-Hung Kuo	2023	2,270	370	2,640	-
	Hsiu-Ming Hsu					

Note: Non-audit fees are for the transfer pricing report, Consolidated and Individual Financial Statements in English

(II) Non-audit fees paid to the certifying CPA, the accounting firm the certifying CPA belongs to and its affiliated enterprise reach 25% or more of the audit fees: None.

(III) Where the Company changes the accounting firm and the audit fees paid for the fiscal year in which such the change took place are lower than those of the previous fiscal year, the amounts of the audit fees before and after the change and the reason(s) shall be disclosed: Not applicable.

(IV) Any reduction in audit fee by more than 10% compared to the previous year; state the amount, percentage, and reason of such variation: None.

VI. Change of CPA: None.

VII. Any of the Company's Chairman, President, or any managerial officer involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company within the most recent year: None

VIII. Details of shares transferred or pledged by directors, managerial officers, and shareholders with more than 10% ownership interest in the last year, up until the publication date of the annual report

(I) Details of shares transferred or pledged by directors, managers, and shareholders with more than 10% shareholdings

Unit: Share

Title	Name	2023		As of April 20, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman and chief executive officer	Yu-Yang Chou	—	—	—	—
Director and major shareholder	Xiang Zhi Limited	—	—	—	—
Director representative	Tsung-Yang Tsai (Note 1)	—	—	—	—
Director representative	Chieh-Ying Wu (Note 2)				
Director and chief business	Sheng-Hua Wen	37,000	—	—	—
Director and technical production director	Ming-Wen Tan	—	—	20,000	—
Director and chief	Jui-Chuan Chang	20,000	—	—	—

Title	Name	2023		As of April 20, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
financial officer					
Independent director	Fan-Chuan Shih	—	—	—	—
Independent director	Yung-Lung Chen	—	—	—	—
Independent director	Yu-Hsun Liu	—	—	—	—
Independent director	Wei-Chun Lu	—	—	—	—
Chief Creative Officer	Tsung-Chun Yang	(3, 692)	—	—	—
Chief Technology Officer	Shih-Wei Chen	20, 000	—	—	—
Chief Administrative Officer	Yu-Hsuan Wu	4, 000	—	(2, 000)	—
Chief Incubation Officer	Chieh-Li Chen	—	—	—	—
Technical Director	Chih-Yang Chuang (Note 3)	—	—	(2, 000)	—
Technical Director	Chin-Yu Wang (Note 3)	(23, 000)	—	—	—
Legal Director	Hsiu-Wen Liang (Note 3)	(5, 318)	—	—	—
Finance Manager	Han-Wei Hsu	(1, 000)	—	—	—

Note 1: The changes in the number of shares held by the director after the end of a director's term on June 13, 2023 are not disclosed.

Note 2: Elected on June 14, 2023.

Note 3: The changes in the number of shares held by the manager after discharged on January 31, 2023 are not disclosed.

(II) Cases in which the counterparty of transfer of shares by directors, supervisors, managerial officers, and shareholders with more than 10% shareholding is a related party: None.

(III) Cases in which the counterparty of pledge of shares by directors, supervisors, managerial officers, and shareholders with more than 10% shareholding is a related party: None.

IX. Information about the top-ten shareholders who are related parties, spouses, or relatives within the second degree of kinship

Date: April 20, 2024 Unit: Share; %

Name	Self-owned Shares		Shareholding of spouse and underage children		Shareholding under the title of a third party		Name and relation of the top-ten shareholders who are related parties, spouses, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Name	Relation	
Xiang Zhi Limited	5,431,287	12.20%	—	—	—	—	B'in Music International Limited	Related Party	—
Representative: Yung-Chih Chen	—	—	—	—	—	—	—	—	—
Rock Internet Corporation	3,869,312	8.69%	—	—	—	—	—	—	—
Representative: Chung-Tan Tuan	—	—	—	—	—	—	—	—	—
B'in Music International Limited	3,367,557	7.56%	—	—	—	—	Xiang Zhi Limited	Related Party	—
Representative: Yung-Chih Chen	—	—	—	—	—	—	—	—	—
Hao Yi Xin Investment Limited	1,814,035	4.07%	—	—	—	—	—	—	—
Representative: Te-Ming Lin	68,000	0.15%	—	—	1,814,035	4.07%	—	—	—
Yi Yue Investment Limited	1,549,824	3.48%	—	—	—	—	—	—	—
Representative: Yu-Yang Chou	53,196	0.12%	311,871	0.70%	1,549,824	3.48%	—	—	—
UdnFunlife Co., Ltd.	1,529,000	3.43%	—	—	—	—	—	—	—
Representative: Yen-Fu Li	—	—	—	—	—	—	—	—	—
Tzu Li Investments Limited	1,184,554	2.66%	—	—	—	—	—	—	—
Representative: Chin-Yu Wang	666,480	1.50%	—	—	1,184,554	2.66%	—	—	—
Eternal Summer Limited	1,026,570	2.31%	—	—	—	—	—	—	—
Representative: Chih-Yang Chuang	95,000	0.21%	—	—	1,026,570	2.31%	—	—	—
Ru Guo Investment Limited	934,038	2.10%	—	—	—	—	—	—	—
Representative: Tsung-Chun Yang	—	—	19,125	0.04%	934,038	2.10%	—	—	—
Fu Li Shih Limited	711,781	1.60%	—	—	—	—	—	—	—
Representative: Chieh-Li Chen	—	—	2,314	0.01%	711,781	1.60%	—	—	—

X. Investments jointly held by the Company, the Company's directors, managerial officers, and enterprises directly or indirectly controlled by the Company, and shareholding in aggregate of the above parties

March 31, 2024 Unit: Share; %

Business investments (Note 1)	Held by the Company		Held by directors, supervisors, managerial officers, and directly or indirectly controlled enterprises		Aggregate ownership	
	Number of shares (thousand shares)	Shareholding percentage	Number of shares (thousand shares)	Shareholding percentage	Number of shares (thousand shares)	Shareholding percentage
B'IN LIVE LIMITED	700	100%	—	—	700	100%
CHILL CO., LTD. (Note 3)	270	18%	—	—	270	18%
GORGEOUS ENTERTAINMENT CO.,LTD. (Note 4)	—	—	—	—	—	—
PHOTOTAXIS IMAGE CO., LTD.	525	75%	—	—	525	75%
Bin333.CO., LTD	450	45%	—	—	450	45%
Empty Shells Pictures CO., LTD.	1,100	22.69%	—	—	1,100	22.69%
Bin Live Japan CO., LTD.	0.6	100%	—	—	0.6	100%
B'IN LIVE (SHANGHAI) LTD.	(Note 2)	100%	—	—	(Note 2)	100%
SHOWIN LTD. (Note 5)	(Note 2)	50%	—	—	(Note 2)	50%

Note 1: It is a long-term investment accounted for using equity method.

Note 2: No share is issued as it is a limited company.

Note 3: Sell part of its shares in January 2024.

Note 4: Sell all of its shares in April 2023.

Note 5: SHOWIN LTD.is indirectly invested through B'IN LIVE (SHANGHAI) LTD..



## Four. Capital Overview

### I. Capital and outstanding shares

#### (I) Source of capital

##### 1. Stock type

April 20, 2024 Unit: Share

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common Stock	44,520,444	35,479,556	80,000,000	shares of listed company

##### 2. Formation of capital

April 20, 2024 Unit: Share; NT\$

Year/ Month	Issued price	Authorized Share Capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2014.01	NT\$10	50,000	500,000	50,000	500,000	Starting share capital	None	Note 1
2014.08	NT\$10	5,000,000	50,000,000	5,000,000	50,000,000	Issue of shares NT\$49,500,000	None	Note 2
2015.04	NT\$50	35,000,000	350,000,000	5,370,000	53,700,000	Issue of shares NT\$3,700,000	None	Note 3
2015.07	NT\$10	35,000,000	350,000,000	10,283,550	102,835,500	Capitalization of retained earnings NT\$34,368,000 Capitalization of capital surplus NT\$14,767,500	None	Note 4
2016.06	NT\$85	35,000,000	350,000,000	12,333,550	123,335,500	Issue of shares NT\$20,500,000	None	Note 5
2016.08	NT\$10	35,000,000	350,000,000	24,667,100	246,671,000	Capitalization of retained earnings NT\$13,542,240 Capitalization of capital surplus NT\$109,793,260	None	Note 6
2017.03	NT\$50	35,000,000	350,000,000	25,667,100	256,671,000	Issue of shares NT\$10,000,000	None	Note 7
2017.09	NT\$10	50,000,000	500,000,000	30,800,520	308,005,200	Capitalization of retained earnings NT\$30,030,510 Capitalization of capital surplus NT\$21,303,690	None	Note 8
2018.03	NT\$65	50,000,000	500,000,000	33,800,520	338,005,200	Issue of shares NT\$30,000,000	None	Note 9
2018.08	NT\$10	50,000,000	500,000,000	35,490,546	354,905,460	Capitalization of retained earnings NT\$16,900,260	None	Note 10
2019.08	NT\$10	50,000,000	500,000,000	37,233,423	372,334,230	Capitalization of retained earnings NT\$17,428,770	None	Note 11
2019.09	NT\$10	50,000,000	500,000,000	37,333,423	373,334,230	Restricted stock awards NT\$1,000,000	None	Note 12
2020.04	NT\$10	50,000,000	500,000,000	37,433,423	374,334,230	Restricted stock awards NT\$1,000,000	None	Note 13

Year/ Month	Issued price	Authorized Share Capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2020.05	NT\$10	50,000,000	500,000,000	37,533,423	375,334,230	Restricted stock awards NT\$1,000,000	None	Note 14
2020.09	NT\$10	50,000,000	500,000,000	39,373,444	393,734,440	Capitalization of capital surplus NT\$18,400,210	None	Note 15
2020.11	NT\$10	50,000,000	500,000,000	44,873,444	448,734,440	Issue of shares NT\$55,000,000	None	Note 16
2021.09	NT\$10	80,000,000	800,000,000	44,873,444	448,734,440	Increase authorized capital of the Articles of Association	None	Note 17
2021.11	NT\$10	80,000,000	800,000,000	44,973,444	449,734,440	Restricted stock awards NT\$1,000,000	None	Note 18
2022.01	NT\$10	80,000,000	800,000,000	44,340,444	443,404,440	Cancellation of treasury stock NT\$633,000	None	Note 19
2023.12	NT\$10	80,000,000	800,000,000	44,520,444	445,204,440	Restricted stock awards NT\$1,800,000	None	Note 20

Note 1: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10380022500 dated January 2, 2014.

Note 2: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10386076210 dated August 5, 2014.

Note 3: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10483446010 dated April 29, 2015.

Note 4: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10486040120 dated July 23, 2015.

Note 5: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10586083910 dated June 7, 2016.

Note 6: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10590944000 dated August 10, 2016.

Note 7: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10651905710 dated March 15, 2017.

Note 8: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10658002810 dated September 5, 2017.

Note 9: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10746526900 dated March 6, 2018.

Note 10: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10752062700 dated August 3, 2018.

Note 11: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10852895400 dated August 22, 2019.

Note 12: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10854017000 dated September 17, 2019.

Note 13: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10948166300 dated April 8, 2020.

Note 14: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10949725000 dated May 22, 2020.

Note 15: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10953758920 dated September 7, 2020.

Note 16: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 10956607100 dated November 24, 2020.

Note 17: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 11053586500 dated September 23, 2021.

Note 18: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 11055656200 dated November 22, 2021.

Note 19: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 11145382300 dated January 25, 2022.

Note 20: Approval sought from Letter No. Fu-Chan-Ye-Shang-Zi No. 11255712900 dated December 6, 2023.

3.Information relevant to the aggregate reporting policy: Not applicable.

## (II) Shareholder structure

April 20, 2024 Unit: Person; Share; %

Shareholder structure Count	Government agency	Financial institution	Other institutional entities	Individual	Foreign institution and foreigner	Total
Number	—	4	30	7,999	23	8,056
No. of shares held	—	375,696	23,196,673	20,642,929	305,146	44,520,444
Shareholding ratio	0.00%	0.84%	52.10%	46.38%	0.68%	100.00%

## (III) Diversification of equity

April 20, 2024 Unit: Person; Share; %

Shareholding range	Number of Shareholder	No. of shares held	Shareholding percentage
1 to 999	2,563	397,588	0.89
1,000 to 5,000	4,899	8,373,781	18.81
5,001 to 10,000	350	2,697,099	6.06
10,001 to 15,000	86	1,075,348	2.42
15,001 to 20,000	37	655,176	1.47
20,001 to 30,000	36	888,870	2.00
30,001 to 40,000	20	705,216	1.58
40,001 to 50,000	10	444,213	1.00
50,001 to 100,000	21	1,389,042	3.12
100,001 to 200,000	10	1,371,768	3.08
200,001 to 400,000	8	2,206,683	4.96
400,001 to 600,000	5	2,231,222	5.01
600,001 to 800,000	2	1,378,261	3.10
800,001 to 1,000,000	1	934,038	2.10
1,000,001 and above	8	19,772,139	44.40
Total	8,056	44,520,444	100.00%

## (IV) List of major shareholders (The name, number of shares, and percentage of Shareholders with more than 5% shareholding ratio or shareholders accounting for top 10 shareholding ratio)

April 20, 2024 Unit: Share; %

Name of major shareholder	No. of shares held	Shareholding percentage
Xiang Zhi Limited	5,431,287	12.20
Rock Internet Corporation	3,869,312	8.69
B'in Music International Limited	3,367,557	7.56
Hao Yi Xin Investment Limited	1,814,035	4.07
Yi Yue Investment Limited	1,549,824	3.48
Udnfunlife Co., Ltd.	1,529,000	3.43
Tzu Li Investments Limited	1,184,554	2.66
Eternal Summer Limited	1,026,570	2.31
Ru Guo Investment Limited	934,038	2.10
Fu Li Shih Limited	711,781	1.60

(V) Information relating to the market price, net worth, earnings and dividends per share for the last 2 years

Unit: NTD

Item \ Year			2022	2023	Current year up to March 31, 2024 (Note 2)
Market price per share	High		42.95	155.00	127.00
	Minimum		26.30	39.20	91.20
	Average		30.30	86.45	99.69
Net worth per share	Before dividend		12.74	19.44	20.59
	After Distribution		12.74	17.68 (Note 1)	18.72 (Note 1)
Earnings per share	Weighted average number of shares (thousand shares)		44,060	44,140	44,183
	Before retrospective adjustment		(0.31)	6.68	1.02
	After retrospective adjustment		(0.31)	6.07 (Note 1)	0.89 (Note 1)
Dividends per share	Cash dividends		—	3.5(Note 1)	—
	Stock dividends	From earnings	—	1.0(Note 1)	—
		From capital surplus	—	—	—
	Cumulative undistributed dividends		—	—	—
Analysis of investment returns	Price/Earnings Ratio (Note 3)		( 97.74 )	12.94	—
	Price/Dividend Ratio (Note 4)		—	24.7	—
	Cash Dividend Yield Rate (Note 5)		—	4.05%	—

Note 1: 2023 earnings appropriation which has been passed by the Board of Directors but has not yet been resolved by the shareholders' meeting.

Note 2: Fill in the net value per share and earnings per share with the data reviewed by CPAs as of the most recent quarter up to the publication date of the annual report; fill in the remaining fields with the data of the current year up to the publication date of the annual report.

Note 3: Price / Earnings Ratio = Average Market Price / Earnings per Share.

Note 4: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share.

Note 5: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price.

(VI) Dividend policy and execution status

1. Dividend policy stated in the Company's Articles of Incorporation

If the Company makes a profit in a fiscal year, the profit shall be first utilized for (1) Paying taxes; (2) Offsetting losses of previous years; (3) Setting aside 10% as legal reserve unless such legal reserve amounts to the total paid-in capital; (4) Appropriating or reversing special reserve in accordance with laws and regulations. Profits of the fiscal year after the deduction of the amount of (1) to (4), plus the accumulated undistributed earnings of previous years as the “distributable earnings”, and the Board shall present

surplus earning distribution proposals of distributable earnings as share dividends at a shareholders' meeting for resolution.

If the distribution of stock dividends and bonus or legal reserve and capital surplus is paid or partially paid by cash, it is subject to the resolution made by a majority of the directors present at a meeting attended by more than two-thirds of the whole directors and the same should be reported to the shareholders' meeting. The Company is growing and will expand depending on the business development in the future. Factors such as the Company's profit status, capital and financial structure, future operating needs, retained earnings and legal reserve, and market competition should be considered when it comes to the distribution of earnings. To improve the Company's financial structure and protect the rights and interests of investors, the Company adopts a dividend balance policy, according to which no less than 10% of the distributable earnings should be appropriated as shareholder dividends and bonuses, and no less than 10% of dividends distributed for the current year should be paid by cash.

2. Proposal of share distribution at this shareholders' meeting:

(1) The Company's 2023 net profit after tax amounted to NT\$294,796,953, after taking into account the disposal of equity instruments measured at fair value through other comprehensive income, which amounted to NT\$1,344,547. Deducting the statutory surplus reserve of NT\$29,614,150 and the special surplus reserve of NT\$6,623,752, the total distributable amount is NT\$259,903,598. Following the resolution passed by the Board of Directors on May 8, 2024 and the subsequent submission to the shareholders' meeting, it was resolved to distribute cash dividends of NT\$3.5 per share, totaling NT\$155,821,554, and stock dividends of NT\$1 per share, totaling NT\$44,520,440.

(2) After the proposal was submitted to the shareholders' meeting, the Board of Directors was authorized to set the ex-rights ex-dividend date and other related matters.

3. Description of Expected Significant Changes in Dividend Policy: None.

(VII) Impact of the proposed stock dividend by this shareholders' meeting for the current year on the Company's business performance and earnings per share:

Items		Year
		2024
Beginning paid-in capital (dollars)		NT\$ 445,204,440
Stock dividend and cash dividend issued this year (Note 1)	Cash dividends per share (dollars)	NT\$ 3.5
	Stock dividends per share form capital increase from retained earnings (stocks)	0.1
	Stock dividends per share form capital increase from capital surplus (stocks)	-
Change in business performance	Operating income	Not applicable (Note 2)
	Year on year increase(decrease) ratio of operating income (percent)	
	Profits after tax	
	Year on year increase(decrease) ratio of profits after tax (percent)	
	Earnings per share	
	Year on year increase(decrease) ratio of earnings per share (percent)	
	Average annual ratio of return on investment (percent)	

Year			2024
Items			
Pro forma earnings per share and P/E ratio	If the Company changed the capital increase form retained earnings to cash dividends distribution	Pro forma earnings per share (dollars)	Not applicable (Note 2)
		Pro forma average annual ratio of return on investment (percent)	
	If there is no capital increase from capital surplus	Pro forma earnings per share (dollars)	
		Pro forma average annual ratio of return on investment (percent)	
	If there is no capital increase from capital surplus and retained earnings, the Company distributes cash dividends	Pro forma earnings per share (dollars)	
		Pro forma average annual ratio of return on investment (percent)	

Note 1 : Not yet resolved by 2024 Annual General Shareholders' Meeting.

Note 2 : According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company does not disclose complete financial forecast and therefore does not need to disclose the 2024 forecast information.

#### (VIII) Compensation of Employees and Directors

1. Percentage or range of employees' and directors' remuneration as stated in the Articles of Association

According to the Articles of Association, the Company shall allocate no less than 2% and no more than 2% of the annual pre-tax net profit before the deduction of remuneration to employees and directors as employees' remuneration and director's remuneration, respectively. If there are accumulated losses, the earnings should be used for offsetting losses, and remunerations to employees and directors should be appropriated from the remaining.

Employees' remuneration is in the form of shares or cash. The receiving party includes the employees of parents or subsidiaries of the Company meeting certain requirements, which shall be prescribed by the Board of Directors. The distribution of employees' and directors' remuneration is subject to a resolution of the board meeting attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the directors present and reported to the shareholders' meeting.

2. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure.

The amount of employee and director compensation is estimated based on the Article of Association and is recognized as salary expense. The differences between the actual distribution of remuneration to employees and directors and the estimated amounts resolved by the board meeting before the authorized issuance date of financial statements, if any, will be accounted for expense adjustment in the current year. Any changes in the amount after the issuance date of the financial statements will be accounted for as changes in accounting estimates and recognized as profit or loss in the next year.

3. The status for distribution of remuneration passed by the Board of Directors

- (1) The amount of remuneration to employees and directors in cash or shares. If there is any discrepancy between the recognized expense amount and the estimated amount for the year, disclose the differences, reasons, and treatments.

NT\$10,657,933 for employee compensation paid in cash and NT\$4,109,225 for directors' remuneration paid in cash approved by the Board of Directors on March 6, 2024 and there were no differences exist between the recognized amount and the actual cash paid distribution of the employee bonuses and remuneration to directors.

- (2) The amount and percentage of employees' compensation paid in shares, relative to after-tax profit and total employees' compensation, as shown in parent company only or individual financial statements :

The Company's 2023 employee compensation were paid in cash and approved by the Board of Directors on March 6.

4. The actual distribution of remuneration for employees and directors in the previous fiscal year (including the number of shares, monetary amount, and stock price) and any discrepancy between the actual distributed amount and the recognized amount of compensation for employees and directors. The discrepancy, cause, and response shall be stated

Not applicable as the Company incurred a loss of NT\$13,764 thousand in 2022 and thus no remuneration to employees and directors were distributed.

(IX) Buyback of company shares by the Company: None

II. Issuance corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of offshore depositary receipts: None.

V. Issuance of employee stock option certificate: None.

VI. New issuance of employee restricted shares:

- (I) For all employee restricted shares for which the vesting conditions have not yet been met for the full number of shares, shall disclose the status up to the publication date of the annual report and the effect on shareholders' equity:

May 15, 2024

Type of employee restricted shares	2019			2021	2023
	1 <sup>st</sup> restricted employee shares	2 <sup>nd</sup> restricted employee shares	3 <sup>rd</sup> restricted employee shares	restricted employee share	restricted employee share
Effective registration date and total shares	2019.07.18/ 500,000 shares			2021.10.13/ 100,000 shares	2023.10.03 / 180,000 shares
Issue date	2019.09.03	2020.04.06	2020.05.18	2021.11.18	2023.11.24
Number of restricted employee shares issued	100,000 shares	100,000 shares	100,000 shares	100,000 shares	180,000 shares
New restricted employee shares to be issued	0 share			0 share	0 share
Issued price	NT\$0	NT\$0	NT\$0	NT\$0	NT\$0
Ratio of the number of restricted employee shares issued to the total number of issued shares	0.22%	0.22%	0.22%	0.22%	0.40%
Vesting conditions of the restricted employee shares	<ol style="list-style-type: none"> <li>1. If the employees are still on duty one year after issuance and the annual performance is grade A, 20% of shares are vested.</li> <li>2. If the employees are still on duty two years after issuance and the annual performance is grade A, 20% of shares are vested.</li> <li>3. If the employees are still on duty three years after issuance and the annual performance is grade A, 20% of shares are vested.</li> <li>4. If the employees are still on duty four years after issuance and the annual performance is grade A, 20% of shares are vested.</li> <li>5. If the employees are still on duty five years after issuance and the annual performance is grade A, 20% of shares are vested.</li> </ol>				<ol style="list-style-type: none"> <li>1. For employees that are still at the job position on the vesting date after being allotted the new restricted employee shares and receiving the annual performance evaluation of Grade A, they shall meet the determination criteria made by the Company to have not violated the labor contract, employee code of conducts, trust contract, corporate governance best practice principles, ethical corporate management best practice principles, work rules, non-compete and confidentiality rules or contract terms with the Company, and shall also achieve the overall company performance indicator set by the Company. The vesting ratio for the vesting date of each year is as follows:  One year from the maturity date: 40%  Two years from the maturity date: 30%  Three years from the maturity date: 30% </li> <li>2. Company Overall Performance Indicator: The basic EPS of the consolidated financial statements of the year one year before the maturing date of each vesting period and audited by attesting CPAs.  A. When the EPS reaches NT\$2 and above, it is able to receive 100% of the maximum vesting ratio for that year.  B. For earnings per share (EPS) ranging from NT\$2 to NT\$1 (inclusive), shareholders are entitled to up to 80% of the maximum vesting ratio for that fiscal year.  C. For earnings per share (EPS) ranging from NT\$1 to NT\$0.5 (inclusive), shareholders are entitled to up to 50% of the maximum vesting ratio for that fiscal year.  D. For earnings per share (EPS) ranging from NT\$0.5 to NT\$0 (inclusive), </li> </ol>



Type of employee restricted shares	2019			2021	2023
	1 <sup>st</sup> restricted employee shares	2 <sup>nd</sup> restricted employee shares	3 <sup>rd</sup> restricted employee shares	restricted employee share	restricted employee share
					shareholders are entitled to up to 20% of the maximum vesting ratio for that fiscal year. E. When the EPS indicates a loss, it is able to receive 0% of the maximum vesting ratio for that year.
Restrictions on rights in the restricted employee shares	1. Employees shall not sell, pledge, transfer, give, mortgage, or dispose of in other ways the shares granted to them but are not vested. 2. (1) Before the shares granted to employees are vested, except for the restriction stated above, employees' other rights and obligations (including participation in dividends distribution in cash and shares, cash capital increase subscription, and other related shareholder rights and interests) are the same as common stocks that have been issued by the Company. (2) During the vesting period, if the Company's carry out a capital reduction except for the reduction required by laws, restricted employee shares will be cancelled proportionally. If the capital reduction is done by cash return, the returned cash should be kept in trust, and be paid to the employees upon vesting conditions are fulfilled; if the employee does not meet the vesting conditions, the Company will take back the cash. 3. The right to attend, propose, speak, vote, and elect at the shareholders' meeting shall be transferred to the trust institution for execution in accordance with the agreement. 4. The restricted employee shares shall be executed in the form of stock trust, stock agency, or central depository after issuance. Employees may not ask the trustee to return the restricted employee shares for any reason or in any way prior to the fulfillment of vesting conditions.				
Custody of the restricted employee shares	Shares are kept in trust.				
Treatment of the restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	Shares will be redeemed without any consideration and annulled by the Company.				
Number of restricted employee shares that have been retired or bought back	0 share	0 share	0 share	0 share	0 share
Number of restricted shares that have vested	80,000 shares	80,000 shares	80,000 shares	40,000 shares	0 shares
Number of unvested restricted shares	20,000 shares	20,000 shares	20,000 shares	60,000 shares	180,000 shares
The ratio of the number of unvested new restricted shares to the total number of issued shares (%)	0.04%	0.04%	0.04%	0.13%	0.40%
The effect on shareholders' equity	Has a limited impact on the dilution of EPS in the future and has no significant influence on shareholders' equity.				

(II) Names and acquisition status of managerial officers who have acquired restricted employee shares and the top ten employees who have acquired restricted employee shares as of the publication date of the annual report:

May 15, 2024 Unit: Share; %; NT\$

Type	Position	Name	Number of restricted employee shares granted	Ratio of the number of restricted employee shares granted to the total number of issued shares	Vested restricted shares				Unvested restricted shares			
					Number of vested shares	Issuance Price	Issuance Amount	Ratio of the number of vested restricted shares to the total number of issued shares	Number of unvested shares	Issuance Price	Issuance Amount	Ratio of the number of unvested restricted shares to the total number of issued shares
Managerial officers	Chairman	Yu-Yang Chou	580,000	1.30%	280,000	0	0	0.63%	300,000	0	0	0.67%
	Chief Financial Officer	Jui-Chuan Chang										
	Chief Creative Officer	Tsung-Chun Yang										
	Chief of Business	Sheng-Hua Wen										
	Chief Technology Officer	Shih-Wei Chen										
	Chief Administrative Officer	Yu-Hsuan Wu										
Employee	Technical Production Director	Ming-Wen Tan										

VII. New shares issued upon merger and acquisition: None.

VIII. Progress on the planned use of capital:

For the period as of the quarter preceding the publication date of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

## Five. Operational Overview

### I. Business activities

#### (I) Business activities

##### 1. Main areas of business operations:

- CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- CC01120 Data Storage Media Manufacturing and Duplicating
- E601010 Electric Appliance Construction
- E601020 Electric Appliance Installation
- E603090 Lighting Equipments Construction
- E604010 Machinery Installation
- E605010 Computer Equipment Installation
- E701020 Satellite Television KU Channels and Channel C Equipment Installation
- E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
- E801010 Indoor Decoration
- EZ05010 Instrument and Meters Installation Engineering
- EZ14010 Sport Venue Equipment Engineering
- EZ99990 Other Engineering
- F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- F113010 Wholesale of Machinery
- F113020 Wholesale of Electrical Appliances
- F113070 Wholesale of Telecommunication Apparatus
- F119010 Wholesale of Electronic Materials
- F120010 Wholesale of Refractory Materials
- F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- F213010 Retail Sale of Electrical Appliances
- F213040 Retail Sale of Precision Instruments
- F213060 Retail Sale of Telecommunication Apparatus
- F213080 Retail Sale of Machinery and Tools
- F219010 Retail Sale of Electronic Materials
- F220010 Retail Sale of Refractory Materials
- F401010 International trade
- F601010 Intellectual Property Rights
- I301010 Information Software Services
- I301020 Data Processing Services
- I301030 Electronic Information Supply Services
- I401010 General Advertisement Service
- I501010 Product Designing
- I599990 Other Designing
- IZ12010 Manpower Dispatched
- IZ99990 Other Industrial and Commercial Services
- J304010 Book Publishing
- J305010 Audio Publishing
- J401010 Motion Picture Production
- J503010 Broadcast Program Production
- J503020 Television Program Production
- J503030 Broadcasting and Television Program Distribution
- J503040 Broadcasting and Television Commercial
- J601010 Arts and Literature Service
- J602010 Performing Arts Activities
- J603010 Live House
- J801030 Athletics and Recreational Sports Stadium
- JA02010 Electric Appliance and Electronic Products Repair
- JB01010 Conference and Exhibition Services
- JE01010 Rental and Leasing
- JZ99050 Agency Services
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

##### 2. Business proportion

Unit: NTD thousands; %

Product name \ Year	2022		2023	
	Net operating revenues	Proportion	Net operating revenues	Proportion
Production design and hardware engineering revenue	1,213,778	93.18	2,528,963	98.84
Equipment leasing revenue	25,382	1.95	26,386	1.03
Ticket revenue	60,085	4.61	1,030	0.04
Others	3,399	0.26	2,181	0.09
Total	1,302,644	100.00	2,558,560	100.00

### 3. Main products and services of the Company

The Company and its subsidiaries are mainly engaged in the business of commercial performance events, including but not limited to visual design, directing, production execution, space and set planning, hardware contracting and subcontracting, technical execution, and equipment leasing of concerts, evening parties, award ceremonies, sports events, and TV programs. The Company develops original intellectual property (IP) with great core ability in software and hardware and expands its business area to performance organization, public relation marketing integration, etc.

### 4. New products (services) development

In addition to carrying out business activities such as the production and creative conception of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, and commercial performance, the hardware and software services of equipment leasing, organization of performance, and public relation marketing integration, the Company and its subsidiaries are also dedicated in original IP development, spanning the drama IP market field for the production of workplace dramas of the concert industry. Looking ahead, we are committed to actively expanding its operational scope by enhancing our event organizing business. We will prioritize negotiations for the operation of venues with different capacities, aiming to fully integrate venue utilization into our event organizing operations. This strategic approach is designed to optimize business performance and achieve robust and diversified operational outcomes.

## (II) Industry Overview

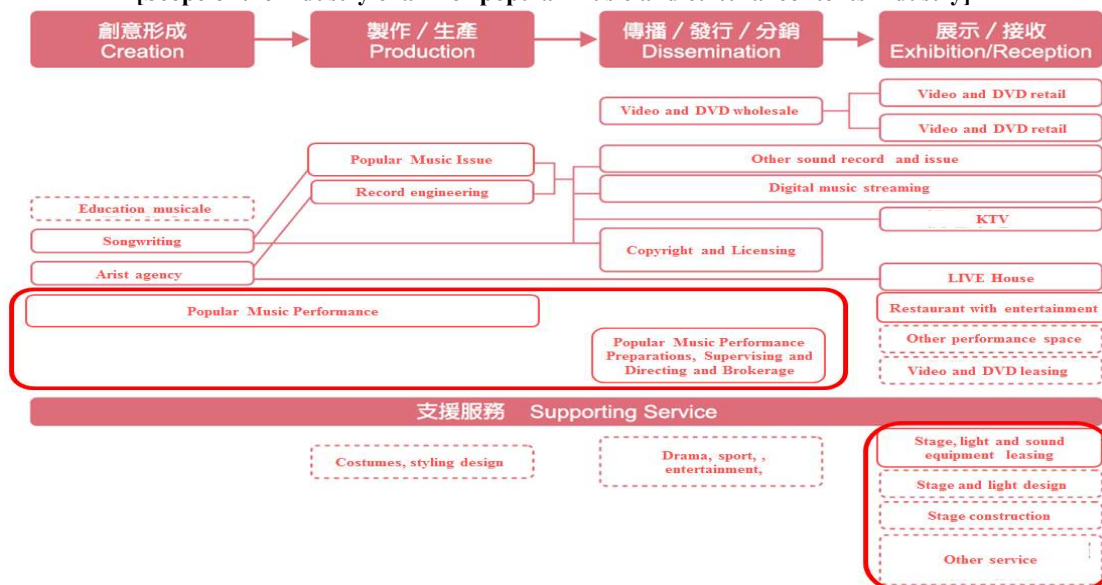
The Company's principal businesses are engaging in the production and creative conception of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, and commercial performance and equipment leasing. Hence, the Company's businesses are very much influenced by the popular music development and the performance activities of artists, and the state of the domestic economy.

### 1. Overview and Development of the Industry

According to the "2022 Taiwan Cultural and Creative Industry Development Annual Report" published by the Ministry of Culture, the popular music and culture content industries refer to industries engage in the creation, publication, release, performing, and brokerage of music and culture that are generally accepted by the public, and peripheral production technology services.

Under the global digital trends, physical records are in decline. The major revenue sources of popular music and cultural contents industry is turning towards live performances related activities. The related peripheral services include costumes, styling design, performance preparation and supervising and directing, ticket sales service, stage construction, light and sound equipment and performance spaces.

[Scope of the industry chain for popular music and cultural contents industry]



Information source: "2021 Taiwan Cultural Creativity Industry Development Annual Report", Taiwan Creative Content Agency (TAICCA), May 2022.

In observation of the secondary industry of the popular music and cultural contents industry from 2016 to 2021, since 2016 it had mostly presented a growth trend. Except in 2020 to 2021, it presented a recession due to the impacts from the COVID-19 pandemic. The output value for the 2021 “Stage Light and Sound Equipment Leasing” was approximately NTD 806 million, an annual recession of 13.93%. The output value for the 2021 “Popular Music Performance Preparations, Supervising and Directing and Brokerage” was approximately NTD 953 million, an annual recession of 4.61%.

[2016–2021 Revenue for Secondary Industries of Popular Music and Cultural Contents Industry]

Unit: NTD in Thousand, Percentage

Secondary Industries		2016	2017	2018	2019	2020	2021
Video and DVD wholesale	Revenue	3,473,454	3,211,656	3,266,206	3,336,869	3,533,438	2,769,480
	Growth%	-7.80%	-7.54%	1.70%	2.16%	5.89%	-21.62%
Video and DVD retail and vendor	Revenue	2,570,376	2,268,119	2,507,048	2,247,976	3,111,934	2,258,022
	Growth%	2.17%	-11.76%	10.53%	-10.33%	38.43%	-27.44%
Restaurant with entertainment	Revenue	490,062	499,037	394,882	227,276	198,145	173,213
	Growth%	1.85%	1.83%	-20.87%	-42.44%	-12.82%	-12.58%
Popular Music Issue	Revenue	5,845,272	6,213,256	6,844,718	7,618,320	6,859,933	5,781,155
	Growth%	11.90%	6.30%	10.16%	11.30%	-9.95%	-15.73%
Record engineering	Revenue	178,147	156,875	184,232	171,411	174,884	185,868
	Growth%	19.22%	-11.94%	17.44%	-6.96%	2.03%	6.28%
Other sound record and issue	Revenue	1,972,458	1,847,376	1,866,305	2,347,995	2,070,926	2,117,911
	Growth%	40.80%	-6.34%	1.02%	25.81%	-11.80%	2.27%
Copyright and Licensing	Revenue	488,896	439,877	468,237	504,189	539,169	500,152
	Growth%	8.36%	-10.03%	6.40%	7.68%	6.94%	-7.24%
Digital music streaming	Revenue	2,317,788	2,989,882	2,772,591	2,958,322	2,837,877	3,045,079
	Growth%	-4.64%	29.00%	-7.27%	6.70%	-4.07%	7.30%
Arist agency	Revenue	275,286	286,313	246,081	516,750	334,903	229,885
	Growth%	18.39%	4.01%	-14.05%	109.99%	-35.19%	-31.36%
Stage, light and sound equipment leasing	Revenue	819,221	964,766	1,018,199	1,068,126	935,980	805,573
	Growth%	4.06%	17.77%	5.54%	4.90%	-12.37%	-13.93%
Songwriting	Revenue	21,901	39,361	59,219	86,610	169,237	132,402
	Growth%	-7.00%	79.72%	50.45%	46.26%	95.40%	-21.77%
POP MUSIC LIVE House	Revenue	1,077	11,183	31,347	34,883	62,375	100,432
	Growth%	-46.59%	937.92%	180.30%	11.28%	78.81%	61.01%
Popular Music Performance	Revenue	8,083	3,609	29,481	33,672	44,978	55,252
	Growth%	-	-55.36%	716.98%	14.22%	33.58%	22.84%
Popular Music Performance Preparations, Supervising and Directing and Brokerage	Revenue	161,361	150,859	524,624	1,627,283	998,954	952,910
	Growth%	-	-6.51%	247.76%	210.18%	-38.61%	-4.61%
KTV	Revenue	12,061,042	11,983,396	12,770,543	12,712,020	11,566,741	8,660,928
	Growth%	1.64%	-0.64%	6.57%	-0.46%	-9.01%	-25.12%

Information source: “2022 Taiwan Cultural Creativity Industry Development Annual Report”, Taiwan Creative Content Agency (TAICCA), February 2023.

#### (1) Overview and Development of the Popular Music Industry

The popular music and cultural content industry is impacted by the digital technology. This has led to its profit model to gradually shift to multiple incomes from the physical record structure. Multiple incomes include online streaming, singers brokerage and concert experience economy. These business models are cross-disciplines and cross-industries patterns. These trends have become the growth factors of the popular music peripheral service industry. The below analysis on the current status and development of popular music industry in Taiwan and Mainland China:

##### A. Taiwan Popular Music Industry

According to the “2022 Taiwan Culture Content Industry Survey Report III,

Popular Music Industry” published by the Taiwan Creative Content Agency, the total revenue of Taiwan's popular music industry in 2021 was NT\$17.686 billion, representing a 10.26% decline compared to the previous year. This decline was primarily attributed to the impact of the COVID-19 pandemic. Specifically, the revenue of the music performance sector (including event planning and production, event support, and venue operation) in 2021 was approximately NT\$3.15 billion, reflecting a decline of 29.31% compared to the previous year.

[Total revenue structure of the popular music industry from 2020 to 2021]

A: Revenue B: Percentage		Unit: NT\$100 million, %			
Item	2020		2021		Rate of change from 2020 to 2021
	A	B	A	B	
Physical record sales	3.47	1.76%	2.52	1.42%	-27.38%
Music production/ distribution/ artist management	93.35	47.37%	95.62	54.07%	2.43%
Music streaming/ downloading platforms	23.19	11.77%	23.75	13.43%	2.41%
Performance event planning and production	32.01	16.24%	20.60	11.65%	-35.65%
Performance event support	9.30	4.72%	6.91	3.91%	-25.70%
(Music) event venue	3.25	1.65%	3.99	2.26%	22.77%
KTV	1.32	0.67%	0.99	0.56%	-25.00%
Karaoke product	2.43	1.24%	1.44	0.81%	-40.74%
Collective management organization and songwriting management	12.66	6.42%	12.23	6.92%	-3.40%
Ticketing	16.08	8.16%	8.81	4.98%	-45.21%
Total	197.07	100%	176.86	100%	-10.26%

Information source: “2022 Taiwan Culture Content Industry Survey Report III, Popular Music Industry,” Taiwan Creative Content Agency, June 2023.

The Taiwan popular music industry began to transform under the changes of the overall environment. In the past, concerts which were viewed as for promotional purpose are gradually flourishing in recent years. It has become one of the main source of income for the music and entertainment companies and artists. The development trend for the popular music industry is turning to performances as the key. The development of concert production in Taiwan has now gradually found its own direction and pathway in contrast to the early days when Taiwan was learning from Europe, USA and Japan on live performances and adopting from neighboring Hong Kong. Furthermore, after the market of Mainland China opens up, the Chinese concert tours is keeping up to that of Europe and USA. From the business model of the Taiwan concert tours, performing at various locations, brokerage companies of Taiwan are planning the concerts and inviting organizers of various places to purchase the shows. We can get a look of the leading position and rising power of the Taiwan popular music in the Chinese market.

By looking at the value chain of the Taiwan popular music industry, one will find that value was generated from records in the past and has gradually shifted to live performances. Concerts are not just singing and performing but are direct interactions between the artists and the audiences. It is also a whole new interpretation of the music visually and technology wise. In the future, concerts are one aspect of the singers for shaping image and branding. Constant evolution is necessary from the various professional skills behind the concert scenes to the management model. Only by doing this can one continue to create advantages and values in this extremely competitive market.

In terms of export sales, besides heading overseas to hold concerts for the singers in Taiwan, domestic and overseas artists are frequently concentrating at Live House and composite performance space for performances in recent years. Such phenomenon is very likely to be connected to the rapidly increasing trend of composite performance spaces in recent years. At the same time, Live House and composite performance spaces are venues that can cultivate new singers. There are sufficient spaces of all kinds to offer different enrichment for singers of different stages. This is beneficial to the development of a healthy performance ecosystem.

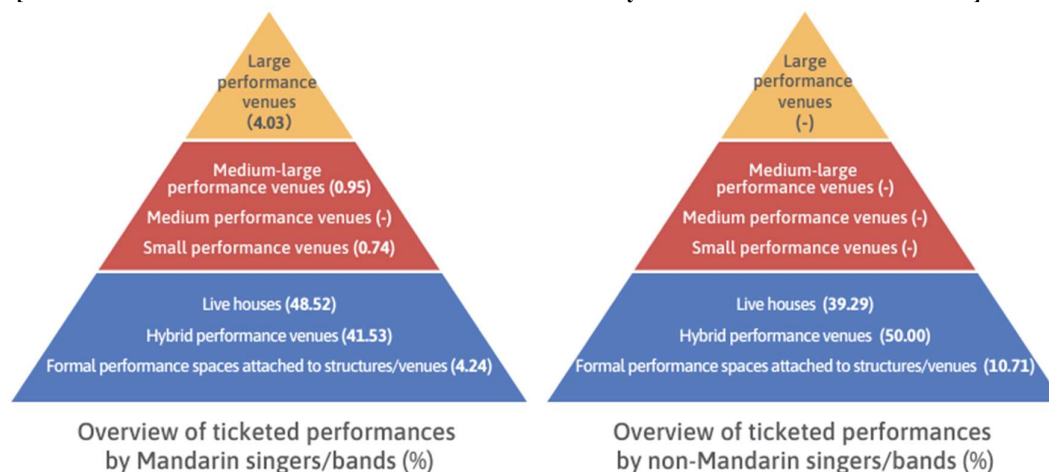
On the other hand, record companies and well-known artists are crossing to performance brokerage business as the business model transforms. The singer brand concept is blended into the production and sales. A comprehensive management thinking is made from the perspective of the entertainment industry, to the artist positioning, song production, concerts and to the performance brokerage. After such type of model matures, concerts and endorsement have gradually become a major revenue source for the record and performance brokerage companies. It has further driven the booming of related industries to the peripherals of concerts, such as, stage, light, and sound equipment leasing. Even though there are expectations for the prospects of related industry, stage light and space management or activity preparation aspects do not have suitable educational pathways that can lead young people to enter this industry and learn. The proportion of formal degrees, external support or cultivating courses are obviously lower leading to the lack of suitable channels for entering this industry. Over the long term, the future of the industry will continue to extend and develop upwards. Under the circumstance lacking the support from entry-level talents, it will inhibit a sturdy development of the industry.

In terms of the performance space for popular music industry, there are not many options for the concert venues in Taiwan. It has always been a common nightmare for many record and performance companies who want to organize large concerts. Hence, the government has constructed the Taipei Music Center in Nangang District. The main body provides an indoor performance hall of 5,000 seats and approximately 3,000 seats for the outdoor performance space, small and medium size live house, music theme park and so on spaces. The Kaohsiung Music Center was built in Kaohsiung City, with main body providing outdoor performance space of 10,000 seats, large indoor performance space of 6,000 seats, and small indoor live warehouse, popular music exhibit hall, ocean culture exhibition center and so on spaces. Construction for the two venues were completed in 2020 and 2021, respectively and have begun operations. As



for the eagerly anticipated Taipei Dome, it is still awaiting improvements to its facilities and related measures. There is hope that the venue will soon be enhanced to facilitate the hosting of concert events. According to the “2022 Taiwan Culture Content Industry Survey Report III, Popular Music Industry,” Taiwan Creative Content Agency, even though the various type of spaces can offer different enrichment for singers or bands at different stages and that the performance market in Taiwan still presents a pyramid shape during COVID-19, the percentages of Mandarin and non-Mandarin artists who can hold large ticket sales performance in 2021 are only 4.98% and 0%, respectively.

**[The 2021 Distribution of the Ticket Sales Performance by Domestic and Overseas Artists]**



Information source: “2022Taiwan Cultural Creativity Industry Development Annual Report”, Taiwan Creative Content Agency (TAICCA), June 2023.

However, in 2023, even though large-scale concerts, music festivals, and international concert tours, and ticket prices have continued to rise, several small-scale event venues and livehouses, such as Tiehua Music Village, Apa Mini, Kafka by the Sea, and Riverside Live House could not avoid closure and bankruptcy. This situation is not limited to Taiwan. Small-scale music venues around the world are encountering operational crises. The reasons for this are not only the rise in operating costs and reduction of government subsidies after the pandemic, the multitude of large-scale concerts and music festivals featuring renowned artists post-pandemic has provided audiences with more options, thereby affecting the ticket revenue of smaller venues.

## B. Popular Music Industry in Mainland China

After years of breakneck development, China's events performance industry has achieved economies of scale. Additionally, in recent years, China's National Development and Reform Commission issued a document titled “Measures on Restoring and Expanding Consumption,” consisting of 20 articles, which explicitly emphasizes “enriching cultural and tourism consumption and promoting consumption in entertainment, sports, and exhibition industries.” Therefore, with the end of the pandemic and the overall economic recovery, coupled with the support of national policies promoting cultural and tourism consumption, offline consumption has experienced a significant rebound, leading to explosive growth in the performance market.

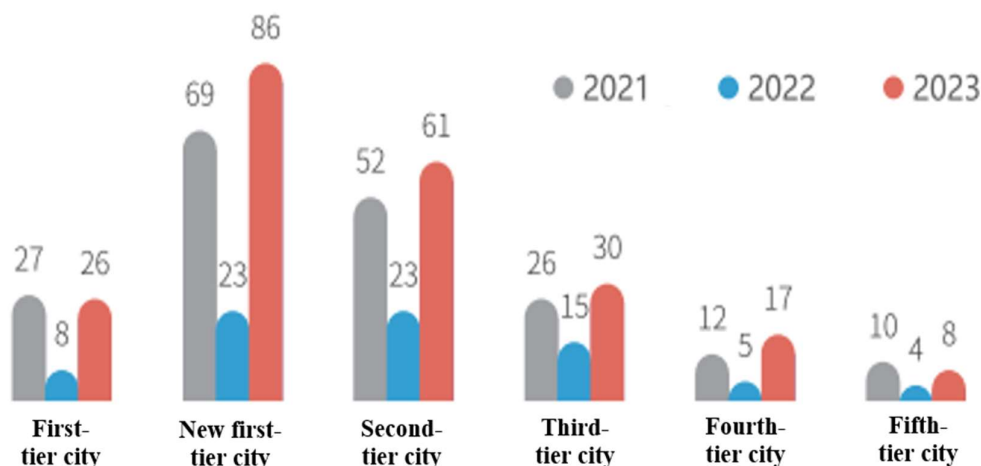
According to the “National Performance Market Briefing for the First Half of 2023”



released by the China Performances Industry Association, in the first half of 2023, the number of commercial performances nationwide reached 193.3 thousand, a year-on-year increase of 400.86%; the box office revenue of the performances was RMB 16.793 billion, a year-on-year increase of 673.49%; the number of audiences was 62.2366 million, with a year-on-year increase of more than tenfold. Among them, 506 large-scale concerts and music festivals were held, with box office revenues of RMB 2.497 billion and 5.501 million audiences.

With the growth of per capita disposable income among the Chinese population and cultural and entertainment activities make a comeback, various local governments across China are recognizing the economic potential of combining “performing arts + tourism.” This integrated approach is not only driving local economic growth but also fueling the expansion of offline live performances. Notably, music festivals are extending beyond major cities. In 2023, a greater number of music festivals were hosted in emerging first-tier, second-tier, and third-tier cities compared to first-tier cities. This shift underscores the proactive efforts of regions nationwide to cultivate music festivals infused with local cultural elements, thereby fostering the growth of the offline music industry.

**Number of music festivals held in each tier of cities from 2021 to 2023**



Information source: 2023 Tencent Entertainment WhitePaper, December 2023.

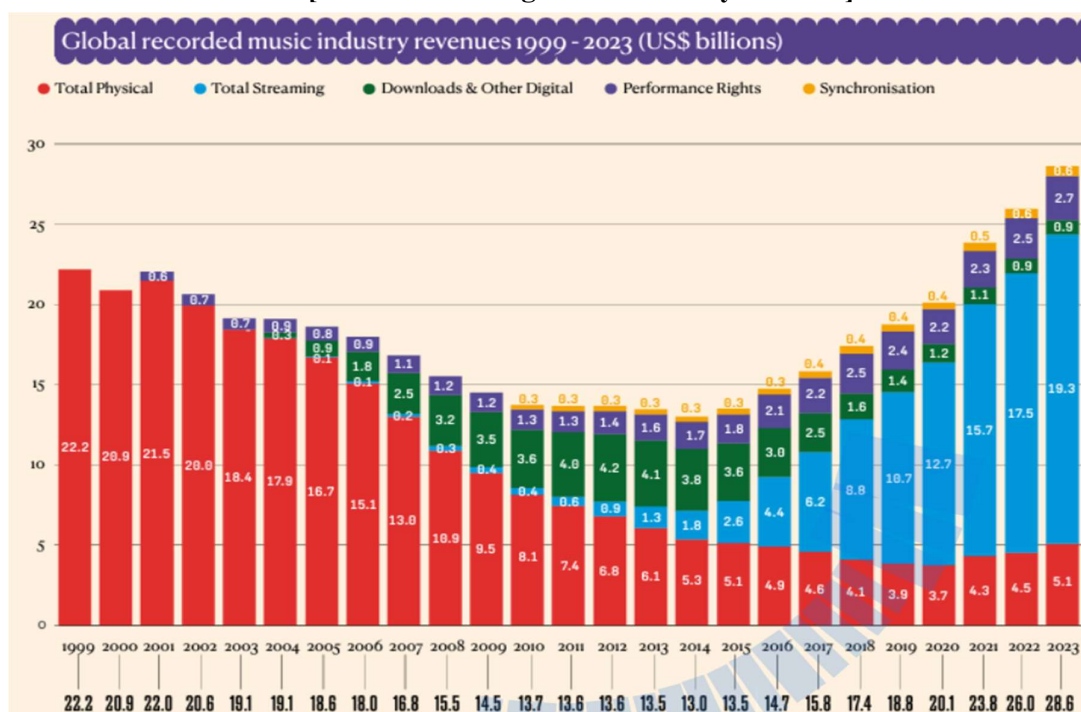
### C. The Global Popular Music Industry

According to the “Global Music Report: The Industry in 2024” released by the International Federation of the Phonographic Industry (IFPI): The report indicates the economic situation of the 2023 music industry. The 2023 income of the global recording music market grew by 10.2% reaching USD 28.6 billion, growth for nine consecutive years. Streaming music has become the key driver for the overall growth once more. The streaming music revenue (including free subscription and advertisement support) grew by 10.28% which accounts for 67% of the overall sales amount of the music industry. Growth was not limited to streaming: there was a strong double-digit percentage increase in physical revenues (up by 13.4%) and healthy gains in income from performance rights (up by 9.5%). This is the third consecutive year that digital and physical revenue have grown simultaneously.

Record companies around the world are expanding their businesses in a localized

manner supporting local music culture and promoting emerging music ecosystem development, discovering local music and creating opportunities for it to be heard by global audiences. With continued input and investment from record companies, there was a positive story of growth across the globe: every region had healthy revenue growth in 2023 and five regions posted double-digit percentage gains.

### [Global recording music industry revenue]



Information source: "Global Music Report: The Industry in 2024" released by the International Federation of the Phonographic Industry (IFPI), March 2024.

## (2) Current status and development of leasing mechanical equipment

The scale of the rental and leasing market changes according to the domestic economic developments. As the domestic economy becomes vibrant, the commercial activities in Taiwan increase. This will benefit the equipment leasing business as required for organizing activities. In view of the recent years, the domestic mechanical equipment leasing business has maintained a stable growth trend. Since the beginning of 2018, various activities and artists concerts had increased generating strong demands for stage lights and sound equipment. The revenue for mechanical equipment leasing had also shown growth year by year. Until 2020, due to impacts from COVID-19 pandemic, the annual growth shows -3.93%, with revenue at approximately NTD 38.3 billion, exhibiting a recession. The year 2021 was still impacted by the pandemic and the revenue was similar to that of 2020. Up till the second half of 2022, the Central Epidemic Command Center began to relax the epidemic measures and revenues began to show trends of growth.

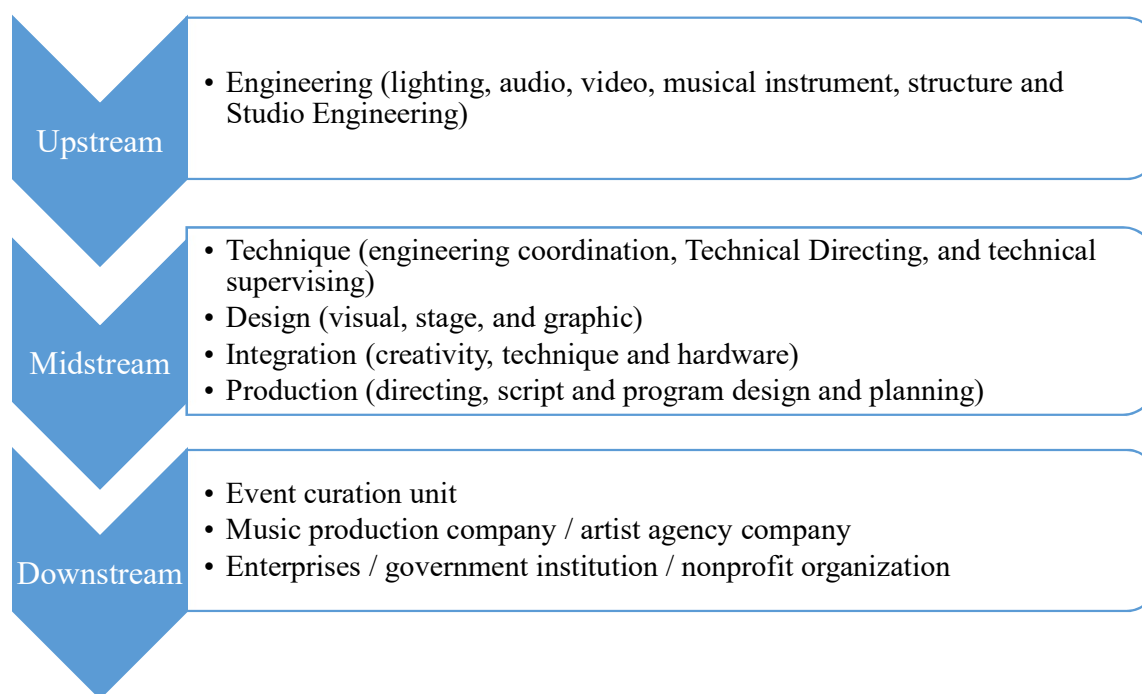
Item category	Mechanical equipment rental and leasing	
	Revenue (NTD 100 million)	Annual growth of revenue
2029	399	-2.01 %
2020	383	-3.93 %
2021	383	0
2022	448	17.05 %
2023	435	-2.90 %

Information source: Ministry of Economic Affairs (MOEA)

## 2. Association between upstream, midstream, and downstream industry participants

The Company is the live show production party of the popular music industry chain as the main services of the Company include the conception, planning, and execution of programs, visual and stage & set design, lighting design, audio planning, lease of hardware equipment, coordination of event construction, etc. With further analysis of its upstream and downstream, the Company is in the industry where upstream suppliers of equipment leasing and construction services regarding the stage, suspension structure, electricity, lighting, video, audio, and musical instrument provide the design, integration, and production services mainly to records companies, TV stations, entertainment companies, and performance art companies. Given that the company is a software and hardware resource integration service provider with its service scope expendable, it is in the upstream and midstream segment of the industry supply chain.

### 【Upstream, midstream, and downstream relationship diagram】



## 3. Various trends in product development and competition

### (1) Development trend

#### A. Catch the audience's eyes with digital technology rollout

With the coming of the experience economy of concerts, providing audiences with exciting and shocking performances has become the goal of concert performances. As a result, concert performances are scrambling for technology applications, constantly introducing new ones, and striving to attract the audience's attention. Besides classical songs, nowadays it is possible that performers to descend from the sky and to have ever-changing LED patterns and vivid holographic projection, bringing the audiences better audio and visual enjoyment. Take “MAYDAY : LIFE LIVE TOUR” as an example, a total of 2,400 pieces of LEDs are used to create more than 30 kinds of stage sets and extend the stage effects on both sides. It is also the first time "ground LED"

stage technology is implemented in a concert. Moreover, 5G and virtual reality technology keep innovating and are being applied in various performance events. For example, in 2021 TAIPEI : NEW YEAR'S EVE PARTY, techniques such as “real-time free-viewpoint”, “AR augmented reality”, and “hundreds online co-performance” are applied, while in “JJ Lin SANCTUARY FINALE Virtual Concert” and “MAYDAY FLY TO 2022”, XR extended reality was adopted to break through 3D space, creating an atmosphere of science fiction which combines virtual and reality. In 2022, we joint hands with the Industrial Technology Research Institute (ITRI) in creating the first LED Next Generation Virtual Studio in Taiwan combining 5G private network and XR virtual studio location shooting services. It has achieved synchronous remote connection and communication, which is a breakthrough from geographic limitations. LED display is used to replace the traditional green screens at the studio. Special effects can be played instantly. It is a virtual studio with virtual interactions of scenes and objects, and metaverse experiences. In addition, “2021 NTCH : LUNATIC TOWN AUTUMN FESTIVAL”, is a new style performance that combines live streaming, immersive experience, and virtual reality. For MAYDAY : #5525 LIVE TOUR held in 2023, 13,000 units of specialized display panels were utilized to construct a 360-degree enormous LED sphere featuring a three-dimensional surface. This setup was employed to produce a 3D naked-view effect, delivering a stunningly realistic and immersive visual spectacle for the audience to enjoy.

B. Promote online concerts with the prevalence of internet

For the music industry, the internet marked the end of the era of records and facilitated the development of online music. Artists' main income source has also transferred from records release to performances, such as concerts, fan clubs, and meet-and-greets. In recent years, under the impact of internet thinking, there is a new concert model, “O2O”, i.e. the combination of online and offline, which allows live streaming of concerts on the internet or TV. With the prevalence of OTT (Over-the-top) service, people are able to watch their favorite video “whichever and whenever” they want, which provides a great channel for online concerts. However, a live concert is essentially a live experience where you can interact face-to-face with fellow fans, and the most attractive point of live shows is that every live brings a different experience. Therefore, online concerts are an option for the diversified development of the music industry rather than a substitute for a live concert.

Online concerts have achieved a breakthrough during the COVID-19 pandemic in 2020. Artists all over the world have launched live house performances, making up for the regret that music fans cannot watch performances offline and satisfying the strong demands of professional live show consumers. With the continuous innovation of 5G and virtual reality technology, Many problems in the past such as the lack of immersive experience due to technology level have been solved. Singer's voice, Live video, and ever-changing scenes are able to be transmitted to fans' screens or VR/AR devices with live stream technology, which is a new style of smart entertainment under the pandemic. It has been possible to stan for stars without going out and to enjoy an unprecedented experience. However, its business model is still developing with the trend. It takes time to try and adjust different ways for the improvement of live video recording equipment,

interactive platform experience, and broadcast angle, and the development of the audience's pay-per-view habits and charging mechanism. Brands such as the Korean paid online concert platform “Beyond LIVE” by SM Entertainment and the panoramic live performance brand “TME LIVE” by Tencent Music are being developed. In the future, it is also very possible to create a business model with an imaginative and complementary dual system combining virtual reality and reality. The interactive design makes online activities more than unilateral viewing behaviors, bridges the gap of the Internet, and even creates an immersive experience to "break the fourth wall" to create an exclusive interactive experience for online activities, and stimulate the audience's passion to drive the sales of other offline concerts and products.

According to the “KKCompany 2021 Entertainment Industry Report”, online performance activities achieve explosive growth in the second half of 2021. The number of events held through KKIX Live in September 2021 has reached 300 in a single month, which is 20 times the number in the same period last year. From the number of online events, the top three types are lecture 42%, music performance 30%, and movie forum 14%, among which the music performance category including "concerts, recitals, and musicals" increased from 5% in 2020 to 30% in 2021, and the number of online concerts increased by 10 times. Obviously, the organizers have become more and more familiar with the online way, and consumer acceptance is also growing.

However, online products will be compressed to a certain degree. This is because no concerts can be organized over the past three years, but with the development of vaccines and drugs along with the pandemic impacts mitigated, artists and companies are making preparations or rolling out physical concerts to seize the offline market. According to a survey outcome of the China Association of Performing Arts, it shows that only 60% of the practicing institutions will still give it a try for online performance after the offline performance market recovers.

## (2) Competition

### A. Competition in concert production teams

Taiwanese singers have occupied the Chinese market, which drives the development of the concert industry. Up to now, there are four major concert production companies, including BI'IN LIVE, YOUNG HOPE, BLUE SKY, and G-Power. Among them, (1) BI'IN LIVE became famous with Mayday live tour. Its cooperation partners include Jonathan Lee, JJ Lin, and Hebe Tien, etc.; (2) YOUNG HOPE has been producing big events since 2003, its cooperation partners include famous singers such as A-Mei, Jody Chiang, Leehom Wang, Christine Fan, etc.; (3) As for BLUE SKY, it participated in the production of concerts by Magic Stone and Rock Records and established its own studio made up of four persons. Its cooperation partners mainly include G.U.T.S, Cheer Chen, Tanya Chua, Michael Wong, etc.; (4) G-Power's main cooperation partner is Jay Chou.

Each production team has its own style in presenting concert performances. Artists don't always cooperate with the same production team when holding a concert. It depends on the artists' and their record companies' ideas for the concert.

There are six production departments in the Company. Each one develops its own style and is capable of undertaking activities independently. BI'IN LIVE itself can provide artists or their record companies with a variety of unique choices; therefore, it is

very possible that the Company will remain the next choice of the original customers, which boosts customer loyalty. The company's business has been expanded upstream to provide services such as concert organization and public relation marketing integration. The Company's diversified styles and services, good reputation, and recommendations are beneficial to the development of new customers.

#### B. Competition in equipment leasing

The company's equipment leasing mainly includes lighting, audio, video, structure, and musical instruments. Main domestic competitors are Engineering Impact Taiwan Corp in lighting equipment leasing, Wingly Engineering & Trading Ltd. and Reyn Yang Professional Sound Co., Ltd. in audio equipment leasing, Chong Yang Communication Co., Ltd. in video equipment leasing, Starship Engineering Co., Ltd. in structural equipment leasing, and Nine Tai Audio Co., Ltd. in musical instrument leasing.

The abovementioned equipment leasing companies have their own major equipment leasing types. For example, Engineering Impact Taiwan Corp mainly focuses on lighting equipment, while the Company's equipment leasing includes five major categories, which are lighting, audio, video, structure, and musical instruments. The manpower allocation, personnel professionalism, and equipment completeness are all ahead of other equipment leasing companies. As a result, in actual operation, the Company and other equipment leasing companies are in a both competitive and cooperative relationship.

As the only company providing software and hardware resource integration service in Taiwan, the Company has a solid foundation in professional fields such as space and visual design, software performance production, hardware technology, and engineering for more than ten years. The Company has the great advantage of one-stop solutions and makes the most appropriate allocation of budget so there are time and space for creativity. Together with the advantage of hardware equipment leasing, the Company exerts its strength in every detail of the event.

### (III) Technology and R&D Overview

#### 1. Technical level of the Company's business and R&D

The R&D of the concert production is mainly in the design of a script for its program. The script is like an electrocardiogram of an event. The mood swings and conceptual storyline of each program have been ingeniously designed by the production team. Media materials from various units, such as music, visual images, etc., are applied so that the core concept and atmosphere of the program can be presented in front of the audience in a 3D way.

The Company's program planning design for the concert production covers many parts: A. the direction of concert program production. clearly define the main storyline and script of the program, and deliver to each unit for program playlists, dances, props, bands, video, music, special techniques, etc.; B. Visual planning of the concert. Include the tangible dynamic image planning to the intangible sense of touch and smell. The event's conceptual storyline, visual information, deep meaning, and spiritual emotion are effectively conveyed to every audience through a complete design.; C. Stage and Set Design. Enable the audience to feel the purpose of the event and the message to be conveyed from the design, which is converted into physical styles and symbols so that the receiving audience can

have deep psychological and physical communication and interaction.; D. Dynamic visual design and production of songs. A short video or a series of videos designed and produced with music, allowing the audience to immerse themselves in the artistic conception of the song; E. Graphic design. Depending on artists' needs and purposes, visual design of the 2D space is applied as a way of communication and expression. Through words, graphics, colors or symbols, images with different meanings are created to convey the concepts and messages.

The Company is also dedicated to learning the development and application of domestic and foreign software and hardware equipment and 5G technology to apply in concerts or various performance events for the improvement of the overall creativity and quality presented in the concert.

## 2. R&D expenses incurred

The main business activities of the Company and its subsidiaries are the production and creative conception of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, and commercial performance and equipment leasing. There is no dedicated R&D personnel. The major R&D for business activities of the Company and its subsidiaries are the creative conception, design of visual information, planning of stage space, and the research of how to apply new technologies in the market on performance events. The event planning and relevant R&D of the Company and its subsidiaries are mainly conducted by the production personnel, visual designers, space designers, and graphic designers under the production department. Therefore, the R&D expenses of the Company and its subsidiaries are mainly composed of salary expenses of the production department.

Unit: NTD thousand		
Item \ Year	2023	Current year up to March 31, 2024
Research and development expense (Note)	56,997	14,477
Consolidated net operating revenues	2,558,560	466,700
Ratio to consolidated net operating revenues	2.23%	3.10%

Note: R&D expense is recognized under operating costs and research and development expenses.

## 3. Successfully developed technologies or products for the most recent year and as of the publication date of the annual report

Year	Concert/Award ceremonies/Commercial exhibition/Year-end parties of enterprises/Commercial performances, etc.
2023	WE ARE FORMOSA NEW YEAR CONCERT, J20 WORLD TOUR, MAYDAY NOWHERE Re: Live, TAIWAN LANTERN FESTIVAL IN TAIPEI:TAIPEI TOGETHER, ONE REPUBLIC LIVE IN CONCERT TAIPEI, BLACKPINK WORLD TOUR [BORN PINK] KAOHSIUNG, ALL IN 5 PRINCE Live Concert, MAYDAY FLY TO YOU TOUR, RICHIE JEN:RICHIE JEN ON MY WAY TOUR, MAO BUYI:LONELY PLANET TOUR, RENE:FINAL CALL TOUR,JONATHAN LEE [THOSE SONGS THROUGH THE YEARS] WORLD TOUR, ACCUSEFIVE:LIVE TOUR 「AROUND THE NEW WORLD」, NICK CHOU's "REALIVE" Taipei, JOKER XUE:TIAN WAI LAI WU TOUR, CHRIS LEE : HAVE A NICE WEEK CONCERT, KEYNG : KEYNG 2023 TOUR,

Year	Concert/Award ceremonies/Commercial exhibition/Year-end parties of enterprises/Commercial performances, etc.
	ZHANGZHEHAN :PRIMORDIAL THEATER, WALLANCE CHUNG O CONCERT TOUR, PENNY TAI : DRIFT WORLD TOUR, MIXER : NEXT ROMANCE TOUR, HEBE TIEN : ONE, AFTER ANOTHER TOUR, TAIPEI, BESTARDS : BESTRANGE TOUR, VALEN HSU : REDAMANCY TOUR, DELLA : A NIGHT TOUR, ONE OK ROCK : LUXURY DISEASE ASIA TOUR 2023 IN TAIWAN, (G)I-DLE WORLD TOUR「I am FREE-TY」, POST MALONE :IF Y'ALL WEREN'T HERE, I'D BE CRYING TOUR IN TAIPEI, COLDPLAY : MUSIC OF THE SPHERES WORLD TOUR IN KAOHSIUNG, YOGA LIN: IDOL WORLD TOUR IN TAIPEI, MC HOT DOG : DISGUSTED ARTIST 2023 CONCERT IN TAIPEI ARENA, HSBC BANK YEAR END PARTY, 18TH MUSIC KKBOX AWARDS CEREMONY, 12TH SUPER SLIPPA, SUMMER SPLASH, 2023 YOUNG PIN BEST DESIGN AWARD, 2023 YOUNG DESIGNERS' EXHIBITION, kW DESIGN AWARD 23RD, OPENING CEREMONY OF THE 2023 HAKKA EXPO, OUTDOOR THEATER PERFORMANCES OF YILAN INTERNATIONAL CHILDREN'S FOLKLORE & FOLKGAME FESTIVAL, 14 TH GOLDEN INDIE MUSIC AWARDS AND ASIA ROLLING MUSIC FESTIVAL, 2023 SUPER STAR SPORTS SHOW, THE 2023 HALLOWEEN CITY IN TAOYUAN, 2023 TAIPEI:NEW YEAR'S EVE PARTY
2024 and as of the publication date of the annual report	2023 MAYDAY : #5525 LIVE TOUR, WE ARE FORMOSA NEW YEAR CONCERT, ENHYPEN CONCERT 2024 TAIPEI ENHYPEN WORLD TOUR 'FATE' IN ASIA, ONEREPUBLIC THE ARTIFICIAL PARADISE TOUR IN KAOHSIUNG, TizzyT : HARD WON TOUR, DECA JOINS : HEAVEN AND DIRT 2024 TOUR, DAVID TAO : SOUL POWER II 2024 WORLD TOUR, IVE THE 1ST WORLD TOUR 'SHOW WHAT I HAVE' IN TAIPEI, KING GNU ASIA TOUR 「THE GREATEST UNKNOWN」 IN TAIPEI, J20 WORLD TOUR, ACCUSEFIVE : AROUND THE NEW WORLD TOUR, COSMOSPEOPLE 《α : Back to the Future 》 Concert, Michael Wong "Lonely Planet 2.0" concert tour , SUPER JUNIOR L.S.S. The 3 Guys in TAIPEI , PINGTUNG SPRING MUSIC FESTIVAL TAIPEI,

(IV) Long-term and short-term business development plans

1. Short-term business plan

- (1) Expand and increase the proportion of customers demanding the business planning service, actively develop the business of original IP and facility operation, and span the drama IP market field for the production of workplace dramas of the concert industry so as to diversify vertically and horizontally for the breadth and depth of the Company's services.
- (2) As the organizer, utilize B'IN LIVE's own Know-How for raising issues and developing events to create the B'IN LIVE brand and generate revenue. We will prioritize negotiations for the operation of venues with different capacities, aiming to fully integrate venue utilization into our event organizing operations. This strategic approach is designed to optimize business performance and achieve robust and diversified operational outcomes.
- (3) In response to the changes in the exhibition and performance business model brought about by the COVID-19 pandemic, with the Company's rich experience in live events, the



Company will expand the online event market and provide relevant services by attending to the changes in the business model of online experience events.

## 2. Long-term business plan

- (1) Cultivate and recruit talents from China and foster the ability of the production, design, and creative conception personnel in local B'IN LIVE in order for them to be capable of undertaking the production, execution, and design work for local artists or events independently. It is hoped that by being close to the local language, a more moving performance atmosphere can be created for the audiences.
- (2) Develop the performance market in China and Japan, apply the experience in holding concerts to commercial performance, and actively expand the Chinese and Japanese artists business.
- (3) Expand the service scope of the “one-stop” service, look for potential target companies for integration, and prudently assess the overall benefits and risks of such integration.

## II. Market and sales overview

### (I) Market analysis

#### 1. Areas where the Company's main products (services) are sold (provided)

Unit: NTD thousand

Location \ Year	2022		2023	
	Sales amount	%	Sales amount	%
Domestic sales	1,222,763	93.87	1,306,458	51.06
Export sales	79,881	6.13	1,252,102	48.94
Total	1,302,644	100.00	2,558,560	100.00

#### 2. Market share

The main business activities of the Company and its subsidiaries are the production and creative conception of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, and commercial performance and equipment leasing, and there have been no objective, fair, and authoritative statistics published by a third party on the market share of such industry, so it is still difficult to calculate.

According to the statistics in the “2022 Taiwan Cultural & Creative Industries” by the Ministry of Culture, in 2021, the output value of the supporting service of stage lighting and audio equipment leasing in the pop music industry is about NT\$0.806 billion. The output value of the organization, production, supervision, and agency of pop music performance events is about NT\$0.953 billion. However, the industry turnover information is based on financial statistics. When filing tax returns, the companies select their own industry category, which has not been adjusted by examining each company’s actual business activities, resulting in limitations in statistical interpretation. Furthermore, due to the current prevalence of cross-border business models, some companies believe that the pop music industry is not their main business area and choose to declare another industry; therefore, the statistics may be underestimated. As a result, it is still difficult to calculate the market share of the industry.

#### 3. Future market supply, demand and growth

The Company and its subsidiaries are service providers of integrated software and hardware resources, providing complete performance services and delivering several unique performances with rich event production experience. In addition to extending the core technology to develop its own original long-lived IP (Intellectual Property), the Company expands upstream into the business of performance organization, public relation marketing integration, facility operation, etc. With the coming of the experience economy era, future market growth can be expected, which is beneficial to the sustainable development of the major services of the Company and its subsidiaries.

#### 4. Competitive advantage

##### (1) Excellent brand image and rich experience in event production

The Company and its subsidiaries have accumulated rich experience over the past ten years and have undertaken more than a thousand performance events. Take the most recent two years for example, the number of concerts, performance events, and other on-site works the Company participated in is more than 200 per year and on average there is a concert being held in the world with members of the Company every two days. The Company has not only won praise from record companies and suppliers but also gained the trust and a good reputation from performing artists. The Company created several classic tours for the world of Chinese music, such as the world tour of Mayday, Tien, Fu-Chen, Jen, Hsien-Chi, Liu, Jo-Ying, Li, and Tsung-Sheng. The Company also made its way to hold a Taiwanese original concert in Beijing National Stadium, setting a brilliant record of 100 thousand people on the spot.

Currently, Taiwanese pop music is the indicator of the development of Chinese pop music and is also the leader of the Chinese pop music trend. The consumption of concerts is mainly artist-oriented and Taiwanese singers account for a large proportion, which is advantageous to the development of concert production companies. It has also become a trend that music companies to have a close relationship with concert production companies. The Company and its subsidiaries have mutually nailed various performances and achieved great results. Additionally, the Company and its subsidiaries not only produce concerts and award ceremonies such as Golden Visual Awards, Golden Indie Music Awards, Migu Music Awards, KKBOX Music Awards but are also in charge of the production of Super Slippa, Super Star, Taipei: New Year's Eve Party, TV SHOW and the execution of P. LEAGUE+ and T1 LEAGUE, which all make the Company take a leading position as a comprehensive event production company.

##### (2) Professional operation management team

The Company and its subsidiaries are composed of four concert backstage teams and have a solid foundation in professional fields such as space and visual design, software performance production, hardware technology, and engineering for more than ten years. The Company has the great advantage of one-stop solutions and makes the most appropriate allocation of budget so there are time and space for creativity and the Company is able to exert its strength in every detail.

##### (3) With unique operating model, provide organizers with various options

The Company is the only company providing software and hardware resource integration service in Taiwan. Besides independently providing planning services of the production and creative conception of the program at the initial stage of events, stage &

set design services, visual design services, hardware technology coordination services, hardware equipment leasing services, etc., the Company is also able to provide all other services required to hold the events. Under the one-stop service, the Company's teams communicate and cooperate at the initial creative design stage regarding whether the customer's expectations and requirements can be met to achieve the customer's goals. Furthermore, the Company and its subsidiaries have assigned dedicated personnel to learn about domestic and foreign software and hardware equipment for innovative application to the concert in order to improve the overall creativity and quality presented in the concert. The Company and its subsidiaries also develop upstream the concert organization and public relation marketing integration to expand the service scope of the "one-stop" service.

(4) With the advantage of vertical integration, explore IP business and facility operation opportunity

The Company and its subsidiaries carry out business activities of front-end program production, stage & Set design, back-end equipment technology, and stage construction. The Company is the first company in Taiwan to achieve a thorough organization, complete structure, and industrialized development of pop music concerts, which ensures that the organizers are rendered the best performance. By providing software services, together with hardware turnkey contracting or related technical services, the quality of performances is ensured and synergy is realized. Parties at home and abroad are being attracted to join the cooperation with the Company. The interaction of creative design and hardware equipment brings out the best in the Company. Looking ahead, the Company are also dedicated in original IP development, spanning the drama IP market field for the production of workplace dramas of the concert industry. We are committed to actively expanding its operational scope by enhancing our event organizing business. We will prioritize negotiations for the operation of venues with different capacities, aiming to fully integrate venue utilization into our event organizing operations. This strategic approach is designed to optimize business performance and achieve robust and diversified operational outcomes.

5. Favorable and unfavorable factors for future development and countermeasures

(1) Favorable factors

A. There is still room for growth in pop music industry

Taiwanese pop music is the indicator of the development of Chinese pop music and is also the leader of the Chinese pop music trend. Because pop music not only shows the creativity and distribution of music but also shows the superior lifestyle and culture in Taiwan compared with other countries. Moreover, the government is also actively promoting and subsidizing cultural and creative industries, which will further facilitate the development of the pop music industry. According to the Taiwan Entertainment & Media Outlook 2023-2027 published by PwC Taiwan, the live music market in Taiwan is relatively smaller. In 2022, the combined revenue of live music events in Taiwan surged by 72.1% to reach US\$56 million. While this constituted 26.6% of Taiwan's total music revenue, it remained below the pre-pandemic peak revenue of US\$85 million in 2019. Taiwan's easing of inbound quarantine measures occurred relatively late, with the nation fully lifting border restrictions only in October 2022. With the

easing of epidemic prevention measures, the international tourism market is expected to rebound in 2023. Taiwan's live music revenue is forecasted to grow at a CAGR of 11.8% over the next five years, reaching NT\$98 million by 2027.

Music and radio in Taiwan											
Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
Live music	78	85	38	33	56	78	88	93	96	98	11.8%
Live music sponsorship	14	15	4	3	8	14	15	16	16	16	14.9%
Live music ticket sales	63	70	34	29	48	64	72	77	80	82	11.3%

Source: PricewaterhouseCoopers Taiwan "Taiwan E&M Outlook 2023-2027", July 2023.

#### B. Government's supports in the development of cultural and creative Industry

With the wave of globalization and our country's economic development facing a transitional stage, our government implemented various policies to promote the cultural and creative industry. Since 2014, the government has begun to promote the construction and innovation of the value chain of the cultural and creative industry, such as the preparation of pop music supplementary instructional materials. Since 2015 and 2016, the government has implemented it in elementary schools, junior high schools, and senior high schools to arouse students' interest in pop music at an early age. In addition, universities have also begun to set up courses related to pop music, introduce industry resources, and cultivate talents in front of and behind the scenes of pop music, including band production, music production, and creation, professional marketing, recording, lighting, copyright, etc. The internationalization plan for Taiwanese cultural life brand has been implemented since 2017. The pop music industry has the most cultural output capacity and competitive advantage in the Chinese market in Taiwan's cultural and creative industry. Furthermore, according to the statistics by the Ministry of Culture, the pop music industry is one of the few cultural and creative industries that grow year by year and is internationalized as a strategic industry. To create the "Taiwan wave" and consolidate the leading position as a Chinese pop music center in Taiwan, regarding the preparation of the environment, the government is accelerating the schedule of building two pop music promotion centers in northern and southern Taiwan, i.e. the "Taipei Music Center" in Nangang District, Taipei and the "Kaohsiung Music Center" in Port of Kaohsiung. They began the operation in 2020 and 2021, respectively, and provide a performance space accommodating up to 5,000 people. The government has in 2019 established an incorporated administrative agency, the Taiwan Creative Content Agency (TAICCA), in the hope to structure a collaborative mechanism crossing departments, disciplines and platforms through the efforts of an intermediary organization, the TAICCA, to integrate culture, technology and economy capacities. It is to drive a Taiwan culture contents industry ecosystem bringing momentums for industry investments and creativity and shaping a country culture brand for Taiwan. Through the process, one of the key work is to cultivate professional talents in culture content related industry. Hence, the establishment of the TAICCA SCHOOL with the mission to support start-up businesses of the culture content industry, nurture industry key talents with

international competitiveness, and match-make domestic and overseas production and channel resources. It is to join hands in bringing cross-disciplinary collaborations in the culture content businesses and content monetization opportunities.

In 2010, the government implemented the Development of the Cultural and Creative Industries Act and strengthen investment and incentive regulations of the National Development Fund, aiming at supporting the development and growth of the domestic cultural and creative industries, and boosting the demand for art and culture consumption. In addition, legislative amendments in 2023, such as the “Regulations Governing Tax Credits for Investing in National Strategic Cultural and Creative Industries by Companies or Limited Partnerships” and the “Regulations Governing Deduction Measures for Income Tax from Investments in National Strategic Cultural and Creative Industries,” effectively enhance opportunities to inject funds into the cultural content industry. In 2014, the Financial Supervisory Commission initiated the financial support, hoping that by increasing the loans to the cultural and creative industries with the help of financial institutions, capital can be injected into the market. At the same time, the Go Incubation Board was established to provide firms with more opportunities for raising funds. More crowdfunding platforms become available so that projects with small scale but full of creativity are able to receive funds and cultural creativity can be realized. The Financial Supervisory Commission (FSC) has amended the 2022 Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for the purpose of encouraging businesses to support cultural and artistic activities, and promote cultural sustainable development. Article 27-1 of the Principles states that “TWSE/TPEX listed companies are advised to, through endowments, investments, procurement, strategic collaborations, enterprise voluntary technical services or other support model, continue to dedicate resources for cultural and artistic activities or cultural creativity industry to promote culture development.”

The Ministry of Culture's “1 plus 4-T-Content Plan” received support from the Executive Yuan, with a budget of NT\$10 billion over four years and NT\$3 billion in 2024. It comprehensively addresses six major cultural and artistic aspects: arts, publishing, cultural innovation, film and television, cultural technology, and cultural diplomacy. Among them, the “Cultural Tide International Popular Music Festival Program” initiative aims to support international music festivals, creating more stages for artists to showcase their talents, fostering new-generation superstars, and entering the international market.

C. The pop music market is international and diverse

In the pop music market, some record companies in Taiwan have offices in Asia, China, and other countries, and their overseas market scale has surpassed the domestic market. In addition, with the music workers' efforts and the government's assistance, music practitioners have been dedicated to the production of independent music, local music, and native language songs in recent years. This trend and development have enriched the depth and diversity of Taiwanese music creation.

(2) Unfavorable factors

A. The market for high-end performance is maturing. The problem of lack of professional talents is to be overcome.

With more and more concerts, there is no time to inject enough new blood. The lack of production talents is a common problem faced by the concert production industry. Personnel for basic execution can be cultivated through training, however, talents like show directors are required to possess creative and executive skills and are in shortage. For example, there is a professional audio school in Japan, but there is a lack of professional knowledge training for the music industry in Taiwan's education system. Although there are professional lighting training lessons in Taiwan, most of them are tailored to meet theater's needs, which are far from those of concerts. At present, the pop music industry can only rely on the "apprenticeship system" to pass on practical experience. It is very hard to find talents.

#### **Countermeasures**

The Company and its subsidiaries are the first company in Taiwan to achieve a thorough organization, complete structure, and industrialized development of pop music concerts. Most of the employees of the Company and its subsidiaries are the backstage employees for the four initial companies. In an industry where there is less security, labor union, insurance, etc., the Company and its subsidiaries not only provide the necessary benefits but also actively recruit outstanding talents from the same industry and cooperate with schools to apply industry-academic experience to cultivate talents.

#### **B. Insufficient performance venues and the limitation by the laws and regulations**

As stated in the current situation of the pop music industry in Taiwan, the limitation of Taiwan's performance venues has always been a common nightmare for many concerts holding companies. In addition, according to the "Research Report on Issues in Taiwan Music Performance Industry", no matter whether the venue is in a commercial or residential area, noise has always been the biggest problem as the noise is easy to cause turn-off for the community. According to the "Research Plan on Operation Model of Emerging Performance Arts Space in Taipei City", in 2008, there was a lack of tolerance toward voices among the Taiwanese. Though general music performance events are held in the venue booked in accordance with laws, there are still complaints about noise from the public and thus the police or the Environmental Protection Administration give tickets accordingly. It is a huge challenge for many music performance spaces located in residential areas.

#### **Countermeasures**

The problem of the lack of performance space in Taiwan has been faced up by the government. Two pop music centers in Taipei and Kaohsiung have begun their operation in 2020 and 2021, respectively, and the LIVE HOUSE performance venue, Zepp New Taipei, set up by a private enterprise has also been in operation in 2020, which alleviates the problem of lack of venues faced by Taiwan pop music industry. Next, in addition to expecting the opening of the Taipei Dome, the Company and its subsidiaries are also looking for opportunities to collaborate with private enterprises to build the venue for holding concerts.

#### **C. Market competition risk**

The market position and relationships with major customers of the Company and its subsidiaries do not guarantee continuous sales and profit growth in the future. The

market competition is always there. The Company and its subsidiaries make an effort to improve the price-performance ratio and customer satisfaction. However, as the competitors are also dedicated to achieving the same target, there will always be market competition and fluctuation.

#### **Countermeasures**

The Company and its subsidiaries have cooperated with domestic artists or foreign agencies for a long time and have maintained good relationships. With rich organizational experience, the Company and its subsidiaries have produced various performance events, which are deeply loved by performers. Take the concert, for example, the Company does not hesitate to devote resources and budget for the planning of the scale and content of the concert tailored for the singer. The Company makes it possible for singers to make their way from the Taipei Dome to the Beijing National Stadium renowned among the Chinese and is the best partner and helper for artists and performers to move toward top brands. With years of successful production experience, the Company is able to secure stable case sources. In addition, with the Company's ability to continuously expand the service scope, the Company and its subsidiaries' market share is ensured and more domestic and foreign opportunities for cooperation are attracted.

#### **D. Threat of public health**

In recent years, all kinds of highly fatal viruses and Symptoms such as Ebola, hemorrhagic fever, Middle East respiratory syndrome-related coronavirus (MERS), Severe Acute Respiratory Syndrome (SARS), etc. appear and appear with sudden outbreaks of infection in densely populated areas, which is a big public health ordeal catching the global public health system and WHO off guard. While the outbreak of the Coronavirus disease (COVID-19) pandemic in 2020 rarely causes a global pandemic and brings unprecedented and severe damage to all service industries that requires interaction with people, including the tourism industry, aircraft industry, catering and accommodation industry, movie industry, and cultural industries such as pop music, drama, performance. Leading companies in various service industries have been tremendously impacted by the pandemic and have suffered a decrease in operating income, which poses a serious threat to the survival and development of various service industries.

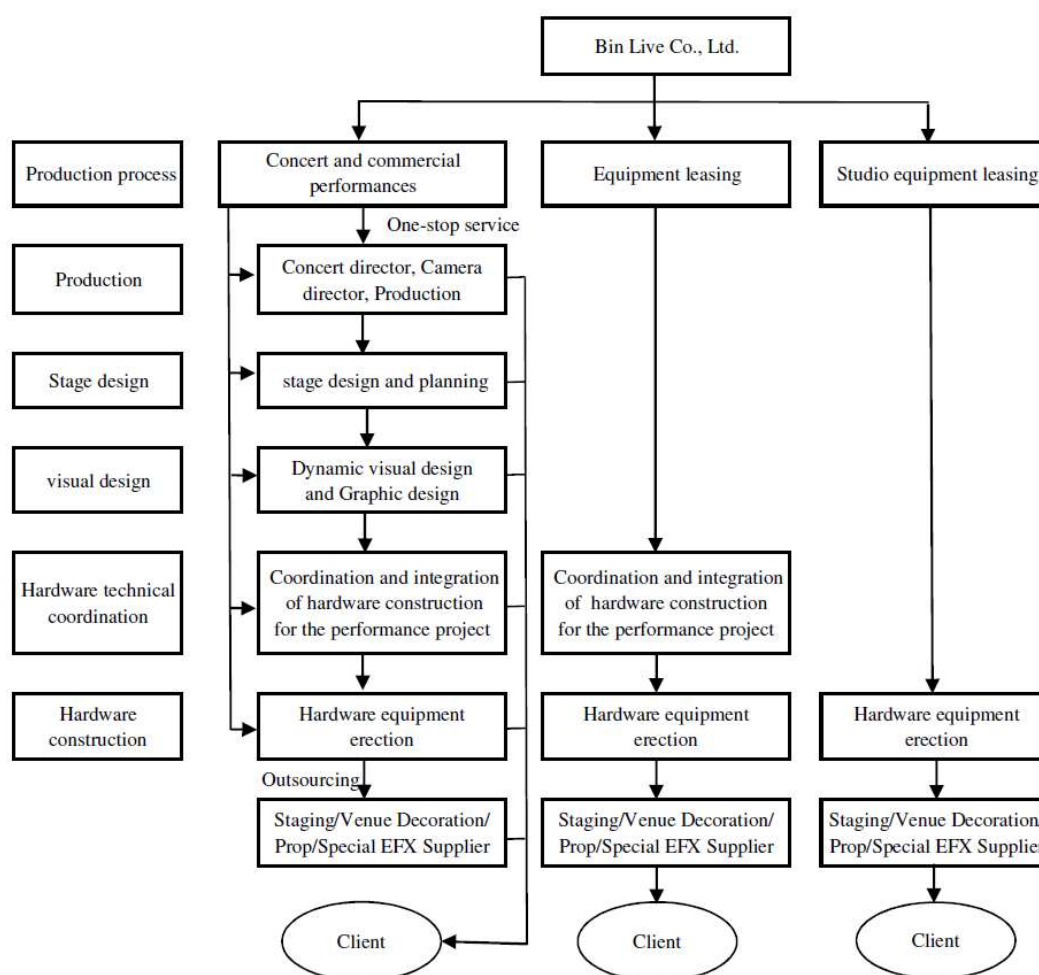
#### **Countermeasures**

Up to now, the COVID-19 pandemic is still impacting the whole world, and coronavirus variant keeps being generated. It is necessary that the general environment recovers to a level where the safety of the audience can be ensured, and that concert organizer must follow the prevalent standard procedures for testing, tracking, and treatment so that the public can participate in large-scale concerts reassuringly. However, concerts in the post-COVID-19 era might be different from the past. Body temperature detection, non-contact ordering, widely setting up alcohol disinfection stations, etc. may be the new normal of concerts. The Company will keep paying attention to public health requirements to carry out various performance events. Additionally, only by keeping expanding the service scope, actively creating original IP, being engaged in the artist agency business, increasing the Company's business line

and source of profit, and keeping an eye on and following the change and development of offline performance business model, can the Company take measures in advance for the new business model to face future challenges.

## (II) The important use and production process of main products

The main business activities of the Company and its subsidiaries are the turn-key production and planning of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, commercial performances, etc. The Company's services include the conception of program content, planning and execution, visual and stage design, lighting design, audio planning, hardware equipment leasing, coordination of event construction, etc. The production process is mainly to develop ideas and form a team, including stage & set design, video design, band, audio, lighting, etc. It is a workflow that emphasizes creativity and efficiency.



### 1. Production: mainly responsible for program planning and execution of events

Collect relevant information about each performance from scratch: event purpose, core value, artist positioning, target audience, etc. After confirming the theme of the event, arrange the song list and program script in order, outline the plot of the entire performance, and think about how to use different media so that the audience is able to resonate emotionally and slowly piece together the blueprint of the activity when enjoying the performance. Next, communicate the storyline and core concepts of the



program with various departments, and complete the work step by step through teamwork.

At the event site, the event producer is like the other pair of hands and eyes of the director, assisting the on-site command and control, communicating and coordinating with various units, and dealing with on-site problems, including artist blocking, mechanism control, using props, and stage situation report to ensure that the event goes smoothly and present touching performance to the audience.

2. Stage & set design: mainly responsible for space design and planning of the stage

The biggest purpose of stage space design is to make the audience feel the purpose of the activity and receive the message to be conveyed from the design, and to convert it into physical styles and symbols so that the receiving audience can have deep psychological and physical communication and interaction

3. Visual design: mainly responsible for the visual presentation of on-site multimedia

Visual planning for the concert covers a wide range of scope and meanings. From tangible dynamic image planning to intangible senses of touch and smell and other sensory emotions must be included in the scope of design thinking. Through a complete design, the conceptual storyline of the event, visual information, deep meanings, and spiritual emotion can be effectively conveyed to every audience, and make every audience feel moved.

The dynamic visual design and production of the song are mainly to capture the meaning in the lyrics and conception and convert it into an image to echo the content of the song and enhance the effects to be expressed and presented by the song.

Graphic design uses the visual design of 2D space as a way of communication and expression. Depending on the needs and purposes of different customers, through words, graphics, colors, or symbols, images with different meanings are created to convey the concepts and messages.

4. Coordination of hardware technology: responsible for the coordination and integration of hardware construction for the performance project.

A. Technical Coordinator:

Including the planning and adjustment of the program venue, the construction of the performance stage and related details, the safety of the audience, and the restoration of the venue after the end of the event. To get a comprehensive overview from the perspectives of organizers, performers, production units, and audiences, and to control the progress of all hardware engineering. For example, in the turnkey hardware engineering of a concert, the technical coordinator can decide on the appropriate hardware unit based on the program requirement, make the best arrangement taking into account the performance coordination, and make the hardware layout tailored to customers' budget and venue.

B. Technical Director

Nowadays, regardless of the size of the performance, a large number of stage performance systems are applied to achieve various stage effects. Problems and difficulties may arise during the application of systems of any scale. For example: the movement accuracy of lifting equipment, the delay of the video signal, the current noise of the audio system, and even the low-frequency interference of communication equipment, etc. The solutions to these professional issues must be provided by the

technical director by conducting scenario planning to ensure the program quality and more importantly, personal safety.

C. Stage manager

The stage manager is a pair of eyes on-site of the production unit at an early stage. In a performance, the stage manager's role is to assist the technical director to sort out and record all the needs and processes of performances to ensure that all the contents are completed on site. The stage manager is responsible for the coordination and progress of each unit on site, from the lighting system, audio system, and stage setup to system settings, in order that the performance effects of the whole program can be perfectly presented to every audience.

5. Hardware construction: mainly responsible for providing all kinds of professional equipment and combining various precision equipment

A. Lighting engineering:

Lighting is an important medium for creating the stage atmosphere and expressing ideas and images. The storyline of the entire performance is highlighted through the lighting arrangement. The lighting design integrates the main storyline of events into the stage design concept. Through installation, adjustment, testing, safety assessment, and the set and test of the lighting equipment and system to meet the on-site requirements, an exclusive performance environment where the creative concept is presented is actually created. Through the light, the emotional effects of the performance can be conveyed to every audience on-site.

B. Audio engineering:

Audio is the most direct medium of sound, which directly affects the whole performance the most. The audio supplier plans for the most suitable and complete audio system after a clear understanding of the sound effects demanded by the director and performers, performance requirements, venue facilities and sound field characteristics. In addition to the sound effects for the audience, the audio supplier also designs a balanced and complete monitoring system for both artists and performers on the stage, so that performers can feel at ease during their performance for the achievement of the best live effect.

C. Video engineering:

Video engineering is the most direct and concrete image transmission in a performance. It is also a silent language that allows the audience to immerse in the performance most quickly. As technology becomes more and more advanced, the Company focuses more on overall integration and presentation. Video engineers must first communicate with stage designers, visual designers, and lighting designers to understand the main storyline and purpose of the entire event, and make appropriate system planning so that the live performance can be more complete and rich.

D. Structure engineering:

Different stage designs have different influences on the space and load-bearing limitations of lighting, audio, video, and other equipment, which in turn affects the effect that equipment displays. Structure equipment can be creatively assembled to create stunning space displays, which maximizes the use of limited space, satisfies the unrestrained imagination of stage & set designers, and creates unique stage effects one after another.

E. Musical instrument engineering:

The musical instrument engineering is responsible for the maintenance and adjustment of various musical instruments on site and also has a key role in making the live performance go smoothly. At the performance site, the musical instrument engineering serves as a bridge for the audio supplier, assists in reaching a consensus on "sound presentation" for both parties, and helps the musicians and the band familiarize themselves with the equipment and tune in advance so that they can make a sound in the shortest time after going on stage.

F. Studio engineering:

Responsible for meeting the program production unit's needs, and completing the details and content that the producer wishes to present in the program. The company provides on-site lighting setup, audio console operation, and video equipment layout, and assists on-site production staff, engineers, and camera directors to present the best and most professional images to the audience in front of the TV.

(III) Supply of major raw materials

There is no raw material cost as the Company does not produce physical products due to the nature of the industry.

(IV) The list of main suppliers and customers

- Suppliers that account for more than 10% of total purchases within either of the last two years, their purchases amount and ratio, and reasons for changes in this amount and ratio:

Unit: NTD thousands; %

Item	2022				2023				2024 Q1			
	Name	Amount	Ratio to net annual purchases	Relationship with the issuer	Name	Amount	Ratio to net annual purchases	Relationship with the issuer	Name	Amount	Ratio to net annual purchases	Relationship with the issuer
1	Supplier A	-	-		Supplier A	239,909	11.83		Supplier A	-	-	
2	Others	1,133,372	100.00		Others	1,787,616	88.17		Others	391,255	100.00	
	Net purchases	1,133,372	100.00		Net purchases	2,027,525	100.00		Net purchases	391,255	100.00	

Reasons for Changes (Increase or decrease):

Due to the successful implementation of project activities by the Company and its investee companies following the lifting of COVID-19 restrictions in 2023, the increase in the number of touring concerts in mainland China led to an increase in the amount spent collaborating with local suppliers.

- Customers that account for more than 10% of total sales within either of the last two years, their sales amount and ratio, and reasons for changes in this amount and ratio:

Unit: NTD thousands; %

Item	2022				2023				2024 Q1			
	Name	Amount	Ratio to net annual sales	Relationship with the issuer	Name	Amount	Ratio to net annual sales	Relationship with the issuer	Name	Amount	Ratio to net annual sales	Relationship with the issuer
1	Client A	199,191	15.29	Note	Client A	167,844	6.56	Note	Client A	192,385	41.22	Note
2	Others	1,103,453	84.71		Others	2,390,716	93.44		Others	274,315	58.78	
	Net sales	1,302,644	100.00		Net sales	2,558,560	100.00		Net sales	466,700	100.00	

Note: The member of the same group that has significant influence over the Company and its subsidiaries.

Reasons for Changes (Increase or decrease):

The number of artist performances for Client A by the Company and subsidiaries in 2023 and 2022 was relatively similar. However, due to a significant increase in revenue in 2023, the net sales ratio to Client A decreased.

(V) Production volume and value in the most recent two years: Not applicable as there is no production.

(VI) Sales volume and value in the most recent two years

Unit: NTD thousand

Main product (or department)	Annual sales volume and value		2022				2023			
			Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Production design and technical construction revenue	—	1,134,032	—	79,746	—	1,276,861	—	1,252,102	—	1,252,102
Equipment leasing revenue	—	25,382	—	—	—	26,386	—	—	—	—
Ticket revenue	—	60,085	—	—	—	1,030	—	—	—	—
Others	—	3,264	—	135	—	2,181	—	—	—	—
Total	—	1,223,763	—	79,881	—	1,306,458	—	1,252,102	—	1,252,102

Note: It is not applicable to calculate in volume due to the business nature of the Company.

III. Employees information for the most recent two years up to the publication date of the annual report

Unit: person; year old; year; %

Year		2022	2023	Current year up to March 31, 2024
Employee count	Managerial officers	12	11	8
	General staff	280	304	297
	Total	292	315	305
Average age		34.74	34.81	34.78
Average years of service		4.44	4.47	4.66
Academic background	Doctoral Degree	—	—	—
	Masters Degree	5%	5%	6%
	Bachelors Degree	74%	67%	66%
	Senior high school	19%	26%	26%
	Below senior high school	2%	2%	2%

IV. Contribution to environmental protection

Losses suffered due to environmental pollution (including compensation and violations of environmental protection laws and regulations according to the results of environmental protection inspection, the date of penalty, penalty reference, the legal provisions of the violation, the content of the violation, and the content of the penalty shall be stated) in the most recent year and up to the publication date of the annual report; disclose the estimated amount that may occur at present and in the future and countermeasures; if it cannot be reasonably estimated, explain the reason why it cannot be reasonably estimated:

The Company and its subsidiaries were given the penalty of NT\$12 thousand for the

violation of environmental pollution, which mainly resulted from the noise from amplifying equipment in the event site exceeding the values in the control standards. The Company has made improvements following the regulations and has paid off relevant fines. Relevant personnel is requested to pay more attention in the future. The amount of the aforementioned penalty is rather small; hence, there is no major impact on the Company's finance and business.

Date of penalty	Penalty reference	The legal provisions of the violation	The content of the violation	The content of the penalty
2023.04.06	Letter No. Yin-22-112-040018 by the Department of Environmental Protection, Taipei City Government	Noise Control Act and Amendment to Noise Control Standards	The noise from amplifying equipment exceeded the values in the noise control standard on December 30, 2022.	Fine of NT\$12 thousand and eight hours of environmental seminars.

## V. Labor-management relations

(I) The Company's employee welfare measures, continuing education, training, retirement system, and their implementation, as well as the agreement between labor and management and various employee rights and interests protection measures:

1. Major contents of welfare policies are summarized as below:

To protect employees' welfare, the Company has established the Employee Welfare Committee in accordance with the law, appropriated welfare funds, and held meetings to handle various welfare affairs, such as providing marriage allowances, funeral subsidies, birthday bonuses, department banquets, etc. In order to work toward a more complete employee welfare system, the company provides employee welfare measures such as health examinations, group insurance and overseas travel insurance, subsidies for childcare for employees' children, subsidies for employees' on-the-job training, nursery rooms, diverse magazines, employee travel, and Mid-Autumn Festival and Dragon Boat Festival gifts.

2. Continuing education and training for employees

The Company is people-oriented and values talent cultivation. The Company arranges internal and external training irregularly for its employees depending on the needs of departments. With the aim of personal growth and company development, the Company plans comprehensive education and training and provides employees with a complete education and training system.

3. Retirement system and implementation status

The company appropriates no less than 6% of the employee's monthly wages for the labor pension reserve account every month in accordance with the Labor Pension Act and handles retirement matters in accordance with the Labor Pension Act and the personnel management regulations of the Company.

4. Agreements between labor and management and various measures to safeguard the rights and interests of employees:

In accordance with the relevant laws and regulations, both employers and employees comply with the service contract, work rules, and various management regulations, in which the rights and obligations of employees and welfare measures are clearly stipulated

to protect the rights and interests of employees. Since the establishment of the Company, a harmonious labor-management relationship has been maintained, and two-way and open communication has been actively established. As of the publication date of the annual report, there were no major labor disputes and related losses in 2023.

- (II) Losses suffered due to labor disputes (including labor inspection result which violates the regulations stipulated in the Labor Standards Act, the date of penalty, penalty reference, the violation of the provision, the content of the violation, penalty content shall be stated) in the most recent year and up to the publication date of the annual report; disclose the estimated amount that may occur at present and in the future and countermeasures; if it cannot be reasonably estimated, explain the reason why it cannot be reasonably estimated:

When the competent authority designates personnel to conduct labor inspection, it was discovered that there were violations to part of the Labor Standards Act. The competent authority imposed a fine of NTD 312 thousand. The Company has made payments on the related fines according to the regulations and has requested the responsible units to make improvements accordingly to the Labor Standards Act.

Date of penalty	Penalty reference	The legal provisions of the violation	The content of the violation	The content of the penalty
2023.06.05	Taipei City Government, Official Letter Ref. Tai-Pei-Shih-Fu-Lao-Tung-Zi No. 11260690981	Article 30, Paragraph 5, Labor Standards Act	The Labor Affairs Department had sent personnel to conduct inspections and it was discovered of violations to matters of the articles in the preceding paragraph.	A fine of NT\$90 thousand.
2023.12.13	New Taipei City Government, Official Letter Ref. Xin-Bei-Fu-Lao-Jian-Zi No. 112468915	Article 6, Paragraph 1, Occupational Safety and Health Act		A fine of NT\$30 thousand.
2023.12.29	New Taipei City Government, Official Letter Ref. Xin-Bei-Fu-Lao-Jian-Zi No. 112469082	Article 30, Paragraph 6, Labor Standards Act		A fine of NT\$96 thousand.
2023.12.29	New Taipei City Government, Official Letter Ref. Xin-Bei-Fu-Lao-Jian-Zi No. 11246908291	Article 36, Paragraph 2, Labor Standards Act		A fine of NT\$96 thousand.

## VI. Information security management

- (I) Describe the risk management structure of information and communication security, information and communication security policy, specific management scheme, and resource inputs in information and communication security management:

### 1. Risk Management Structure of Information and Communication Security

The Company has an “Information Security Management Unit's” and implements various information management systems in accordance with information security management regulations, maintains the confidentiality, completeness, and availability of important information systems, and ensures the safe and stable operation of information systems and network equipment. The audit of the operation of information management is conducted by the CPA every year. If any deficiencies are detected, improvement measures will be taken and relevant results will be tracked.

### 2. Information and communication security policy

The Company implements appropriate access authorization and protection measures according to the confidentiality level of information assets. The system regularly and automatically performs data backup. The Company regularly conducts disaster recovery drills for important systems to ensure continuous business operation when a disaster occurs.

3. Concrete plan of and resources invested in the information and communication security management

To implement information security policy, the network prevention firewall and anti-virus software are installed for the networks and servers. There are regular maintenances running the anti-virus scan for the network equipment and servers for virus prevention protection in maintaining information security. Information Security Management Unit's implementation in 2023:

Invested Resources	Execution
Items Allocated Under Information Security	Vulnerability Scanning: 2 times System restoration Drills: 1 time Social Engineering Exercises: 1 time
Information Security Awareness Advocacy	Social Engineering Advocacy: 1 time
InfoSec Personnel Training	ISO 27001:2022 Lead Auditor Conversion Course: 16 hours Public Service e-Learning+ Platform: 12 hours
Joined an information security joint defense organization	TWCERT/CC Taiwan Information Security Center TWNIC Taiwan Network Information Center

(II) Losses arising from major information and communication security incidents in the last year up to the publication date of the annual report, possible impact, and countermeasures. if it cannot be reasonably estimated, explain the reason why it cannot be reasonably estimated:

As of the publication date of the annual report, the Company has not suffered any loss from material information and communication security incidents.

VII. Important Contracts:

Nature of contract	Counterparty	Commencement and end date of the contract	Key content	Restrictive clauses
Property rental	KGI Life Insurance Co., Ltd.	2022/09/16~2025/09/30	Office rental contract	Property rental
Property rental	Jia Yang Industry Co., Ltd	2023/07/16~2029/07/15	Warehouse rental	Property rental
Property rental	Comeup Industries Inc	2017/08/15~2028/02/29	Office and warehouse rental	Property rental
Property rental	KGI Life Insurance Co., Ltd.	2021/03/01~2024/04/30	Office rental (4F-1)	Property rental
Property rental	Yonghe Development Co., Ltd	2024/01/14~2027/01/13	Rental for the A6 warehouse at No. 346, Fude 1st Rd., Xizhi Dist	Property rental

## Six. Financial Overview

### I. Summary balance sheet and statement of comprehensive income for the last 5 years

#### (I) Summary balance sheet and statement of comprehensive income

##### 1. Summary balance sheet - IFRS-compliant (consolidated)

Unit: NTD thousand

Year Item		Financial information for the most recent five years					Financial information for current year up to March 31, 2024 (Note 2)
		End of 2019	End of 2020	End of 2021	End of 2022	End of 2023	
Current assets		752,370	712,809	621,898	787,589	1,173,279	1,125,023
Property, plant and equipment		241,799	242,624	229,063	226,213	304,337	299,994
Intangible assets		2,403	3,045	1,949	3,875	2,678	2,476
Other assets		143,223	144,157	170,261	142,844	188,714	195,918
Total assets		1,139,795	1,102,635	1,023,171	1,160,521	1,669,008	1,623,411
Current liabilities	Before dividend	439,575	380,897	386,690	537,105	751,191	648,785
	After dividend	443,255	380,897	386,690	537,105	Note 1	Note 1
non-current liabilities		87,180	74,948	60,155	61,043	56,670	56,662
Total liabilities	Before dividend	526,755	455,845	446,845	598,148	807,861	705,447
	After dividend	530,435	455,845	446,845	598,148	Note 1	Note 1
Equity attributable to owners of the parent		604,467	642,167	572,699	564,697	865,699	916,850
Share capital		373,334	448,734	449,734	443,404	445,204	445,204
Capital surplus		242,812	340,851	264,424	171,708	148,352	148,352
Retained earnings	Before dividend	37,506	(95,285)	(89,320)	(39,340)	296,142	341,071
	After dividend	33,826	—	—	—	Note 1	Note 1
Other equities		(14,243)	(17,191)	(17,197)	(11,075)	(23,999)	(17,777)
Treasury shares		(34,942)	(34,942)	(34,942)	—	—	—
Non-controlling interests		8,573	4,623	3,627	(2,324)	(4,552)	1,114
Total equity	Before dividend	613,040	646,790	576,326	562,373	861,147	917,964
	After dividend	609,360	646,790	576,326	562,373	Note 1	Note 1

Note 1: The earnings distribution for 2023 has been resolved by the Board meeting and is to be passed by the shareholders' meeting.

Note 2: The financial information of 2024 Q1 has been reviewed by the CPA.



## 2. Summary statement of comprehensive income - IFRS-compliant (consolidated)

Unit: NTD thousand

Item \ Year	Financial information for the most recent five years					Financial information for current year up to March 31, 2024 (Note)
	2019	2020,	2021,	2022,	2023,	
Operating revenue	1,217,045	795,225	838,370	1,302,644	2,558,560	466,700
Gross profit	189,039	26,560	77,756	169,272	531,035	75,445
Operating profit and loss	5,873	(148,658)	(82,057)	(2,960)	273,896	15,517
Non-operating income and expenses	1,273	19,404	(10,379)	(18,114)	60,576	31,395
Income (loss) before income tax	7,146	(129,254)	(92,436)	(21,074)	334,472	46,912
Net income (loss) from continuing operations	5,788	(131,861)	(92,890)	(19,475)	291,147	45,097
Loss from discontinued operations	—	—	—	—	—	—
Net income (loss)	5,788	(131,861)	(92,890)	(19,475)	291,147	45,097
Other comprehensive income for the current period (net after tax)	(6,362)	(244)	(660)	2,751	2,816	3,051
Total comprehensive income in the current period	(574)	(132,105)	(93,550)	(16,724)	293,963	48,148
Net income (loss) attributable to owners of parent company	3,190	(129,111)	(87,820)	(13,764)	294,797	44,929
Net Profit (loss) attributable to non-controlling interests	2,598	(2,750)	(5,070)	(5,711)	(3,650)	168
Total Amount of Comprehensive Income Attributed to Owner of Parent Company	(3,172)	(129,355)	(88,480)	(11,013)	297,613	47,980
Total Amount of Comprehensive Income Belongs to Non-controlling Interests	2,598	(2,750)	(5,070)	(5,711)	(3,650)	168
Earnings (loss) per share (NT\$)	0.09	(3.30)	(2.00)	(0.31)	6.68	1.02

Note : The financial information of 2024 Q1 has been reviewed by the CPA.

### 3. Summary balance sheet - IFRS-compliant (parent company only)

Unit: NTD thousand

Year Item		Financial information for the most recent five years				
		End of 2018	End of 2020	End of 2021	End of 2022	End of 2023
Current assets		484,716	542,320	419,394	641,916	934,356
Property, plant and equipment		218,551	231,163	221,515	221,124	254,704
Intangible assets		2,193	2,951	1,935	3,718	2,624
Other assets		304,608	258,220	269,471	225,282	312,150
Total assets		1,010,068	1,034,654	912,315	1,092,040	1,503,834
Current liabilities	Before dividend	323,367	321,052	270,003	454,653	582,652
	After dividend	327,047	321,052	270,003	454,653	Note
non-current liabilities		82,234	71,435	69,613	72,690	55,483
Total liabilities	Before dividend	405,601	392,487	339,616	527,343	638,135
	After dividend	409,281	392,487	339,616	527,343	Note
Equity attributable to parent company shareholders		604,467	642,167	572,699	564,697	865,699
Share capital		373,334	448,734	449,734	443,404	445,204
Capital surplus		242,812	340,851	264,424	171,708	148,352
Retained earnings	Before dividend	37,506	(95,285)	(89,320)	(39,340)	296,142
	After dividend	33,826	—	—	—	Note
Other equities		(14,243)	(17,191)	(17,197)	(11,075)	(23,999)
Treasury shares		(34,942)	(34,942)	(34,942)	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before dividend	604,467	642,167	572,699	564,697	865,699
	After dividend	600,787	642,167	572,699	564,697	Note

Note : The earnings distribution for 2023 has been resolved by the Board meeting and is to be passed by the shareholders' meeting.

#### 4. Summary statement of comprehensive income - IFRS-compliant (parent company only)

Unit: NTD thousand

Item \ Year	Financial information for the most recent five years				
	2019	2020	2021	2022	2022
Operating revenue	956,666	660,975	687,483	1,088,066	1,663,344
Gross profit	133,375	26,063	73,348	149,480	409,514
Operating profit and loss	(5,942)	(109,349)	(47,050)	24,919	221,692
Non-operating income and expenses	7,808	(18,222)	(40,453)	(37,548)	90,987
Income (loss) before income tax	1,866	(127,571)	(87,503)	(12,629)	312,679
Net income (loss) from continuing operations	3,190	(129,111)	(87,820)	(13,764)	294,797
Loss from discontinued operations	—	—	—	—	—
Net income (loss)	3,190	(129,111)	(87,820)	(13,764)	294,797
Other comprehensive income for the current period (net after tax)	(6,362)	(244)	(660)	2,751	2,816
Total comprehensive income in the current period	(3,172)	(129,355)	(88,480)	(11,013)	297,613
Net income (loss) attributable to owners of parent company	3,190	(129,111)	(87,820)	(13,764)	294,797
Net Profit (loss) attributable to non-controlling interests	—	—	—	—	—
Total Amount of Comprehensive Income Attributed to Owner of Parent Company	(3,172)	(129,355)	(88,480)	(11,013)	297,613
Total Amount of Comprehensive Income Belongs to Non-controlling Interests	—	—	—	—	—
Earnings (loss) per share (NT\$)	0.09	(3.30)	(2.00)	(0.31)	6.68

#### (II) Name of the CPA and audit opinions in the last five years

Year	Name of accounting firm	Name of CPA	Audit Opinion
2019	Deloitte & Touche Taiwan	Lin, Shu-Wan, Kuo, Cheng-Hung	Unqualified opinion
2020	Deloitte & Touche Taiwan	Lin, Shu-Wan, Kuo, Cheng-Hung	Unqualified opinion
2021	Deloitte & Touche Taiwan	Hsiu-Ming Hsu, Shu-Chuan Yeh	Unqualified opinion
2022	Deloitte & Touche Taiwan	Yu-Hung Kuo, Hsiu-Ming Hsu	Unqualified opinion
2023	Deloitte & Touche Taiwan	Yu-Hung Kuo, Hsiu-Ming Hsu	Unqualified opinion

## II. Financial analysis for the last 5 years

### (I) Financial analysis - IFRS-compliant (Consolidated)

Analysis Item (Note 2)		Year	Financial analysis for the last 5 years (Note 1)					Current year up to March 31, 2024
			2019	2020	2021	2022	2023	
Financial position %	L/A Rate		46.21	41.34	43.67	51.54	48.40	43.45
	Rate of Long-term Funds to Property, Plant and Equipment		286.04	295.57	276.28	276.62	301.58	324.88
Solvency %	Current Ratio		171.16	187.14	160.83	146.64	156.19	173.4
	Quick Ratio		162.79	180.47	152.27	143.28	143.02	153.77
	Interest Coverage Ratio		3.81	(42.70)	(41.07)	(10.19)	186.00	96.16
Operating efficiency	Accounts receivable turnover (times)		3.78	3.16	4.01	5.46	9.62	6.03
	Average cash collection days		97	116	91	67	38	61
	Inventory turnover (times)		—	—	—	—	—	—
	Accounts payable turnover (times)		4.44	3.76	3.85	3.75	5.75	4.80
	Average inventory turnover days		—	—	—	—	—	—
	Property, plant and equipment turnover (times)		5.00	3.28	3.55	5.72	9.64	6.18
	Total assets turnover (times)		1.11	0.71	0.79	1.19	1.81	1.13
Profitability	Return on assets (%)		0.71	(11.55)	(8.57)	(1.65)	20.68	11.05
	Return on equity (%)		0.90	(20.93)	(15.19)	(3.42)	40.91	20.28
	Net profits before tax to paid-in capital (%)		1.91	(28.80)	(20.55)	(4.75)	75.13	10.54
	Net profit margin (%)		0.48	(16.58)	(11.08)	(1.50)	11.38	9.66
	Earnings per share (NT\$)		0.09	(3.30)	(2.00)	(0.31)	6.68	1.02
Cash flow %	Cash flow ratio		20.60	19.78	(2.26)	50.15	57.16	(14.19)
	Cash flow adequacy ratio		87.81	137.19	98.33	130.17	147.69	140.31
	Cash reinvestment ratio		4.12	9.25	(1.24)	36.05	40.20	(8.17)
Degree of leverage	Operating leverage		46.22	(0.76)	(1.96)	(86.80)	2.33	6.89
	Financial leverage		1.76	0.98	0.97	0.61	1.01	1.03
Reasons for changes to each of the financial ratio in the most recent two years (For any changes at less than 20%, an analysis is not required).								
1. Increase to Accounts receivable turnover (times), Property, plant and equipment turnover (times), and Total assets turnover (times); and decrease to Average cash collection days: This is mainly due to the increase in operating revenues for the current year compared to the same period of previous year.								
2. Increase to Interest Coverage Ratio, Return on assets (%), Return on equity (%), Net profits before tax to paid-in capital (%), Net profit margin (%), and Earnings per share, and Operating leverage and Financial leverage: This is mainly due to the increase in the current net operating profit and income before income tax compared to the same period of previous year.								
3. Increase to Accounts payable turnover (times): This is mainly due to the increase in operating costs for the current year compared to the same period of previous year.								

(II) Financial analysis - IFRS-compliant (parent company only)

Analysis Item (Note 2)		Financial analysis for the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Financial position %	L/A Rate	40.16	37.93	37.23	48.29	42.43
	Rate of Long-term Funds to Property, Plant and Equipment	314.21	308.70	289.96	288.25	361.67
Solvency %	Current Ratio	149.90	168.92	155.33	141.19	160.36
	Quick Ratio	141.43	163.39	150.17	138.44	158.10
	Interest Coverage Ratio	1.84	(50.98)	(49.12)	(7.28)	189.02
Operating efficiency	Accounts receivable turnover (times)	4.04	3.56	3.83	5.30	6.68
	Average cash collection days	90	103	95	69	55
	Inventory turnover (times)	—	—	—	—	—
	Accounts payable turnover (times)	4.28	3.68	3.81	3.83	4.22
	Average inventory turnover days	—	—	—	—	—
	Property, plant and equipment turnover (times)	4.23	2.94	3.04	4.92	6.99
	Total assets turnover (times)	0.96	0.65	0.71	1.09	1.28
Profitability	Return on assets (%)	0.50	(12.44)	(8.88)	(1.25)	22.82
	Return on equity (%)	0.50	(20.71)	(14.46)	(2.42)	41.22
	Net profits before tax to paid-in capital (%)	0.50	(28.43)	(19.46)	(2.85)	70.23
	Net profit margin (%)	0.33	(19.53)	(12.77)	(1.26)	17.72
	Earnings per share (NT\$)	0.09	(3.30)	(2.00)	(0.31)	6.68
Cash flow %	Cash flow ratio	24.39	26.04	(14.03)	63.67	63.57
	Cash flow adequacy ratio	67.69	112.15	72.14	109.10	153.04
	Cash reinvestment ratio	2.94	10.42	(5.13)	36.79	32.62
Degree of leverage	Operating leverage	(35.10)	(0.95)	(3.29)	9.48	2.31
	Financial leverage	0.73	0.98	0.96	1.07	1.01
Reasons for changes to each of the financial ratio in the most recent two years (For any changes at less than 20%, an analysis is not required).						
<ol style="list-style-type: none"> <li>1. Increase to Accounts receivable turnover (times), Property, plant and equipment turnover (times), and decrease to Average cash collection days: This is mainly due to the increase in operating revenues for the current year compared to the same period of previous year.</li> <li>2. Increase to Interest Coverage Ratio, Return on assets (%), Return on equity (%), Net profits before tax to paid-in capital (%), Net profit margin (%), Earnings per share, and Operating leverage: This is mainly due to the increase in the current net operating profit and income before income tax compared to the same period of previous year.</li> <li>3. Increase to Cash flow adequacy ratio: This is mainly due to the increase in net cash generated from operating activities for the current year compared to the same period of previous year.</li> </ol>						

Note 1: Since its establishment in 2014, the Company has adopted IFRS for preparing financial information, which has been audited by the CPA.

Note2: Calculation formula of financial analysis:

1. Financial position

- (1) Debt to assets ratio = total liabilities/total assets
- (2) Ratio of long-term capital to property, plant, and equipment = (Total equities + noncurrent liabilities) / (Total net value of property, plant, and equipment)

2. Solvency

- (1) Current ratio = current assets/current liabilities
- (2) Quick ratio = (Current asset - inventories - prepaid expenses) / Current liabilities
- (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period

3. Operating performance

- (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
- (2) Average collection days = 365/accounts receivable turnover rate
- (3) Inventory turnover rate = costs of goods sold/average inventory
- (4) Payables turnover rate (including accounts payable and notes payable from business operations) = Cost of sales / Average accounts payable in various periods (including accounts payable and notes payable from business operations).
- (5) Average sales days = 365/inventory turnover rate
- (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment
- (7) Total assets turnover rate = net sales/average total assets

4. Profitability

- (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets
- (2) Return on equity = net profits after tax/average total equity
- (3) Net profit margin = net profits after tax/net sales
- (4) Earnings per share = (net profits attributable to owners of the parent company - preferred stock dividend)/ weighted average number of shares outstanding

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
- (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals).

6. Degree of leverage:

- (1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profit
- (2) Financial leverage = operating profits / (operating profits - interest expense).

III. Audit Committee's review report of the financial statements of the latest fiscal year

**B'IN LIVE CO., LTD.**  
**Audit Committee's Review Report**

The Board of Directors has prepared and submitted the 2023 business report and the 2023 financial statements have been audited by CPA Yu-Hung Kuo and CPA Hsiu-Ming Hsu of Deloitte & Touche Taiwan. These have been reviewed by the Audit Committee and determined to be correct. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To  
2024 Annual General Shareholders' Meeting

B'IN LIVE CO., LTD.  
Audit Committee convener : Fan-Chuan Shih  
March 6, 2024

**B'IN LIVE CO., LTD.**  
**Audit Committee's Review Report**

The Board of Directors has prepared and submitted the 2023 earnings distribution statement have been reviewed by the Audit Committee and determined to be correct. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To  
2024 Annual General Shareholders' Meeting

B'IN LIVE CO., LTD.  
Audit Committee convener : Fan-Chuan Shih  
May 8, 2024

- IV. Financial statement of the latest fiscal year: please refer to pages 119 to 178.
- V. Audited parent company only financial statements of the latest fiscal year: please refer to pages 179 to 233.
- VI. Any financial distress experienced by the Company or its affiliated enterprises and impacts on the Company's financial position for the most recent year up to the publication date of the annual report: None.



## Seven. Review and Analysis of Financial Position and Business Performance, and Risk Management Issues

### I. Financial Status

The main reasons for the major changes in assets, liabilities and shareholders' equity in the last two years and their impact; if the impact is significant, explain the future response plan:

Unit: NTD thousand

Item	2022	2023	Changes	
			Amount	Percentage %
Current assets	787,589	1,173,279	385,690	48.97
Property, plant and equipment	226,213	304,337	78,124	34.54
Intangible assets	3,875	2,678	(1,197)	(30.89)
Other assets	142,844	188,714	45,870	32.11
<b>Total assets</b>	<b>1,160,521</b>	<b>1,669,008</b>	<b>508,487</b>	<b>43.82</b>
Current liabilities	537,105	751,191	214,086	39.86
Non-current liabilities	61,043	56,670	(4,373)	(7.16)
<b>Total liabilities</b>	<b>598,148</b>	<b>807,861</b>	<b>209,713</b>	<b>35.06</b>
Share capital	443,404	445,204	1,800	0.41
Capital surplus	171,708	148,352	(23,356)	(13.60)
Retained earnings	(39,340)	296,142	335,482	(852.78)
Other equity interest	(11,075)	(23,999)	(12,924)	116.70
Treasury shares	-	-	-	-
Non-controlling interests	(2,324)	(4,552)	(2,228)	95.87
<b>Total equity</b>	<b>562,373</b>	<b>861,147</b>	<b>298,774</b>	<b>53.13</b>
<p>Explanation for items with significant changes (Amount differences have reached NTD 10,000 thousand and the change ratio has reached 20%):</p> <p>(1) Current assets, Total assets : This is mainly due to the increase in Cash, Prepayments and Refundable deposits for the current year compared to the same period of previous year.</p> <p>(2) Property, plant and equipment : This is mainly due to the increase in Machinery equipment for the current year compared to the same period of previous year.</p> <p>(3) Other assets : This is mainly due to the increase in Investments accounted for using the equity method and prepayments for equipment for the current year compared to the same period of previous year.</p> <p>(4) Current liabilities, Total liabilities: This is mainly due to the increase in Payables for salaries and bonuses for the current year compared to the same period of previous year.</p> <p>(5) Retained earnings, Total equity: This is mainly due to the increase in Net income compared to the same period of previous year.</p> <p>(6) Other equity interest: This is mainly due to issuance of new restricted employee shares.</p>				

## II. Financial Performance

### (I) Comparison and analysis of the financial performance of the most recent two years

Unit: NTD thousand

Item	2022	2023	Changes	
			Amount	Percentage %
Operating revenue	1,302,644	2,558,560	1,255,916	96.41
Operating costs	1,133,372	2,027,525	894,153	78.89
Gross profit	169,272	531,035	361,763	213.72
Operating expenses	172,232	257,139	84,907	49.30
Operating income (loss)	(2,960)	273,896	276,856	(9,353.24)
Non-operating income and (expenses)	(18,114)	60,576	78,690	(434.42)
Income (loss) before income tax	(21,074)	334,472	355,546	(1,687.13)
income tax expense(gain)	(1,599)	43,325	44,924	(2,809.51)
Net income (loss)	(19,475)	291,147	310,622	(1,594.98)
Other comprehensive income (loss)	2,751	2,816	65	2.36
Total comprehensive income (loss)	(16,724)	293,963	310,687	(1,857.73)
Explanation for items with significant changes (Amount differences have reached NTD 10,000 thousand and the change ratio has reached 20%): Operating revenue, Operating cost, Gross profit, Operating income (loss), Non-operating income and (expenses), Income (loss) before income tax, Net income (loss), Total comprehensive income (loss): This is mainly due to increase of various performance activities compared to the previous year.				

### (II) Expected sales volume and the basis for the forecast, the possible impact on the Company's finance and business and the countermeasures

Based on the industrial environment and future market supply and demand, along with relevant information such as business development and recent operating status, it is expected that the sales performance for the upcoming one year will present growth and resume stability.

## III. Cash Flow

### (I) Analysis of changes in cash flow for the latest fiscal year (2023)

Unit: NTD thousand

Item \ Year	2022	2023	Increase (Decrease) Ratio %
Net cash inflow (outflow) from operating activities	269,349	429,358	59.41
Net cash inflow (outflow) from investment activities	(90,520)	(182,968)	102.13
Net cash inflow (outflow) from financing activities	(47,956)	(24,693)	(48.51)
Explanation of the analysis of the change (increase or decrease) ratio: Increase in net cash inflow of operating activities: This is mainly due to increase of various performance activities compared to the previous year. Increase in net cash outflow of investment activities: This is mainly due to increase of Payments for equipment compared to the previous year. Decrease in net cash outflow of financing activities: This is mainly due to the previous year repayments of short-term borrowings.			

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Analysis of cash liquidity for the next year (2024)

Unit: NTD thousand

Cash balance at the beginning of the period(1)	Estimated net cash flow from operating activities for the year (2)	Estimated cash inflow (outflow) for the year (3)	Estimated cash surplus (deficit) (1)+(2)-(3)	Financing of expected cash deficits	
				Investment plans	Financing plans
668,651	204,498	197,371	675,778	—	—
<p>1. Analysis of cashflow changes for the current year</p> <p>A. Operating activities: This is mainly due to the increase in the expected revenues for the current year and the net cash inflow generated of operating activities.</p> <p>B. Investment activities: This is mainly due to the expected procurement of property and equipment and reinvestments leading to the expected net cash outflow from investment activities.</p> <p>2. Analysis of financing of expected cash deficits and liquidity: Not applicable.</p>					

IV. Material capital expenditures in the last year and impacts on the financial position and business performance

The Company and its subsidiaries have no material capital expenditures for 2023.

V. Investment policy in the most recent year, causes of profit or loss incurred, and any improvements or investments planned for the next year

The Company recognized share of profit of associates and joint ventures NT\$40,095 thousand for 2023, mainly due to the slowed down of COVID-19 leading to the increase in various performance activities compared to the previous year. The Company will adjust the operation plan according to the pandemic situation and continue to evaluate the future investment plan in order to achieve operational efficiency in accordance with the Company's "Procedures for the Acquisition or Disposal of Assets".

VI. Risk assessment

(I) Impact of changes in the interest rate and exchange rate and inflation on the Company's income or loss and future countermeasures

1. Impact of changes in the interest rate on the Company's income or loss and future countermeasures

(1) Impact on the Company's income or loss

Unit: NTD thousand

Item / Year	2022	2023
Interest expense	1,883	1,808
Operating income (loss)	(2,960)	273,896
Ratio of interest expenses to operating income	(63.61%)	0.66%

Source: Financial statements audited and certified by CPAs.

Interest expense of the Company and its subsidiaries mainly comes from bank loans of NT\$104 thousand and interest expenses of NT\$1,704 thousand arising from the adoption of IFRS16 "leases". Influenced by changes in interest rates, only the market

interest rates of bank loans lifted in 2023. Interest expenses arising from bank loans in 2022 and 2023 accounted for (11.49%) and 0.04% of operating income, respectively. Given that the amount and proportion are not high, there is no significant impact brought by the changes in the interest rate on the operation and profit and loss of the Company and its subsidiaries.

(2) Concrete countermeasures

The company and its subsidiaries continue to maintain a good relationship and close contact with banks, grasp relevant information such as changes in interest rates to judge future interest rate trends and observe the impact of changes in financial market interest rates on the funds of the company and subsidiaries at any time, in order to take flexible measures at any time to adjust. In addition, the company and its subsidiaries are financially stable and have good debt credit. Capital planning is based on the principle of conservativeness and prudence. It is expected that changes in interest rates will not have a significant impact on the profit and loss of the company and its subsidiaries.

2. Impact of changes in the exchange rate on the Company's income or loss and future countermeasures

(1) Impact on the Company's income or loss

Unit: NTD thousand

Item / Year	2022	2023
Foreign exchange loss	7,341	(4,540)
Net operating revenues	1,302,644	2,558,560
Operating income (loss)	(2,960)	273,896
The ratio of exchange loss to operating revenue	0.56%	(0.18%)
The ratio of exchange loss to operating income(loss)	(248.01%)	(1.66%)

Source: Financial statements audited and certified by CPAs.

Most of the Company's sales are denominated in NTD and the Company has not been engaged in any foreign exchange arbitrage operations. Given that the exchange losses amount and proportion in 2022 and 2023 are not material, there is no significant impact brought by the changes in the exchange rate on the Company.

(2) Concrete countermeasures

To avoid exchange rate risks, the Company and its subsidiaries will maintain a close relationship with financial institutions, continuously observe the exchange rate changes, and keep its finger on the pulse of the international exchange rate trends and changes, so that the timing of exchanging based on rate fluctuations can be determined at any time for the management of foreign currency assets and liabilities.

3. Impact of inflation on the Company's income or loss and future countermeasures

(1) Impact on the Company's income or loss

Under the government's policy of stabilizing the financial market order and maintaining stable prices, the operations and profit and loss of the Company and its subsidiaries in the most recent year and up to the publication date of the annual report have not been affected by inflation.

(2) Concrete countermeasures

The Company and its subsidiaries always pay attention to market price fluctuations

and will maintain good relationships with customers and suppliers in order to properly adjust sales strategies to reduce the impact of inflation and changes in overall consumption trends on the Company's profit and loss.

- (II) Policies on high-risk and high-leverage investments, loans to external parties, endorsements/guarantees, and derivative trading, the main causes of profit or loss incurred and future countermeasures

When it comes to business operations, the Company and its subsidiaries have always focused on the main business with pragmatism. The financial policy is based on the principle of prudence and conservatism. The Company has not been engaged in high-risk, high-leverage investments. The Company has enacted the “Procedures for Loaning to Others”, “Procedures for Endorsements and Guarantees”, “Procedures for Acquisition or Disposal of Assets”, etc. as the compliance basis for the Company to carry out relevant activities. As of the publication date of the annual report, the Company and its subsidiaries make loans to others. The parties of the loans are the Company’s subsidiaries. The Company and subsidiaries has not been engaged in endorsements and guarantees for others, high-risk, high-leverage investments and derivatives transactions.

- (III) Future research plan and expected research and development fee

1. Future R&D plans

The main business activities of the Company and its subsidiaries are the production and creative conception of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, and commercial performance and equipment leasing. There is no dedicated R&D personnel. The research and development activities of the business of the Company and its subsidiaries are mainly composed of the creative conception of the production, the design of visual information, the planning of the stage space, and the study of the application of various new technologies in the market to performance activities. For the future research and development plan, the Company will continue to recruit and train relevant personnel for creative conception, visual information design, and stage & set design and produce more creative content and amazing concerts and events.

2. Expected research and development fee

The Company and its subsidiaries plan to invest in recruiting and training relevant personnel in creative conception, visual information design, and stage & set design in order to maintain the Company's competitive advantage by producing better concerts and events. The estimated salary expense amounts to NT\$60,000 thousand.

- (IV) The impact of important domestic and foreign policy and legal changes on the Company's financial operation and countermeasures

All the daily operations of the Company and its subsidiaries comply with relevant laws and regulations at home and abroad. The Company also keeps an eye on the development trend of domestic and foreign policies and changes in laws and regulations and collects relevant information for the management’s reference to adjust the relevant operating strategies of the Company and its subsidiaries. For the most recent year up to the publication date of the annual report, no significant impact arising from important domestic and foreign policy and legal changes is posed on the financial operations of the Company and its subsidiaries.

- (V) The impact of technological changes(including information and communication security

risks) and industry changes on the Company's financial operation and countermeasures

1. The company and its subsidiaries keep an eye on technological changes and technological developments in the industry, learn the market development and industry information, and improve the infinite creativity of the concert and the conveyance of the visual emotion of the stage design to make the Company and its subsidiaries more competitive. In the most recent year up to the publication date of the annual report, no significant impact arising from changes in important technology is posed on the financial operations of the Company and its subsidiaries.
2. Information and communication security risks and countermeasures:

The Company continues to invest in the construction of information systems and establishes a complete network and computer security protection system as much as possible to control or maintain the Company's important business functions such as operations and accounting. However, it is not guaranteed that computer systems can completely avoid cyber attacks from any third party to paralyze the system. If a cyber attack invades the Company's internal network system in an illegal manner and conducts activities such as interfering with the Company's operations and damaging the Company's goodwill, the Company's system may lose important data under a serious cyber attack. The Company's business secrets, other intellectual property, and confidential information may be stolen under cyber attacks. The Company may also be involved in relevant legal disputes or regulatory investigations arising from the leak of customer or third-party information that the Company has a confidentiality obligation to, and thus the Company may have to bear material legal liabilities. Therefore, the Company has required system suppliers who has contacts with the Company's businesses to comply with network security regulations and confidentiality obligations. The contracted information engineer is to regularly review network security and to assess whether there are needs for adjustments in information security. The information personnel also regularly reviews the access authority of employees and makes corrections when necessary. Regular backups are made for the internal systems. On information security, social engineering drills are constantly conducted covering vulnerability assessment and system disaster recovery drills in order to ensure the appropriateness and effectiveness of system.

(VI) Impact of corporate image change on corporate crisis management and countermeasures

The Company and its subsidiaries belonging to the production and execution service industry of concerts and various performances. Since its establishment, the Company has been committed to operating and maintaining a good corporate image and complying with various laws and regulations. In the most recent year up to the publication date of the annual report, there has been no Impact of corporate image change on corporate crisis management for the Company and its subsidiaries.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures

In the most recent year up to the publication date of the annual report, there has been no plan for mergers and acquisitions for the Company and its subsidiaries. However, if there is a merger and acquisition plan in the future, it will be addressed in accordance with the relevant laws and regulations and the relevant management measures established by the Company and its subsidiaries to protect the interests of the Company and its shareholders.

(VIII) Expected benefits and possible risks of plant expansion and countermeasures: None.

(IX) Risks and countermeasures associated with concentrated sales or purchases

1. Purchase

The company and its subsidiaries have long-term and stable cooperation with various suppliers. If any of them cannot provide equipment setup of stable quality or the setup date cannot match the performance date, the Company will first turn to other alternative suppliers and cooperate with suppliers for a long time. In addition, the major contract suppliers of the Company and its subsidiaries are all qualified manufacturers assessed by the Company and its subsidiaries. There are at least two contract suppliers with stable supply sources and long-term cooperation with the Company, so there is no risk of concentrated purchases.

2. Sales

At present, the business scope of the Company and its subsidiaries spans the software design for concert production, evening parties, and commercial exhibitions, hardware equipment coordination for concerts, evening parties, and commercial exhibitions, and leasing. The Company and its subsidiaries do not have specific sales targets as their customers cover all kinds of companies such as music companies, TV stations, government institutions, entertainment production companies, and performance art companies. In recent years, The Company and its subsidiaries have successfully developed new customer markets and expanded upstream the business of performance organization and public relations marketing integration, so there is no risk of concentrated sales.

(X) Impact and risks on the Company from the substantial transfer or replacement of shares by directors, supervisors, or major shareholders holding more than 10% of the shares and countermeasures

In the most recent year up to the publication date of the annual report, there is no substantial transfer of shares by directors and major shareholders holding more than 10% of the shares.

(XI) Impact and risks on the Company from any change of management, and countermeasures

In the most recent year up to the publication date of the annual report, there is no material change of management.

(XII) For litigation or non-litigation events, list the material litigation, non-litigation or administrative litigation events that have been decided or are still outstanding of the Company and its directors, supervisors, president, substantive responsible persons, major shareholders holding more than 10% of its shares, and affiliated companies, and the results of which may have a significant impact on shareholders' equity or securities prices; disclose the facts in dispute, the amount of the subject matter, the commencement date of the litigation, the main litigants involved in the litigation and the handling up to the publication date of the annual report : None.

(XIII) Other important risks and countermeasures: None.

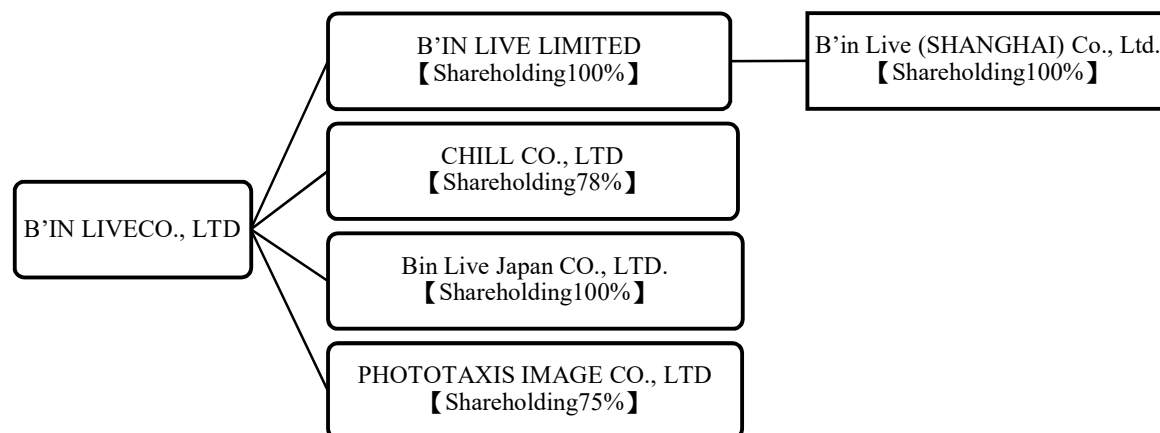
VII. Other important matters: None.

## Eight. Special Disclosure

### I. Information of affiliated companies

#### (I) Information of affiliated companies

Date: December 31, 2023



#### (II) Basic information on affiliates

Decenver 31, 2023

Company name	Date of incorporation	Address	Paid-in capital	Main businesses and products
B'IN LIVE LIMITED	2014.09.10	Room 2702-03, CC Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	HDK 7,000 thousand	Software and hardware services for performance events
B'in Live (SHANGHAI) Co., Ltd.	2015.03.10	Room A361, Building 7, No.700, Wanrong Road, Jing'an District, Shanghai	US\$210 thousand	Software and hardware services for performance events
CHILL CO., LTD.	2018.03.23	1F., No. 366, Xinhua 1st Rd., Neihu Dist., Taipei City	NT\$15,000 thousand	Event planning and advertising services
Bin Live Japan CO., LTD.	2019.11.13	TTD building, 1-2-18 Mita, Minato-ku, Tokyo	JPY 30,000 thousand	Organization of performance events and production of event software
PHOTOTAXIS IMAGE CO., LTD.	2021.06.21	Rm. 3, 8F., No. 285, Sec. 2, Taiwan Blvd., Xitun Dist., Taichung City	NT\$7,000 thousand	Software services for the performance event

Note: The Company sell all of GORGEOUS ENTERTAINMENT CO., LTD. share in April 2023. The Company sell part of CHILL CO., LTD. share in January 2024 and loss of control.

#### (III) The information of the same shareholders of those presumed to have a controlling and subordinate relationship: None.

#### (IV) Industries covered by the overall business of affiliated enterprises

The main business of the Company and its subsidiaries includes the production and creative conception of concerts, award ceremonies, commercial exhibitions, year-end parties of enterprises, and commercial performance, equipment leasing, organization, commercial integration, etc.



## (V) Information on directors, supervisors and presidents of affiliated enterprises

December 31, 2023 Unit: Share; %

Company name	Position	Name or name of legal representative	Current shareholding	
			Shares	Shareholding percentage
B'IN LIVE LIMITED	Owner	B'IN LIVE CO., Ltd (Representative: Yu-Yang Chou)	700,000	100%
B'in Live (SHANGHAI) Co., Ltd.	Owner	B'IN LIVE LIMITED (Representative: Jui-Chuan Chang )	(Note 1)	100%
CHILL CO., LTD	Chairman/President	I-Ying Chen	150,000	10%
	Directors	B'IN LIVE CO., Ltd (Representative: Sheng-Hua Wen, Jui-Chuan Chang)	1,170,000	78%
	Supervisor	Tsung-Yang Tsai	—	—
Bin Live Japan CO., LTD.	Chairman/President	Yu-Yang Chou	—	—
PHOTOTAXIS IMAGE CO., LTD.GORGEOUS ENTERTAINMENT CO., LTD.	Chairman/President	Hsiang-Cheng Wu	175,000	25%
	Directors	B'IN LIVE CO., Ltd (Representative: Tsung-Chun Yang, Tzu-Wen Liao)	525,000	75%
	Supervisor	Jui-Chuan Chang	—	—

Note : No share is issued as it is a limited company.

## (VI) Financial status and operating results of affiliated enterprises

December 31, 2023 Unit: NT\$ thousand unless otherwise stated

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating loss	Net income (loss) (after tax)	After tax earnings (loss) per share (NT\$)
B'IN LIVE LIMITED.	HDK 7,000 thousand	219,494	39,700	179,794	-	(41,226)	75,254	107.50
B'in Live (SHANGHAI) Co., Ltd.	US\$210 thousand	286,750	84,946	201,804	929,901	103,722	116,510	(Note 1)
CHILL CO., LTD (Note 2)	15,000	60,954	84,345	(23,391)	160,358	(3,153)	(3,594)	(2.40)
GORGEOUS ENTERTAINMENT CO., LTD. (Note 3)	-	-	-	-	719	(3,414)	(3,588)	-
Bin Live Japan CO., LTD.	JPY 30,000 thousand	2,474	39	2,435	-	(276)	(257)	(428.3)
PHOTOTAXIS IMAGE CO., LTD.GORGEOUS ENTERTAINMENT CO., LTD.	7,000	4,871	2,302	2,569	5,330	(3,665)	(3,627)	(5.18)

Note 1: Not applicable as it is a limited company.

Note 2: The Company sell part of CHILL CO., LTD. share in January 2024 and loss of control.

Note 3: The Company sell all of GORGEOUS ENTERTAINMENT CO., LTD. share in April 2023.

(VII) Affiliated enterprise consolidated financial statements:

The business entities to be included in the Company's 2023 (from January 1, 2023 to December 31, 2023) Affiliated Enterprise Consolidated Financial Statements that are prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Report and Consolidated Financial Statements of Affiliated Enterprises" and the business entities to be included in the Company's parent-subsidiary consolidated financial statements in accordance with IFRS No. 10 are the same; also, the relevant information to be disclosed in the "Affiliated Enterprise Consolidated Financial Statements" has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements; therefore, the "Affiliated Enterprise Consolidated Financial Statements" will not be prepared separately.

(VIII) Affiliation report: None.

II. Private Placement of Securities in the Most Recent Year up to the Publication of this Annual Report: None.

III. Holding or disposal of the Company's shares by subsidiaries in the last year, up until the publication date of the annual report: None.

IV. Other supplementary information: None.

**Nine. Occurrences that have a significant impact on shareholders' equity or securities prices, as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, for the most recent year up to the publication date of the annual report: None.**

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent company and its subsidiaries as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent company and its subsidiaries. Hence, we have not prepared a separate set of consolidated financial statements of affiliates for the year ended December 31, 2023.

Very truly yours,

B'IN LIVE CO., LTD.

By:

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March 6, 2024

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
B'in Live Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of B'in Live Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated 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 in the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

#### Revenue Recognition of Main Operating Revenue

Operating revenue is the main indicator for the investors and the management of the Group to evaluate its financial or business performance. The operating revenue is mainly resulted from providing production design and hardware engineering for shows or activities; according to the accounting policy, the revenue is recognized as the performance obligation when it is satisfied, i.e., the show or activity is completed. If the contract contains multiple shows or activities across the balance sheet date, the revenue is recognized in accordance with completed shows or activities. We considered the appropriateness and accuracy of recognition may significantly affect the financial statements. Therefore, we identified the revenue recognition of main operating revenue as a key audit matter.

Our main audit procedures to address the above key audit matter were as follows:

1. We obtained an understanding of and tested the design and implementation of internal controls over revenue recognition of main operating revenue.
2. We sampled from the completed performances or activities, assessed the appropriateness and accuracy of revenue recognition and checked the cash receipts according to the contracts.
3. We obtained the contracts, calculation, and accounting records of the revenues and verified the revenues recognized in the current year are correct and properly approved.

#### **Other Matter**

We have also audited the parent company only financial statements of B'in Live Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified report.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group 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 consolidated financial statements for the year ended December 31, 2023 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 Yu-Hong Kuo and Shiow-Ming Shue.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 6, 2024

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.*

## B'IN LIVE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 668,651	40	\$ 479,548	41
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 28)	11,144	1	9,956	1
Notes and accounts receivable (Notes 4 and 8)	251,921	15	191,179	17
Receivables from related parties (Note 29)	26,627	1	52,665	5
Other receivables from related parties (Note 29)	-	-	2,639	-
Disposal groups held for sale (Notes 4 and 11)	60,954	4	-	-
Other current assets (Notes 9 and 29)	<u>153,982</u>	<u>9</u>	<u>51,602</u>	<u>4</u>
Total current assets	<u>1,173,279</u>	<u>70</u>	<u>787,589</u>	<u>68</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 10 and 28)	12,471	1	15,479	1
Investments accounted for using the equity method (Notes 4 and 12)	74,851	5	35,790	3
Equipment and leasehold improvements (Notes 4 and 14)	304,337	18	226,213	20
Right-of-use assets (Notes 4 and 15)	72,956	4	81,959	7
Other intangible assets (Notes 4 and 16)	2,678	-	3,875	-
Deferred tax assets (Notes 4 and 22)	4,203	-	3,870	-
Other non-current assets	<u>24,233</u>	<u>2</u>	<u>5,746</u>	<u>1</u>
Total non-current assets	<u>495,729</u>	<u>30</u>	<u>372,932</u>	<u>32</u>
TOTAL	<u>\$ 1,669,008</u>	<u>100</u>	<u>\$ 1,160,521</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4, 7, 28 and 29)	\$ -	-	\$ 6,182	1
Contract liabilities - current (Notes 20 and 29)	33,329	2	18,544	2
Notes and accounts payable	306,744	18	385,030	33
Payables to related parties (Note 29)	8,669	1	5,167	1
Other payables (Note 17)	278,308	17	94,886	8
Current tax liabilities (Notes 4 and 22)	21,720	1	-	-
Liabilities directly associated with disposal groups held for sale (Notes 4 and 11)	65,786	4	-	-
Lease liabilities - current (Notes 4 and 15)	21,408	1	25,136	2
Other current liabilities (Note 4)	<u>15,227</u>	<u>1</u>	<u>2,160</u>	-
Total current liabilities	<u>751,191</u>	<u>45</u>	<u>537,105</u>	<u>47</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 22)	1,187	-	335	-
Lease liabilities - non-current (Notes 4 and 15)	<u>55,483</u>	<u>3</u>	<u>60,708</u>	<u>5</u>
Total non-current liabilities	<u>56,670</u>	<u>3</u>	<u>61,043</u>	<u>5</u>
Total liabilities	<u>807,861</u>	<u>48</u>	<u>598,148</u>	<u>52</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 19)				
Share capital	<u>445,204</u>	<u>27</u>	<u>443,404</u>	<u>38</u>
Capital surplus				
Issuance of ordinary shares	128,723	8	166,029	14
Employee restricted shares	<u>19,629</u>	<u>1</u>	<u>5,679</u>	<u>1</u>
Total capital surplus	<u>148,352</u>	<u>9</u>	<u>171,708</u>	<u>15</u>
Retained earnings (accumulated deficit)				
Unappropriated earnings (deficit to be offset)	<u>296,142</u>	<u>18</u>	<u>(39,340)</u>	<u>(4)</u>
Other equity				
Exchange differences on the translation of the financial statements of foreign operations	(9,323)	(1)	(6,174)	(1)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	2,699	-	(1,921)	-
Unearned employee benefits	<u>(17,375)</u>	<u>(1)</u>	<u>(2,980)</u>	-
Total other equity	<u>(23,999)</u>	<u>(2)</u>	<u>(11,075)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	865,699	52	564,697	48
NON-CONTROLLING INTERESTS	<u>(4,552)</u>	-	<u>(2,324)</u>	-
Total equity	<u>861,147</u>	<u>52</u>	<u>562,373</u>	<u>48</u>
TOTAL	<u>\$ 1,669,008</u>	<u>100</u>	<u>\$ 1,160,521</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.



# B'IN LIVE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 13, 20 and 29)	\$ 2,558,560	100	\$ 1,302,644	100
OPERATING COSTS (Notes 4, 13, 21 and 29)	<u>(2,027,525)</u>	<u>(79)</u>	<u>(1,133,372)</u>	<u>(87)</u>
GROSS PROFIT	<u>531,035</u>	<u>21</u>	<u>169,272</u>	<u>13</u>
OPERATING EXPENSES (Notes 21 and 29)				
Selling expenses	(75,924)	(3)	(55,520)	(4)
General and administrative expenses	(173,127)	(7)	(109,340)	(8)
Research and development expenses	(8,337)	-	(7,412)	(1)
Expected credit gain	<u>249</u>	<u>-</u>	<u>40</u>	<u>-</u>
Total operating expenses	<u>(257,139)</u>	<u>(10)</u>	<u>(172,232)</u>	<u>(13)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>273,896</u>	<u>11</u>	<u>(2,960)</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit (loss) of associates and joint ventures (Note 4)	40,095	1	(18,481)	(1)
Interest income	1,497	-	460	-
Other income (Note 4)	16,033	1	2,604	-
Gain on disposal of equipment and leasehold improvements (Note 4)	1,057	-	495	-
Interest expenses	(1,808)	-	(1,883)	-
Other expenses	(99)	-	(98)	-
Loss on disposal of investments (Note 4)	-	-	(566)	-
Foreign exchange (loss) gain, net (Note 4)	(4,540)	-	7,341	1
Gain on financial assets at fair value through profit or loss, net (Note 4)	8,479	-	908	-
Impairment loss on equipment and leasehold improvements (Notes 4 and 14)	<u>(138)</u>	<u>-</u>	<u>(8,894)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>60,576</u>	<u>2</u>	<u>(18,114)</u>	<u>(1)</u>
PROFIT (LOSS) BEFORE INCOME TAX	334,472	13	(21,074)	(1)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 22)	<u>(43,325)</u>	<u>(2)</u>	<u>1,599</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>291,147</u>	<u>11</u>	<u>(19,475)</u>	<u>(1)</u>

(Continued)

## B'IN LIVE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 5,965	-	\$ (834)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(2,115)	-	2,990	-
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	<u>(1,034)</u>	<u>-</u>	<u>595</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>2,816</u>	<u>-</u>	<u>2,751</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:	<u>\$ 293,963</u>	<u>11</u>	<u>\$ (16,724)</u>	<u>(1)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 294,797	11	\$ (13,764)	(1)
Non-controlling interests	<u>(3,650)</u>	<u>-</u>	<u>(5,711)</u>	<u>-</u>
	<u>\$ 291,147</u>	<u>11</u>	<u>\$ (19,475)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 297,613	11	\$ (11,013)	(1)
Non-controlling interests	<u>(3,650)</u>	<u>-</u>	<u>(5,711)</u>	<u>-</u>
	<u>\$ 293,963</u>	<u>11</u>	<u>\$ (16,724)</u>	<u>(1)</u>
EARNINGS (LOSS) PER SHARE (Note 23)				
Basic	<u>\$ 6.68</u>		<u>\$ (0.31)</u>	
Diluted	<u>\$ 6.64</u>			

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

B'IN LIVE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company													
	Share Capital		Capital Surplus			Retained Earnings (Accumulated Deficit) Unappropriated Earnings (Deficit to Be Offset)	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Other Equity			Treasury Shares	Total	Non-controlling Interests	Total Equity
			Share of Changes in Capital Surplus of Associates and Joint Ventures	Employee Restricted Shares	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			Unearned Employee Benefits						
	Number of Shares (In Thousands)	Amount				Issuance of Ordinary Shares								
BALANCE AT JANUARY 1, 2022	44,973	\$ 449,734	\$ 239,528	\$ 17,183	\$ 7,713	\$ (89,320)	\$ (9,759)	\$ (1,447)	\$ (5,991)	\$ (34,942)	\$ 572,699	\$ 3,627	\$ 576,326	
Capital surplus used for offsetting deficit	-	-	(72,137)	(17,183)	-	89,320	-	-	-	-	-	-	-	
Cancelation of treasury shares	(633)	(6,330)	(3,396)	-	-	(25,216)	-	-	-	34,942	-	-	-	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(360)	-	360	-	-	-	-	-	
Net loss for 2022	-	-	-	-	-	(13,764)	-	-	-	-	(13,764)	(5,711)	(19,475)	
Other comprehensive income (loss) for 2022	-	-	-	-	-	-	3,585	(834)	-	-	2,751	-	2,751	
Total comprehensive income (loss) for 2022	-	-	-	-	-	(13,764)	3,585	(834)	-	-	(11,013)	(5,711)	(16,724)	
Share-based payment transaction - restricted shares for employees	-	-	-	-	-	-	-	-	3,011	-	3,011	-	3,011	
Vested restricted shares for employees	-	-	2,034	-	(2,034)	-	-	-	-	-	-	-	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(240)	(240)	
BALANCE AT DECEMBER 31, 2022	44,340	443,404	166,029	-	5,679	(39,340)	(6,174)	(1,921)	(2,980)	-	564,697	(2,324)	562,373	
Capital surplus used for offsetting deficit	-	-	(39,340)	-	-	39,340	-	-	-	-	-	-	-	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	1,345	-	(1,345)	-	-	-	-	-	
Net profit for 2023	-	-	-	-	-	294,797	-	-	-	-	294,797	(3,650)	291,147	
Other comprehensive income (loss) for 2023	-	-	-	-	-	-	(3,149)	5,965	-	-	2,816	-	2,816	
Total comprehensive income (loss) for 2023	-	-	-	-	-	294,797	(3,149)	5,965	-	-	297,613	(3,650)	293,963	
Share-based payment transaction - restricted shares for employees	180	1,800	-	-	15,984	-	-	-	(14,395)	-	3,389	-	3,389	
Vested restricted shares for employees	-	-	2,034	-	(2,034)	-	-	-	-	-	-	-	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,422	1,422	
BALANCE AT DECEMBER 31, 2023	44,520	\$ 445,204	\$ 128,723	\$ -	\$ 19,629	\$ 296,142	\$ (9,323)	\$ 2,699	\$ (17,375)	\$ -	\$ 865,699	\$ (4,552)	\$ 861,147	

The accompanying notes are an integral part of the consolidated financial statements.

# **B'IN LIVE CO., LTD. AND SUBSIDIARIES**

## **CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before income tax	\$ 334,472	\$ (21,074)
Adjustments for		
Depreciation expense	120,574	104,647
Amortization expense	2,613	2,564
Expected credit loss reversed on accounts receivable	(249)	(40)
Gain on financial assets at fair value through profit or loss, net	(8,479)	(908)
Interest expenses	1,808	1,883
Interest income	(1,497)	(460)
Compensation cost of share-based payment	3,389	3,011
Share of (profit) loss of associates and joint ventures	(40,095)	18,481
Gain on disposal of equipment and leasehold improvements	(1,057)	(495)
Loss on disposal of investments	-	566
Impairment loss on equipment and leasehold improvements	138	8,894
Unrealized loss (gain) on foreign currency exchange, net	1,284	(1,585)
Gain from lease modification	-	(4)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	7,464	(794)
Notes and accounts receivables (Note 26)	(84,784)	(21,954)
Receivables from related parties	26,040	(12,480)
Other receivables from related parties	2,639	(2,639)
Other current assets (Note 26)	(105,934)	24,892
Financial liabilities at fair value through profit or loss	(6,358)	-
Contract liabilities	15,086	(14,821)
Notes and accounts payable	(23,592)	171,245
Payables to related parties	3,576	4,575
Other payables (Note 26)	190,186	17,404
Other payables to related parties	-	(5)
Other current liabilities (Note 26)	<u>13,283</u>	<u>(10,061)</u>
Cash generated from operations	450,507	270,842
Interest received	1,497	460
Interest paid	(1,808)	(1,902)
Income tax paid	<u>(20,838)</u>	<u>(51)</u>
Net cash generated from operating activities	<u>429,358</u>	<u>269,349</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	8,973	-
Acquisition of investments accounted for using the equity method	-	(4,500)
Net cash outflow on disposal of subsidiary (Note 26)	(1,017)	-
Payments for equipment and leasehold improvements	(170,850)	(86,523)
Proceeds from disposal of equipment and leasehold improvements (Note 26)	1,455	3,301

(Continued)

# **B'IN LIVE CO., LTD. AND SUBSIDIARIES**

## **CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
Payments for intangible assets	(2,343)	(3,629)
(Increase) decrease in other non-current assets	<u>(19,186)</u>	<u>831</u>
Net cash used in investing activities	<u>(182,968)</u>	<u>(90,520)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings (Note 26)	2,000	(20,933)
Repayments of long-term borrowings	-	(1,667)
Repayments of the principal portion of lease liabilities	(26,693)	(25,116)
Changes in non-controlling interests	<u>-</u>	<u>(240)</u>
Net cash used in financing activities	<u>(24,693)</u>	<u>(47,956)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>(1,306)</u>	<u>1,965</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	220,391	132,838
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>479,548</u>	<u>346,710</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 699,939</u>	<u>\$ 479,548</u>
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents in the consolidated balance sheets	\$ 668,651	\$ 479,548
Cash and cash equivalents included in disposal groups held for sale	<u>31,288</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u>\$ 699,939</u>	<u>\$ 479,548</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# B'IN LIVE CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

B'in Live Co., Ltd. (the "Company") was incorporated on January 2, 2014 under the provision of the Company Act of the Republic of China and other laws and regulations. The Company is mainly engaged in providing software and hardware services for shows or events, including production design, and providing hardware equipment such as lighting, audio, video, musical instruments, and structural equipment.

The Company's shares were approved for a public offering on January 11, 2017 by the Taipei Exchange (TPEX), and the Company became a listed company on the emerging stock market on March 29, 2017. The Company's shares ceased trading on the emerging stock market and have been listed on the Taiwan Stock Exchange (TWSE) since February 7, 2018.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

### 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 6, 2024.

### 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 issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies:

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

The Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's 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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value.

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

- 1) Level 1 inputs are quoted prices (unadjusted) 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 the 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 the asset or liability.

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 twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve 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, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 11, Tables 5 and 6 for detailed information of subsidiaries (including the percentage of ownership and main business).



e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity'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 at 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 item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries and associates in other countries that use currency different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of a foreign operation (i.e., disposal of the Company'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 Company are reclassified to profit or loss.

f. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

When the Group subscribes for additional new shares of the associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method.

The entire carrying amount of the 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, that 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 Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

g. Joint operations

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Group recognizes the following items in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output of the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Group sells or contributes assets to its joint operation, it recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Group purchases assets from its joint operation, it does not recognize its share of the gain or loss until it resells those assets to a third party.

h. Equipment and leasehold improvements

Equipment and leasehold improvements are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of equipment and leasehold improvements is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of equipment and leasehold improvements, 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 sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of equipment and leasehold improvements, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its equipment and leasehold improvements, right-of-use asset 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 asset or cash-generating unit 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 or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Non-current assets held for sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

Disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

l. Financial instruments

Financial assets and financial liabilities are recognized when a group entity 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 issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“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 fair value through profit or loss 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 category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income (“FVTOCI”).

##### i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL, including investments in debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

##### 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 using 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 such a financial asset.

Cash equivalents include time deposits with original maturities 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 Group 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 Group'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

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime ECLs for accounts receivable. For all other financial instruments, the Group 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 Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs 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.

The Group 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 Group 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 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 a group entity are recognized at the proceeds received, net of direct issue costs.

No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

### 3) Financial liabilities

#### a) Subsequent measurement

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

##### Financial liabilities at FVTPL

Financial liabilities at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

#### 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.

### m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. Refund liabilities are provided based on the completion of the contract to reasonably estimate the amount of future returns.

#### 1) Equipment rental revenue

Equipment rental revenue is recognized when services are provided over time.

#### 2) Production design and hardware engineering revenue for shows or events

If production design and hardware engineering for a show or an event provided by the Group are not distinct, these services are identified as one performance obligation as a whole, revenue from these services is recognized as the performance obligation is satisfied, i.e., as the production design and hardware engineering are transferred when the show or event is completed. If a contract includes multiple shows or events across the balance sheet date, the revenue is recognized in accordance with each completed show or event.

#### 3) Ticket revenue

Since the performance obligation is not satisfied as the tickets are sold for a show or an event, the receipts from the tickets sold are recorded as contract liabilities until the tickets are used.

#### 4) Revenue from the sale of goods

Revenue from the sale of goods comes from the merchandise sold around the shows or events. Sales of goods are recognized as revenue when the goods are delivered to the customers and the customers have rights to use the goods and bear the risks of obsolescence.

### n. Leases

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

1) The Group as lessor

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group 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 by 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, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets 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 consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed 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 lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Group remeasures the lease liability with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of a right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, and no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of depreciation of right-of-use assets, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group 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 Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. 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 services.

2) Retirement benefits

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

q. Share-based payment arrangements

The fair value at the grant date of the employee share options and employee restricted shares are expensed on a straight-line basis over the vesting period, based on the Group'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 or other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are vested immediately. The fair value of the equity instruments on the date of grant is based on the market price available on the date of grant, and the terms and conditions on which such equity instruments are given are taken into consideration to measure the fair value of the equity instruments given.

When employee restricted shares are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - employee restricted shares.

At the end of each reporting period, the Group revises its estimate of the number of employee restricted shares 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 adjustment to capital surplus - employee restricted shares.

r. Taxation

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

1) Current tax

Income tax payable (recoverable) 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 unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.



Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group 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 recognized only 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 such temporary differences 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 Group 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 taxes are recognized in profit or loss.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, 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.

### Revenue Recognition

The Group's revenue of providing production design and hardware engineering for cross-period shows or events shall be determined in accordance with their completion status at the balance sheet date. The Group has fully considered the relevant factors affecting the transaction results and the criteria of revenue recognition.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 1,447	\$ 1,965
Checking accounts and demand deposits	<u>667,204</u>	<u>477,583</u>
	<u>\$ 668,651</u>	<u>\$ 479,548</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Foreign unlisted companies	\$ 6,144	\$ 6,147
Performance, film and drama investing contracts	<u>5,000</u>	<u>3,809</u>
	<u>\$ 11,144</u>	<u>\$ 9,956</u>
<u>Financial liabilities - current</u>		
Financial liabilities held for trading		
Non-derivative financial liabilities		
Performance, film and drama investing contracts	<u>\$ -</u>	<u>\$ 6,182</u>

The financial instruments at FVTPL consist of investments in Performance, film and drama investing contracts or performance event production companies. The Group and other counterparties will share or bear the profit or loss of the target according to the agreed proportion.

## 8. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2023	2022
Notes receivable	\$ 3,997	\$ 9,668
Accounts receivable	<u>252,488</u>	<u>186,398</u>
	256,485	196,066
Less: Allowance for impairment loss	<u>(4,564)</u>	<u>(4,887)</u>
	<u>\$ 251,921</u>	<u>\$ 191,179</u>

The average credit period of receivables was about 90 days. When determining the recoverability of notes receivable and accounts receivable, the Group considers any change in credit quality of notes receivable and accounts receivable from the original credit date to the balance sheet date. For notes receivable and accounts receivable that were past due at the end of the reporting period may not be recovered, the Group recognizes an allowance for impairment loss that notes receivable and accounts receivable are not expected to be recovered by the Group's historical credit loss experience and its current financial situation.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to the past default records of the debtor, the debtor's current financial position, the economic condition of the industry in which the debtor operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables based on the Group's provision matrix.

December 31, 2023

	<u>Not Past Due</u>	<u>1 to 180 Days Past Due</u>	<u>Past Due Over 180 Days</u>	<u>Total</u>
Gross carrying amount	\$ 251,921	\$ -	\$ 4,564	\$ 256,485
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(4,564)</u>	<u>(4,564)</u>
Amortized cost	<u>\$ 251,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,921</u>

December 31, 2022

	<u>Not Past Due</u>	<u>1 to 180 Days Past Due</u>	<u>Past Due Over 180 Days</u>	<u>Total</u>
Gross carrying amount	\$ 191,179	\$ 22	\$ 4,865	\$ 196,066
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(22)</u>	<u>(4,865)</u>	<u>(4,887)</u>
Amortized cost	<u>\$ 191,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,179</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 4,887	\$ 18,931
Amount written off	-	(15,240)
Reversal of loss allowance	(249)	(40)
Reclassified as held for sale	(22)	-
Foreign exchange	<u>(52)</u>	<u>1,236</u>
Balance at December 31	<u>\$ 4,564</u>	<u>\$ 4,887</u>

## 9. OTHER CURRENT ASSETS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Prepayments (Note 29)	\$ 98,910	\$ 18,040
Refundable deposits	21,653	4,986
Excess business tax paid	20,128	39
Temporary payments	13,240	5,735
Other receivables	46	18,847
Others	<u>5</u>	<u>3,955</u>
	<u>\$ 153,982</u>	<u>\$ 51,602</u>

# **10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT**

	December 31	
	2023	2022
Domestic unlisted share		
Flight International Co., Ltd.	\$ 11,732	\$ 14,933
Cubical Motivation System Co., Ltd.	<u>739</u>	<u>546</u>
	<u>\$ 12,471</u>	<u>\$ 15,479</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

# **11. SUBSIDIARIES**

## **Subsidiaries Included in the Consolidated Financial Statements**

Investor	Investee	Main Business	% of Ownership		Remark
			December 31		
			2023	2022	
The Company	B'in Live Limited	Hardware and software services for shows	100.00	100.00	
The Company	Chill Co., Ltd.	Event planning and advertising services	78.00	78.00	b.
The Company	Gorgeous Entertainment Co., Ltd.	Planning, production and management of shows	-	75.00	a.
The Company	PhotoTaxis Co., Ltd.	Software services for shows	75.00	75.00	
The Company	B'in Live Japan Co., Ltd.	Planning and software production for shows	100.00	100.00	
B'in Live Limited	B'in Live (Shanghai) Ltd.	Hardware and software services for shows	100.00	100.00	

- a. The Company disposed of all of interest in Gorgeous Entertainment Co., Ltd. in April 2023. Refer to Note 26 for more information.
- b. In 2023, the Company signed an equity transfer agreement to dispose of part of its interests in Chill Co., Ltd., and this transaction was completed in January 2024, resulting in loss of control. Therefore, the Company reclassified its interests in Chill Co., Ltd. to disposal groups held for sale in the consolidated balance sheet. The accounts of assets and liabilities held for sale were as below:

	December 31, 2023
Cash and cash equivalents	\$ 31,288
Notes and accounts receivable	24,077
Other current assets	327
Equipment and leasehold improvements	765
Right-of-use assets	3,734
Intangible assets	64
Other non-current assets	<u>699</u>
Disposal groups held for sale	<u>\$ 60,954</u>

(Continued)

	<b>December 31, 2023</b>
Contract liabilities - current	\$ 124
Notes and accounts payable	53,842
Other payables	7,857
Lease liabilities - current	2,259
Other current liabilities	167
Lease liabilities - non-current	<u>1,537</u>
Liabilities relate to disposal groups held for sale	<u>\$ 65,786</u> (Concluded)

The net proceeds from the disposal were expected to exceed the carrying amount of the related net liabilities, and accordingly, no impairment loss was recognized while reclassifying the assets and liabilities associated with disposal groups held for sale.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		<b>December 31</b>	
		<b>2023</b>	<b>2022</b>
Investments in associates			
Empty Shells Pictures Co., Ltd.		\$ 5,483	\$ 5,238
Bin333 Co., Ltd.		<u>8,850</u>	<u>5,070</u>
		<u>14,333</u>	<u>10,308</u>
Investment in joint venture			
SHOWIN LTD.		<u>60,518</u>	<u>25,482</u>
		<u>\$ 74,851</u>	<u>\$ 35,790</u>

Name of Investee	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2023	2022
Empty Shells Pictures Co., Ltd.	Film production and distribution	Taiwan	22.69%	22.69%
Bin333 Co., Ltd.	Software services for shows	Taiwan	45.00%	45.00%
SHOWIN LTD.	Hardware and software services for shows	Mainland China	50.00%	50.00%

The Group acquired 45% interest of Bin333 Co., Ltd. in June 2022, and disposed of all of interest in Me Music International Limited in December 2022.

### 13. JOINT OPERATIONS

In 2020, the Group and other companies entered into a joint operation agreement to establish a street market brand “Kerker Store”. The collaboration period was from July 2020 to June 2021, which was extended to June 2023 in April 2022, after the collaboration period ends, both parties should settle the gains and losses of the joint operation and share or bear 50% of the net results, respectively. The Group recognized the revenue and costs in relation to its interest in the joint operation as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue	\$ -	\$ 1,861
Costs	\$ -	\$ 2,407

### 14. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	<b>Machinery Equipment</b>	<b>Office Equipment</b>	<b>Transportation Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2022	\$ 361,934	\$ 9,259	\$ 3,108	\$ 66,916	\$ 441,217
Additions	83,995	2,600	-	779	87,374
Disposals	(45,664)	(2,527)	(1,568)	(16,051)	(65,810)
Foreign exchange	<u>1,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,891</u>
Balance at December 31, 2022	<u>\$ 402,156</u>	<u>\$ 9,332</u>	<u>\$ 1,540</u>	<u>\$ 51,644</u>	<u>\$ 464,672</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2022	\$ 174,839	\$ 4,269	\$ 1,803	\$ 31,243	\$ 212,154
Depreciation expenses	63,715	2,966	749	11,449	78,879
Disposals	(42,858)	(2,527)	(1,568)	(16,051)	(63,004)
Impairment losses recognized	8,894	-	-	-	8,894
Foreign exchange	<u>1,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,536</u>
Balance at December 31, 2022	<u>\$ 206,126</u>	<u>\$ 4,708</u>	<u>\$ 984</u>	<u>\$ 26,641</u>	<u>\$ 238,459</u>
Carrying amount at December 31, 2022	<u>\$ 196,030</u>	<u>\$ 4,624</u>	<u>\$ 556</u>	<u>\$ 25,003</u>	<u>\$ 226,213</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 402,156	\$ 9,332	\$ 1,540	\$ 51,644	\$ 464,672
Additions	168,128	2,589	3,256	-	173,973
Disposals	(22,792)	(2,869)	(700)	(8,596)	(34,957)
Transferred out due to disposal of subsidiaries	-	(104)	-	-	(104)
Reclassified as held for sale	-	(986)	-	(2,501)	(3,487)
Foreign exchange	<u>(822)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(822)</u>
Balance at December 31, 2023	<u>\$ 546,670</u>	<u>\$ 7,962</u>	<u>\$ 4,096</u>	<u>\$ 40,547</u>	<u>\$ 599,275</u>

(Continued)

	<u>Machinery Equipment</u>	<u>Office Equipment</u>	<u>Transportation Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Accumulated depreciation and impairment					
Balance at January 1, 2023	\$ 206,126	\$ 4,708	\$ 984	\$ 26,641	\$ 238,459
Depreciation expenses	83,771	2,931	617	6,450	93,769
Disposals	(22,491)	(2,869)	(603)	(8,596)	(34,559)
Transferred out due to disposal of subsidiaries	-	(72)	-	-	(72)
Reclassified as held for sale	-	(647)	-	(2,075)	(2,722)
Impairment losses recognized	138	-	-	-	138
Foreign exchange	<u>(75)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75)</u>
Balance at December 31, 2023	<u>\$ 267,469</u>	<u>\$ 4,051</u>	<u>\$ 998</u>	<u>\$ 22,420</u>	<u>\$ 294,938</u>
Carrying amount at December 31, 2023	<u>\$ 279,201</u>	<u>\$ 3,911</u>	<u>\$ 3,098</u>	<u>\$ 18,127</u>	<u>\$ 304,337</u>
					(Concluded)

The above items of equipment and leasehold improvements are depreciated on a straight-line basis over the estimated useful lives as follows:

Machinery equipment	3-10 years
Office equipment	3 years
Transportation equipment	3-5 years
Leasehold improvements	2-10 years

As certain machinery equipment was damaged and not able to be used normally, the Group recognized an impairment loss for the years ended December 31, 2023 and 2022 were \$138 thousand and \$8,894 thousand, respectively.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Buildings	\$ 72,361	\$ 80,223
Transportation equipment	165	660
Other equipment	<u>430</u>	<u>1,076</u>
	<u>\$ 72,956</u>	<u>\$ 81,959</u>

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	\$ 21,536	\$ 29,848
Depreciation charge for right-of-use assets		
Buildings	\$ 25,664	\$ 24,769
Transportation equipment	646	495
Other equipment	25,664	504
	\$ 26,805	\$ 25,768

b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Current	\$ 21,408	\$ 25,136
Non-current	\$ 55,483	\$ 60,708

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Buildings	1.5%-2.5%	1.5%-2.5%
Transportation equipment	1.5%	1.5%
Other equipment	1.85%	1.85%-2%

c. Material leasing activities and terms

The Group leases machinery equipment and transportation equipment for the use of operation with lease terms of 2 to 3 years. These arrangements do not contain renewal or purchase options at the end of the lease terms.

The Group leases buildings for the use of offices and warehouse with lease terms of 3 to 10 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases and low-value asset leases	\$ 3,869	\$ 4,836
Total cash outflow for leases	\$ 32,202	\$ 30,234

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



## 16. OTHER INTANGIBLE ASSETS

	<b>Trademark Rights</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2022	\$ 726	\$ 3,520	\$ -	\$ 4,246
Additions	-	4,374	114	4,488
Disposals	-	(1,903)	-	(1,903)
Foreign exchange	-	-	2	2
Balance at December 31, 2022	<u>\$ 726</u>	<u>\$ 5,991</u>	<u>\$ 116</u>	<u>\$ 6,833</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ 359	\$ 1,938	\$ -	\$ 2,297
Amortization expenses	73	2,472	19	2,564
Disposals	-	(1,903)	-	(1,903)
Balance at December 31, 2022	<u>\$ 432</u>	<u>\$ 2,507</u>	<u>\$ 19</u>	<u>\$ 2,958</u>
Carrying amount at December 31, 2022	<u>\$ 294</u>	<u>\$ 3,484</u>	<u>\$ 97</u>	<u>\$ 3,875</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 726	\$ 5,991	\$ 116	\$ 6,833
Additions	-	1,486	-	1,486
Disposals	-	(2,542)	-	(2,542)
Reclassified as held for sale	-	(110)	-	(110)
Foreign exchange	-	-	(8)	(8)
Balance at December 31, 2023	<u>\$ 726</u>	<u>\$ 4,825</u>	<u>\$ 108</u>	<u>\$ 5,659</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 432	\$ 2,507	\$ 19	\$ 2,958
Amortization expenses	72	2,504	37	2,613
Disposals	-	(2,542)	-	(2,542)
Reclassified as held for sale	-	(46)	-	(46)
Foreign exchange	-	-	(2)	(2)
Balance at December 31, 2023	<u>\$ 504</u>	<u>\$ 2,423</u>	<u>\$ 54</u>	<u>\$ 2,981</u>
Carrying amount at December 31, 2023	<u>\$ 222</u>	<u>\$ 2,402</u>	<u>\$ 54</u>	<u>\$ 2,678</u>

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademark rights	10 years
Computer software	1-3 years
Others	3 years

## 17. OTHER PAYABLES

	December 31	
	2023	2022
Payables for salaries and bonuses	\$ 191,809	\$ 38,927
Payables for annual leave	9,235	10,230
Payables for purchases of equipment	10,957	8,675
Others	<u>66,307</u>	<u>37,054</u>
	<u>\$ 278,308</u>	<u>\$ 94,886</u>

## 18. RETIREMENT BENEFIT PLANS

### Defined Contribution Plans

The Company, Chill Co., Ltd., Gorgeous Entertainment Co., Ltd. and PhotoTaxis Co., Ltd. adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China are members of state-managed retirement benefit plan operated by the government of mainland China. The subsidiaries are required to contribute specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

## 19. EQUITY

### a. Share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	<u>80,000</u>	<u>80,000</u>
Share capital authorized (par value of \$10 per share)	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Number of shares issued and fully paid (in thousands)	<u>44,520</u>	<u>44,340</u>
Shares issued and fully paid	<u>\$ 445,204</u>	<u>\$ 443,404</u>

On November 9, 2023, the Company's board of directors resolved to set November 24, 2023 as the capital increase base date to issue 180 thousand shares with a par value of \$10 per share thousand, and a total amount of \$1,800 thousand under a restricted share plan for employees. Refer to Note 24 for details.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	\$ 128,723	\$ 163,709
Capital increase reserved for employees	-	2,320
	<u>128,723</u>	<u>166,029</u>
<u>May not be used for any purpose</u>		
Employee restricted shares	<u>19,629</u>	<u>5,679</u>
	<u>\$ 148,352</u>	<u>\$ 171,708</u>

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

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders, except that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 21 c. for details.

As the Company is in the growing stage, the Company shall take into consideration the Company's future expansion plans, the Company's profit situations, capital and financial structure, operation requirements, accumulated surplus, legal reserve, and market competition situations. The Company would appropriate the dividends to the shareholders not less than 10% of the current year's earnings. The dividends could be paid in cash or shares. The cash portion should be equal to or more than 10% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards, should be appropriated to or reversed from a special reserve by the Company.

The Company held an ordinary meeting of shareholders on June 16, 2022, and the proposal for 2021 deficit offsetting was resolved by the shareholders as follows:

	<b>Deficit Offsetting</b>
Beginning retained earnings	\$ -
Less: Changes in percentage of ownership interests in subsidiaries	(1,500)
Less: Net loss for 2021	<u>(87,820)</u>
Beginning deficit to be offset	(89,320)
Add: Capital surplus - issuance of ordinary shares used for offsetting deficit	72,137
Add: Capital surplus - share of changes in associates and joint ventures accounted for using the equity method used for offsetting deficit	<u>17,183</u>
Ending deficit to be offset	<u>\$ -</u>

The Company held an ordinary meeting of shareholders on June 14, 2023, and the proposal for 2022 deficit offsetting was resolved by the shareholders as follows:

	<b>Deficit Offsetting</b>
Beginning retained earnings	\$ -
Less: Cancellation of treasury shares	(25,216)
Less: Disposal of investments in equity instruments designated as at fair value through other comprehensive income	(360)
Less: Net loss for 2022	<u>(13,764)</u>
Beginning deficit to be offset	(39,340)
Add: Capital surplus - issuance of ordinary shares used for offsetting deficit	<u>39,340</u>
Ending deficit to be offset	<u>\$ -</u>

Information on the resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Unearned employee benefits

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (2,980)	\$ (5,991)
Issuance of shares	(17,784)	-
Share-based payment expenses recognized	<u>3,389</u>	<u>3,011</u>
Balance at December 31	<u>\$ (17,375)</u>	<u>\$ (2,980)</u>

Refer to Note 24 for the issuance of employee restricted shares.

e. Treasury shares

<b>Purpose of Buy-back</b>	<b>Number of Shares at January 1 (In Thousands of Shares)</b>	<b>Increase During the Year (In Thousands of Shares)</b>	<b>Decrease During the Year (In Thousands of Shares)</b>	<b>Number of Shares at December 31 (In Thousands of Shares)</b>
<u>2022</u>				
Transfer of shares to employees	<u>633</u>	<u>-</u>	<u>(633)</u>	<u>-</u>

The Company's board of directors in its meeting on November 12, 2018 resolved to repurchase 633 thousand of shares from the stock exchange market during the period from November 13, 2018 to January 12, 2019. The shares will be transferred to employees within 3 years from the date of repurchase.

The treasury shares held by the Company cannot be pledged and no dividend and voting right are attached in accordance with the Regulations of Securities and Exchange Act.

In January 2022, the Company canceled 633 thousand treasury shares.

## 20. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Production design and hardware engineering revenue	\$ 2,528,963	\$ 1,213,778
Equipment rental revenue	26,386	25,382
Ticket revenue	1,030	60,085
Others	<u>2,181</u>	<u>3,399</u>
	<u>\$ 2,558,560</u>	<u>\$ 1,302,644</u>

a. Contract balances

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Notes and accounts receivable (including receivables from related parties) (Notes 8 and 29)	<u>\$ 278,548</u>	<u>\$ 243,844</u>
Contract liabilities - current (Note 29)	<u>\$ 33,329</u>	<u>\$ 18,544</u>

The changes in contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Production design and hardware engineering revenue	\$ 16,140	\$ 22,977
Ticket revenue	-	3,445
Others	<u>-</u>	<u>877</u>
	<u>\$ 16,140</u>	<u>\$ 27,299</u>

b. Partially completed contracts

The transaction prices allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	<b>December 31, 2022</b>
Production design and hardware engineering revenue - expected in 2024	<u>\$ 33,329</u>

## 21. NET PROFIT (LOSS)

a. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Equipment and leasehold improvements	\$ 93,769	\$ 78,879
Right-of-use assets	26,805	25,768
Intangible assets	<u>2,613</u>	<u>2,564</u>
	<u>\$ 123,187</u>	<u>\$ 107,211</u>
An analysis of depreciation by function		
Operating costs	\$ 107,100	\$ 87,656
Operating expenses	<u>13,474</u>	<u>16,991</u>
	<u>\$ 120,574</u>	<u>\$ 104,647</u>
An analysis of amortization by function		
Operating costs	\$ 1,568	\$ 1,286
Operating expenses	<u>1,045</u>	<u>1,278</u>
	<u>\$ 2,613</u>	<u>\$ 2,564</u>

b. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 449,731	\$ 258,856
Post-employment benefits (Note 18)		
Defined contribution plan	<u>13,191</u>	<u>11,340</u>
	<u>\$ 462,922</u>	<u>\$ 270,196</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 268,248	\$ 146,247
Operating expenses	<u>194,674</u>	<u>123,949</u>
	<u>\$ 462,922</u>	<u>\$ 270,196</u>

c. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at the rates of no less than 2% and remuneration of directors at the rates of no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, in the case of accumulated deficit, the Company's accumulated deficit needs to be offset first. For the years ended December 31, 2022, due to net loss incurred in the year, the Company did not accrue the compensation of employees and the remuneration of directors. The compensation of employees and remuneration of directors for 2023 was as follows:

	<b>For the Year Ended December 31, 2023</b>
Compensation of employees	<u>\$ 10,658</u>
Remuneration of directors	<u>\$ 4,109</u>

If there is a change in the amounts after the annual consolidated 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 Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 22. INCOME TAXES

### a. Income tax recognized in profit or loss

The major components of income tax expense (benefit) are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respected of the current year	\$ 42,754	\$ -
Adjustments for prior year	40	41
Deferred tax		
In respected of the current year	<u>531</u>	<u>(1,640)</u>
Income tax recognized in profit or loss	<u>\$ 42,325</u>	<u>\$ (1,599)</u>

A reconciliation of accounting profit and income tax expense (benefit) is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit (loss) before tax	<u>\$ 334,472</u>	<u>\$ (21,074)</u>
Income tax expense calculated at the statutory rate	\$ 66,895	\$ 4,215
Nondeductible expenses in determining taxable income	69	8,338
Tax-exempt income	(8,027)	-
Unrecognized loss carryforwards and deductible temporary differences	(20,711)	(5,283)
Adjustments for prior year	40	41
Effect of different tax rates of group entities operating in other jurisdictions	<u>5,059</u>	<u>(480)</u>
Income tax recognized in profit or loss	<u>\$ 43,325</u>	<u>\$ (1,599)</u>

### b. Current tax liabilities

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Income tax payable	<u>\$ 21,720</u>	<u>\$ -</u>



c. The movements of deferred tax assets and liabilities

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Foreign Exchange</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Payables for annual leave	\$ 2,046	\$ (199)	\$ -	\$ 1,847
Unrealized loss on foreign currency exchange	-	596	-	596
Unrealized accrued expenses	-	1,760	-	1,760
Others	<u>1,824</u>	<u>(1,818)</u>	<u>(6)</u>	<u>-</u>
	<u>\$ 3,870</u>	<u>\$ 339</u>	<u>\$ (6)</u>	<u>\$ 4,203</u>
<u>Deferred tax liabilities</u>				
Temporary differences	\$ 325	\$ (325)	\$ -	\$ -
Others	<u>10</u>	<u>1,195</u>	<u>(18)</u>	<u>1,187</u>
	<u>\$ 335</u>	<u>\$ 870</u>	<u>\$ (18)</u>	<u>\$ 1,187</u>

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Foreign Exchange</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Payables for annual leave	\$ 1,781	\$ 265	\$ -	\$ 2,046
Unrealized loss on foreign currency exchange	439	(439)	-	-
Allowance for impairment loss	287	(287)	-	-
Others	<u>617</u>	<u>1,212</u>	<u>(5)</u>	<u>1,824</u>
	<u>\$ 3,124</u>	<u>\$ 751</u>	<u>\$ (5)</u>	<u>\$ 3,870</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unrealized gain on foreign currency exchange	\$ -	\$ 325	\$ -	\$ 325
Others	<u>1,213</u>	<u>(1,214)</u>	<u>11</u>	<u>10</u>
	<u>\$ 1,213</u>	<u>\$ (889)</u>	<u>\$ 11</u>	<u>\$ 335</u>

- d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Loss carryforwards - the Company		
Expiry in 2031	\$ -	\$ 64,672
Expiry in 2030	-	87,176
	-	151,848
Loss carryforwards - the subsidiaries		
Expiry in 2033	7,222	-
Expiry in 2032	6,207	23,625
Expiry in 2031	22,131	23,568
Expiry in 2030	8,539	8,988
Expiry in 2029	1,444	1,444
Expiry in 2025	-	4,574
	45,543	62,199
	<u>\$ 45,543</u>	<u>\$ 214,047</u>

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

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$138,303 thousand and \$63,305 thousand, respectively.

- f. Income tax assessments

Income tax returns through 2021 and undistributed earnings through 2020 of the Company, Chill Co., Ltd., Gorgeous Entertainment Co., Ltd. and PhotoTaxis Co., Ltd. have been assessed by the tax authorities.

## 23. EARNINGS (LOSS) PER SHARE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings (loss) per share (NT\$)	<u>\$ 6.68</u>	<u>\$ (0.31)</u>
Diluted earnings per share (NT\$)	<u>\$ 6.64</u>	

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

	<b><u>For the Year Ended December 31</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
<u>Net profit (loss) for the year</u>		
Net profit (loss) for the year attributable to owners of the Company	<u>\$ 294,797</u>	<u>\$ (13,764)</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares used in the computation of basic loss per share	44,140	<u>44,060</u>
Effect of potentially dilutive ordinary shares:		
Compensation of employees	107	
Unvested employee restricted shares	<u>148</u>	
Weighted average number of shares used in the computation of diluted earnings per share	<u>44,395</u>	

## 24. SHARE-BASED PAYMENT AGREEMENTS

On June 14, 2023, the shareholders in their meetings resolved the issuance of 180 thousand shares under a restricted share plan for employees with a total amount of \$1,800 thousand respectively, which was approved by the FSC.

The information of the issued restricted shares for employees as of December 31, 2023 were as follows:

<u>Items</u>	<u>Grant Date</u>	<u>Fair Value Per Share (In Dollars)</u>	<u>Issued Share(In Thousand)</u>	<u>Shares to Be Vested (In Thousand)</u>
Restricted share plan for employees in 2019	August 12, 2019	\$47.9	100	80
Restricted share plan for employees in 2019	March 20, 2020	29.0	100	60
Restricted share plan for employees in 2019	May 6, 2020	38.05	100	60
Restricted share plan for employees in 2021	November 8, 2021	26.75	100	40
Restricted share plan for employees in 2023	November 9, 2023	98.80	180	-

The vested conditions of the restricted share awards (RSAs) are as follows:

Restricted share plan for employees in 2019 and 2021

The employees remain employed by the Company within one year on the last date of each vesting period, and the employees' performance metrics are met at the same time. The ratio of as at vesting date of each year were as follows: 20% of granted RSAs will be vested after 1 year, 20% of granted RSAs will be vested after 2 year, 20% of granted RSAs will be vested after 3 year, 20% of granted RSAs will be vested after 4 year, and 20% of granted RSAs will be vested after 5 year.

Restricted share plan for employees in 2023

The employees remain employed by the Company within one year on the last date of each vesting period, and the employees' performance metrics are met at the same time. During the periods, if the employees did not violate the Regulations Governing the Issuance of New Shares Restricted to Employees' Rights, as well as achieve the Company's operational performance, the ratios of as at vesting date of each year were as follows: 40% of granted RSAs will be vested after 1 year, 30% of granted RSAs will be vested after 2 years and 30% of granted RSAs will be vested after 3 years, which are based on the achievement of the Company's operational performance.

Restrictions imposed on the employees' rights in the RSAs before the vesting conditions are fulfilled:

- a. During each vesting period, no employees granted RSAs may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs according to the trust agreement.
- b. If the Company applies for non-statutory capital reduction, the RSAs should be canceled in proportion to the capital reduction. The refund of cash shall be delivered to the engaged trustee before the vesting conditions are fulfilled. If the vesting conditions are not fulfilled, the Company will withdraw the refund of cash.
- c. The attendance, proposal rights, speech rights, and voting rights shall be exercised by the engaged trustee on the employees' behalf.
- d. The RSAs should be delivered to trust custodians upon the grant date. The employees cannot request for refund by all means before the vesting conditions are fulfilled.

For the years ended December 31, 2023 and 2022, the compensation cost recognized on the RSAs were \$3,389 thousand and \$3,011 thousand, respectively.

## **25. NON-CASH TRANSACTIONS**

As of December 31, 2023 and 2022, the additions to equipment that have not been paid in cash were \$10,957 thousand and \$8,675 thousand, respectively.

## **26. DISPOSAL OF SUBSIDIARIES**

The Company disposed of all of interest in Gorgeous Entertainment Co., Ltd. and lost control in April 2023.

- a. Consideration received

Cash

\$ \_\_\_\_\_ -

b. Assets and liabilities out of control

Current assets	
Cash and cash equivalents	\$ 1,017
Notes and accounts receivable	50
Other current assets	130
Non-current assets	
Equipment and leasehold improvements	32
Current liabilities	
Short-term borrowings	(2,000)
Other payables	(603)
Other current liabilities	<u>(48)</u>
Net liabilities disposed	<u>\$ (1,422)</u>

c. Gains on disposal of subsidiaries

Consideration received	\$ -
Net liabilities disposed	1,422
Non-controlling equity	<u>(1,422)</u>
Gains on disposal	<u>\$ -</u>

d. Net cash used in disposal of subsidiaries

Consideration received	\$ -
Less: Cash and cash equivalent	<u>(1,017)</u>
	<u>\$ (1,017)</u>

## 27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity (comprising issued capital, retained earnings and other equity).

According to the scale and the growth of the industry and the Group's future roadmap, the Group plans the corresponding research and development investment and capital expenditure. Furthermore, the Group estimates working capital and cash demands based on the long-term development plan and the industry characteristics to meet the overall operating model. Finally, in consideration of the prevailing industry dynamics and the future development as well as the changes in the external economic environment, the Group manages its working capital and dividend payments in the future, to ensure that the Group will be able to continue as a going concern while maximizing the returns to shareholders as well as other related parties through the optimization of capital structure. The management reviews capital structures periodically and considers the possible costs and risks of different capital structures. Generally, the Group adopted a prudent capital management strategy.

## 28. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

#### 1) Fair value hierarchy

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2023</u>				
Financial assets at FVTPL				
Unlisted companies	\$ -	\$ -	\$ 6,144	\$ 6,144
Performance, film and drama investing contracts	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,144</u>	<u>\$ 11,144</u>
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,471</u>	<u>\$ 12,471</u>
<u>December 31, 2022</u>				
Financial assets at FVTPL				
Unlisted companies	\$ -	\$ -	\$ 6,147	\$ 6,147
Performance, film and drama investing contracts	<u>-</u>	<u>-</u>	<u>3,809</u>	<u>3,809</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,956</u>	<u>\$ 9,956</u>
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,479</u>	<u>\$ 15,479</u>
Financial liabilities at FVTPL				
Performance, film and drama investing contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,182</u>	<u>\$ 6,182</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

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

Financial assets at FVTPL

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 9,956	\$ 24,533
Additions	5,000	9,870
Recognized in profit or loss	8,655	1,259
Derecognition	(12,464)	(26,263)
Foreign exchange	<u>(3)</u>	<u>557</u>
Balance at December 31	<u>\$ 11,144</u>	<u>\$ 9,956</u>

Financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 15,479	\$ 16,313
Recognized in other comprehensive income or loss	5,965	(834)
Derecognition	<u>(8,973)</u>	<u>-</u>
Balance at December 31	<u>\$ 12,471</u>	<u>\$ 15,479</u>

Financial liabilities at FVTPL

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 6,182	\$ 5,831
Recognized in profit or loss	176	351
Derecognition	<u>(6,358)</u>	<u>-</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 6,182</u>

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

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Performance, film and drama investing contracts/unlisted companies	The income approach is used to estimate the present value of the expected future economic benefits of these contracts by discounting the estimated future cash flow. The significant unobservable inputs used are discount rates. An increase in discount rates would result in a decrease in fair values.
Unlisted shares	The assets approach is used to the individual assets and individual liabilities to reflect the overall value of the investment target. Significant unobservable inputs are discounted considering marketability.  The market approach is used to arrive at their fair values for which the recent financial activities of investees, the market transaction prices of similar companies and market conditions are considered. Significant unobservable inputs are discounted considering marketability.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
FVTPL	\$ 11,144	\$ 9,956
FVTOCI	12,471	15,479
Amortized cost (1)	973,976	755,610
<u>Financial liabilities</u>		
FVTPL	-	6,182
Amortized cost (2)	593,721	485,083

1) The balances include cash and cash equivalents, notes and accounts receivable, receivables from related parties, other receivables (included in other current assets), other receivables from related parties and refundable deposits (included in other current assets and other non-current assets).

2) The balances included notes and account payables, payables to related parties and other payables.

d. Financial risk management objectives and policies

The Group's main target of financial risk management is to manage the market risk related to operating activities (including foreign currency risk and interest rate risk), credit risk and liquidity risk. To reduce the potential and detrimental influence of the fluctuations in the market on the Group's financial performance, the Group endeavors to identify, estimate and hedge the uncertainties of the market.

The Group's significant financial activity is reviewed and approved by the board of directors in compliance with related regulations and internal control policy, and the authority and responsibility are delegated according to the operating procedures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group's part operating activities and foreign operations were in foreign currencies, which exposed the Group to foreign currency risk. For the years ended December 31, 2023 and 2022, the amount of foreign exchange loss, (loss) gain were \$(4,540) thousand and \$7,341 thousand, respectively, or (0.18)% and 0.56%, respectively, of the consolidated operating revenue. Thus, there is no significant impact on the Group. To mitigate the negative impact of exchange rate fluctuations, the Group carefully monitors the exchange rate fluctuations and adjusts its foreign currency position based on future cash flow demand and the current foreign currency position.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities at the end of the years are set out in Note 30.



### Sensitivity analysis

The sensitivity analysis focused on outstanding foreign currency-denominated monetary assets and monetary liabilities (mainly USD, RMB and HKD) at the end of the reporting period. A positive number below indicates a increase/decrease in pre-tax gain or loss associated with the relevant foreign currency strengthening/weakening by 5% against New Taiwan dollars.

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Increase/decrease	\$ 11,125	\$ 3,180

#### b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 2,657	\$ 5,364
Cash flow interest rate risk		
Financial assets	\$ 664,547	\$ 472,219

The Group acquires better interest rates through long-term cooperation with banks; therefore, the effect of interest rate fluctuations is immaterial.

### Sensitivity analysis

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

If interest rates had been 5 basis points (0.05%) higher/lower and all other variables were held constant, the Group's pre-tax gain or loss at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Increase/decrease	\$ 332	\$ 236

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, is the carrying amount of the financial assets recognized in the consolidated balance sheets.

To maintain the quality of accounts receivable, the Group applies credit risk management procedures to reduce the credit risk from specific customers. The credit evaluation of an individual customer includes the consideration of factors that will affect payment ability such as present financial condition, past transaction records, and current economic conditions. In addition, the credit risk is monitored and evaluated by the Group's financial department. Since the counterparties are creditworthy banks and enterprises and the concentration of credit risk is not significant, the credit risk is anticipated to be immaterial.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the impact of fluctuations in cash flows. In addition, management monitors the status of bank borrowings and ensures compliance with loan covenants. In addition to working capital, the Group meets the cash needs for its operations through the financing of funds and new shares issued for cash. Thus, no material liquidity risk is anticipated.

## 29. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, revenue and expense between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

### a. Related parties and their relationship with the Group

Related Party	Relationship with the Group
B'in Music International Limited (B'in Music)	Group members of investors with significant influence over the Company
Fine Music International Limited (Fine Music)	Group members of investors with significant influence over the Company
Begin Music Limited (Begin Music)	Group members of investors with significant influence over the Company
B'in Music (HK) Co. Limited	Related party in substance
Empty Shells Pictures Co., Ltd.	Associate
Me Music International Limited	Associate (disposed of in December 2022)
Bin333 Co., Ltd.	Associate
SHOWIN LTD.	Joint venture

### b. Operating revenue

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Group members of investors with significant influence over the Company		
B'in Music	\$ 167,844	\$ 199,191
Others	104,278	35,444
	272,122	234,635
Related party in substance	135,431	6,775
Associate	6,667	238
Joint venture	-	4,182
	<u>\$ 414,220</u>	<u>\$ 245,830</u>

The service revenue with related parties was conducted under pricing terms similar to that with third parties, except for transactions on services with special specifications. Settlement terms for related-party transactions were similar to those for third parties.

c. Operating costs (included purchases and service costs)

Related Party Category	For the Year Ended December 31	
	2023	2022
Group members of investors with significant influence over the Company	\$ 1,964	\$ 7,049
Associate	32,025	12,602
Joint venture	<u>6,934</u>	<u>283</u>
	<u>\$ 40,923</u>	<u>\$ 19,934</u>

For purchases from related parties, the prices and terms of payables approximate those with non-related parties.

d. Receivables from related parties

Related Party Category/Name	December 31	
	2023	2022
Group members of investors with significant influence over the Company		
B'in Music	\$ 480	\$ 32,484
Others	<u>927</u>	<u>13,974</u>
	1,407	46,458
Related party in substance	18,920	5,656
Associate	6,300	-
Joint venture	<u>-</u>	<u>551</u>
	<u>\$ 26,627</u>	<u>\$ 52,665</u>

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for receivables from related parties.

e. Other receivables from related parties

Related Party Category/Name	December 31	
	2023	2022
Group members of investors with significant influence over the Company		
Begin Music	\$ -	\$ 2,639

f. Prepayments (included in other current assets)

Related Party Category	December 31	
	2023	2022
Associate	\$ 94	\$ -

g. Financial liabilities

Related Party Category/Name	December 31	
	2023	2022
Group members of investors with significant influence over the Company		
Fine Music	\$ -	\$ 4,121

h. Contract liabilities

Related Party Category/Name	December 31	
	2023	2022
Group members of investors with significant influence over the Company		
B'in Music	\$ 21,031	\$ -

i. Payables to related parties

Related Party Category	December 31	
	2023	2022
Group members of investors with significant influence over the Company	\$ 928	\$ 410
Associate	7,477	4,757
Joint venture	264	-
	<u>\$ 8,669</u>	<u>\$ 5,167</u>

The outstanding payables to related parties are unsecured.

j. Other expenses

Related Party Category	For the Year Ended December 31	
	2023	2022
Group members of investors with significant influence over the Company	\$ -	\$ 10
Associate	-	5
	<u>\$ -</u>	<u>\$ 15</u>

k. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 25,174	\$ 7,256
Post-employment benefits	108	108
	<u>\$ 25,282</u>	<u>\$ 7,364</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

### 30. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

#### December 31, 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 36,731	4.327	\$ 158,937
USD	313	30.705	9,608
HKD	13,875	3.929	54,516
<u>Financial liabilities</u>			
Monetary item			
RMB	1	4.327	6
HKD	141	3.929	552

#### December 31, 2022

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 6,506	4.408	\$ 28,677
USD	234	30.710	7,196
HKD	8,959	3.938	35,281
<u>Financial liabilities</u>			
Monetary item			
RMB	1,688	4.408	7,441
USD	4	30.710	115

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (loss) gain were \$(4,540) thousand and \$7,341 thousand, respectively. It is impractical to disclose net foreign exchange (loss) gain by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the entities in the Group.

### 31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 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 (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instruments (None)
- 10) Other: Intercompany relationships and significant intercompany transactions (Table 4)
- 11) 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 (Tables 3 and 4):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
  - c) The amount of property transactions and the amount of the resultant gains or losses
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

- 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
- 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)

## 32. SEGMENT INFORMATION

### a. Segment revenue and results

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Based on the regular review of results used for resource allocation and performance measurement by key operational decision makers, the parent and subsidiaries are a single operating department, which mainly provides software and hardware services for shows or events, and the profit and loss, assets and liabilities of segment are measured on the same basis as the financial statements.

### b. Revenue from major products and services

The analysis of the Group's revenue from continuing operations from its major products and services, see Note 20 for the details.

### c. Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	\$ 1,306,458	\$ 1,222,763	\$ 354,850	\$ 314,700
Mainland China	1,187,075	42,615	47,206	-
Hong Kong	16,512	19,238	2,093	2,996
Asia	13,806	10,542	54	97
Europe and America	26,409	-	-	-
Others	<u>8,300</u>	<u>7,486</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,558,560</u>	<u>\$ 1,302,644</u>	<u>\$ 404,203</u>	<u>\$ 317,793</u>

Non-current assets exclude financial instruments and deferred tax assets.

### d. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Customer A	\$ 167,844	7	\$ 199,191	15

**TABLE 1**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
0	B'in Live Co., Ltd.	Chill Co., Ltd.	Other receivables from related parties	Y	\$ 35,000	\$ 15,000	\$ 15,000	2.5-3.0	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 77,570	\$ 310,280

Note 1: The method of filling in the number:

- a. The Company is numbered 0.
- b. The subsidiaries of the Company are sequentially numbered from 1 based on their investment structures.

Note 2: Total loans shall not exceed 40% of the lender’s net equity of the latest quarter while individual loans shall not exceed 10% of the lender’s net equity of the latest quarter.

Note 3: The balances have been eliminated on consolidation.



**TABLE 2**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership %	Fair Value	
B’in Live Co., Ltd.	<u>Limited liability company</u> Sugar Hill World Premiere LLC	-	Financial assets at FVTPL - current	-	\$ 4,606	-	\$ 4,606	
	<u>Ordinary shares</u> Cubical Motivation System Co., Ltd.	-	Financial assets at FVTOCI - non-current	90	739	18	739	
	Flight International Co., Ltd.	-	"	233	11,732	1.22	11,732	
B’in Live Japan Co., Ltd.	<u>Limited liability company</u> Sugar Hill World Premiere LLC	-	Financial assets at FVTPL - current	-	1,538	-	1,538	

Note 1: The securities mentioned in this table above are those classified as financial instruments under IFRS 9.

Note 2: Refer to Tables 5 and 6 for information on investment in subsidiaries and associates.

**TABLE 3**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total
B’in Live Co., Ltd.	B’in Music International Limited	Group members of investors with significant influence over the Company	Sale	\$ 167,844	6.56	90 days after transaction month	\$ -	-	\$ 480	0.17
B’in Live Co., Ltd.	B’in Music (HK) Co. Limited	Related party in substance	Sale	135,431	5.29	90 days after transaction month	-	-	18,920	6.79
B’in Live Co., Ltd.	B’in Live (Shanghai) Ltd.	Subsidiary	Sale	195,106	7.63	According to the conditions	-	-	4,327	1.55

**TABLE 4**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 1)	Payment Terms	% of Total Sales or Assets (Note 2)
0	B’in Live Co., Ltd.	Chill Co., Ltd.	Subsidiary	Operating revenue	\$ 3,206	According to the conditions	0.1
				Operating costs	78	According to the conditions	-
				Interest income	404	Short-term financing, with a term of one year	0.2
				Receivables from related parties	3,366	According to the conditions	0.9
				Other receivables from related parties	15,193	Short-term financing, with a term of one year	-
		Gorgeous Entertainment Co., Ltd.	Subsidiary	Operating costs	440	According to the conditions	-
				Other income	149	According to the conditions	-
		PhotoTaxis Co., Ltd.	Subsidiary	Operating revenue	216	According to the conditions	-
				Operating costs	2,095	According to the conditions	0.1
				Receivables from related parties	38	According to the conditions	-
				Prepayments	190	According to the conditions	-
				Payables to related parties	438	According to the conditions	-
		B'in Live (Shanghai) Ltd.	Subsidiary	Operating revenue	195,106	According to the conditions	7.6
				Receivables from related parties	4,327	According to the conditions	0.3

Note 1: The balances have been eliminated on consolidation.

Note 2: The percentage of transaction amount to total consolidated operating revenue or assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets.  
For income statement accounts: Accumulated transaction amount in current period ÷ Total consolidated operating revenues.

**TABLE 5**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares in Thousands	Ratio (%)	Carrying Amount			
B'in Live Co., Ltd.	B'in Live Limited.	Hong Kong	Hardware and software services for shows	\$ 27,666	\$ 27,666	700	100	\$ 179,794	\$ 75,254	\$ 75,254	Subsidiary (1) Subsidiary (1 and 4) Subsidiary (1 and 3) Subsidiary (1) Subsidiary (1)
	Chill Co., Ltd.	Taiwan	Event planning and advertising services	10,025	10,025	1,170	78	(18,245)	(3,594)	(2,803)	
	Gorgeous Entertainment Co., Ltd.	Taiwan	Planning, production and management for shows	-	3,750	-	-	-	(3,588)	(1,624)	
	PhotoTaxis Co., Ltd.	Taiwan	Software services for shows	5,250	5,250	525	75	1,784	(3,627)	(2,685)	
	B'in Live Japan Co., Ltd.	Japan	Planning and software production for shows	8,400	8,400	0.6	100	2,435	(257)	(257)	
	Empty Shells Pictures Co., Ltd.	Taiwan	Film production and distribution	5,500	5,500	1,100	22.69	5,483	1,078	245	
	Bin333 Co., Ltd.	Taiwan	Software services for shows	4,500	4,500	450	45	8,850	8,613	3,780	

- Note 1: The balances have been eliminated on consolidation.
- Note 2: Refer to Table 6 for information on investments in mainland China.
- Note 3: The Company disposed of all of interest in Gorgeous Entertainment Co., Ltd. in April 2023.
- Note 4: On December 31, 2023, the Company reclassified its interests in Chill Co., Ltd. to disposal groups held for sale and liabilities directly associated with disposal groups held for sale.

**TABLE 6**

**B'IN LIVE CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
B'in Live (Shanghai) Ltd.	Hardware and software services for shows	\$ 6,541 (US\$ 210 thousand)	Reinvestment in China through third region investment companies (B'in Live Limited).	\$ 4,942 (US\$ 160 thousand)	\$ -	\$ -	\$ 4,942 (US\$ 160 thousand)	\$ 116,510	100	\$ 116,510	\$ 201,804	\$ -	Subsidiary (Note)
SHOWIN LTD.	Hardware and software services for shows	51,906 (RMB 12,000 thousand)	Reinvestment in China through mainland China investment companies (B'in Live (Shanghai) Ltd.).	-	-	-	-	72,140	50	36,070	60,518	-	

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$12,840 (US\$415 thousand)	\$14,439	\$519,419

Note: The balances have been eliminated on consolidation.

**TABLE 7****B'IN LIVE CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Xiang Zhi Limited	5,431,287	12.19%
Rock Mobile Corporation	3,926,312	8.81%
B'in Music International Limited	3,367,557	7.56%

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 preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated 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, please refer to Market Observation Post System.

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
B'in Live Co., Ltd.

### **Opinion**

We have audited the accompanying financial statements of B'in Live Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its 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 Financial Statements section of our report. We are independent of the Company 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the 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 in the Company's financial statements for the year ended December 31, 2023 is stated as follows:

#### Revenue Recognition of Main Operating Revenue

Operating revenue is the main indicator for the investors and the management of the Company to evaluate its financial or business performance. The operating revenue is mainly resulted from providing production design and hardware engineering for shows or activities; according to the accounting policy, the revenue is recognized as the performance obligation when it is satisfied, i.e., the show or activity is completed. If the contract contains multiple shows or activities across the balance sheet date, the revenue is recognized in accordance with completed shows or activities. We considered the appropriateness and accuracy of recognition may significantly affect the financial statements. Therefore, we identified the revenue recognition of main operating revenue as a key audit matter.

Our main audit procedures to address the above key audit matter were as follows:

1. We obtained an understanding of and tested the design and implementation of internal controls over revenue recognition of main operating revenue.
2. We sampled from the completed performances or activities, assessed the appropriateness and accuracy of revenue recognition and checked the cash receipts according to the contracts.
3. We obtained the contracts, calculation, and accounting records of the revenues and verified the revenues recognized in the current year are correct and properly approved.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company to express an opinion on the 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 financial statements for the year ended December 31, 2023, 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 Yu-Hong Kuo and Shiow-Ming Shue.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 6, 2024

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

**B'IN LIVE CO., LTD.****BALANCE SHEETS****DECEMBER 31, 2023 AND 2022****(In Thousands of New Taiwan Dollars)**

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 582,802	39	\$ 367,383	34
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 25)	9,606	1	8,416	1
Notes and accounts receivable (Notes 4 and 8)	247,172	16	146,998	13
Receivables from related parties (Note 26)	34,358	2	65,647	6
Other receivables from related parties (Note 26)	15,193	1	15,144	1
Other current assets (Notes 9 and 26)	<u>45,225</u>	<u>3</u>	<u>38,328</u>	<u>4</u>
Total current assets	<u>934,356</u>	<u>62</u>	<u>641,916</u>	<u>59</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 10 and 25)	12,471	1	15,479	1
Investments accounted for using the equity method (Notes 4 and 11)	198,346	13	126,782	12
Equipment and leasehold improvements (Notes 4, 12 and 23)	254,704	17	221,124	20
Right-of-use assets (Notes 4 and 13)	72,956	5	75,985	7
Other intangible assets (Notes 4 and 14)	2,624	-	3,718	-
Deferred tax assets (Notes 4 and 20)	4,203	-	2,046	-
Other non-current assets	<u>24,174</u>	<u>2</u>	<u>4,990</u>	<u>1</u>
Total non-current assets	<u>569,478</u>	<u>38</u>	<u>450,124</u>	<u>41</u>
TOTAL	<u>\$ 1,503,834</u>	<u>100</u>	<u>\$ 1,092,040</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 18 and 26)	\$ 23,312	2	\$ 11,496	1
Notes and accounts payable	255,331	17	316,886	29
Payables to related parties (Note 26)	8,843	1	13,288	1
Other payables (Note 15)	233,438	16	86,332	8
Other payables to related parties (Note 26)	-	-	1,781	-
Current tax liabilities (Notes 4 and 20)	6,894	-	-	-
Credit balance of investments accounted for using the equity method classified as held for sale (Notes 4 and 11)	18,245	1	-	-
Lease liabilities - current (Notes 4 and 13)	21,408	1	22,933	2
Other current liabilities (Note 4)	<u>15,181</u>	<u>1</u>	<u>1,937</u>	<u>-</u>
Total current liabilities	<u>582,652</u>	<u>39</u>	<u>454,653</u>	<u>41</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	-	-	335	-
Lease liabilities - non-current (Notes 4 and 13)	55,483	3	56,913	5
Other non-current liabilities (Notes 4 and 11)	<u>-</u>	<u>-</u>	<u>15,442</u>	<u>2</u>
Total non-current liabilities	<u>55,483</u>	<u>3</u>	<u>72,690</u>	<u>7</u>
Total liabilities	<u>638,135</u>	<u>42</u>	<u>527,343</u>	<u>48</u>
EQUITY (Notes 4 and 17)				
Share capital	<u>445,204</u>	<u>30</u>	<u>443,404</u>	<u>41</u>
Capital surplus				
Issuance of ordinary shares	128,723	9	166,029	15
Employee restricted shares	<u>19,629</u>	<u>1</u>	<u>5,679</u>	<u>1</u>
Total capital surplus	<u>148,352</u>	<u>10</u>	<u>171,708</u>	<u>16</u>
Retained earnings (accumulated deficit)				
Unappropriated earnings (deficit to be offset)	<u>296,142</u>	<u>20</u>	<u>(39,340)</u>	<u>(4)</u>
Other equity				
Exchange differences on the translation of the financial statements of foreign operations	(9,323)	(1)	(6,174)	(1)
Unrealized loss on financial assets at fair value through other comprehensive income	2,699	-	(1,921)	-
Unearned employee benefits	<u>(17,375)</u>	<u>(1)</u>	<u>(2,980)</u>	<u>-</u>
Total other equity	<u>(23,999)</u>	<u>(2)</u>	<u>(11,075)</u>	<u>(1)</u>
Total equity	<u>865,699</u>	<u>58</u>	<u>564,697</u>	<u>52</u>
TOTAL	<u>\$ 1,503,834</u>	<u>100</u>	<u>\$ 1,092,040</u>	<u>100</u>

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

# **B'IN LIVE CO., LTD.**

## **STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 4, 18 and 26)	\$ 1,663,344	100	\$ 1,088,066	100
OPERATING COSTS (Notes 19 and 26)	<u>(1,253,830)</u>	<u>(76)</u>	<u>(938,586)</u>	<u>(86)</u>
GROSS PROFIT	<u>409,514</u>	<u>24</u>	<u>149,480</u>	<u>14</u>
OPERATING EXPENSES (Notes 19 and 26)				
Selling expenses	(70,353)	(4)	(55,556)	(5)
General and administrative expenses	(109,381)	(7)	(61,655)	(6)
Research and development expenses	(8,337)	-	(7,412)	(1)
Expected credit gain	<u>249</u>	<u>-</u>	<u>62</u>	<u>-</u>
Total operating expenses	<u>(187,822)</u>	<u>(11)</u>	<u>(124,561)</u>	<u>(12)</u>
PROFIT FROM OPERATIONS	<u>221,692</u>	<u>13</u>	<u>24,919</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit (loss) of subsidiaries and associates (Note 4)	71,910	4	(36,700)	(3)
Interest income (Note 26)	1,593	-	346	-
Other income (Note 26)	14,217	1	1,570	-
Gain on disposal of equipment and leasehold improvements (Note 4)	1,057	-	495	-
Interest expenses	(1,663)	-	(1,526)	-
Other expenses	(35)	-	(20)	-
Foreign exchange (loss) gain, net (Note 4)	(4,609)	-	6,032	1
Gain on financial assets at fair value through profit or loss, net (Note 4)	8,655	1	1,149	-
Impairment loss on equipment and leasehold improvements (Notes 4 and 12)	<u>(138)</u>	<u>-</u>	<u>(8,894)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>90,987</u>	<u>6</u>	<u>(37,548)</u>	<u>(3)</u>
PROFIT (LOSS) BEFORE INCOME TAX	312,679	19	(12,629)	(1)
INCOME TAX EXPENSE (Notes 4 and 20)	<u>(17,882)</u>	<u>(1)</u>	<u>(1,135)</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>294,797</u>	<u>18</u>	<u>(13,764)</u>	<u>(1)</u>

(Continued)

# B'IN LIVE CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 5,965	-	\$ (834)	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	(3,149)	-	3,585	-
Other comprehensive income for the year, net of income tax	2,816	-	2,751	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 297,613	18	\$ (11,013)	(1)
EARNINGS (LOSS) PER SHARE (Note 21)				
Basic	\$ 6.68		\$ (0.31)	
Diluted	\$ 6.64			

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

(Concluded)

# B'IN LIVE CO., LTD.

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus			Retained Earnings (Accumulated Deficit) Unappropriated Earnings (Deficit to Be Offset)	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Amount	Issuance of Ordinary Shares	Share of Changes in Capital Surplus of Associates and Joint Ventures	Employee Restricted Shares			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits		
BALANCE AT JANUARY 1, 2022	44,973	\$ 449,734	\$ 239,528	\$ 17,183	\$ 7,713	\$ (89,320)	\$ (9,759)	\$ (1,447)	\$ (5,991)	\$ (34,942)	\$ 572,699
Capital surplus used for offsetting deficit	-	-	(72,137)	(17,183)	-	89,320	-	-	-	-	-
Cancellation of treasury shares	(633)	(6,330)	(3,396)	-	-	(25,216)	-	-	-	34,942	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(360)	-	360	-	-	-
Net loss for 2022	-	-	-	-	-	(13,764)	-	-	-	-	(13,764)
Other comprehensive income (loss) for 2022	-	-	-	-	-	-	3,585	(834)	-	-	2,751
Total comprehensive income (loss) for 2022	-	-	-	-	-	(13,764)	3,585	(834)	-	-	(11,013)
Share-based payment transaction - restricted shares for employees	-	-	-	-	-	-	-	-	3,011	-	3,011
Vested restricted shares for employees	-	-	2,034	-	(2,034)	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	44,340	443,404	166,029	-	5,679	(39,340)	(6,174)	(1,921)	(2,980)	-	564,697
Capital surplus used for offsetting deficit	-	-	(39,340)	-	-	39,340	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	1,345	-	(1,345)	-	-	-
Net profit for 2023	-	-	-	-	-	294,797	-	-	-	-	294,797
Other comprehensive income (loss) for 2023	-	-	-	-	-	-	(3,149)	5,965	-	-	2,816
Total comprehensive income (loss) for 2023	-	-	-	-	-	294,797	(3,149)	5,965	-	-	297,613
Share-based payment transaction - restricted shares for employees	180	1,800	-	-	15,984	-	-	-	(14,395)	-	3,389
Vested restricted shares for employees	-	-	2,034	-	(2,034)	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	44,520	\$ 445,204	\$ 128,723	\$ -	\$ 19,629	\$ 296,142	\$ (9,323)	\$ 2,699	\$ (17,375)	\$ -	\$ 865,699

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

# B'IN LIVE CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 312,679	\$ (12,629)
Adjustments for		
Depreciation expense	113,050	98,586
Amortization expense	2,470	2,481
Expected credit loss reversed on accounts receivable	(249)	(62)
Gain on financial assets at fair value through profit or loss, net	(8,655)	(1,149)
Interest expenses	1,663	1,526
Interest income	(1,593)	(346)
Compensation cost of share-based payment	3,389	3,011
Share of (profit) loss of subsidiaries and associates	(71,910)	36,700
Gain on disposal of equipment and leasehold improvements	(1,057)	(495)
Impairment loss on equipment and leasehold improvements	138	8,894
Unrealized loss (gain) on foreign currency exchange, net	1,481	(1,641)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	7,464	(2,593)
Notes and accounts receivable	(99,986)	(38,146)
Receivables from related parties	31,196	5,277
Other receivables from related parties	(17)	-
Other current assets	(8,247)	10,609
Contract liabilities	11,816	(8,037)
Notes and accounts payable	(61,514)	156,750
Payables to related parties	(4,445)	13,288
Other payables	144,823	16,765
Other payables to related parties	(1,781)	1,781
Other current liabilities	13,244	225
Cash generated from operations	383,959	290,795
Interest received	1,561	202
Interest paid	(1,663)	(1,526)
Income tax paid	(13,480)	(10)
Net cash generated from operating activities	370,377	289,461
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	8,973	-
Acquisition of investments accounted for using the equity method	-	(4,500)
Payments for equipment and leasehold improvements	(119,478)	(85,402)
Proceeds from disposal of equipment and leasehold improvements	1,455	3,301
Increase in other receivables from related parties	-	(15,000)
Payments for intangible assets	(2,233)	(3,405)
(Increase) decrease in other non-current assets	(19,184)	811
Dividends received	-	720
Net cash used in investing activities	(130,467)	(103,475)

(Continued)

## **B'IN LIVE CO., LTD.**

### **STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)**

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	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ <u>(24,491)</u>	\$ <u>(22,994)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	215,419	162,992
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>367,383</u>	<u>204,391</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ <u>582,802</u>	\$ <u>367,383</u>

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

(Concluded)



# B'IN LIVE CO., LTD.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

#### 1. GENERAL INFORMATION

B'in Live Co., Ltd. (the "Company") was incorporated on January 2, 2014 under the provision of the Company Act of the Republic of China and other laws and regulations. The Company is mainly engaged in providing software and hardware services for shows or events, including production design, and providing hardware equipment such as lighting, audio, video, musical instruments, and structural equipment.

The Company's shares were approved for a public offering on January 11, 2017 by the Taipei Exchange (TPEX), and the Company became a listed company on the emerging stock market on March 29, 2017. The Company's shares ceased trading on the emerging stock market and have been listed on the Taiwan Stock Exchange (TWSE) since February 7, 2018.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 6, 2024.

#### 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 issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

The Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's 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 financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) 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 the 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 the asset or liability.

When preparing these parent company only financial statements, the Company 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 with the amounts attributable to the owners of the Company 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 twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve 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, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company'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 at 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 item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting the financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries and associates in other countries that use currency different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

e. Investments in subsidiaries

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

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

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

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (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 Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss been recognized in prior years.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss.

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 only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

f. Investment in associates

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

The Company 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 Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

The entire carrying amount of the 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, that 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 Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

g. Equipment and leasehold improvements

Equipment and leasehold improvements are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of equipment and leasehold improvements is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. 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 effects of any changes in the estimates accounted for on a prospective basis.

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

i. Impairment of equipment and leasehold improvements, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its equipment and leasehold improvements, right-of-use asset 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 asset or cash-generating unit 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 or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether there is any residual interest in that subsidiary after the sale. However, such investment is still accounted for using the equity method.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (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 fair value through profit or loss 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 category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL, including investments in debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

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 using 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 such a financial asset.

Cash equivalents include time deposits with original maturities 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 Company 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 Company'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

The Company recognizes a loss allowance for expected credit losses ("ECLs") on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime ECLs for accounts receivable. For all other financial instruments, the Company 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 Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs 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.

The Company 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 Company 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 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 Company are recognized at the proceeds received, net of direct issue costs.

No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

## 3) Financial liabilities

### a) Subsequent measurement

All the financial liabilities 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.

## 1. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. Refund liabilities are provided based on the completion of the contract to reasonably estimate the amount of future returns.

### 1) Equipment rental revenue

Equipment rental revenue is recognized when services are provided over time.

### 2) Production design and hardware engineering revenue for shows or events

If production design and hardware engineering for a show or an event provided by the Company are not distinct, these services are identified as one performance obligation as a whole; revenue from these services is recognized as the performance obligation is satisfied, i.e., as the production design and hardware engineering are transferred, when the show or event is completed. If the contract includes multiple shows or events across the balance sheet date, the revenue is recognized in accordance with each completed show or event.

### 3) Ticket revenue

Since the performance obligation is not satisfied as the tickets are sold for a show or an event, the receipts from the tickets sold are recorded as contract liabilities until the tickets are used.

### 4) Revenue from the sale of goods

Revenue from the sale of goods comes from the merchandise sold around the shows or events. Sales of goods are recognized as revenue when the goods are delivered to the customers and the customers have rights to use the goods and bear the risks of obsolescence.



m. Leases

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

1) The Company as lessor

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

The Company 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 by 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, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets 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 balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed 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 lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liability with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of a right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, and no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of depreciation of right-of-use assets, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

n. 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 services.

2) Retirement benefits

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

o. Share-based payment arrangements

The fair value at the grant date of the employee share options and employee restricted shares are expensed on a straight-line basis over the vesting period, based on the Company'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 or other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are vested immediately. The fair value of the equity instruments on the date of grant is based on the market price available on the date of grant, and the terms and conditions on which such equity instruments are given are taken into consideration to measure the fair value of the equity instruments given.

When employee restricted shares are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - employee restricted shares.

At the end of each reporting period, the Company revises its estimate of the number of employee restricted shares 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 adjustment to capital surplus - employee restricted shares.

p. Taxation

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

1) Current tax

Income tax payable (recoverable) 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 unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company 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 recognized only 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 such temporary differences 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 Company 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 taxes are recognized in profit or loss.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations 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.

### Revenue Recognition

The Company's revenue of providing production design and hardware engineering for cross-period shows or events shall be determined in accordance with their completion status at the balance sheet date. The Company has fully considered the relevant factors affecting the transaction results and the criteria of revenue recognition.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 1,209	\$ 1,167
Checking accounts and demand deposits	<u>581,593</u>	<u>366,216</u>
	<u>\$ 582,802</u>	<u>\$ 367,383</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Foreign unlisted companies	\$ 4,606	\$ 4,607
Performance, film and drama investing contracts	<u>5,000</u>	<u>3,809</u>
	<u>\$ 9,606</u>	<u>\$ 8,416</u>

The financial instruments at FVTPL consist of investments in Performance, film and drama investing contracts or performance event production companies. The Company and other counterparties will share or bear the profit or loss of the target according to the agreed proportion.

## 8. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2023	2022
Notes receivable	\$ 3,997	\$ 9,668
Accounts receivable	<u>245,022</u>	<u>139,426</u>
	249,019	149,094
Less: Allowance for impairment loss	<u>(1,187)</u>	<u>(2,096)</u>
	<u>\$ 247,172</u>	<u>\$ 146,998</u>

The average credit period of receivables was about 90 days. When determining the recoverability of notes receivable and accounts receivable, the Company considers any change in credit quality of notes receivable and accounts receivable from the original credit date to the balance sheet date. For notes receivable and accounts receivable that were past due at the end of the reporting period may not be recovered, the Company recognizes an allowance for impairment loss that notes receivable and accounts receivable are not expected to be recovered by the Company's historical credit loss experience and its current financial situation.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to the past default records of the debtor, the debtor's current financial position, the economic condition of the industry in which the debtor operates, as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables based on the Company's provision matrix.

December 31, 2023

	<u>Not Past Due</u>	<u>1 to 180 Days Past Due</u>	<u>Past Due Over 180 Days</u>	<u>Total</u>
Gross carrying amount	\$ 247,172	\$ -	\$ 1,847	\$ 249,019
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(1,847)</u>	<u>(1,847)</u>
Amortized cost	<u>\$ 247,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,172</u>

December 31, 2022

	<u>Not Past Due</u>	<u>1 to 180 Days Past Due</u>	<u>Past Due Over 180 Days</u>	<u>Total</u>
Gross carrying amount	\$ 146,998	\$ -	\$ 2,096	\$ 149,094
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(2,096)</u>	<u>(2,096)</u>
Amortized cost	<u>\$ 146,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,998</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 2,096	\$ 16,203
Amounts written off	-	(15,240)
Reversal of loss allowance	(249)	(62)
Foreign exchange	<u>-</u>	<u>1,195</u>
Balance at December 31	<u>\$ 1,847</u>	<u>\$ 2,096</u>

**9. OTHER CURRENT ASSETS**

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Prepayments (Note 26)	\$ 13,168	\$ 12,515
Refundable deposit	18,876	2,337
Temporary payments	13,133	4,890
Other receivables	44	18,586
Others	<u>4</u>	<u>-</u>
	<u>\$ 45,225</u>	<u>\$ 38,328</u>

**10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Domestic unlisted shares		
Flight International Co., Ltd.	\$ 11,732	\$ 14,933
Cubical Motivation System Co., Ltd.	<u>739</u>	<u>546</u>
	<u>\$ 12,471</u>	<u>\$ 15,479</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

**11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Investments in subsidiaries	\$ 184,013	\$ 116,474
Investments in associates	<u>14,333</u>	<u>10,308</u>
	<u>\$ 198,346</u>	<u>\$ 126,782</u>

a. Investments in subsidiaries

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Unlisted companies		
B'in Live Limited	\$ 179,794	\$ 107,507
Gorgeous Entertainment Co., Ltd.	-	1,624
PhotoTaxis Co., Ltd.	1,784	4,469
B'in Live Japan Co., Ltd.	<u>2,435</u>	<u>2,874</u>
	<u>\$ 184,013</u>	<u>\$ 116,474</u>
The credit balance of investment accounted for using the equity method		
Chill Co., Ltd.	<u>\$ (18,245)</u>	<u>\$ (15,442)</u>

The Company's proportion of ownership and voting rights of its subsidiaries as of the balance sheet dates were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
B'in Live Limited	100.00%	100.00%
Gorgeous Entertainment Co., Ltd.	-	75.00%
PhotoTaxis Co., Ltd.	75.00%	75.00%
B'in Live Japan Co., Ltd.	100.00%	100.00%
Chill Co., Ltd.	78.00%	78.00%

The Company disposed of all of interest in Gorgeous Entertainment Co., Ltd. in April 2023. Refer to Note 26 for more information.

As of December 31, 2022, the credit balance of investments accounted for using the equity method in Chill Co., Ltd. was transferred to other non-current liabilities. In 2023, the Company signed an equity transfer agreement to dispose of part of its interests in Chill Co., Ltd., and this transaction was completed in January 2024, resulting in loss of control. Therefore, the Company reclassified its interests in Chill Co., Ltd. to disposal groups held for sale in the balance sheet.

b. Investments in associates

			<b>December 31</b>	
			<b>2023</b>	<b>2022</b>
Unlisted companies				
Empty Shells Pictures Co., Ltd.			\$ 5,483	\$ 5,238
Bin333 Co., Ltd.			<u>8,850</u>	<u>5,070</u>
			<u>\$ 14,333</u>	<u>\$ 10,308</u>
Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2023	2022
Empty Shells Pictures Co., Ltd.	Film production and distribution	Taiwan	22.69%	22.69%
Bin333 Co., Ltd.	Software services for shows	Taiwan	45.00%	45.00%

The Company acquired 45% interest of Bin333 Co., Ltd. in June 2022, and disposed of all of interest in Me Music International Limited in December 2022.

## 12. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	<b>Machinery Equipment</b>	<b>Office Equipment</b>	<b>Transportation Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2022	\$ 339,973	\$ 7,084	\$ 3,108	\$ 57,767	\$ 407,932
Additions	83,995	2,258	-	-	86,253
Disposals	<u>(30,802)</u>	<u>(2,117)</u>	<u>(1,568)</u>	<u>(16,051)</u>	<u>(50,538)</u>
Balance at December 31, 2022	<u>\$ 393,166</u>	<u>\$ 7,225</u>	<u>\$ 1,540</u>	<u>\$ 41,716</u>	<u>\$ 443,647</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2022	\$ 156,389	\$ 3,372	\$ 1,803	\$ 24,853	\$ 186,417
Depreciation expenses	62,846	2,333	749	9,016	74,944
Disposals	(27,996)	(2,117)	(1,568)	(16,051)	(47,732)
Impairment losses recognized	<u>8,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,894</u>
Balance at December 31, 2022	<u>\$ 200,133</u>	<u>\$ 3,588</u>	<u>\$ 984</u>	<u>\$ 17,818</u>	<u>\$ 222,523</u>
Carrying amount at December 31, 2022	<u>\$ 193,033</u>	<u>\$ 3,637</u>	<u>\$ 556</u>	<u>\$ 23,898</u>	<u>\$ 221,124</u>

(Continued)

	<u>Machinery Equipment</u>	<u>Office Equipment</u>	<u>Transportation Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 393,166	\$ 7,225	\$ 1,540	\$ 41,716	\$ 443,647
Additions	116,975	2,370	3,256	-	122,601
Disposals	<u>(22,792)</u>	<u>(2,305)</u>	<u>(700)</u>	<u>(1,349)</u>	<u>(27,146)</u>
Balance at December 31, 2023	<u>\$ 487,349</u>	<u>\$ 7,290</u>	<u>\$ 4,096</u>	<u>\$ 40,367</u>	<u>\$ 539,102</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2023	\$ 200,133	\$ 3,588	\$ 984	\$ 17,818	\$ 222,523
Depreciation expenses	79,667	2,392	617	5,809	88,485
Disposals	(22,491)	(2,305)	(603)	(1,349)	(26,748)
Impairment losses recognized	<u>138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>
Balance at December 31, 2023	<u>\$ 257,447</u>	<u>\$ 3,675</u>	<u>\$ 998</u>	<u>\$ 22,278</u>	<u>\$ 284,398</u>
Carrying amount at December 31, 2023	<u>\$ 229,902</u>	<u>\$ 3,615</u>	<u>\$ 3,098</u>	<u>\$ 18,089</u>	<u>\$ 254,704</u>
					(Concluded)

The above items of equipment and leasehold improvements are depreciated on a straight-line basis over the estimated useful lives as follows:

Machinery equipment	3-10 years
Office equipment	3 years
Transportation equipment	3-5 years
Leasehold improvements	2-10 years

As certain machinery equipment was damaged and not able to be used normally, the Company recognized an impairment loss for the year ended December 31, 2023 and 2022 were \$138 thousand and \$8,894 thousand, respectively.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amount</u>		
Buildings	\$ 72,361	\$ 74,249
Transportation equipment	165	660
Other equipment	<u>430</u>	<u>1,076</u>
	<u>\$ 72,956</u>	<u>\$ 75,985</u>



	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ 21,536</u>	<u>\$ 23,128</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 23,424	\$ 22,643
Transportation equipment	495	495
Other equipment	<u>646</u>	<u>504</u>
	<u>\$ 24,565</u>	<u>\$ 23,642</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amount</u>		
Current	<u>\$ 21,408</u>	<u>\$ 22,933</u>
Non-current	<u>\$ 55,483</u>	<u>\$ 56,913</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Buildings	1.5%-2.325%	1.5%-2%
Transportation equipment	1.5%	1.5%
Other equipment	1.85%	1.85%-2%

c. Material leasing activities and terms

The Company leases machinery equipment and transportation equipment for the use of operation with lease terms of 2 to 3 years. These arrangements do not contain renewal or purchase options at the end of the lease terms.

The Company leases buildings for the use of offices and warehouse with lease terms of 3 to 10 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 2,397</u>	<u>\$ 3,862</u>
Total cash outflow for leases	<u>\$ 28,394</u>	<u>\$ 27,710</u>

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

#### 14. OTHER INTANGIBLE ASSETS

	<u>Trademark Rights</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 726	\$ 3,441	\$ 4,167
Additions	-	4,264	4,264
Disposals	<u>-</u>	<u>(1,903)</u>	<u>(1,903)</u>
Balance at December 31, 2022	<u>\$ 726</u>	<u>\$ 5,802</u>	<u>\$ 6,528</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 359	\$ 1,873	\$ 2,232
Amortization expenses	73	2,408	2,481
Disposals	<u>-</u>	<u>(1,903)</u>	<u>(1,903)</u>
Balance at December 31, 2022	<u>\$ 432</u>	<u>\$ 2,378</u>	<u>\$ 2,810</u>
Carrying amount at December 31, 2022	<u>\$ 294</u>	<u>\$ 3,424</u>	<u>\$ 3,718</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 726	\$ 5,802	\$ 6,528
Additions	-	1,376	1,376
Disposals	<u>-</u>	<u>(2,353)</u>	<u>(2,353)</u>
Balance at December 31, 2023	<u>\$ 726</u>	<u>\$ 4,825</u>	<u>\$ 5,551</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ 432	\$ 2,378	\$ 2,810
Amortization expenses	72	2,398	2,470
Disposals	<u>-</u>	<u>(2,353)</u>	<u>(2,353)</u>
Balance at December 31, 2023	<u>\$ 504</u>	<u>\$ 2,423</u>	<u>\$ 2,927</u>
Carrying amount at December 31, 2023	<u>\$ 222</u>	<u>\$ 2,402</u>	<u>\$ 2,624</u>

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademark rights	10 years
Computer software	1-3 years

## 15. OTHER PAYABLES

	December 31	
	2023	2022
Payables for salaries and bonuses	\$ 151,591	\$ 34,973
Payables for annual leave	9,235	10,230
Payables for purchases of equipment	10,957	8,675
Others	<u>61,655</u>	<u>32,454</u>
	<u>\$ 233,438</u>	<u>\$ 86,332</u>

## 16. RETIREMENT BENEFIT PLANS

### Defined contribution plans

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

## 17. EQUITY

### a. Share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	<u>80,000</u>	<u>80,000</u>
Share capital authorized (par value of \$10 per share)	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Number of shares issued and fully paid (in thousands)	<u>44,520</u>	<u>44,340</u>
Shares issued and fully paid	<u>\$ 445,204</u>	<u>\$ 443,404</u>

On November 9, 2023, the Company's board of directors resolved to set November 24, 2023 as the capital increase base date to issue 1,800 thousand shares with a par value of \$10 per share thousand, and a total amount of \$180 thousand under a restricted share plan for employees. Refer to Note 22 for details.

### b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	\$ 128,723	\$ 163,709
Capital increase reserved for employees	<u>-</u>	<u>2,320</u>
	<u>128,723</u>	<u>166,029</u>
<u>May not be used for any purpose</u>		
Employee restricted shares	<u>19,629</u>	<u>5,679</u>
	<u>\$ 148,352</u>	<u>\$ 171,708</u>

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

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders, except that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 19 c. for details.

As the Company is in the growing stage, the Company shall take into consideration the Company's future expansion plans, the Company's profit situations, capital and financial structure, operation requirements, accumulated surplus, legal reserve, and market competition situations. The Company would appropriate the dividends to the shareholders not less than 10% of the current year's earnings. The dividends could be paid in cash or shares. The cash portion should be equal to or more than 10% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", should be appropriated to or reversed from a special reserve by the Company.

The Company held an ordinary meeting of shareholders on June 16, 2022, and the proposal for 2021 deficit offsetting was resolved by the shareholders as follows:

	<b>Deficit Offsetting</b>
Beginning retained earnings	\$ -
Less: Changes in percentage of ownership interests in subsidiaries	(1,500)
Less: Net loss for 2021	<u>(87,820)</u>
Beginning deficit to be offset	(89,320)
Add: Capital surplus - issuance of ordinary shares used for offsetting deficit	72,137
Add: Capital surplus - share of changes in associates and joint ventures accounted for using the equity method used for offsetting deficit	<u>17,183</u>
Ending deficit to be offset	<u>\$ -</u>

The Company held an ordinary meeting of shareholders on June 14, 2023, and the proposal for 2022 deficit offsetting was resolved by the shareholders as follows:

	<b>Deficit Offsetting</b>
Beginning retained earnings	\$ -
Less: Cancellation of treasury shares	(25,216)
Less: Disposal of investments in equity instruments designated as at fair value through other comprehensive income	(360)
Less: Net loss	(13,764)
Beginning deficit to be offset	(39,340)
Add: Capital surplus - issuance of ordinary shares used for offsetting deficit	39,340
Ending deficit to be offset	<u>\$ -</u>

The information for Company's board of directors' proposals and shareholders' meeting resolutions is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Unearned employee benefits

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (2,980)	\$ (5,991)
Issuance of shares	(17,784)	-
Share-based payment expenses recognized	<u>3,389</u>	<u>3,011</u>
Balance at December 31	<u>\$ (17,375)</u>	<u>\$ (2,980)</u>

Refer to Note 22 for the issuance of employee restricted shares.

e. Treasury shares

<b>Purpose of Buy-back</b>	<b>Number of Shares at January 1 (In Thousands of Shares)</b>	<b>Increase During the Year (In Thousands of Shares)</b>	<b>Decrease During the Year (In Thousands of Shares)</b>	<b>Number of Shares at December 31 (In Thousands of Shares)</b>
<u>2022</u>				
Transfer of shares to employees	<u>633</u>	<u>-</u>	<u>(633)</u>	<u>-</u>

The Company's board of directors in its meeting on November 12, 2018 resolved to repurchase 633 thousand of shares from the stock exchange market during the period from November 13, 2018 to January 12, 2019. The shares will be transferred to employees within 3 years from the date of repurchase.

The treasury shares held by the Company cannot be pledged and no dividend and voting right are attached in accordance with the Regulations of Securities and Exchange Act.

In January 2022, the Company canceled 633 thousand treasury shares.

## 18. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Production design and hardware engineering revenue	\$ 1,633,745	\$ 1,060,387
Equipment rental revenue	26,386	25,382
Ticket revenue	1,052	245
Others	<u>2,161</u>	<u>2,052</u>
	<u>\$ 1,663,344</u>	<u>\$ 1,088,066</u>

### a. Contract balances

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Notes and accounts receivable (including receivables from related parties) (Notes 8 and 26)	<u>\$ 281,530</u>	<u>\$ 212,645</u>
Contract liabilities - current (Note 26)	<u>\$ 23,312</u>	<u>\$ 11,496</u>

The changes in contract liabilities primarily resulted from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Production design and hardware engineering revenue	\$ 9,216	\$ 12,995
Ticket revenue	-	3,381
Others	<u>-</u>	<u>877</u>
	<u>\$ 9,216</u>	<u>\$ 17,253</u>

### b. Partially completed contracts

The transaction prices allocated to the performance obligations, that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	<b>December 31, 2023</b>
Production design and hardware engineering revenue - expected in 2024	<u>\$ 23,312</u>

## 19. NET PROFIT (LOSS)

### a. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Equipment and leasehold improvements	\$ 88,485	\$ 74,944
Right-of-use assets	24,565	23,642
Intangible assets	<u>2,470</u>	<u>2,481</u>
	<u>\$ 115,520</u>	<u>\$ 101,067</u>
An analysis of depreciation by function		
Operating costs	\$ 102,997	\$ 86,697
Operating expenses	<u>10,053</u>	<u>11,889</u>
	<u>\$ 113,050</u>	<u>\$ 98,586</u>
An analysis of amortization by function		
Operating costs	\$ 1,568	\$ 1,286
Operating expenses	<u>902</u>	<u>1,195</u>
	<u>\$ 2,470</u>	<u>\$ 2,481</u>

### b. Employee benefits expense

	<b>For the Year Ended December 31</b>					
	<b>2023</b>			<b>2022</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Payroll	\$ 230,643	\$ 114,596	\$ 345,239	\$ 127,915	\$ 75,657	\$ 203,572
Labor and health insurance	14,030	9,884	23,914	11,933	7,957	19,890
Pension expenses (Note 16)	7,494	4,413	11,907	6,352	3,842	10,194
Remuneration of directors (include attendance fee)	-	5,360	5,360	-	1,080	1,080
Other employee benefits	<u>181</u>	<u>1,945</u>	<u>2,126</u>	<u>44</u>	<u>1,575</u>	<u>1,619</u>
	<u>\$ 252,348</u>	<u>\$ 136,198</u>	<u>\$ 388,546</u>	<u>\$ 146,244</u>	<u>\$ 90,111</u>	<u>\$ 236,355</u>

For the years ended December 31, 2023 and 2022, the Company had 286 and 256 employees on average, respectively; the number of board of directors who did not serve concurrently as employees amounted to 5 and 4, respectively.

For the years ended December 31, 2023 and 2022, the average employee benefits expenses amounted to \$1,364 thousand and \$934 thousand, respectively, and the average payroll expenses amounted to \$1,229 thousand and \$808 thousand, respectively. The average payroll expenses increased by 52.10%.

The Company set up an audit committee to replace the supervisors, so there was no remuneration for supervisors in 2023 and 2022.

The Company's policies for employee benefits expense are as follows:

1) The remuneration policies of directors:

The independent directors' remunerations are paid in fixed amounts, and are not allowed to participate in the distribution of director remuneration; general directors receive director remuneration pursuant to the Company's Articles of Incorporation. According to Article 25 of the Company's Articles of Incorporation, the remuneration shall not exceed 2% of net profit before income tax, for which the following factors should be taken into accounts: The overall performance of the board of directors, the Company's operating performance, the Company's future operations, the degree of participation and contribution of individual directors to the Company's operations, etc. The board of directors resolves the directors' remuneration in their meeting and reports to the shareholders' meeting afterward.

2) The remuneration policies of managerial officers:

Managerial officers' remuneration and bonuses are set according to the positions held, responsibilities, and contributions to the Company, with reference to the industry standards, as well as the performance of managers and the achievement of the Company's operating goals. The remuneration content and rationality are reviewed by the Company's remuneration committee, and subsequently submitted to the board of directors for discussion and approval.

3) The compensation policies of employees:

The salary system follows the "Labor Standards Act" and makes reference to the industry characteristics, market conditions, and future development. According to Article 25 of the Company's Articles of Incorporation, the compensation of employees shall not be less than 2% of net profit before income tax. After considering the achievement of the Company's operating goals and individual performance evaluation results, etc., the Company provides appropriate performance bonus to employees according to their contribution.

c. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at the rates of no less than 2% and remuneration of directors at the rates of no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, in the case of accumulated deficit, the Company's accumulated deficit needs to be offset first. For the year ended December 31, 2022, due to net loss incurred in the year, the Company did not accrue the compensation of employees and the remuneration of directors. The compensation of employees and remuneration of directors for 2023 was follows:

	<b>For the Year Ended December 31, 2023</b>
Compensation of employees	<u>\$ 10,658</u>
Remuneration of directors	<u>\$ 4,109</u>



If there is a change in the amounts after the annual consolidated 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 Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 20. INCOME TAXES

### a. Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respected of the current year	\$ 20,374	\$ -
Deferred tax		
In respected of the current year	<u>(2,492)</u>	<u>1,135</u>
	<u>\$ 17,882</u>	<u>\$ 1,135</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit (loss) before tax	<u>\$ 312,679</u>	<u>\$ (12,629)</u>
Income tax expense (benefit) calculated at the statutory rate (20%)	\$ 62,536	\$ (2,526)
Nondeductible expenses in determining taxable income	(14,316)	7,365
Unrecognized loss carryforwards and deductible temporary differences	<u>(30,338)</u>	<u>(3,704)</u>
Income tax expense recognized in profit or loss	<u>\$ 17,882</u>	<u>\$ 1,135</u>

### b. Current tax liabilities

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Income tax payable	<u>\$ 6,894</u>	<u>\$ -</u>

c. The movements of deferred tax assets and liabilities

For the year ended December 31, 2023

	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
<u>Deferred tax assets</u>			
Temporary differences			
Payables for annual leave	\$ 2,046	\$ (199)	\$ 1,847
Unrealized loss on foreign currency exchange	-	596	596
Unrealized accrued expenses	<u>-</u>	<u>1,760</u>	<u>1,760</u>
	<u>\$ 2,046</u>	<u>\$ 2,157</u>	<u>\$ 4,203</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Unrealized gain on foreign currency exchange	\$ 325	\$ (325)	\$ -
Others	<u>10</u>	<u>(10)</u>	<u>-</u>
	<u>\$ 335</u>	<u>\$ (325)</u>	<u>\$ -</u>

For the year ended December 31, 2022

	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
<u>Deferred tax assets</u>			
Temporary differences			
Payables for annual leave	\$ 1,781	\$ 265	\$ 2,046
Unrealized loss on foreign currency exchange	160	(160)	-
Allowance for impairment loss	287	(287)	-
Others	<u>618</u>	<u>(618)</u>	<u>-</u>
	<u>\$ 2,846</u>	<u>\$ (800)</u>	<u>\$ 2,046</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Unrealized gain on foreign currency exchange	\$ -	\$ 325	\$ 325
Others	<u>-</u>	<u>10</u>	<u>10</u>
	<u>\$ -</u>	<u>\$ 335</u>	<u>\$ 335</u>

- d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the balance sheets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Loss carryforwards		
Expiry in 2031	\$ -	\$ 64,672
Expiry in 2030	<u>-</u>	<u>87,176</u>
	<u>\$ -</u>	<u>\$ 151,848</u>

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

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$138,303 thousand and \$63,305 thousand, respectively.

- f. Income tax assessments

Income tax returns through 2021 and income tax on unappropriated earnings through 2020 of the Company have been assessed by the tax authorities.

## 21. EARNINGS (LOSS) PER SHARE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings (loss) per share (NT\$)	<u>\$ 6.68</u>	<u>\$ (0.31)</u>
Diluted earnings per share (NT\$)	<u>\$ 6.64</u>	

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Net profit (loss) for the year	<u>\$ 294,797</u>	<u>\$ (13,764)</u>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share (in thousands)	44,140	<u>44,060</u>
Effect of potentially dilutive ordinary shares:		
Compensation of employees	107	
Unvested employee restricted shares	<u>148</u>	
Weighted average number of shares used in the computation of diluted earnings per share (in thousands)	<u>44,395</u>	

## 22. SHARE-BASED PAYMENT AGREEMENTS

On June 14, 2023, the shareholders in their meetings resolved the issuance of 180 thousand shares under a restricted share plan for employees with a total amount of \$1,800 thousand respectively, which was approved by the FSC.

The information of the issued restricted shares for employees as of December 31, 2023 were as follows:

Items	Grant Date	Fair Value Per Share (In Dollars)	Issued Shares (In Thousand)	Shares to be Vested (In Thousand)
Restricted share plan for employees in 2019	August 12, 2019	\$ 47.9	100	80
Restricted share plan for employees in 2019	March 20, 2020	29.0	100	60
Restricted share plan for employees in 2019	May 6, 2020	38.05	100	60
Restricted share plan for employees in 2021	November 8, 2021	26.75	100	40
Restricted share plan for employees in 2023	November 9, 2023	98.80	180	-

The vested conditions of the restricted share awards (RSAs) are as follows:

### Restricted share plan for employees in 2019 and 2021

The employees remain employed by the Company within one year on the last date of each vesting period and the employees' performance metrics are met at the same time. The ratio of as at vesting date of each year were as follows: 20% of granted RSAs will be vested after 1 year, 20% of granted RSAs will be vested after 2 year, 20% of granted RSAs will be vested after 3 year, 20% of granted RSAs will be vested after 4 year, and 20% of granted RSAs will be vested after 5 year.

### Restricted share plan for employees in 2023

The employees remain employed by the Company within one year on the last date of each vesting period and the employees' performance metrics are met at the same time. During the periods, if the employees do not violate the Regulations Governing the Issuance of New Shares Restricted to Employees' Rights as well as achieve the Company's operational performance, the ratio of as at vesting date of each year were as follows: 40% of granted RSAs will be vested after 1 year, 30% of granted RSAs will be vested after 2 year and 30% of granted RSAs will be vested after 3 year, which is based on the achievement of the Company's operational performance.

Restrictions imposed on the employees' rights in the RSAs before the vesting conditions are fulfilled:

- During each vesting period, no employees granted RSAs may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs according to the trust agreement.
- If the Company applies for non-statutory capital reduction, the RSAs should be canceled in proportion to the capital reduction. The refund of cash shall be delivered to the engaged trustee before the vesting conditions are fulfilled. If the vesting conditions are not fulfilled, the Company will withdraw the refund of cash.
- The attendance, proposal rights, speech rights, and voting rights shall be exercised by the engaged trustee on the employees' behalf.

- d. The RSAs should be delivered to trust custodians upon the grant date. The employees cannot request for refund by all means before the vesting conditions are fulfilled.

For the years ended December 31, 2023 and 2022, the compensation cost recognized on the RSAs were \$3,389 thousand and \$3,011 thousand, respectively.

## 23. NON-CASH TRANSACTIONS

As of December 31, 2023 and 2022, the additions to equipment that have not been paid in cash were \$10,957 thousand and \$8,675 thousand, respectively.

## 24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the equity balance.

The capital structure of the Company consists of equity (comprising issued capital, retained earnings and other equity).

According to the scale and the growth of the industry and the Company's future roadmap, the Company plans the corresponding research and development investment and capital expenditure. Furthermore, the Company estimates working capital and cash demands based on the long-term development plan and the industry characteristics to meet the overall operating model. Finally, in consideration of the prevailing industry dynamics and the future development as well as the changes in the external economic environment, the Company manages its working capital and dividend payments in the future, to ensure that the Company will be able to continue as a going concern while maximizing the returns to shareholders as well as other related parties through the optimization of capital structure. The management reviews capital structures periodically and considers the possible costs and risks of different capital structures. Generally, the Company adopted a prudent capital management strategy.

## 25. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

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

- 1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2023</u>				
Financial assets at FVTPL				
Unlisted companies	\$ -	\$ -	\$ 4,606	\$ 4,606
Performance, film and drama investing contracts	-	-	5,000	5,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,606</u>	<u>\$ 9,606</u>
				(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 12,471	\$ 12,471
<u>December 31, 2022</u>				
Financial assets at FVTPL				
Unlisted companies	\$ -	\$ -	\$ 4,607	\$ 4,607
Performance, film and drama investing contracts	-	-	3,809	3,809
	\$ -	\$ -	\$ 8,416	\$ 8,416
Financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 15,479	\$ 15,479
				(Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

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

Financial assets at FVTPL

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 8,416	\$ 21,303
Additions	5,000	8,307
Recognized in profit or loss	8,655	1,149
Derecognition	(12,464)	(22,901)
Foreign exchange	(1)	558
Balance at December 31	\$ 9,606	\$ 8,416

Financial assets at FVTOCI

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 15,479	\$ 16,313
Recognized in other comprehensive income or loss	5,965	(834)
Derecognition	(8,973)	-
Balance at December 31	\$ 12,471	\$ 15,479

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

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Performance, film and drama investing contracts/ unlisted companies	The income approach is used to estimate the present value of the expected future economic benefits of these contracts by discounting the estimated future cash flow. The significant unobservable inputs used are discount rates. An increase in discount rates would result in a decrease in fair values.
Unlisted shares	<p>The assets approach is used to the individual assets and individual liabilities to reflect the overall value of the investment target. Significant unobservable inputs are discounted considering marketability.</p> <p>The market approach is used to arrive at their fair values for which the recent financial activities of investees, the market transaction prices of similar companies and market conditions are considered. Significant unobservable inputs are discounted considering marketability.</p>

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
FVTPL	\$ 9,606	\$ 8,416
FVTOCI	12,471	15,479
Amortized cost (1)	903,464	621,085
<u>Financial liabilities</u>		
Amortized cost (2)	497,612	418,287

- 1) The balances comprise cash and cash equivalents, notes and accounts receivable, receivables from related parties, other receivables (included in other current assets), other receivables from related parties and refundable deposits (included in other current assets and other non-current assets).
- 2) The balances comprise notes and accounts payable, payables to related parties, other payables and other payables to related parties.

d. Financial risk management objectives and policies

The Company's main target of financial risk management is to manage the market risk related to operating activities (including foreign currency risk and interest rate risk), credit risk and liquidity risk. To reduce the potential and detrimental influence of the fluctuations in the market on the Company's financial performance, the Company endeavors to identify, estimate and hedge the uncertainties of the market.

The Company's significant financial activity is reviewed and approved by the board of directors in compliance with related regulations and internal control policy, and the authority and responsibility are delegated according to the operating procedures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Company's part operating activities and foreign operations were in foreign currencies, which exposed the Company to foreign currency risk. For the years ended December 31, 2023 and 2022, the amount of foreign exchange (loss) gain were \$(4,609) thousand and \$6,032 thousand respectively, or (0.28%) and 0.55%, respectively, of the operating revenue. Thus, there is no significant impact on the Company. To mitigate the negative impact of exchange rate fluctuations, the Company carefully monitors the exchange rate fluctuations and adjusts its foreign currency position based on future cash flow demand and the current foreign currency position.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the years are set out in Note 27.

Sensitivity analysis

The sensitivity analysis focused on outstanding foreign currency-denominated monetary assets and monetary liabilities (mainly USD, RMB and HKD) at the end of the reporting period. A positive number below indicates a decrease/increase in pre-tax gain or loss associated with the relevant foreign currency strengthening/weakening by 5% against New Taiwan dollars.

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Increase/decrease	\$ 11,109	\$ 2,944

b) Interest rate risk

The carrying amounts of the Company's financial assets with exposure to interest rates at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 2,657	\$ 5,158
Cash flow interest rate risk		
Financial assets	\$ 578,936	\$ 361,058

The Company acquires better interest rates through long-term cooperation with banks; therefore, the effect of interest rate fluctuations is immaterial.



### Sensitivity analysis

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

If interest rates had been 5 basis points (0.05%) higher/lower and all other variables were held constant, the Company's pre-tax gain or loss at the end of the reporting period were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Increase/decrease	\$ 289	\$ 181

### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, is the carrying amount of the financial assets recognized in the balance sheets.

To maintain the quality of accounts receivable, the Company applies credit risk management procedures to reduce the credit risk from specific customers. The credit evaluation of an individual customer includes the consideration of factors that will affect payment ability such as present financial condition, past transaction records, and current economic conditions. In addition, the credit risk is monitored and evaluated by the Company's financial department. Since the counterparties are creditworthy banks and enterprises and the concentration of credit risk is not significant, the credit risk is anticipated to be immaterial.

### 3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company's operations and mitigate the impact of fluctuations in cash flows. In addition, management monitors the status of bank borrowings and ensures compliance with loan covenants. In addition to working capital, the Company meets the cash needs for its operations through the financing of funds and new shares issued for cash. Thus, no material liquidity risk is anticipated.

## 26. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as below.

### a. Related parties and their relationship with the Company

<b>Related Party</b>	<b>Relationship with the Company</b>
B'in Music International Limited (B'in Music)	Group members of investors with significant influence over the Company
Fine Music International Limited	Group members of investors with significant influence over the Company
Begin Music Limited (Begin Music)	Group members of investors with significant influence over the Company
B'in Music (HK) Co. Limited	Related party in substance
Chill Co., Ltd. (Chill)	Subsidiary
Gorgeous Entertainment Co., Ltd. (Gorgeous Entertainment)	Subsidiary (disposed of in April 2023)
PhotoTaxis Co., Ltd.	Subsidiary
B'in Live Japan Co., Ltd.	Subsidiary
B'in Live (Shanghai) Ltd. (B'in Shanghai)	Subsidiary
Empty Shells Pictures Co., Ltd.	Associate
Me Music International Limited	Associate (disposed of in December 2022)
Bin333 Co., Ltd.	Associate
SHOWIN LTD.	B'in Shanghai's joint venture accounted for using the equity method

### b. Operating revenue

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Group members of investors with significant influence over the Company		
B'in Music	\$ 167,844	\$ 199,191
Others	<u>103,978</u>	<u>35,444</u>
	271,822	234,635
Subsidiary		
B'in Shanghai	195,106	20,313
Others	<u>3,422</u>	<u>30,366</u>
	198,528	50,679
Related party in substance	135,431	6,775
Associate	6,000	238
B'in Shanghai's joint venture accounted for using the equity method	<u>-</u>	<u>543</u>
	<u>\$ 611,781</u>	<u>\$ 292,870</u>

The service revenue with related parties was conducted underpricing terms similar to that with third parties, except for transactions on services with special specifications. Settlement terms for related-party transactions were similar to those for third parties.

c. Operating costs (included purchases and service costs)

Related Party Category	For the Year Ended December 31	
	2023	2022
Group members of investors with significant influence over the Company	\$ 1,514	\$ 525
Subsidiary	2,613	16,108
Associate	<u>32,046</u>	<u>12,191</u>
	<u>\$ 36,173</u>	<u>\$ 28,824</u>

For purchases from related parties, the prices and terms of payables approximate those with non-related parties.

d. Receivables from related parties

Related Party Category/Name	December 31	
	2023	2022
Group members of investors with significant influence over the Company		
B'in Music	\$ 480	\$ 32,484
Others	<u>927</u>	<u>13,974</u>
	1,407	46,458
Subsidiary	7,731	12,982
Related party in substance	18,920	5,656
Associate	6,300	-
B'in Shanghai's joint venture accounted for using the equity method	<u>-</u>	<u>551</u>
	<u>\$ 34,358</u>	<u>\$ 65,647</u>

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for receivables from related parties.

e. Prepayments (included in other current assets)

Related Party Category	December 31	
	2023	2022
Associate	\$ 94	\$ -
Subsidiary	<u>190</u>	<u>238</u>
	<u>\$ 284</u>	<u>\$ 238</u>

f. Contract liabilities

Related Party Category/Name	December 31	
	2023	2022
Group members of investors with significant influence over the Company		
B'in Music	<u>\$ 21,031</u>	<u>\$ -</u>

g. Payables to related parties

Related Party Category	December 31	
	2023	2022
Group members of investors with significant influence over the Company	\$ 928	\$ -
Subsidiary	438	8,884
Associate	<u>7,477</u>	<u>4,404</u>
	<u>\$ 8,843</u>	<u>\$ 13,288</u>

The outstanding payables to related parties are unsecured.

h. Other payables to related parties

Related Party Category/Name	December 31	
	2023	2022
Subsidiary		
Gorgeous Entertainment	\$ -	\$ 1,781

i. Loans to related parties (included in other receivables from related parties)

Related Party Category/Name	December 31	
	2023	2022
Subsidiary		
Chill	\$ 15,193	\$ 15,144

Interest income

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiary	\$ 404	\$ 144

For the years ended December 31, 2023 and 2022, the Company provided unsecured loans to the subsidiary at an interest rate of 3.0% and 2.5%, respectively. The loans to subsidiaries are unsecured loans.

j. Other expenses

Related Party Category	For the Year Ended December 31	
	2023	2022
Group members of investors with significant influence over the Company	\$ -	\$ 10
Subsidiary	-	56
Related party in substance	<u>-</u>	<u>5</u>
	<u>\$ -</u>	<u>\$ 71</u>

k. Other income

Related Party Category	For the Year Ended December 31	
	2023	2022
Subsidiary	\$ 149	\$ 389

l. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 25,174	\$ 7,256
Post-employment benefits	108	108
	\$ 25,282	\$ 7,364

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

## 27. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
RMB	\$ 37,247	4.327	\$ 161,169
USD	230	30.705	7,058
HKD	13,875	3.929	54,516
<u>Financial liabilities</u>			
Monetary item			
RMB	1	4.327	6
HKD	141	3.929	552

December 31, 2022

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 6,021	4.408	\$ 26,542
USD	150	30.71	4,613
HKD	8,959	3.938	35,281
<u>Financial liabilities</u>			
Monetary item			
RMB	1,688	4.408	7,441
USD	4	30.71	115

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (loss) gain were \$(4,609) thousand and \$6,032 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of foreign currency transactions of the Company.

## 28. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 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 (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instruments (None)
- 10) Information on investees (Table 4)

- 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 5)
  - 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 (Table 3):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - 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
- 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 6)

**TABLE 1**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
0	B'in Live Co., Ltd.	Chill Co., Ltd.	Other receivables from related parties	Y	\$ 35,000	\$ 15,000	\$ 15,000	2.5-3.0	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 77,570	\$ 310,280

Note 1: The method of filling in the number:

- a. The Company is numbered 0.
- b. The subsidiaries of the Company are sequentially numbered from 1 based on their investment structures.

Note 2: Total loans shall not exceed 40% of the lender’s net equity of the latest quarter while individual loans shall not exceed 10% of the lender’s net equity of the latest quarter.



**TABLE 2**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership %	Fair Value	
B’in Live Co., Ltd.	<u>Limited Liability Company</u> Sugar Hill World Premiere LLC	-	Financial assets at FVTPL - current	-	\$ 4,606	-	\$ 4,606	
	<u>Ordinary shares</u> Cubical Motivation System Co., Ltd.	-	Financial assets at FVTOCI - non-current	90	739	18	739	
	Flight International Co., Ltd.	-	"	233	11,732	1.22	11,732	
B’in Live Japan Co., Ltd.	<u>Limited Liability Company</u> Sugar Hill World Premiere LLC	-	Financial assets at FVTPL - current	-	1,538	-	1,538	

Note 1: The securities mentioned in this table above are those classified as financial instruments under IFRS 9.

Note 2: Refer to Tables 4 and 5 for information on investment in subsidiaries and associates.

**TABLE 3**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total
B’in Live Co., Ltd.	B’in Music International Limited	Group members of investors with significant influence over the Company	Sale	\$ 167,844	10.09	90 days after transaction month	\$ -	-	\$ 480	0.17
B’in Live Co., Ltd.	B’in Music (HK) Co. Limited	Related party in substance	Sale	135,431	8.14	90 days after transaction month	-	-	18,920	6.72
B’in Live Co., Ltd.	B’in Live (Shanghai) Ltd.	Subsidiary	Sale	195,106	11.73	According to the condition	-	-	4,327	1.54

**TABLE 4**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares in thousands	Ratio (%)	Carrying Amount			
B’in Live Co., Ltd.	B’in Live Limited	Hong Kong	Hardware and software services for shows	\$ 27,666	\$ 27,666	700	100	\$ 179,794	\$ 75,254	\$ 75,254	Subsidiary
	Chill Co., Ltd.	Taiwan	Event planning and advertising services	10,025	10,025	1,170	78	(18,245)	(3,594)	(2,803)	Subsidiary (Note 3)
	Gorgeous Entertainment Co., Ltd.	Taiwan	Planning, production and management for shows	-	3,750	-	-	-	(3,588)	(1,624)	Subsidiary (Note 2)
	PhotoTaxis Co., Ltd.	Taiwan	Software services for shows	5,250	5,250	525	75	1,784	(3,627)	(2,685)	Subsidiary
	B’in Live Japan Co., Ltd.	Japan	Planning and software production for shows	8,400	8,400	0.6	100	2,435	(257)	(257)	Subsidiary
	Empty Shells Pictures Co., Ltd.	Taiwan	Film production and distribution	5,500	5,500	1,100	22.69	5,483	1,078	245	
	Bin333 Co., Ltd.	Taiwan	Software services for shows	4,500	4,500	450	45	8,850	8,613	3,780	

Note 1: Refer to Table 5 for information on investments in mainland China.

Note 2: The Company disposed of all of interest in Gorgeous Entertainment Co., Ltd. in April 2023.

Note 3: On December 31, 2023, the Company reclassified its interests in Chill Co., Ltd. to credit balance of investments accounted for using the equity method classified as held for sale.

**TABLE 5**

**B’IN LIVE CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
B’in Live (Shanghai) Ltd.	Hardware and software services for shows	\$ 6,541 (US\$ 210 thousand)	Reinvestment in China through third region investment companies (B’in Live Limited.).	\$ 4,942 (US\$ 160 thousand)	\$ -	\$ -	\$ 4,942 (US\$ 160 thousand)	\$ 116,510	100	\$ 116,510	\$ 201,804	\$ -	Subsidiary
SHOWIN LTD.	Hardware and software services for shows	51,906 (RMB 12,000 thousand)	Reinvestment in China through mainland China investment companies (B’in Live (Shanghai) Ltd.).	-	-	-	-	72,140	50	36,070	60,518	-	

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$12,840 (US\$415 thousand)	\$14,439	\$519,419

**TABLE 6****B'IN LIVE CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Xiang Zhi Limited	5,431,287	12.19%
Rock Mobile Corporation	3,926,312	8.81%
B'in Music International Limited	3,367,557	7.56%

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 preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the 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, please refer to Market Observation Post System.

**B'IN LIVE CO., LTD.**

**Chairman: Yu-Yang Chou**