Brogent Technologies Inc.

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Brogent Technologies Inc.

Opinion

We have audited the accompanying parent company only financial statements of Brogent Technologies Inc. (the "Corporation"), which comprise the 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 the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation 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 Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's parent company only financial statements for the year ended December 31, 2023 is stated as follows:

The recognition of project contract revenue

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

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

We performed the following audit procedures on the above key audit matter:

1. We obtained an understanding of and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the project contract revenue, including the measurement of the percentage of completion.

2. We verified and recalculated, on a sampling basis, the accuracy of the percentage of completion, including the related supporting documents.

3. We recalculated the sampled project contract revenue measured by the percentage of completion and checked whether it was recognized correctly.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

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

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 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 Chiu-Yen Wu and Li-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

<u>*Notice to Readers*</u>

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

Brogent Technologies Inc.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 621,181	13	$ 443,698	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	32	-	86,702	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	64,300	2	130,000	3
Financial assets at amortized cost - current (Notes 4, 9 and 30)	145,601	3	110,307	2
Accounts receivable, net (Notes 4, 5 and 10)	157,265	3	214,234	5
Accounts receivable - related parties (Notes 4, 10 and 29)	245,160	5	113,004	2
Contract assets - current (Notes 4, 5 and 23)	940,357	20	956,399	21
Other receivables (Note 4)	1,407	-	10,951	-
Other receivables - related parties (Note 29)	8,026	-	82,181	2
Current tax assets (Notes 4 and 25)	1,516	-	857	-
Inventories (Notes 4 and 11)	245,558	5	307,592	7
Prepayments	64,010	1	57,257	1
Refundable deposits - current	5,567	-	-	-
Other current assets	12,187	-	10,451	-
Total current assets	2,512,167	52	2,523,633	55
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	20,403	1	15,000	-
Investments accounted for using the equity method (Notes 4 and 12)	995,205	21	943,254	21
Property, plant and equipment (Notes 4, 13 , 29 and 30)	725,253	15	753,565	16
Right-of-use assets (Notes 4 and 14)	238,203	5	147,894	3
Intangible assets (Notes 4 and 15)	76,768	2	79,235	2
Deferred tax assets (Notes 4 and 25)	105,374	2	76,460	2
Refundable deposits	7,820	-	12,904	-
Other non-current assets	108,175	2	37,437	1
Total non-current assets	2,277,201	48	2,065,749	45
TOTAL	$ 4,789,368	100	$ 4,589,382	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 430,000	9	$ 230,000	5
Notes payable (Note 18)	487	-	11,772	-
Accounts payable (Note 18)	54,064	1	100,412	2
Accounts payable - related parties (Note 29)	921	-	-	-
Contract liabilities (Note 23)	145,626	3	79,323	2
Other payables (Notes 19 and 29)	80,852	2	76,253	2
Provisions - current (Note 4)	4,964	-	8,620	-
Lease liabilities - current (Notes 4 and 14)	27,071	1	25,685	1
Current portion of long-term borrowings (Note 16)	15,203	-	15,043	-
Current portion of bonds payable (Notes 4 and 17)	163,102	3	219,204	5
Other current liabilities	2,249	-	2,263	-
Total current liabilities	924,539	19	768,575	17
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	79,014	2	261,577	5
Long-term borrowings (Note 16)	414,367	9	229,438	5
Deferred tax liabilities (Notes 4 and 25)	-	-	632	-
Lease liabilities - non-current (Notes 4 and 14)	222,274	4	135,040	3
Total non-current liabilities	715,655	15	626,687	13
Total liabilities	1,640,194	34	1,395,262	30
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Share capital				
Ordinary shares	647,786	14	614,431	14
Advance receipts for ordinary share	571	-	10,743	-
Total share capital	648,357	14	625,174	14
Capital surplus	2,672,817	56	2,648,189	58
Retained earnings (deficit to be compensated)				
Legal reserve	-	-	127,421	3
Special reserve	-	-	14,857	-
Accumulated deficit	(167,662)	(4)	(243,005)	(5)
Total deficit to be compensated	(167,662)	(4)	(100,727)	(2)
Other equity	(4,338)	-	21,484	-
Total equity	3,149,174	66	3,194,120	70
TOTAL	$ 4,789,368	100	$ 4,589,382	100

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

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
NET OPERATING REVENUE (Notes 4, 5, 23 and 29)	$ 847,582	100	$ 763,368	100
OPERATING COSTS (Notes 11, 24 and 29)	501,088	59	402,185	53
GROSS PROFIT	346,494	41	361,183	47
OPERATING EXPENSES (Notes 10, 23, 24 and 29)				
Selling and marketing expenses	88,571	10	76,131	10
General and administrative expenses	262,968	31	252,932	33
Research and development expenses	106,891	13	189,444	25
Expected credit loss	77,047	9	11,136	1
Total operating expenses	535,477	63	529,643	69
OPERATING LOSS	(188,983)	(22)	(168,460)	(22)
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Interest income	12,341	2	7,462	1
Other income	5,629	1	18,176	2
Other gains and losses	7,053	1	154,694	20
Finance costs	(21,595)	(3)	(17,648)	(2)
Share of profit or loss of subsidiaries accounted for using the equity method	(22,587)	(3)	(68,096)	(9)
Total non-operating income and expenses	(19,159)	(2)	94,588	12
LOSS BEFORE INCOME TAX	(208,142)	(24)	(73,872)	(10)
INCOME TAX BENEFIT (Notes 4 and 25)	28,378	3	13,146	2
NET LOSS FOR THE YEAR	(179,764)	(21)	(60,726)	(8)
OTHER COMPREHENSIVE INCOME (Notes 20 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(3,598)	(1)	30,000	4
Share of other comprehensive income of subsidiaries accounted for using the equity method	(938)	-	-	-

(Continued)

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	$ (12,362)	(1)	$ 30,915	4
Other comprehensive loss for the year, net of income tax	(16,898)	(2)	60,915	8
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (196,662)	(23)	$ 189	-
LOSS PER SHARE (Note 26)				
Basic	$ (2.79)		$ (0.99)	
Diluted	$ (2.79)		$ (0.99)	

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

Brogent Technologies Inc.

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

				Retained Earnings (Deficit to be Compensated)			Other Equity			
	Ordinary shares	Advance Receipts for Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Accumulated Deficit	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or loss On financial Assets at FVTOCI	Total	Total Equity
BALANCE AT JANUARY 1, 2022	$ 573,641	$ 36,003	$ 2,501,234	$ 127,421	$ 14,857	$ (181,725)	$ (39,431)	$ -	$ (39,431)	$ 3,032,000
Net loss in 2022	-	-	-	-	-	(60,726)	-	-	-	(60,726)
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	-	30,915	30,000	60,915	60,915
Total comprehensive loss in 2022	-	-	-	-	-	(60,726)	30,915	30,000	60,915	189
Convertible bonds converted to ordinary shares (Note 17)	40,790	(25,260)	146,205	-	-	-	-	-	-	161,735
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(554)	-	-	-	(554)
Changes in equity of associates accounted for using the equity method	-	-	750	-	-	-	-	-	-	750
BALANCE AT DECEMBER 31, 2022	614,431	10,743	2,648,189	127,421	14,857	(243,005)	(8,516)	30,000	21,484	3,194,120
Offset the deficit of 2022 (Note 23)										
Legal reserve used to offset accumulated deficits	-	-	-	(127,421)	-	127,421	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,857)	14,857	-	-	-	-
	-	-	-	(127,421)	(14,857)	142,278	-	-	-	-
Other changes in capital surplus (Note 23)										
Capital surplus used to offset accumulated deficits	-	-	(100,727)	-	-	100,727	-	-	-	-
Cash dividends from capital surplus	-	-	(93,776)	-	-	-	-	-	-	(93,776)
	-	-	(194,503)	-	-	100,727	-	-	-	(93,776)
Net loss in 2023	-	-	-	-	-	(179,764)	-	-	-	(179,764)
Other comprehensive loss in 2023, net of income tax	-	-	-	-	-	-	(12,362)	(4,536)	(16,898)	(16,898)
Total comprehensive loss in 2023	-	-	-	-	-	(179,764)	(12,362)	(4,536)	(16,898)	(196,662)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	12,102	-	(12,102)	(12,102)	-
Convertible bonds converted to ordinary shares (Note 17)	33,355	(10,172)	219,131	-	-	-	-	-	-	242,314
Disposal of subsidiaries	-	-	-	-	-	-	3,178	-	3,178	3,178
BALANCE AT DECEMBER 31, 2023	$ 647,786	$ 571	$ 2,672,817	$ -	$ -	$ (167,662)	$ (17,700)	$ 13,362	$ (4,338)	$ 3,149,174

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

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (208,142)	$ (73,872)
Adjustments for:		
Income and expenses		
Depreciation expense	119,586	115,627
Amortization expense	16,916	14,938
Expected credit loss	77,047	11,136
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(6,437)	2,029
Finance cost	21,595	17,648
Interest income	(12,341)	(7,462)
Dividend income	(4,000)	-
Share of profit or loss of subsidiaries accounted for using the equity method	22,587	68,096
Net gain on disposal of property, plant and equipment	-	(83,606)
Net loss (gain) on foreign currency exchange	4,082	(6,506)
Loss on inventories	4,244	1,039
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	92,812	73,553
Accounts receivable	(1,608)	(23,924)
Accounts receivable - related parties	(132,156)	(37,512)
Contract assets	(2,423)	(142,533)
Other receivables	10,234	(7,603)
Other receivables - related parties	12,573	(3,484)
Inventories	57,790	(94,206)
Prepayments	(6,753)	12,068
Other current assets	(1,736)	(4,870)
Notes payable	(11,285)	10,384
Accounts payable	(46,348)	45,334
Accounts payable - related parties	921	-
Contract liabilities	66,303	3,758
Other payables	58	591
Provisions	(3,656)	4,403
Other current liabilities	(14)	76
Cash generated (used in) from operations	69,849	(104,898)
Income tax paid	(1,827)	(2,809)
Net cash generated from (used in) operating activities	68,022	(107,707)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(100,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	61,465	-

(Continued)

Brogent Technologies Inc.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Purchase of financial assets at amortized cost	$ (133,396)	$ (207,283)
Proceeds from disposal of financial assets at amortized cost	91,673	169,233
Acquisition of investments accounted for using the equity method	(20,000)	-
Payments for property, plant and equipment	(61,353)	(65,657)
Proceeds from disposal of property, plant and equipment	-	263,402
Increase in refundable deposits	(14,449)	(11,493)
Acquisition of intangible assets	(483)	(4,866)
Decrease in other receivables from related parties	58,344	-
Increase in other non-current assets	(70,738)	(32,671)
Interest received	12,465	7,327
Dividends received	4,000	-
Net cash generated from (used in) investing activities	(72,472)	17,992
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	200,000	100,000
Proceeds from long-term borrowings	300,000	200,000
Repayment of long-term borrowings	(114,911)	(114,853)
Repayment of the principal portion of lease liabilities	(27,270)	(20,899)
Cash dividends from capital surplus	(93,776)	-
Acquisition of additional interests in subsidiaries	(64,660)	(64,198)
Interests paid	(17,450)	(8,379)
Net cash generated from financing activities	181,933	91,671
NET INCREASE IN CASH AND CASH EQUIVALENTS	177,483	1,956
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	443,698	441,742
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 621,181	$ 443,698

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

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation's board of directors on March 12, 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 any material impact on the accounting policies of the Corporation.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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.

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
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.

As of the date the parent company only financial statements were approved, the Corporation is continuously assessing the possible impact of the application of the above standards and interpretations on the Corporation'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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

1) Level 1 inputs are 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 an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

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

d. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing 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 items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

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

Corporation are reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

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

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

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

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on cash generating units in financial statements. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

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

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

g. Investments in associates

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

Land is not depreciated.

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

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

i. Intangible assets

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

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

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

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

l. Provisions

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

m. Revenue recognition

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

1) Project contract revenue

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

2) Licensing revenue

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

3) Sale of tickets

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

4) Service revenue

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

5) Rental revenue

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

n. Leases

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

1) The Corporation as lessor

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

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

2) The Corporation as lessee

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

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

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

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

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

o. Government grants

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

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

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 service.

2) Retirement benefits

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

q. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Corporation considers the possible impact of the inflation and interest rate fluctuations and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a. Estimated impairment of accounts receivable and contract assets

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

b. Measurement of the percentage of completion of project contract

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 979	$ 913
Checking accounts and demand deposits	347,691	132,180
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	272,511	310,605
	$ 621,181	$ 443,698

7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	December 31	
	2023	2022
Financial assets		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Redemption options and put options of convertible bonds	$ 32	$ 429
Non-derivative financial assets		
Mutual funds	-	86,273
	$ 32	$ 86,702

8. FINANCIAL ASSETS AT FVTOCI - CURRENT

	December 31	
	2023	2022
Current		
Domestic investments in equity instruments		
Listed shares	$ 64,300	$ 130,000

The Corporation acquired the ordinary shares of Ruentex Industries Limited for $100,000 thousand in September 2022. Accordingly, the Corporation elected to designate the investments in equity instruments as financial assets at FVTOCI as it was not held for trading or short-term profit.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Time deposits with original maturities of more than 3 months	$ 46,532	$ 13,607
Pledged time deposits	105,338	109,696
Pledged demand deposits	14,134	2,004
	$ 166,004	$ 125,307
Current	$ 145,601	$ 110,307
Non-current	20,403	15,000
	$ 166,004	$ 125,307

a. The counterparties of the time deposit of the Corporation were banks with sound credit ratings and no significant default concerns, and therefore, there was no expected credit losses.

b. Refer to Note 30 for information on financial assets at amortized cost pledged as collateral.

10. ACCOUNTS RECEIVABLE

	December 31	
	2023	2022
Accounts receivable- third parties		
At amortized cost		
Gross carrying amount	$ 264,350	$ 262,742
Allowance for impairment loss	(107,085)	(48,508)
	$ 157,265	$ 214,234
Accounts receivable - related parties		
At amortized cost		
Gross carrying amount	$ 245,160	$ 113,004

The main credit period is 90 days, unless agreed upon in a specific contract. In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

The Corporation measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to the past default experience of the customer and the customer's current financial position, as well as the industry outlook. The Corporation determined that the accounts receivable from related parties would be recovered, so no loss allowance was made. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments of third parties, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

The Corporation writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Corporation continues to 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 aging analysis and loss allowance of accounts receivable:

December 31, 2023

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

December 31, 2022

	Up to 3 Months	4-6 Months	7-12 Months	Over 1 Year	With Signs of Default	Total
Expected credit loss rate (%)	-	-	0.1-5	10	10-100	
Gross carrying amount	$ 129,076	$ 12,080	$ 30,548	$ 108,820	$ 95,222	$ 375,746
Loss allowance (lifetime ECLs)	-	-	(30)	(3,945)	(44,533)	(48,508)
Amortized cost	$ 129,076	$ 12,080	$ 30,518	$ 104,875	$ 50,689	$ 327,238

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 48,508	$ 47,592
Impairment loss recognized	58,577	916
Balance at December 31	$ 107,085	$ 48,508

11. INVENTORIES

	December 31	
	2023	2022
Project materials	$ 245,558	$ 307,592

The operating costs recognized as losses on inventories for the years ended December 31, 2023 and 2022 were $4,244 thousand and $1,039 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investment in subsidiaries	$ 983,267	$ 943,254
Investment in associates	11,938	-
	$ 995,205	$ 943,254

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

a. Investment in subsidiaries

	December 31			
	2023		2022	
Unlisted Company	Carrying Amount	Percentage of Ownership	Carrying Amount	Percentage of Ownership
Dili Jie Holdings Limited (Dili Jie)	$ 432,973	100	$ 410,375	100

(Continued)

Unlisted Company	December 31			
	2023		2022	
	Carrying Amount	Percentage of Ownership	Carrying Amount	Percentage of Ownership
Brogent Hong Kong Limited (Brogent HK)	$ 262,210	100	$ 242,957	100
Brogent Global Inc. (Brogent Global)	288,084	100	289,922	100
	$ 983,267		$ 943,254	

(Concluded)

1) The Corporation subscribed for the cash capital increase of Dili Jie for $28,638 thousand (US$972 thousand) in 2022.

2) The Corporation subscribed for the cash capital increase of Brogent HK for the years ended December 31, 2023 and 2022, and the amounts were $64,660 thousand (US$2,000 thousand) and $35,560 thousand (US$850 thousand and JPY52,000 thousand), respectively.

b. Investments in associates

	December 31	
	2023	2022
Associates that are not individually material	$ 11,938	$ -

Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2023	2022
The Corporation's share of:		
Net losses and total comprehensive loss for the year	$ (8,062)	$ -

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

13 PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Corporation	$ 594,060	$ 689,333
Assets leased under operation	131,193	64,232
	$ 725,253	$ 753,565

For the year ended December 31, 2023

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

For the year ended December 31, 2022

	Assets Used by the Corporation					Assets Leased under Operation
	Land	Buildings	Other Equipment	Equipment to be Inspected and Property under Construction	Total	Other Equipment
Cost						
Balance at January 1	$ 139,868	$ 673,973	$ 195,489	$ 134,579	$ 1,143,909	$ 106,465
Additions	-	8,265	143,063	(86,231)	65,097	160
Disposals	(139,868)	(39,609)	-	-	(179,477)	-
Balance at December 31	$ -	$ 642,629	$ 338,552	$ 48,348	$ 1,029,529	$ 106,625
Accumulated depreciation						
Balance at January 1	$ -	$ 177,119	$ 88,179	$ -	$ 265,298	$ 31,592
Depreciation expense	-	27,750	56,178	-	83,928	10,801
Disposals	-	(9,030)	-	-	(9,030)	-
Balance at December 31	$ -	$ 195,839	$ 144,357	$ -	$ 340,196	$ 42,393
Carrying amount at December 31	$ -	$ 446,790	$ 194,195	$ 48,348	$ 689,333	$ 64,232

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

	Assets Used by the Corporation	Assets Leased under Operation
Buildings		
Main buildings	50 years	-
Others	3-20 years	-
Other equipment	2-15 years	5-10 years

b. To revitalize assets and effectively utilize capital, the Corporation sold the land and buildings located in JhongShan, Sinwu District, Taoyuan City, to a non-related party for $268,000 thousand (tax included) in August 2022, and immediately leased them back for short-term operation. The lease terms are 3 years and 6 months and expire in February 2026 with no renewal or bargain purchase options. As a result of the above transaction, the Corporation recognized gains on disposal of property of $83,606 thousand and recognized right-of-use assets of $16,647 thousand and lease liabilities of $25,996 thousand.

c. The Corporation rents the simulator rides under operating lease. All operating leases include the rights to adjust the rental according to the market rate when the lessee extends the lease terms, and the lessee does not have bargain purchase options to acquire the asset at the end of the lease terms.

d. Refer to Note 30 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

e. The reconciliation of the additions and the payments stated in the statements of cash flows was as follows:

	For the Year Ended December 31	
	2023	**2022**
Additions to property, plant and equipment	$ 65,693	$ 65,257
Decrease (increase) in payables for equipment	(4,340)	400
Cash paid	$ 61,353	$ 65,657

14. LEASE ARRANGEMENTS

a. Right-of-use assets

For the year ended December 31, 2023

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

For the year ended December 31, 2022

	Land	Buildings	Transportation Equipment	Total
Cost				
Balance at January 1	$ 140,523	$ 33,927	$ 15,147	$ 189,597
Additions	-	18,869	6,071	24,940
Derecognized	-	-	(1,934)	(1,934)
Balance at December 31	$ 140,523	$ 52,796	$ 19,284	$ 212,603
Accumulated depreciation				
Balance at January 1	$ 31,794	$ 3,362	$ 10,589	$ 45,745
Depreciation expense	10,607	5,253	5,038	20,898
Derecognized	-	-	(1,934)	(1,934)
Balance at December 31	$ 42,401	$ 8,615	$ 13,693	$ 64,709
Carrying amount at December 31	$ 98,122	$ 44,181	$ 5,591	$ 147,894

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 27,071	$ 25,685
Non-current	$ 222,274	$ 135,040
Range of discount rates (%) for lease liabilities		
Land	1.71-2.17	1.71
Buildings	1.71-1.85	1.71-1.85
Transportation equipment	1.71-2.17	1.71

c. Material lease activities and terms

The Corporation leases land and buildings for the use as business spaces and for the use of offices and plants with lease terms that will expire between March 2032 and July 2053. The lease contract for land specifies that lease payments will be adjusted on the basis of changes in the announced land value and price. The Corporation does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 2,227	$ 552
Expenses relating to low-value asset leases	$ 369	$ 367
Total cash outflow for leases	$ 33,488	$ 24,395

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

15. INTANGIBLE ASSETS

For the year ended December 31, 2023

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

For the year ended December 31, 2022

	Film	Other	Total
Cost			
Balance at January 1	$ 68,761	$ 37,683	$ 106,444
Additions	3,101	9,838	12,939
Balance at December 31	$ 71,862	$ 47,521	$ 119,383
Accumulated amortization			
Balance at January 1	$ 7,521	$ 17,689	$ 25,210
Amortization expense	8,472	6,466	14,938
Balance at December 31	$ 15,993	$ 24,155	$ 40,148
Carrying amount at December 31	$ 55,869	$ 23,366	$ 79,235

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

Film	3-10 years
Others	1-25 years

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Unsecured bank loans	$ 430,000	$ 230,000
Interest rate (%)	1.90-1.95	1.50-1.61

b. Long-term borrowings

	December 31	
	2023	2022
Secured borrowings (Note 30)		
Bank loans - repayable before October 2031	$ 429,570	$ 244,481
Current portion	(15,203)	(15,043)
Long-term borrowings	$ 414,367	$ 229,438
Interest rate (%)	2.10-2.17	1.85-1.92

17. BONDS PAYABLE

	December 31	
	2023	2022
3rd domestic unsecured convertible bonds (a)	$ 79,014	$ 219,204
4th domestic unsecured convertible bonds (b)	163,102	261,577
	242,116	480,781
Current portion	(163,102)	(219,204)
	$ 79,014	$ 261,577

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

The conversion price was set at $103.8 per share. Bondholders are entitled to convert bonds into the Corporation’s ordinary shares from January 13, 2021 to October 12, 2025.

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

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

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

As of December 31, 2023, the total amount of the bonds converted by the bondholders was $621,100 thousand.

b. In October 2020, the Corporation issued its 4th domestic four-year unsecured zero-coupon convertible bonds with an aggregate principal amount of $500,000 thousand and a par value of $100 thousand per bond certificate.

The conversion price was set at $105.3 per share. Bondholders are entitled to convert bonds into the Corporation's ordinary shares from January 16, 2021 to October 15, 2024.

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

Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (0.7514%) after two years from the issuance.

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

As of December 31, 2023, the total amount of bonds converted by the bondholders was $337,600 thousand.

c. In order to repay bank loans to improve the financial structure and save interest expenses, in November 2023, the board of directors approved the resolution to issue the 5th domestic three-year secured zero-coupon convertible bonds with an aggregate principal amount of $800,000 thousand and a par value of $100 thousand per bond certificate. The Registration Statement for Issuing Convertible Bonds declared to the competent authority has become effective in January 2023 and has been issued in March 2024.

Due to the issuance of the 5th domestic secured convertible bonds, according to the terms of the issuance and conversion, on the date of the issuance of the 5th domestic secured convertible bonds, the 3rd and 4th domestic convertible bonds were amended from unsecured to secured with a security interest of the same grade or class as the 5th domestic secured convertible bonds, and Shin Kong Commercial Bank Co., Ltd. was entrusted as the guarantee bank.

d. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options; the effective interest rate of the equity and liability component was 0.8% and 1% per annum, respectively, on initial recognition.

	For the Year Ended December 31	
	2023	**2022**
Liability component at January 1	$ 480,781	$ 634,318
Interest charged at an effective interest rate	3,944	8,357
Converted into ordinary shares	(242,609)	(161,894)
Liability component at December 31	$ 242,116	$ 480,781

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

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

19. OTHER PAYABLES

	December 31	
	2023	**2022**
Payables for salaries	$ 34,573	$ 33,487
Payables for equipment	5,751	1,411
Payables for travel expense	2,223	3,011
Payables for service fee	3,870	3,168
Payables for insurance	3,591	3,518
Others	30,844	31,658
	$ 80,852	$ 76,253

20. RETIREMENT BENEFIT PLANS

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

21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

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

(Continued)

December 31, 2022	Within 12 Months	More Than 12 Months	Total
Assets			
Financial assets at amortized cost - current	$ 37,656	$ 72,651	$ 110,307
Contract assets - current	460,064	496,335	956,399
	$ 497,720	$ 568,986	$ 1,066,706
Liabilities			
Contract liabilities - current	$ 27,066	$ 52,257	$ 79,323

(Concluded)

22. EQUITY

a. Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	90,000	90,000
Shares authorized	$ 900,000	$ 900,000
Number of shares issued and fully paid (in thousands)	64,779	61,443
Shares issued	$ 647,786	$ 614,431

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

The change in the Corporation's ordinary shares is due to the conversion of the 3rd and 4th domestic unsecured convertible bonds. As of December 31, 2023 and 2022, there were 57 thousand and 1,074 thousand shares, respectively, which have not yet been registered and were recognized as advance receipts for ordinary shares of $571 thousand and $10,743 thousand, respectively.

The above transactions with subscription base dates determined to be January 23, 2024 and January 13, 2023, respectively, were registered before the date of approval of the parent company only financial statements.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset deficit, distributed as cash dividends or transferred to share capital (Note)		
Issuance of ordinary shares	$ 2,663,243	$ 2,626,897
May only be used to offset deficit		
Share of changes in capital surplus of associates	-	750

(Continued)

	December 31	
	2023	2022
May not be used for any purpose		
Equity component of convertible bonds payable	$ 9,574	$ 20,542
	$ 2,672,817	$ 2,648,189

(Concluded)

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

c. Retained earnings and dividends policy

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

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

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

The offset of the deficit for 2021 had been approved by the shareholders in their meeting on May 27, 2022.

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

On March 12, 2024, the Corporation's board of directors proposed to offset the deficit with the capital surplus of $167,662 thousand and resolved to distribute cash from the capital surplus at $0.5 per share. Based on the number of outstanding shares of 64,836 thousand on the date of resolution of the Corporation's board of directors, the amount of distribution would be $32,418 thousand, and if the number of outstanding shares subsequently changed, the chairman was fully authorized to adjust the amount of distribution from the capital surplus. The offset of the deficit for 2023 will be resolved by the shareholders in their meeting to be held in May 2024.

d. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (8,516)	$ (39,431)
Recognized for the year		
Share from subsidiaries accounted for using the equity method	(12,362)	30,915
Reclassification adjustment		
Disposal of foreign operations	3,178	-
Balance at December 31	$ (17,700)	$ (8,516)

2) Unrealized gain on financial asset at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 30,000	$ -
Recognized for the year		
Unrealized gains (losses) - equity instruments	(3,598)	30,000
Share from subsidiaries accounted for using the equity method	(938)	-
Reclassification adjustment		
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(12,102)	-
Balance at December 31	$ 13,362	$ 30,000

23. REVENUE

	For the Year Ended December 31	
	2023	2022
Project contract revenue	$ 719,832	$ 672,630
Licensing revenue	6,936	5,874
Sales of tickets	21,326	12,951
Service revenue	75,754	45,419
Rental revenue	23,734	26,494
	$ 847,582	$ 763,368

Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (including related parties)	$ 402,425	$ 327,238	$ 266,718

(Continued)

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets			
Project contract	$ 958,401	$ 965,673	$ 804,063
Reserves of project contract	91,206	81,511	100,588
Less: Allowance for impairment loss	(109,250)	(90,785)	(81,365)
	$ 940,357	$ 956,399	$ 823,286
Contract liabilities			
Project contract	$ 111,710	$ 52,351	$ 56,178
Others	33,916	26,972	19,387
	$ 145,626	$ 79,323	$ 75,565

(Concluded)

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

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 90,785	$ 81,365
Loss allowance recognized	18,465	9,420
Balance at December 31	$ 109,250	$ 90,785

24. LOSS BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 10,324	$ 5,965
Others (Note 29)	2,017	1,497
	$ 12,341	$ 7,462

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividends	$ 4,000	$ -
Government grants	390	15,965
Others	1,239	2,211
	$ 5,629	$ 18,176

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net gain (loss) on financial assets at FVTPL	$ 6,437	$ (2,029)
Net foreign exchange gain	616	73,117
Net gain on disposal of property, plant and equipment (Note13)	-	83,606
	$ 7,053	$ 154,694

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 14,029	$ 6,714
Interest on lease liabilities	3,622	2,577
Interest on convertible bonds	3,944	8,357
	$ 21,595	$ 17,648

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 94,005	$ 94,729
Right-of-use assets	25,581	20,898
Intangible assets	16,916	14,938
	$ 136,502	$ 130,565
An analysis of depreciation by function		
Operating costs	$ 29,125	$ 23,780
Operating expenses	90,461	91,847
	$ 119,586	$ 115,627
An analysis of amortization by function		
Operating costs	$ 8,855	$ 8,494
Operating expenses	8,061	6,444
	$ 16,916	$ 14,938

f. Employee benefits

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 255,464	$ 249,708
Post-employment benefits (Note 20)		
Defined contribution plans	11,139	10,764
	$ 266,603	$ 260,472

(Continued)

	For the Year Ended December 31	
	2023	2022
An analysis by function		
Operating costs	$ 70,186	$ 60,678
Operating expenses	196,417	199,794
	$ 266,603	$ 260,472

(Concluded)

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors at rates of 5% to 15% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors, but if the Corporation still has accumulated deficit, it should first set aside an amount for offset of the deficit. The board of directors resolved not to accrue compensation of employees and remuneration of directors for 2022 and 2023 due to net loss before income tax.

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

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

25. INCOME TAX

a. The major components of income tax benefit were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 1,168	$ 1,985
Adjustments for prior years	-	(2)
Land value incremental tax	-	271
	1,168	2,254
Deferred tax		
In respect of the current year	(29,546)	(15,400)
	$ (28,378)	$ (13,146)

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

	For the Year Ended December 31	
	2023	2022
Loss before income tax	$ (208,142)	$ (73,872)
Income tax benefit calculated at the statutory rate	$ (41,629)	$ (14,774)
Tax-exempt proceeds from land transactions	-	(15,704)

(Continued)

	For the Year Ended December 31	
	2023	2022
Domestic investment income	$ (75)	$ 12,145
Unrecognized net loss of foreign investments	11,446	1,156
Permanent differences	712	1,777
Adjustments for prior years' tax	-	(2)
Land value incremental tax	-	271
Withholding tax	1,168	1,985
	$ (28,378)	$ (13,146)

(Concluded)

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 1,516	$ 857

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred tax assets			
Temporary differences			
Allowance for impairment loss	$ 25,024	$ 15,142	$ 40,166
Difference on depreciation expense	1,149	(29)	1,120
Unrealized loss on foreign currency exchange	-	4,353	4,353
Others	2,419	118	2,537
	28,592	19,584	48,176
Loss carryforwards	47,868	9,330	57,198
	$ 76,460	$ 28,914	$ 105,374
Deferred tax liabilities			
Temporary differences	$ 632	$ (632)	$ -

For the year ended December 31, 2022

Deferred tax assets	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Temporary differences			
Allowance for impairment loss	$ 22,920	$ 2,104	$ 25,024
Difference on depreciation expense	1,178	(29)	1,149
Unrealized loss on foreign currency exchange	6,734	(6,734)	-
Others	2,462	(43)	2,419
	33,294	(4,702)	28,592
Loss carryforwards	27,134	20,734	47,868
	$ 60,428	$ 16,032	$ 76,460
Deferred tax liabilities			
Temporary differences	$ -	$ 632	$ 632

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

	December 31 2023	December 31 2022
Foreign investment loss	$ 108,737	$ 63,330

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 $110,740 thousand and $169,991 thousand, respectively.

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 137,966	2031
101,306	2032
46,717	2033
$ 285,989	

g. Income tax assessments

The income tax returns of the Corporation through 2021 have been assessed by the tax authorities.

26. LOSS PER SHARE

Due to the net loss incurred for the years ended December 31, 2023 and 2022, there was no dilutive effect on the computation of diluted loss per share. The loss and weighted average number of ordinary shares outstanding used in the computation of loss per share were as follows:

a. Net loss for the year

	For the Year Ended December 31	
	2023	2022
Net loss for the year	$ (179,764)	$ (60,726)

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

	For the Year Ended December 31	
	2023	2022
Weighted average number of shares	64,328	61,133

27. CAPITAL MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

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

The carrying amounts and fair values of the convertible bonds as of December 31, 2023 and 2022 were as follows:

	December 31	
	2023	2022
Book value	$ 242,116	$ 480,781
Fair value	$ 239,996	$ 470,825

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

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

1) Fair value hierarchy

December 31, 2023

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

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 86,273	$ -	$ -	$ 86,273
Derivative instruments	-	-	429	429
	$ 86,273	$ -	$ 429	$ 86,702
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 130,000	$ -	$ -	$ 130,000

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 429	$ 1,983
Convertible bonds converted into ordinary share	(295)	(159)
Recognized in loss	(102)	(1,395)
Balance at December 31	$ 32	$ 429

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

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

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 1,212,430	$ 1,002,279
Financial assets at FVTPL	32	86,702
Financial assets at FVTOCI	64,300	130,000
Financial liabilities		
Amortized cost (2)	1,238,010	1,143,699

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

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

d. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

The carrying amounts of the Corporation's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Corporation was mainly exposed to the USD and RMB.

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

	For the Year Ended December 31	
	2023	2022
USD	$ 2,098	$ 3,214
RMB	5,579	3,637

b) Interest rate risk

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 424,380	$ 495,309
Financial liabilities	841,461	841,506
Cash flow interest rate risk		
Financial assets	361,773	134,131
Financial liabilities	509,570	274,481

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $1,478 thousand and $1,404 thousand, respectively, which was mainly attributable to the Corporation's variable-rate bank deposits and borrowings.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, the pre-tax profit for the year ended December 31, 2022 would have increased/decreased by $863 thousand, as a result of the changes in the fair value of financial assets at FVTPL; other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $643 and $1,300 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. At the end of the reporting period, the Corporation's maximum exposure to credit risk could be equal to the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets.

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

The Corporation’s credit risk was mainly concentrated in the following groups accounted for 75% and 57% of net accounts receivable (excluding from subsidiaries) as of December 31, 2023 and 2022, respectively.

	December 31	
	2023	2022
Group A	$ -	$ 38,479
Group B	42,863	-
Group C	29,789	-
Group D	21,208	88
Group E	18,418	-
Group F	4,763	21,982
Group G	359	62,533
	$ 117,400	$ 123,082

3) Liquidity risk

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

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

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

	Within 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
December 31, 2023					
Non-interest bearing liabilities	$ 136,324	$ -	$ -	$ -	$ 136,324
Lease liabilities	31,672	52,647	42,849	170,758	297,926
Variable interest rate liabilities	104,372	137,623	162,733	143,818	548,546
Fixed interest rate liabilities	514,931	80,892	-	-	595,823
Financial guarantee contracts	38,911	-	-	-	38,911
	$ 826,210	$ 271,162	$ 205,582	$ 314,576	$ 1,617,530
December 31, 2022					
Non-interest bearing liabilities	$ 188,437	$ -	$ -	$ -	$ 188,437
Lease liabilities	28,269	49,201	33,834	60,541	171,845
Variable interest rate liabilities	49,544	135,820	35,180	68,893	289,437
Fixed interest rate liabilities	424,652	267,982	-	-	692,634
Financial guarantee contracts	43,983	-	-	-	43,983
	$ 734,885	$ 453,003	$ 69,014	$ 129,434	$ 1,386,336

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

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

b. Operating revenue

Line Item	Related Party Type/Name	For the Year Ended December 31 2023	2022
Project contract revenue	Subsidiaries	$ 17,079	$ 41,523
Rental revenue	Subsidiaries		
	Brogent Global	$ 12,469	$ 10,025
	Others	-	1,906
		12,469	11,931
	Associates	6,946	14,182
		$ 19,415	$ 26,113
Service revenue	Subsidiaries	$ 191	$ 494
	Associates	1,841	155
		$ 2,032	$ 649
Licensing revenue	Subsidiaries	$ -	$ 11
	Associates	121	-
		$ 121	$ 11

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

c. Purchase of goods, operating costs and operating expenses

Line Item	Related Party Type/Name	For the Year Ended December 31 2023	2022
Operating costs	Subsidiaries		
	Brogent Global	$ 14,594	$ 9,566
	Others	1,446	-
	Associates	-	318
		$ 16,040	$ 9,884
Operating expenses	Subsidiaries		
	Brogent Global	$ 1,491	$ 3,641
	StarLite	4,851	7,056
	Key Managements	816	476
		$ 7,158	$ 11,173

1) The prices of purchases from related parties were made under arm's length terms, and there were no similar transactions with third parties for comparison; payment terms were similar to those of third parties.

2) The Corporation entrusted its subsidiary, Brogent Global, to operate and manage the operating premises and business, and provide film licensing and project services, etc. The related fees were recognized under the operating costs and expenses.

3) For advertising and research development, the Corporation entrusted its subsidiary, StarLite, to provide design services. The fees were recognized under the operating expenses.

4) Lease arrangements

In January 2022, the Corporation leased a building in the Xinxing District, Kaohsiung City, from Shen-Hao Cheng, the key management of the Corporation, for the use of equipment display, under an operating lease agreement. The lease term is 1 year and may be renewed upon expiration by mutual consent. Rental expenses in 2023 and 2022 were $816 thousand and $476 thousand, respectively, recognized under the operating expenses.

d. Contract assets and contract liabilities

Line Item	Related Party Type/Name	December 31 2023	2022
Contract assets	Subsidiaries		
	Brogent HK	$ 14,382	$ 12,571
	Brogent Rides	-	232,599
		$ 14,382	$ 245,170
Contract liabilities	Subsidiaries		
	Brogent HK	$ 10,201	$ 10,201
	Brogent Rides	20,402	20,402
		$ 30,603	$ 30,603

e. Receivables from related parties

Line Item	Related Party Type/Name	December 31 2023	December 31 2022
Accounts receivable - related parties	Subsidiaries		
	Brogent Rides	$ 241,677	$ 111,197
	Brogent Global	3,483	1,807
		$ 245,160	$ 113,004
Other receivables - related parties	Subsidiaries		
	Brogent Global	$ 7,940	$ 20,599
	HaiWei Creative	86	-
		$ 8,026	$ 20,599

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

f. Payables to related parties

Line Item	Related Party Type/Name	December 31 2023	December 31 2022
Accounts payable	Subsidiaries	$ 921	$ -
Other payables	Subsidiaries		
	Brogent Global	$ 4,247	$ 4,326
	StarLite	836	-
		$ 5,083	$ 4,326

The outstanding payables to related parties are unsecured.

g. Acquisition of property, plant and equipment

The Corporation acquired equipment from its subsidiary, Brogent Global, for $5,670 thousand in 2022.

h. Loans to related parties

Line Item	Related Party Type/Name	December 31 2023	December 31 2022
Other receivables - related parties	Subsidiaries		
	Brogent HK	$ -	$ 61,582

Line Item	Related Party Type/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest income	Subsidiaries		
	Brogent HK	$ 1,904	$ 1,210

The Corporation provided unsecured loans to the related party with interest rates of 3.5% and 1%-3.5% in 2023 and 2022, respectively.

i. The Corporation signed a labor service contract with its subsidiary, Brogent Global, and the service fees were determined based on the actual costs agreed upon by both parties. The service revenues recognized as a deduction from operating expenses in 2023 and 2022 were $704 thousand and $5,521 thousand, respectively.

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

k. Endorsements and guarantees

Related Party Category	December 31	
	2023	2022
Subsidiaries		
Amount endorsed	$ 93,290	$ 94,090
Amount utilized	$ 38,911	$ 43,983

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

m. Compensation of key management personnel

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

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 9,258	$ 8,860
Post-employment benefits	108	135
	$ 9,366	$ 8,995

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for construction guarantee, lease development, government grants and borrowings:

	December 31	
	2023	2022
Financial assets at amortized cost - current		
Demand deposits and time deposits	$ 99,069	$ 96,700
Financial assets at amortized cost - non-current		
Time deposits		
Property, plant and equipment	20,403	15,000
Buildings	391,681	411,773
	$ 511,153	$ 523,473

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2023, the Corporation's outstanding notes payable for performance and warranty under various construction projects were $15,468 thousand; letters of guarantee for warranty under various construction projects were $175,526 thousand.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)	Exchange Rate ($)		NTD (In Thousands)
December 31, 2023				
Financial assets				
Monetary items				
USD	$ 6,932	30.71	(USD:NTD)	$ 212,876
RMB	128,885	4.33	(RMB:NTD)	557,945
Financial liabilities				
Monetary items				
USD	101	30.71	(USD:NTD)	3,099
December 31, 2022				
Financial assets				
Monetary items				
USD	10,515	30.70	(USD:NTD)	322,806
RMB	82,484	4.41	(RMB:NTD)	363,673
Financial liabilities				
Monetary items				
USD	45	30.70	(USD:NTD)	1,377

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were $616 thousand and $73,117 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Corporation.

33. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4

9) Trading in derivative instruments: Note 7

b. Information on investees: Table 5

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year:

Transaction Party	Counterparty	Purchase	Accounts Payable
The Corporation	Brogent Rides	$ 1,446	$ -

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year:

Transaction Party	Counterparty	Operating Revenue	Accounts Receivable
The Corporation	Brogent Rides	$ 16,370	$ 241,677
The Corporation	HaiWei Creative	709	-
Brogent Global	HaiWei Creative	22,792	136,836

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: Consolidated Financial Statements Table 7

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7

TABLE 1

Brogent Technologies Inc. and Subsidiaries

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn (Note 2)	Interest Rate (%)	Nature of Financing	Transaction Amount	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Total Financing Limit (Note 1)	Note
													Item	Value			
0	The Corporation	Brogent Global	Other receivables - related parties	Yes	$ 150,000	$ 150,000	$ -	-	Short-term financing	$ -	Operating Capital	$ -	-	$ -	$ 314,917	$ 1,259,669	
0	The Corporation	Brogent HK	Other receivables - related parties	Yes	150,000	150,000	-	-	Short-term financing	-	Operating Capital	-	-	-	314,917	1,259,669	

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

Note 2: The exchange rate was US$1=$30.71.

TABLE 2

Brogent Technologies Inc. and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit of Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Year	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiary in Mainland China	Note
		Name	Relationship											
0	The Corporation	Brogent Creative	Subsidiary	$ 944,751	$ 43,290	$ 43,290	$ 3,911	$ 4,329	1.37	$ 1,574,586	Y	N	Y	
0	The Corporation	Brogent Global	Subsidiary	944,751	50,000	50,000	35,000	-	1.59	1,574,586	Y	N	N	

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

Note 2: The exchange rate was RMB1=$4.329.

TABLE 3

Brogent Technologies Inc. and Subsidiaries

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Corporation	Ordinary Shares							
	Ruentex Industries Ltd.	-	Financial assets at FVTOCI - current	1,000,000	$ 64,300	0.09	$ 64,300	
Brogent Global	Equity Investment							
	Jump Media International Co., Ltd.	-	Financial assets at FVTPL - current	264,001	$ -	0.93	$ -	
	This is Holland B.V.	-	Financial assets at FVTPL - non-current	100	10,883	10	10,883	
					$ 10,883		$ 10,883	
	Preference Shares							
	This is Holland B.V.	-	Financial assets at amortized cost - non-current	200	$ 34,010	-	$ 34,010	
Holey Holdings Limited	Equity Investment							
	Discover NY Project Company, LLC	-	Financial assets at FVTPL - non-current	2,310	$ 111,383	19.09	$ 111,383	
	Preference Shares							
	Discover NY Project Company, LLC	-	Financial assets at FVTPL - non-current	1,223	$ 132,391	-	$ 132,391	
Brogent HK	Equity Investment							
	Discover NY Project Company, LLC	-	Financial assets at FVTPL - non-current	500	$ 24,109	4.13	$ 24,109	
Brogent Rides	Equity Investment							
	Fly Over The World Cultural Development Co., Ltd.	-	Financial assets at FVTPL - non-current	27,900,000	$ 130,749	4.75	$ 130,749	
	Equity Investment							
	Beijing Huawei Global Cultural Development Co., Ltd.	-	Financial assets at FVTPL - non-current	1,050,000	$ 1,379	17.50	$ 1,379	

TABLE 4

Brogent Technologies Inc. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Brogent Rides	Subsidiaries	$ 241,677	-	$ -	-	$ -	$ -
Brogent Global	HaiWei Creative	Subsidiaries	136,836	-	-	-	12,680	-

TABLE 5

Brogent Technologies Inc. and Subsidiaries

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	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	(%)	Carrying Amount			
The Corporation	Brogent HK	Hong Kong	Reinvestment and trading business	$ 370,947	$ 306,287	-	100.00	$ 262,210	$ (42,195)	$ (42,195)	Subsidiary
The Corporation	Brogent Global	Taiwan	Development and management business of self-operated outlets, site planning and film production	300,000	300,000	36,214,332	100.00	288,084	(3,472)	213	Subsidiary
The Corporation	Dili Jie	British Virgin Islands	Reinvestment and trading business	296,593	296,593	-	100.00	432,973	27,457	27,457	Subsidiary
The Corporation	Scroll Application Technology Co., Ltd.	Taiwan	Sales and research and development of software services	20,000	-	2,000,000	48.78	11,938	(16,527)	(8,062)	Associates
Brogent HK	Brogent Japan Entertainment	Japan	Management business development and sales of the peripheral products of simulator rides in Japan	10,161	10,161	-	35.90	6,886	15,022	5,392	Associates
Brogent HK	hexaRide the first LLP	Japan	Development and management business of self-operated outlets	81,552	81,552	-	-	-	(1,390)	(1,180)	Note 3
Brogent HK	StarLite	Canada	Design and management business	37,505	37,505	-	100.00	9,861	(5,225)	(5,225)	Subsidiary
Dili Jie	Jetway	Cayman Islands	Reinvestment and trading business	298,659	298,659	-	100.00	432,952	27,459	27,459	Subsidiary
Jetway	Garley	British Virgin Islands	Reinvestment and trading business	131,258	131,258	-	100.00	187,492	(16,525)	(16,525)	Subsidiary
Jetway	Holey Holdings Limited	British Virgin Islands	Reinvestment and trading business	168,391	168,391	-	100.00	245,173	44,210	44,210	Subsidiary
Brogent Global	Jetmay	British Virgin Islands	Reinvestment and trading business	99,276	99,276	-	100.00	117,561	(36,272)	(35,872)	Subsidiary

Note 1: The share of profit (loss) recognized for the year ended December 31, 2023 included eliminated unrealized gains or losses.

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

Note 3: hexaRide had been liquidated in December 2023.

TABLE 6

Brogent Technologies Inc. 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 (Note 1)	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) (Note)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Brogent Rides	Import and export business	$ 214,127	Reinvested through the third region Brogent HK and Garley	$ 222,712	$ -	$ -	$ 222,712	$ (28,626)	100.00	$ (28,626)	$ 321,148	$ -	Note 2
Brogent Creative	Development and management business of self-operated outlets	56,277	Reinvested through the third region Brogent Rides	-	-	-	-	(907)	100.00	(907)	83,971	-	Note 2
HaiWei Creative	Whole planning business	86,580	Reinvested through the third region Jetmay	88,454	-	-	88,454	(36,272)	100.00	(36,272)	117,536	-	Note 2
Beijing Huawei Global Cultural Development Co., Ltd.	Development and management business of self-operated outlets	25,974	Reinvested through the third region Brogent Rides	-	-	-	-	(5,467)	17.50	(38)	-	-	Notes 3 and 4

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	$ 311,166	$ 311,166	$ 1,889,503

Note 1: The exchange rate was RMB1=$4.329.

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

Note 3: The investment gain (loss) was recognized based on the financial statements not audited.

Note 4: The ownership percentage decreased due to non-proportionate subscriptions for additional new shares in July 2023 and thus lost significant influence. Therefore, the investment was reclassified to the financial asset at FVTOCI - non-current. Refer to Table 3.

Brogent Technologies Inc. and Subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of the Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Chih-Hung Ouyang	3,807,191	5.87

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

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

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Brogent Technologies Inc.

STATEMENT OF CASH
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount
Cash on hand		$ 979
Cash in banks		
Demand deposits		132,219
Checking deposits		53
Foreign currency deposits	USD1,399 thousand, RMB10,092 thousand, EUR376 thousand, CAD3,095 thousand, JPY257,725 thousand	215,419
		347,691
Cash equivalents		
Time deposits	Interest of 0.855%-2.80%, expire in 2024.01-2024.03	272,511
		$ 621,811

Note: Exchange rate:

USD1=NTD30.71

RMB1=NTD4.33

EUR1=NTD34.01

JPY1=NTD0.22

Brogent Technologies Inc.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related parties	
Brogent Rides	$ 241,677
Brogent Global	3,483
	245,160
Unrelated parties	
Group A	69,109
Group B	42,994
Group C	29,900
Group D	24,444
Group E	21,275
Others (Note)	76,628
	264,350
Less: Allowance for impairment loss	(107,085)
	157,265
	$ 402,425

Note: The amount of individual clients included in others did not exceed 5% of the account balance.

Brogent Technologies Inc.

STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related parties	
Brogent Global	$ 7,940
HaiWei Creative	86
	8,026
Non-related parties	
Interest receivables	672
Receivables from sale of investments	637
Others	98
	1,407
	$ 9,433

STATEMENT 4

Brogent Technologies Inc.

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Carrying Amount	Net Realizable Value (Note)
Project materials	$ 245,558	$ 253,280

Note: Refer to Note 4 accounting policies for information on the net realizable value.

STATEMENT 5

Brogent Technologies Inc.

STATEMENT OF PREPAYMENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Prepaid expenses	$ 26,329
Prepayments to suppliers	11,644
Offset against business tax payable	17,738
Input tax	4,315
Prepaid insurance	3,921
Others (Note)	63
	$ 64,010

Note: The amount of individual items included in others did not exceed 5% of the account balance.

Brogent Technologies Inc.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollar, Except Unit Price)

	Balance, January 1, 2023		Additions in Investment (Note 1)		Decrease in Investment (Note 1)		Balance, December 31, 2023			Net Assets Value (Note 2)		
Name	Shares	Amount	Shares	Amount	Shares	Amount	Shares	% of Ownership	Amount	Unit Price (NT$)	Total Amount	Collateral
Brogent HK	-	$ 242,957	-	$ 64,660	-	$ 45,407	-	100	$ 262,210	$ -	$ 262,210	None
Brogent Global	362,143,320	289,922	-	-	-	1,838	362,143,320	100	288,084	7.91	288,425	None
Dili Jie	-	410,375	-	22,598	-	-	-	100	432,973	-	432,973	None
Scroll Application Technology	-	-	2,000,000	20,000	-	8,062	2,000,000	49	11,938	5.97	11,938	None
		$ 943,254		$ 107,258		$ 55,307			$ 995,205		$ 993,546	

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

Note 2: The net equity value is calculated based on the financial statements of each invested company and the Corporation’s shareholding ratio.

STATEMENT 7

Brogent Technologies Inc.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Type/Bank Name	Contract Period	Interest Rate (%)	Balance, December 31, 2023	Loan Commitments	Collateral
Unsecured Borrowings					
CTBC Bank	2023/11-2024/05	1.90	$ 30,000	$ 430,000	None
CTBC Bank	2023/11-2024/05	1.90	50,000	430,000	None
CTBC Bank	2023/11-2024/05	1.90	70,000	430,000	None
CTBC Bank	2023/12-2024/06	1.90	100,000	430,000	None
First Commercial Bank	2023/12-2024/03	1.95	50,000	50,000	None
Taishin Bank	2023/12-2024/01	1.90	50,000	100,000	None
The Export-Import Bank of the Republic of China	2023/08-2024/02	1.90	80,000	80,000	None
			$ 430,000		

Brogent Technologies Inc.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Related parties	
StarLite	$ 921
Unrelated parties	
Company A	15,472
Company B	8,322
Company C	7,374
Company D	7,121
Company E	3,911
Company F	2,827
Others (Note)	9,037
	54,064
	$ 54,985

Note: The amount of individual vendors included in others did not exceed 5% of the account balance.

Brogent Technologies Inc.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Bank Name	Contract Period Contract Period and Repayment Terms	Interest Rates (%)	Balance, December 31, 2023 Current	 Non-current	 Total	Collateral
Collate raised Borrowing						
Taiwan Cooperative Bank	Repay monthly before October 2031	2.10	$ 15,203	$ 114,367	$ 129,570	Buildings
Taiwan Cooperative Bank	Repay in 10 installments from December 2025 to June 2030	2.17	-	300,000	300,000	Buildings
			$ 15,203	$ 414,367	$ 429,570	

STATEMENT 10

Brogent Technologies Inc.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Lease Term	Discount Rate （%）	Amount
Land	Business space	2012.03-2053.07	1.71-2.17	$ 203,539
Building	Offices and factories	2021.02-2030.05	1.71-1.85	42,397
Transportation equipment	Offical vehicle	2019.01-2023.12	1.71-2.17	3,409
				249,345
Less: current				(27,071)
Lease liabilities - non-current				$ 222,274

Brogent Technologies Inc.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of project contract	$ 396,674
Cost of Licensing	9,079
Cost of tickets sales	23,732
Cost of services	48,430
Cost of rental	23,173
	$ 501,088

Brogent Technologies Inc.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Marketing Expense	General and Administrative Expense	Research and Development Expense	Total
Employee benefits (Note)	$ 33,272	$ 82,869	$ 80,276	$ 196,417
Depreciation	901	83,351	6,209	90,461
Miscellaneous purchases	1,055	870	9,689	11,614
Professional service expense	445	16,653	-	17,098
Amortization	1,388	5,162	1,511	8,061
Advertisement expense	31,166	1,155	-	32,321
Entertainment expense	2,570	5,575	74	8,219
Traveling expense	7,387	6,370	1,797	15,554
Others	10,387	60,963	7,335	78,685
	$ 88,571	$ 262,968	$ 106,891	458,430
Expected credit loss				77,047
				$ 535,477

Note: Refer to statement 13.

STATEMENT 13

Brogent Technologies Inc.

STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2023			2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefit						
Salaries	$ 56,774	$ 162,080	$ 218,854	$ 50,142	$ 167,253	$ 217,395
Labor and health insurance	7,061	15,005	22,066	5,527	15,907	21,434
Pension	3,554	7,626	11,180	2,822	8,220	11,042
Remuneration of directors	-	3,630	3,630	-	2,884	2,884
Others	2,797	8,862	11,659	2,187	10,995	13,182
	70,186	197,203	267,389	60,678	205,259	265,937
Less: Revenue from providing services to subsidiaries	-	(786)	(786)	-	(5,465)	(5,465)
	$ 70,186	$ 196,417	$ 266,603	$ 60,678	$ 199,794	$ 260,472
Depreciation	$ 29,125	$ 90,461	$ 119,586	$ 23,780	$ 91,847	$ 115,627
Amortization	8,855	8,061	16,916	8,494	6,444	14,938

Note 1: The average numbers of the Corporation’s employees were 283 and 282, including 7 and 6 non-employee directors in 2023 and 2022, respectively.

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

a. The average employee benefits for the years ended December 31, 2023 and 2022 were $956 thousand and $953 thousand, respectively.

b. The average salaries for the years ended December 31, 2023 and 2022 were $793 thousand and $788 thousand, respectively.

c. The average salary increased by 0.6% year-on year.

d. The Corporation has set up an audit committee, replacing supervisors.

(Continued)

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

1) Independent director

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

2) Directors

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

3) Executive officers

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

4) Employees

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

(Concluded)