

Stock Code: 6111



# **SOFTSTAR ENTERTAINMENT INC.**

## **2025 Annual Shareholders' Meeting**

# **Meeting Handbook**

Meeting time: June 5, 2025

Meeting place: 2nd Floor, Room 203, 123 Songren Road, Xinyi District, Taipei City  
(Huannan Bank Headquarters Building Conference Center)

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*SOFTSTAR ENTERTAINMENT INC.*

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# **SOFTSTAR ENTERTAINMENT INC. 2025 Annual Shareholders' Meeting Procedures**

- I. Call the Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Matters For Approval
- V. Discussion Items
- VI. Election Matters
- VII. Other Proposals
- VIII. Extempore Motions
- IX. Adjournmen

**SOFTSTAR ENTERTAINMENT INC.**  
**2025 Annual Shareholders' Meeting Procedures**

Meeting Method: Physical Meeting

Time: 9:00am, Thursday, June 5, 2025

Venue: 2nd Floor, Room 203, 123 Songren Road, Xinyi District, Taipei City  
(Huannan Bank Headquarters Building Conference Center)

- I. Call the Meeting to Order
- II. Chairman's Address
- III. Report Items:
  - (I) 2024 Business Report
  - (II) 2024 Audit Committee's Review Report.
  - (III) Report on the Issuance of the Company's Second Domestic Unsecured Convertible Corporate Bonds.
  - (IV) Report on the Distribution of 2024 Employee and Director Remuneration.
  - (V) Report on the 2024 Private Placement of Securities.
- IV. Matters for Approval:
  - (I) 2024 Business Report and Financial Statements.
  - (II) 2024 Earnings Distribution Proposal.
- V. Discussion Items  
Amendment to Certain Articles of the Articles of Incorporation.
- VI. Election Matters:  
Full Re-election of Directors (including Independent Directors)
- VII. Other Matters  
Release of the Non-competition Restrictions for Directors and Their Representatives.
- VIII. Extempore Motions
- IX. Adjournment

## Report Items

Proposal 1: 2024 Business Report, submitted for review.

Explanation: Please refer to pages 6-11 of this handbook (Attachment 1).

Proposal 2: 2024 Audit Committee's Review Report, submitted for review.

Explanation: Please refer to page 12 of this handbook (Attachment 2).

Proposal 3: Report on the Status of the Company's Second Domestic Unsecured Convertible Corporate Bonds Issuance, submitted for your review.

Explanation: Please refer to page 13 of this handbook (Attachment 3).

Proposal 4: Report on the Distribution of 2024 Employee and Director Remuneration.

Description : According to the allocation percentages stipulated in the Company's Articles of Incorporation and the Company's 2024 profit status, as approved by the Company's Remuneration Committee and Board of Directors, 3% amounting to NT\$1,909,195 is allocated as employee remuneration, 1% amounting to NT\$636,399 is allocated as director remuneration, all to be distributed in cash.

Proposal 5: Report on the Status of 2024 Private Placement of Securities, submitted for review.

Explanation: 1. The Company resolved at the shareholders' meeting held on June 25, 2024, to conduct a private placement of common shares through a cash capital increase. The number of shares to be issued shall not exceed 10 million, with a par value of NT\$10 per share. The Board of Directors is authorized to execute the private placement in up to three tranches within one year from the date of the shareholders' meeting resolution, depending on actual fundraising conditions.  
2. As the deadline is approaching and in consideration of the Company's current operational status, it is proposed that the private placement will not be continued during the remaining period.  
3. Please refer to page 14 of this handbook (Attachment 4).

## Matters For Approval

Proposal 1: 2024 Business Report and Financial Statements.

[Proposed by the Board of Directors]

Explanation: 1. The Company's 2024 Parent Company Only Financial Statements and Consolidated Financial Statements have been audited and certified by CPAs Lu Chien-Wen and Wang Mu-Fan of Ernst & Young, and together with the 2024 Business Report have been approved by resolutions of the Audit Committee and the Board of Directors, and submitted to the Audit Committee for issuance of a review report.  
2. For the aforementioned statements and the CPA Audit Report, please refer to pages 6-11 and 15-36 of this handbook.(Attachment 1 & 5)  
3. Respectfully submitted for approval.

Resolution:

Proposal 2: 2024 Earnings Distribution Proposal, respectfully submitted for approval.

[Proposed by the Board of Directors]

Explanation: 1. The proposed 2024 Earnings Distribution Table is as follows:

SOFTSTAR ENTERTAINMENT INC.  
Earnings Distribution Table  
2024

Unit: NT\$ Thousand

Undistributed earnings at the beginning of the period		263,601,616
Increase (Decrease):		
Disposal of Investments Accounted for Using Equity Method	(607,488)	
Difference Between Actual Acquisition Price and Book Value of Subsidiary Shares	(990,828)	
Changes in Ownership Interest in Subsidiaries	(329,316)	
Disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income	(6,000,000)	
Remeasurement of Defined Benefit Plans	1,541,518	
Profit After Tax for the Year	77,639,200	
Appropriation for Legal Reserve	(7,125,309)	
Reversal of Special Reserve for Deduction Items in Other Equity	12,829,794	
Distributable Earnings for the Current Period		340,559,187
Decrease		
Shareholders' dividend - stock	0	
Shareholders' dividend - cash	0	
Undistributed earnings at the end of the period		340,559,187

Chairman: Tu, Chun-Kuang      Manager: Chen Yao-Tien      Accounting Supervisor: Chuang Jen-Chuan

2. The net profit after tax for 2024 is NT\$77,639,200. After legally allocating a surplus reserve and reversing special surplus reserve, and adding the beginning undistributed earnings and adjustments, the distributable earnings amount to NT\$340,559,187. Considering the group's operational needs and sustainable operations, it is proposed to retain all distributable earnings, therefore no shareholders' dividend will be distributed this year.

3. Respectfully submitted for approval.

Resolution:

## **Discussion Items**

Proposal: Amendment to certain articles of the Articles of Incorporation.  
[Proposed by the Board of Directors]

Explanation: 1. It is proposed to amend certain articles of the Articles of Incorporation to meet the company's operational needs.  
2. For the comparison table of the amendments to the Articles of Incorporation, please refer to page 37 of this handbook (Attachment 6).  
3. Resolution is respectfully requested.

Resolution:

## **Election Matters**

Proposal: Full Re-election of Directors (including Independent Directors)  
[Proposed by the Board of Directors]

Explanation: 1. The Company proposes to carry out an early full re-election of directors (including independent directors). The term of office of the incumbent directors (including independent directors) will end upon the completion of this shareholders' meeting.  
2. The Company adopts a candidate nomination system for the election of directors (including independent directors). Seven directors (including three independent directors) will be elected at the Annual Shareholders' Meeting. The newly elected directors will assume their positions immediately after the shareholders' meeting, with a three-year term of office from June 5, 2025, to June 4, 2028.  
3. For the list of director (including independent director) candidates and their education, experience, shareholding, and other relevant information, please refer to page 38 (Attachment 7) of this handbook.

Election Results:

## **Other Proposals**

Proposal: Release of the Non-competition Restrictions for Directors and Their Representatives.  
[Proposed by the Board of Directors]

Explanation: 1. According to Article 209 of the Company Act, "A director who conducts business within the scope of the company's operations for themselves or others shall explain the essential contents of such conduct to the shareholders' meeting and obtain its permission.  
2. To leverage the expertise and relevant experience of the Company's directors, it is hereby proposed to the Annual Shareholders' Meeting to remove the non-competition restrictions for the newly elected directors and their representatives in accordance with the law. The details of this matter will be supplemented during the discussion of this proposal at the shareholders' meeting.  
3. Resolution is respectfully requested.

Resolution:

## **Extempore Motions**

## **Adjournment**

## Business Overview for 2024 and Business Plan for 2025 Report

The Company continues to collaborate with major manufacturers to develop licensed branded products based on well-known proprietary IP “Richman” and is actively seeking cross-industry co-branding opportunities, continuously promoting the IP value with a strong foundation in cultural and creative energy.

Continuing to innovate more works in the area of research and development. Following the success of “The Bridge Curse: Road to Salvation”, the Company have once again partnered with the horror film 'The Bridge Curse' to develop “The Bridge Curse 2: The Extermination” horror game, and have obtained the IP authorization for the horror film “Incantation” which was released in 2024 to meet players. At the same time, multiple original games are under development, which will inherit the successful experience and distribution of horror games. In 2025, the Company will again collaborate with the famous Japanese horror IP “Junji Ito” series, planned for global release.

The Company continues to actively collaborate with popular Japanese IPs to release games. Therefore, in addition to the continuous revenue from standalone games continuously contributing to our company's revenue, the development of widely popular mobile games developed by major Japanese companies has also become a key factor in maintaining stable revenue.

After last year's adjustment of R&D capabilities and integration of R&D operations, this year the Company will shift our development focus to global mobile games. We will also collaborate with well-known Japanese IPs to develop games, with the expectation of attracting more mobile game players.

Additionally, the Group's subsidiaries continue to develop steadily, expanding into new businesses in response to trends. Strategically positioned in local and overseas short-form video markets, the Company uses its original IP in filmed content and before introducing the games themselves, strengthening horizontal integration with the entertainment industry and implementing a unified upward operational strategy. On the R&D front, we are focusing on the global market, establishing solid foundations in product development, marketing channels, game operations, and IP licensing, while actively expanding into the digital content market. The operating performance for 2024 and business outlook for 2025 are detailed below:

### I. 2024 Business Results

#### 1. Results of 2024 Business Plan Implementation:

The Company's consolidated operating revenue for 2024 was NT\$5,102,627 thousand.

#### 2. Budget Implementation and Financial Revenue and Expenditure Status:

Unit: NT\$ Thousand

Item	2024 Actual Figures
Operating Revenue	5,102,627
Operating Costs	(3,341,737)
Gross Profit	1,760,890
Operating Expenses	(1,899,069)
Operating Profit (Loss)	(138,179)
Non-operating Income and Expenses	425,282
Net Profit (Loss) Before Tax	287,103
Income Tax Expense	(38,784)
Net Profit (Loss) for the Period	248,319
Net Profit (Loss)	77,639
Attributable to	170,680

#### 3. Profitability Analysis:

Item	2024
Return on Assets	4.07%
Return on Equity	7.07%
Operating Income to Paid-in Capital Ratio	(12.66%)
Ratio of Net Income Before Tax to Paid-in Capital	26.29%
Net Profit Margin	4.87%
Earnings per Share (NT\$)	0.77

#### 4. Research and Development Status:

After integration and adjustment, R&D has been divided into two major categories:

##### (1) Development of Standalone Games and Console Games:

The team leveraged their previous successes through the application of AI tools, significantly improving artistic efficiency and enhancing the in-game physics collision and combat experience performance enhancements with significant improvements. This effort is focused on game performance and overall player experience. Through continuous optimization of game engines and programming techniques, we have improved the speed and stability of games, providing players with a smoother and engaging gaming experience. Additionally, the R&D team has focused on and incorporating generative AI technology, actively exploring new technologies and applications in sound and perception, thereby creating new IPs and products to provide players with more immersive and innovative gaming experiences.

##### (2) Development of New Global Cross-Platform SLG Mobile Games:

Through external customization, the operations team and the highly successful development planning team have strengthened close collaboration, adopting a user-centered approach to actively optimize agile product development. Listening to player feedback and needs, continuously refining products and adjusting content to meet consumer expectations under global testing, improving user experience and satisfaction. And, by promoting the exchange and accumulation of development experiences between R&D teams, different development mindsets are blended to create games with greater global competitiveness.

Overall, through the Company's ability to bring better products and services to players, we aim to provide more development opportunities for the gaming industry, increasing the success rate of the Company's game development in the global market.

## II. Summary of Business Plan for 2025

### (1) Management Strategy

#### ◎Game Development

##### (a) Product Development Plan

Standalone games and proprietary IP development: This year we released and expanded our brand IP with “The Bridge Curse 2: The Extrication“ which incorporates experience gained from the first game and adapts elements from the film “Incantation“ It also adds elements that appeal to international players, encouraging worldwide sales on the Steam store, where it has received overwhelmingly positive reviews. This has brought players an extraordinary gaming experience. The Company is currently developing a new generation of horror thriller adventure games with funding and investment from the Taiwan Creative Content Agency (TAICCA) to further upgrade the gaming experience. Additionally, the famous Japanese IP series “Junji Ito“ series will be released globally this year,

reigniting the horror game genre and consolidating our leading position in the self-developed horror game field.

For mobile games, after collaborative discussions on planning and technical aspects with experienced global publishing teams, we are committed to developing 4X SLG mobile games tailored to the global mobile game market, capturing market share in the mobile game sector. In addition to licensed publishing, we aim to seize mobile game market share through our self-developed products.

(b) Technology R&D Plan

The R&D technology center has established an AI team, using AI tools to accelerate the game development process, optimize elite team workforce, and focus more on gameplay and planning appeal, reducing outsourcing and person-month costs. Additionally, we use AI to collect key reports on player opinions around the world, continuously monitor AI trends and integrate them with our team's ideas to hone our development process and enrich game content.

(c) Technology R&D Plan

Utilizing new technology to introduce more physics collision technology for action games, enhancing the realism of combat in horror games and improving game visual ray tracing technology and techniques for detecting players' actual reactions. This will increase game immersion and significantly upgrade player experience, thus strengthening the core capabilities of development products.

◎ Pan-entertainment Licensing Partnerships

This year, we plan to acquire multiple short video licenses. After localizing short video apps and digital content, we will use the audience base obtained from short videos, and produce short videos featuring our game scripts. This will allow audiences to first understand the game's worldview. This helps with deep marketing integration between video and gaming sectors. We will also integrate short video audiences and game player memberships, providing customers with a richer entertainment experience, and hope to expand this experience to the global market.

◎ Strengthening Product Coverage

Continue to port products across multiple platforms and, more importantly, integrate accounts across platforms so players can play games without geographical restrictions. The Company will port its games and applications to various platforms, such as PCs, consoles, mobile phones, and tablets. Through this approach, the Company's products are guaranteed to reach a wider target audience and provide players with better experiences across different devices. This will help increase the Company's market share, more broadly drives the global user base, and drive the Company IP's competitiveness in different markets.

◎ Game Publishing and Operations

We have launched Endless Dream Return, a high-performing Chinese Roguelike action mobile game, in Taiwan, Hong Kong, Macau, Singapore, and Malaysia. The version updates will be globally synchronized to provide the best gaming experience for players across multiple regions. In conjunction with the high attention on Taiwan's baseball market and popular cheerleading teams this year, we will collaborate horizontally with the baseball entertainment industry to create trending topics, generating market feedback and lively discussions to attract more game players. In addition, several other games are currently being prepared for release.

◎ Subsidiary Operations Plan

(a) Array Networks Inc. (hereinafter referred to as Array):

Array is one of the few cybersecurity equipment manufacturers in Taiwan and continues to invest in R&D resources to develop new product lines in order to address changing market demands. The cloud-based WAF SaaS service currently being planned aligns with market trends. As many enterprises are gradually migrating their services to the cloud, the SaaS WAF cloud security protection solution developed by Array precisely meets market needs.

(b) Chander Electronics Corp. (hereinafter referred to as Chander):

Looking ahead to 2025, Chander will continue to develop both mobile and fixed charging station markets, establishing charging facilities domestically while expanding into international markets for charging-related products. In addition, Chander continues to seek new niche businesses, aiming to bring in revenue and profits through cooperation or acquisitions, thereby expanding the scale of consolidated revenue.

(c) Sun Tech Co., Ltd.

As a leader in the third-party payment sector, in 2024 the company applied for public offering to the Taipei Exchange and received approval, with stock code 7745. Sun Tech Co., Ltd. is committed to cooperating with the government's anti-fraud initiatives, completed the Government Anti-Fraud Warning Account Blacklist System Implementation and complies with relevant regulatory requirements and operations to reduce the risk of third-party payment services being exploited for illegal activities such as gambling, money laundering, and fraud. In the same year, Sun Tech Co., Ltd. diversified its product offerings, continuously improved them, and established business partnerships with multiple banks.

(d) Uniplus Electronics Co., Ltd.

The original printed circuit board business aims to supply materials required by the global electronics industry, is committed to delivering high-quality, value-added products, and professional service. After investing in San Jiang Electric Mfg. Co., Ltd., the Company has officially entered the heavy electrical industry. To meet future transformer demand, the Company will continue to drive process optimization, increase transformer production capacity and efficiency to enhance overall operational performance. The Company will also continue to develop and expand potential business opportunities in domestic and international markets, increase the exposure of San Chiang Electric products, and compete for overseas transformer market orders.

(2) Expected Sales Volume

It is expected that 2025 will see the launch of several licensed mobile games, self-developed mobile games, standalone games, and cultural IP co-branded products, as well as increased licensing revenue, which will contribute to the Company's overall revenue for the year.

(3) Key Production and Sales Policies

- ◎ Actively develop high-quality standalone games, expand into global markets, and establish new IPs to increase market share and revenue.
- ◎ Actively develop trend-oriented war simulation mobile games and competitive mobile games featuring well-known IPs.
- ◎ Continue to release and promote self-developed and self-published games in the global

- market to increase profit margins.
- ◎ Continue to invest in AI not only to improve game development technology, but also to enhance product and data analysis efficiency, increase user acquisition resources, enabling a comprehensive evolution of product sales operations.
  - ◎ Leverage short video resources and global platforms, starting with Taiwan, Hong Kong, and Macau, to establish a new platform that not only attracts more audience attention and consumption, but also integrates traffic through game publishing, achieving user integration across the entertainment industry.

### III. Future Company Development Strategy

The Company's future development focus will remain centered around creating and managing our own IPs as the core of development. Leveraging our rich cultural resources and creative energy, we will develop more IPs for both standalone and mobile games. Additionally, beyond game products, we will collaborate with outstanding teams across various fields and plan to invest in diverse cultural and creative industries including social networking, film and television, cultural creativity, digital content, interactive audio-visual and content, etc., to rapidly enhance the brand value of our IPs. In terms of product strategy, through both external collaborations and internal adjustments, we will continuously improve our in-house development capabilities while simultaneously increasing the quantity and quality of products launched through partnerships, customized outsourcing and other product development models to generate revenue and increase market share. For market strategy, in addition to original Chinese-language standalone games in the Greater Asia market, we will actively expand into emerging overseas markets, seeking excellent strategic alliance partners to provide players with more diverse choices in games and entertainment. Through multi-language, multi-themed, and multi-platform operational expansion, we will promote our products to international markets worldwide. In terms of Group integration, we are also integrating the entire Group's membership applications, horizontally consolidating the different advantages of each subsidiary, and utilizing the Group's diversified resources to achieve mutual prosperity and success.

### IV. Impact from External Competitive Environments, Regulatory Environments, and Overall Business Environments:

In the Taiwan region, there has been limited growth in the online game market, with numerous competitors in the market. This, coupled with high-quality self-developed mobile games from Japan, Korea, and China being directly published in Taiwan in recent years, there have been structural changes in game industry trends, making it relatively difficult to find quality, cost-effective licensed games. As one of the few companies in Taiwan focusing on game development, the Company will continue to seize market trends, invest in self-developed products for various platforms, and collaborate with international IP licensing partners. Through newer, more flexible integrated models of early-stage development and operational maintenance, along with agile development operational models, we will create a higher volume of even more exceptional games. The Company has not experienced significant impacts on its financial operations due to changes in domestic or international regulatory environments. The management team will continue to monitor relevant regulations that may affect the Company's operations.

Going forward, all our colleagues will strive to meet shareholders' expectations. As we achieve steady and balance growth, we will unite efforts across aspects such as development, publishing, IP creation, and membership expansion to propel Softstar to even higher levels of excellence. Finally, we sincerely hope that all shareholders will continue to unwaveringly support and encourage the Company. Thank you!

Best wishes to all shareholders

Good health and best wishes in all your endeavors

Person in Charge: Tu, Chun-Kuang  
Managerial Officer: Chen, Yao-Tien  
Accounting Supervisor: Chuang, Jen-Chuan

**SOFTSTAR ENTERTAINMENT INC.**  
**Audit Committee's Review Report.**

The Board of Directors has prepared and submitted the Company's 2024 Business Report, Financial Statements (including Consolidated Financial Statements), and Profit Distribution Proposal. The Financial Statements (including Consolidated Financial Statements) have been audited by Ernst & Young, and they have issued their audit report. The aforementioned Business Report, Financial Statements (including Consolidated Financial Statements), and Profit Distribution Proposal have been reviewed by this Audit Committee and found to be in order. Therefore, this report is submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, respectfully submitted for review and approval.

To

The Company's 2025 Annual Shareholders' Meeting

Audit Committee Convener: Hung, Pi-Lien

March 28, 2025

## Report on the Issuance of the Company's Second Domestic Unsecured Convertible Corporate Bonds.

In order to repay bank loans, invest in subsidiaries, and strengthen working capital, the Company has proceeded with cash capital increase through the issuance of new shares and the issuance of the second domestic unsecured convertible corporate bonds. These actions have been effectively registered with the Financial Supervisory Commission (FSC) as per the letters No. 1130340350 and No. 11303403501 dated May 14, 2024, and the extension of the fundraising period by three months has been approved by the FSC as per the letter No. 1130351776 dated August 6, 2024. The total amount of convertible corporate bonds issued is NT\$300 million, which began trading on TPEX on September 10, 2024. As of the publication date of the annual report, please refer to the table below for the relevant issuance information:

Type of Corporate Bond	Second Domestic Unsecured Convertible Corporate Bonds (Bond Code: 61112)
Issue Date	September 10, 2024
Face Value	NT\$100,000
Issue Price	Issued at 101% of Face Value
Total Amount	NT\$300 million
Interest Rate	Coupon Rate 0% per annum
Term	3-year Term Maturity Date: September 10, 2027
Trustee	Taishin International Bank Co., Ltd.
Underwriter	Taishin International Bank Co., Ltd.
Redemption Method	Unless the holders of these convertible corporate bonds convert them into common shares of the Company in accordance with Article 10 of the Terms and Conditions of the Company's Second Domestic Unsecured Convertible Corporate Bonds (hereinafter referred to as the Terms) or exercise the put option in accordance with Article 19 of the Terms, or the Company redeems them early in accordance with Article 18 of the Terms, or the Company repurchases and cancels them from the securities dealers, the Company shall repay the principal in cash at face value in one lump sum within ten business days from the day following the maturity date of these convertible corporate bonds.
Outstanding Principal	NT\$300 million
Terms of Redemption or Early Repayment	Please refer to the Company's prospectus
Number of Common Shares Converted as of the Publication Date of the Annual Report	0 Shares
Implementation Status of Capital Utilization Plan	Completed in the fourth quarter of 2024

## Report on the Implementation of Private Placement of Securities in 2024

Item	2024 First Private Placement (Note 1) Issue Date: Not yet raised				
Type of Privately Placed Securities (Note 2)	Common Shares				
Date and Amount Approved by Shareholders' Meeting (Note 3)	Approved by the Board of Directors on April 29, 2024, with the total number of privately placed common shares not exceeding 10 million shares, submitted for approval at the Annual Shareholders' Meeting on June 25, 2024. To be conducted in three phases within one year from the date of resolution at the Annual Shareholders' Meeting.				
Basis and Reasonableness of Price Determination	<p>Basis and Reasonableness of Private Placement Price Determination:</p> <ol style="list-style-type: none"> <li>1. The reference price for the private placement of common shares shall be determined by the higher of the following two pricing criteria: <ol style="list-style-type: none"> <li>(1) The simple arithmetic average of the closing prices of common shares calculated from one, three, or five business days prior to the pricing date, excluding ex-rights for stock dividends and ex-dividends, and adding back ex-rights for capital reduction.</li> <li>(2) The simple arithmetic average of the closing prices of common shares from 30 business days prior to the pricing date, excluding ex-rights for stock dividends and ex-dividends, and adding back ex-rights for capital reduction.</li> </ol> </li> <li>2. The price for this private placement shall be set at not less than 80% of the reference price.</li> <li>3. The actual pricing date and actual private placement price are proposed to be authorized by the shareholders' meeting to the Board of Directors to determine based on the situation of approaching specific persons and market conditions. The private placement price will not be less than 80% of the aforementioned reference price and will not be lower than the par value of the stock.</li> <li>4. The determination of the aforementioned private placement price takes into account the lower liquidity of privately placed common shares, and the price is set in accordance with the provisions of the Directions for Public Companies Conducting Private Placement of Securities. Therefore, it should be considered reasonable.</li> </ol>				
Method of Selecting Specific Persons (Note 4)	It is proposed to authorize the Board of Director's to select specific persons in accordance with Article 43-6 of the Securities and Exchange Act and limited to specific persons defined in the relevant interpretations of the competent authority.				
Necessary Reasons for Conducting the Private Placement	The Company currently still needs to inject capital into the group's operations, and considering the timeliness, convenience, and issuance costs of capital raising, therefore, the private placement method is adopted for fundraising. The execution of this plan is expected to strengthen the Company's competitiveness and enhance operational efficiency, which will also have a positive impact on shareholders' equity.				
Date of Completion for Payment of Subscription Price	Not yet raised				
Subscriber Information	Private Placement Targets (Note 5)	Qualification Requirements (Note 6)	Subscription Quantity	Relationship with the Company	Participation in Company Operations
	Not yet raised	Not yet raised	Not yet raised	Not yet raised	Not yet raised
Actual Subscription (or Conversion) Price	Not yet raised				
Actual Subscription (or Conversion) Price Difference from Reference Price (Note 7)	Not yet raised				
Impact of Private Placement on Shareholders' Equity (e.g., Increase in Accumulated Losses...)	Not yet raised				
Utilization of Private Placement Funds and Progress of the Plan	Enhancement of working capital, repayment of bank loans, domestic and overseas investments, or other funding requirements for the Company's future development. Expected to improve the Company's financial structure, contribute to stable operational growth, and have a positive impact on enhancing shareholders' equity.				
Manifestation of Private Placement Benefits	Not yet raised				

Note 1: The number of columns should be adjusted according to the actual number of offerings. If private placement of securities is conducted in multiple phases, each should be listed separately.

Note 2: This field should indicate the types of privately placed securities, such as common shares, preferred shares, convertible preferred shares, preferred shares with warrants, ordinary corporate bonds, convertible corporate bonds, corporate bonds with warrants, overseas convertible corporate bonds, global depositary receipts, and employee stock options.

Note 3: For private placement of corporate bonds that do not require approval at the shareholders' meeting, the date and amount approved by the Board of Directors should be filled in.

Note 4: For ongoing private placement cases, if the subscribers have been identified, the names of the subscribers and their relationship with the company should be clearly listed.

Note 5: The number of columns should be adjusted according to actual figures.

Note 6: This field should indicate Subparagraph 1, Subparagraph 2, or Subparagraph 3 of Paragraph 1, Article 43-6 of the Securities and Exchange Act.

Note 7: The actual subscription (or conversion) price refers to the subscription (or conversion) price set at the time of the actual issuance of the privately placed securities.

## **Independent Auditors' Report Translated from Chinese**

To Softstar Entertainment Inc.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Softstar Entertainment Inc. (the “Company”) and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, 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 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon we do not provide a separate opinion on these matters.

#### **Revenue Recognition - the Power Distribution Machinery Manufacturing Department**

The operating revenue of the Company's subsidiary, San Jiang Electric MFG. Co., Ltd., from the sales of transformers and distribution boards (the power distribution machinery manufacturing department of the Group) during the year ended December 31, 2024 amounted to NT\$1,988,998

thousand. It is necessary to judge and determine the performance obligation of a contract and the timing of its satisfaction in terms of sales orders and agreements when recognizing the revenue. Therefore, we determined this is a key audit matter.

Our audit procedures included, but were not limited to:

1. Evaluating the appropriateness of the accounting policy related to revenue recognition and testing the effectiveness of the internal controls over the revenue recognition established by the management.
2. Selecting samples to perform tests of details and examine the relevant evidence to verify the accuracy of revenue recognition and the occurrence of transaction.
3. Performing cut off procedures by selecting revenue transactions for certain period before and after the balance sheet date, and tracing to relevant documents to verify whether the timing of revenue recognition was correct.
4. Performing analytical procedures to analyze the fluctuations in order to assess the reasonableness of the transactions.

We also considered the appropriateness of the parent company only financial statements disclosure regarding sales revenue in Note 4 and 6.

#### Goodwill Impairment Assessment

The carrying amount of goodwill of the Company and its subsidiaries amounted to NT\$1,023,270 thousand, constituting 13% of the consolidated total assets as of December 31, 2024. The Company conducted the impairment tests annually on the goodwill acquired through business combinations in accordance with the regulations of International Financial Reporting Standards (IFRSs). As the carrying amount of goodwill is material to the Company and the assumptions involved management's judgement, we therefore considered this as a key audit matter.

Our audit procedures included, but were not limited to:

1. Understanding management's assessment processes and policies related to goodwill impairment;
2. Understanding management's criteria for identifying cash generating units and determining the measurement methods of recoverable amount, and reviewing the calculation process using the fair value less costs of disposal and value-in-use methods;
3. Understanding management's assessment process and basis for the projected growth rates and gross profit margins of the acquired companies' future operating prospects; and
4. Using internal experts to assist evaluating the valuation models and significant assumptions (including discount rates, etc.) utilized by management, and comparing the assumptions with market data and historical financial information to assess the reasonableness of management's judgments.

We also considered the appropriateness of the consolidated financial statements disclosure regarding goodwill impairment assessment in Notes 4 and 6.

### **Other Matter – Making Reference to the Audit(s) of Other Auditors**

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of other auditors. The total assets of those subsidiaries amounted to NT\$2,693,194 thousand and NT\$2,082,770 thousand, constituting 34% and 29% of consolidated total assets as of December 31, 2024 and 2023, respectively, and total operating revenues of NT\$2,017,268 thousand and NT\$1,334,656 thousand, constituting 40% and 41% of consolidated operating revenues for the years ended December 31, 2024 and 2023, respectively. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT\$323,118 thousand and NT\$646,746 thousand, representing 4% and 8% of consolidated total assets as of December 31, 2024 and 2023, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT\$8,167 thousand and NT\$(6,716) thousand, representing 3% of the consolidated profit before tax and 2% of the consolidated loss before tax for the years ended December 31, 2024 and 2023, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures under the equity method amounted to NT\$(607) thousand and NT\$2,665 thousand, representing (20)% and 29% of the consolidated other comprehensive income for the years ended December 31, 2024 and 2023, respectively.

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

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements 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.

### **Other Matter**

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2024 and 2023.

/s/Lu, Chian-Uen

/s/Wang, MU-FAN

Ernst & Young, Taiwan

March 28, 2025

### **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Notes	As of		Liabilities and Equity	Notes	As of	
		December 31, 2024	December 31, 2023			December 31, 2024	December 31, 2023
<b>Assets</b>							
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	6	\$1,062,709	\$843,759	Short-term borrowings	6 and 8	\$801,619	\$1,043,669
Financial assets at fair value through profit or loss, current	6	126,992	33,629	Contract liabilities, current	6	199,890	168,052
Contract assets, current	6	2,979	-	Notes payable		32,728	24,885
Notes receivable, net	6	7,177	7,834	Accounts payable	6	476,986	561,340
Accounts receivable, net	6	1,294,844	1,010,573	Accounts payable-related parties	6 and 7	301	-
Accounts receivable-related parties, net	6 and 7	60,839	7,373	Other payables	6	323,625	745,991
Financing lease receivables, net	6	15,075	-	Other payables-related parties	7	438	188
Other receivables	6	28,346	30,917	Current income tax liabilities	6	66,044	84,134
Other receivables-related parties	6 and 7	-	763	Provisions, current		544	6,174
Current income tax assets		12,529	21,252	Lease liabilities, current	6 and 7	164,900	64,867
Inventories, net	6 and 8	919,408	1,067,282	Current portion of long-term borrowings	6 and 8	116,594	228,860
Prepayment	6 and 7	189,755	156,125	Other current liabilities	6	293,165	232,489
Other financial assets, current	6 and 8	268,494	311,687	<b>Total current liabilities</b>		<u>2,476,834</u>	<u>3,160,649</u>
Other current assets		5,411	29,962	<b>Non-current liabilities</b>			
<b>Total current assets</b>		<u>3,994,558</u>	<u>3,521,156</u>	Financial liabilities at fair value through profit or loss, non-current	6	2,610	-
				Contract liabilities, non-current	6	173,020	146,411
<b>Non-current assets</b>				Bonds payable	6	241,771	-
Designated financial assets at fair value through profit or loss, non-current	6 and 7	115,811	34,403	Long-term borrowings	6 and 8	356,309	536,676
Financial assets at fair value through other comprehensive income, non-current	6 and 8	113,183	122,299	Provision, non-current		3,290	2,861
Investments accounted for using the equity method	6	333,294	658,190	Deferred tax liabilities	6	149,362	153,109
Contract assets, non-current	6	-	6,495	Lease liabilities, non-current	6 and 7	420,211	114,226
Property, plant and equipment, net	6 and 7	842,982	785,588	Net defined benefit liabilities, non-current	6	-	1,794
Right-of-use assets	6 and 7	520,743	172,375	Guarantee deposits		29,298	26,164
Investment properties	6	48,541	-	Other non-current liabilities		1,789	-
Intangible assets	6	1,553,023	1,523,574	<b>Total non-current liabilities</b>		<u>1,377,660</u>	<u>981,241</u>
Deferred tax assets	6	33,405	33,345	<b>Total liabilities</b>		<u>3,854,494</u>	<u>4,141,890</u>
Other noncurrent assets	6	42,755	39,410	<b>Equity attributable to the parent company</b>	6		
Refundable deposits	7	106,013	30,469	Common stock		1,091,861	1,038,836
Long-term financing lease receivables, net	6	52,384	-	Additional paid-in capital		657,753	263,061
Other financial assets, non-current	6	131,362	205,166	Retained earnings			
<b>Total non-current assets</b>		<u>3,893,496</u>	<u>3,611,314</u>	Legal reserve		175,480	175,480
				Special reserve		138,608	146,211
				Unappropriated earnings		334,855	255,999
				Other components of equity		(133,317)	(183,322)
				Treasury shares		(215,284)	(143,448)
				<b>Total equity attributable to the parent company</b>		<u>2,049,956</u>	<u>1,552,817</u>
				<b>Non-controlling interests</b>	6	<u>1,983,604</u>	<u>1,437,763</u>
				<b>Total equity</b>		<u>4,033,560</u>	<u>2,990,580</u>
<b>Total assets</b>		<u>\$7,888,054</u>	<u>\$7,132,470</u>	<b>Total liabilities and equity</b>		<u>\$7,888,054</u>	<u>\$7,132,470</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the Years Ended December 31,	
		2024	2023
<b>Net sales</b>	6 and 7	\$5,102,627	\$3,262,181
<b>Cost of goods sold</b>	6 and 7	(3,341,737)	(2,175,050)
<b>Gross profit</b>		<u>1,760,890</u>	<u>1,087,131</u>
<b>Operating expenses</b>	6 and 7		
Sales and marketing expenses		(972,240)	(597,106)
General and administrative expenses		(683,241)	(535,012)
Research and development expenses		(225,330)	(222,924)
Expected credit losses		(18,258)	(19,309)
Subtotal		<u>(1,899,069)</u>	<u>(1,374,351)</u>
<b>Operating loss</b>		<u>(138,179)</u>	<u>(287,220)</u>
<b>Non-operating income and expenses</b>			
Interest income	6 and 7	14,303	11,664
Other income	6 and 7	61,187	33,784
Other gains and losses	6	414,249	6,644
Finance costs	6	(71,355)	(41,401)
Share of profit or loss of associates and joint ventures accounted for using equity method		6,898	(9,113)
Subtotal		<u>425,282</u>	<u>1,578</u>
<b>Profit (loss) before income tax</b>		<u>287,103</u>	<u>(285,642)</u>
<b>Income tax expense</b>	6	(38,784)	(94,353)
<b>Net income (loss)</b>		<u>248,319</u>	<u>(379,995)</u>
<b>Other comprehensive income (loss)</b>	6		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		2,904	(359)
Unrealized gains or losses from financial assets at fair value through other comprehensive income		(8,253)	7,307
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		(607)	2,670
Tax of items that will not be reclassified subsequently to profit or loss		(171)	72
Items that may be reclassified subsequently to profit or loss:			
Exchange differences resulting from translating the financial statements of foreign operations		9,185	(384)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		-	(5)
<b>Total other comprehensive income, net of tax</b>		<u>3,058</u>	<u>9,301</u>
<b>Total comprehensive income (loss)</b>		<u>\$251,377</u>	<u>\$(370,694)</u>
<b>Net income (loss) attributable to:</b>			
Stockholders of the parent		\$77,639	\$(335,127)
Non-controlling interests		170,680	(44,868)
		<u>\$248,319</u>	<u>\$(379,995)</u>
<b>Comprehensive income (loss) attributable to:</b>			
Stockholders of the parent		\$85,919	\$(328,032)
Non-controlling interests		165,458	(42,662)
		<u>\$251,377</u>	<u>\$(370,694)</u>
<b>Earnings per share (NTD)</b>	6		
Earnings (losses) per share-basic		\$0.77	\$(3.39)
Earnings (losses) per share-diluted		\$0.77	\$(3.39)

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Description	Retained Earnings					Others Components of Equity						
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences Resulting from Translating the Financial Statements of Foreign Operations	Unrealized Gains or Losses from Financial Assets at Fair Value Through Other Comprehensive Loss	Unearned Stock-Based Employee Compensation	Treasury Shares	Total	Non-Controlling Interests	Total
Balance as of January 1, 2023	\$852,630	\$158,340	\$128,417	\$247,943	\$841,135	\$7,057	\$(153,267)	\$-	\$(101,847)	\$1,980,408	\$1,291,481	\$3,271,889
Appropriation and distribution of 2021 retained earnings												
Legal reserve	-	-	47,063	-	(47,063)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(127,130)	-	-	-	-	(127,130)	-	(127,130)
Stock dividends	169,506	-	-	-	(169,506)	-	-	-	-	-	-	-
Special reserve	-	-	-	(101,732)	101,732	-	-	-	-	-	-	-
Net loss in 2023	-	-	-	-	(335,127)	-	-	-	-	(335,127)	(44,868)	(379,995)
Other comprehensive income (loss) in 2023	-	-	-	-	(507)	(258)	7,860	-	-	7,095	2,206	9,301
Total comprehensive income (loss) in 2023	-	-	-	-	(335,634)	(258)	7,860	-	-	(328,032)	(42,662)	(370,694)
Repurchase of treasury share	-	-	-	-	-	-	-	-	(24,282)	(24,282)	-	(24,282)
Acquisition of parent company's stocks by subsidiaries recognized as treasury shares	-	-	-	-	-	-	-	-	(19,403)	(19,403)	19,403	-
Disposal of the parent company's stock by a subsidiary is regarded as a treasury stock transaction	-	2,682	-	-	-	-	-	-	2,084	4,766	2,774	7,540
Parent company's cash dividends received by subsidiaries	-	4,195	-	-	-	-	-	-	-	4,195	3,329	7,524
Difference between consideration and carrying amount of subsidiaries acquired	-	982	-	-	-	-	-	-	-	982	-	982
Changes in ownership interests in subsidiaries	-	(12,690)	-	-	(7,535)	-	-	-	-	(20,225)	5,338	(14,887)
Share-based payment transactions	16,700	109,552	-	-	-	-	-	(44,714)	-	81,538	-	81,538
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	158,100	158,100
Balance as of December 31, 2023	\$1,038,836	\$263,061	\$175,480	\$146,211	\$255,999	\$6,799	\$(145,407)	\$(44,714)	\$(143,448)	\$1,552,817	\$1,437,763	\$2,990,580
Balance as of January 1, 2024	\$1,038,836	\$263,061	\$175,480	\$146,211	\$255,999	\$6,799	\$(145,407)	\$(44,714)	\$(143,448)	\$1,552,817	\$1,437,763	\$2,990,580
Appropriation and distribution of 2023 retained earnings												
Special reserve	-	-	-	(7,603)	7,603	-	-	-	-	-	-	-
Donated surplus	-	13,601	-	-	-	-	-	-	-	13,601	1	13,602
Equity component of convertible bonds	-	17,820	-	-	-	-	-	-	-	17,820	-	17,820
Net income in 2024	-	-	-	-	77,639	-	-	-	-	77,639	170,680	248,319
Other comprehensive income (loss) in 2024	-	-	-	-	1,541	(9,200)	15,939	-	-	8,280	(5,222)	3,058
Total comprehensive income (loss) in 2024	-	-	-	-	79,180	(9,200)	15,939	-	-	85,919	165,458	251,377
Cash capital increase	52,000	286,000	-	-	-	-	-	-	-	338,000	-	338,000
Acquisition of parent company's stocks by subsidiaries recognized as treasury shares	-	(112)	-	-	-	-	-	-	(71,836)	(71,948)	(96,484)	(168,432)
Disposal of investments using the equity method	-	-	-	-	(607)	-	607	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	12,287	-	-	(990)	-	-	-	-	11,297	(1,476)	9,821
Changes in ownership interests in subsidiaries	-	61,640	-	-	(330)	-	(516)	-	-	60,794	39,304	100,098
Share-based payment transactions	2,100	10,836	-	-	-	-	-	37,175	-	50,111	36,861	86,972
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	402,177	402,177
Disposal of equity instruments investments measured at fair value through other comprehensive loss	-	-	-	-	(6,000)	-	6,000	-	-	-	-	-
Employee restricted shares for cancellation	(1,075)	(7,380)	-	-	-	-	-	-	-	(8,455)	-	(8,455)
Balance as of December 31, 2024	\$1,091,861	\$657,753	\$175,480	\$138,608	\$334,855	\$(2,401)	\$(123,377)	\$(7,539)	\$(215,284)	\$2,049,956	\$1,983,604	\$4,033,560

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Description	For the Years Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Income (loss) before tax	\$287,103	\$(285,642)
Adjustments for:		
Depreciation	214,567	108,237
Amortization	72,658	78,036
Expected credit impairment losses	18,258	19,309
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(12,654)	4,182
Interest expense	71,355	41,401
Interest income	(14,303)	(11,664)
Share-based payments expense	103,405	82,855
Share of profit or loss of associates and joint ventures accounted for using equity method	(6,898)	9,113
(Gains) losses on disposal of property, plant and equipment	(1,138)	3,612
Gains on disposal of intangible assets	(8,024)	(30)
Gains on disposal of investment	(229,963)	(38,410)
Impairment loss from non-financial assets	49,668	4,174
Gains on disposal of mobile game intellectual property	(212,472)	-
Others	(13,030)	699
Changes in operating assets and liabilities:		
Contract assets	3,516	(1,787)
Notes receivable, net	657	3,805
Notes receivable-related parties, net	-	804
Accounts receivable, net	(287,029)	18,051
Accounts receivable-related parties, net	(53,466)	4,075
Other receivables	(67,078)	(22,472)
Other receivables-related parties	763	(657)
Inventories, net	153,117	(238,615)
Prepayment	(30,294)	(41,927)
Other current assets	26,178	(16,607)
Other financial assets	32,479	28,555
Contract liabilities	58,447	(26,391)
Notes payable	7,843	(3,198)
Accounts payable	(101,937)	91,759
Accounts payable-related parties	301	-
Other payables	(4,740)	(92,053)
Other payables-related parties	250	(624)
Provisions	(20,463)	2,931
Other current liabilities	93,196	17,294
Net defined benefit liabilities	(1,794)	(4,708)
Cash generated from operations	128,478	(265,893)
Interest received	14,303	11,664
Interest paid	(59,973)	(36,259)
Income tax paid	(51,958)	(66,563)
Net cash provided by (used in) operating activities	30,850	(357,051)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(89,708)	(24,757)
Proceeds from disposal of financial assets at fair value through profit or loss	12,590	-
Acquisition of investments accounted for using equity method	(4,272)	(7,174)
Proceeds from disposal of investments accounted for using equity method	525,320	43,095
Acquisition of subsidiaries (net of cash acquired)	-	(708,257)
Acquisition of property, plant and equipment	(116,014)	(47,205)
Proceeds from disposal of property, plant and equipment	6,230	1,162
Increase in refundable deposits	(14,465)	(5,952)
Acquisition of intangible assets	(36,241)	(59,574)
Proceeds from disposal of intangible assets	20,005	1,290
Cash outflow due to merger	(164,103)	-
Decrease in other financial assets	84,518	25,564
Decrease (increase) in other noncurrent assets	75,796	(29,994)
Others	(448,727)	-
Net cash used in investing activities	(149,071)	(811,802)
Cash flows from financing activities:		
Increase in short-term borrowings	-	43,040
Decrease in short-term borrowings	(242,050)	-
Proceeds from bonds issued	298,845	-
Proceeds from long-term borrowings	608,511	692,000
Repayment of long-term borrowings	(901,144)	(229,750)
Increase in guarantee deposits received	3,134	2,600
Repayment of the principal portion of lease liabilities	(172,649)	(64,067)
Decrease in other non-current liabilities	(9,933)	-
Cash dividends	-	(117,520)
Cash capital increase	338,000	-
Treasury stock transactions	(71,836)	(24,282)
Changes in non-controlling interests	476,913	120,560
Others	13,601	-
Net cash provided by financing activities	341,392	422,581
Net foreign exchange difference	(4,221)	(110)
Net increase (decrease) in cash and cash equivalents	218,950	(746,382)
Cash and cash equivalents at beginning of year	843,759	1,590,141
Cash and cash equivalents at end of year	\$1,062,709	\$843,759

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

## **Independent Auditors' Report Translated from Chinese**

To Softstar Entertainment Inc.

### **Opinion**

We have audited the accompanying parent company only balance sheets of Softstar Entertainment Inc. (the “Company”) as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, 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 2024 parent company only financial statements. 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 we do not provide a separate opinion on these matters.

### **Revenue Recognition – Royalties**

The Company's royalties are revenue from licensing its solely developed intellectual property (IP) to others that grant use in game development, game operations and film content. As the circumstances and developed products of each license agreement vary, it is necessary to identify performance obligations and determine whether the licensing nature provides a customer with a right to access the Company's IP over time or with a right to use the Company's IP at a point in time. Also, it is important to consider the expected development period of the games, game operation cycles, industry practices and historical experiences to estimate the duration of revenue allocation and variable consideration estimation, and to regularly review the reasonableness of estimation assumptions. As the Company's revenue recognition of royalties is significant and requires management judgement, we therefore consider this as a key audit matter.

In response to the risk of material misstatement regarding recognition of royalties revenue, our audit procedures included, but were not limited to:

1. Understanding the approach in which royalty revenue is recognized, evaluating and testing the internal controls regarding the recognition of royalties;
2. Obtaining the license agreements, identifying performance obligations, defining the transaction prices, and determining whether revenues are recognized over time or at a point in time;
3. Obtaining the details of recognition of royalties and confirming whether the performance obligations of the license agreement have been fulfilled; obtaining the details of royalty revenue allocation of games development and confirming the correctness of the development period and revenue allocation stated in the license agreements; and
4. Reviewing the reasonableness of the estimated allocation periods and the correctness of the calculation of royalty revenues allocation provided by the Company.

We also considered the appropriateness of the parent company only financial statements disclosure regarding royalty revenue and contract liabilities in Note 5 and 6.

#### Goodwill Impairment Assessment (recognized as investments accounted for using equity method)

The Company conducted the impairment tests annually on the goodwill (recognized as investments accounted for using equity method) acquired through business combinations in accordance with the regulations of International Financial Reporting Standards (IFRSs). As the carrying amount of goodwill is material to the Company and the assumptions involved management's judgement, we therefore considered this as a key audit matter.

Our audit procedures included, but were not limited to:

1. Understanding management's assessment processes and policies related to goodwill impairment;
2. Understanding management's criteria for identifying cash generating units and determining the measurement methods of recoverable amount, and reviewing the calculation process using the fair value less costs of disposal and value-in-use methods;
3. Understanding management's assessment process and basis for the projected growth rates and gross profit margins of the acquired companies' future operating prospects; and

4. Using internal experts to assist evaluating the valuation models and significant assumptions (including discount rates, etc.) utilized by management, and comparing the assumptions with market data and historical financial information to assess the reasonableness of management's judgments.

We also considered the appropriateness of the parent company only financial statements disclosure regarding investments accounted for using equity method in Note 4 and 6.

#### **Other Matter – Making Reference to the Audits of Other Auditors**

We did not audit the financial statements of certain investments accounted for using the equity method. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these equity investments, is based solely on the audit reports of other auditors. The investment accounted for using the equity method amounted to NT\$963,290 thousand and NT\$861,515 thousand, representing 34% and 42% of total assets as of December 31, 2024 and 2023, respectively. The related shares of profit or loss from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$10,872 thousand and NT\$(43,075) thousand, representing 18% of the profit before tax and 14% of the loss before tax for the years ended 31 December, 2024 and 2023, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$3,956 thousand and NT\$(15,852) thousand, representing 48% and (223)% of the other comprehensive income for the years ended 31 December, 2024 and 2023, respectively.

#### **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 requirements of 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 ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

#### **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 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 internal control of the Company.
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 ability to continue as a going concern of the Company. 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 Company 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 accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements 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.

/s/Lu, Chian-Uen

/s/Wang, Mu-Fan

Ernst & Young, Taiwan

March 28, 2025

**Notice to Readers**

The accompanying parent company only financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of		Liabilities and Equity	Notes	As of	
		December 31, 2024	December 31, 2023			December 31, 2024	December 31, 2023
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	6	\$121,730	\$180,575	Short-term borrowings	6 and 8	\$205,000	\$142,000
Financial assets at fair value through profit or loss, current	6	125,275	3,000	Contract liabilities, current	6	37,783	19,805
Contract assets, current	6	2,979	-	Notes payable		-	201
Accounts receivable, net	6	23,829	9,959	Accounts payable		14,236	11,429
Accounts receivable-related parties, net	6 and 7	15,092	17,180	Accounts payable-related parties	7	6,298	2,120
Other receivables		17,469	7,995	Other payables	6	46,108	38,969
Other receivables-related parties	7	100,918	4,269	Other payables-related parties	7	1,679	455
Current income tax assets		2,791	1,389	Current income tax liabilities	6	7,108	45,340
Prepayment	7	100,822	75,345	Lease liabilities, current	6	12,800	13,103
Other financial assets, current	6 and 8	16,067	3,012	Current portion of long-term borrowings	6 and 8	15,441	83,114
Other current assets		525	2,011	Other current liabilities		49,309	1,731
<b>Total current assets</b>		<u>527,497</u>	<u>304,735</u>	<b>Total current liabilities</b>		<u>395,762</u>	<u>358,267</u>
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Financial assets at fair value through profit or loss, non-current	6	59,648	26,131	Financial liabilities at fair value through profit or loss, non-current	6	2,610	-
Financial assets at fair value through other comprehensive income, non-current	6	35,994	23,007	Bonds payable	6	279,030	-
Investments accounted for using the equity method	6	2,109,363	1,586,394	Long-term borrowings	6 and 8	32,248	129,596
Contract assets, non-current	6	-	6,495	Lease liabilities, non-current	6	25,641	21,486
Property, plant and equipment	6 and 7	14,963	8,826	Net defined benefit liabilities	6	6,603	8,851
Right-of-use assets	6	36,118	32,890	Negative balances from investments accounted for using the equity method	6	25,473	-
Intangible assets	6	5,133	17,371	<b>Total non-current liabilities</b>		<u>371,605</u>	<u>159,933</u>
Deferred tax assets	6	17,895	22,521	<b>Total liabilities</b>		<u>767,367</u>	<u>518,200</u>
Refundable deposits	7	4,712	5,094	<b>Equity</b>			
Other financial assets, non-current	6 and 8	6,000	37,553	Common stock	6	1,091,861	1,038,836
<b>Total non-current assets</b>		<u>2,289,826</u>	<u>1,766,282</u>	Additional paid-in capital	6	657,753	263,061
				Retained earnings	6		
				Legal reserve		175,480	175,480
				Special reserve		138,608	146,211
				Unappropriated earnings		334,855	255,999
				Other components of equity		(133,317)	(183,322)
				Treasury shares		(215,284)	(143,448)
				<b>Total equity</b>		<u>2,049,956</u>	<u>1,552,817</u>
<b>Total assets</b>		<u>\$2,817,323</u>	<u>\$2,071,017</u>	<b>Total liabilities and equity</b>		<u>\$2,817,323</u>	<u>\$2,071,017</u>

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the Years Ended December 31,	
		2024	2023
<b>Net sales</b>	6 and 7	\$270,568	\$208,116
<b>Cost of goods sold</b>	6 and 7	(51,965)	(25,989)
<b>Gross profit</b>	6 and 7	218,603	182,127
<b>Operating expenses</b>	6 and 7		
Sales and marketing expenses		(114,209)	(39,820)
General and administrative expenses		(174,231)	(161,070)
Research and development expenses		(102,658)	(108,694)
Expected credit losses		(4,818)	(10,906)
Subtotal		(395,916)	(320,490)
<b>Operating loss</b>		(177,313)	(138,363)
<b>Non-operating income and expenses</b>	6 and 7		
Interest income		1,696	6,286
Other income		21,362	5,902
Other gains and losses		223,032	(10,181)
Finance costs		(9,992)	(6,038)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		2,310	(155,113)
Subtotal		238,408	(159,144)
<b>Profit (loss) before income tax</b>		61,095	(297,507)
<b>Income tax benefit (expense)</b>	6	16,544	(37,620)
<b>Net income (loss)</b>		77,639	(335,127)
<b>Other comprehensive income (loss)</b>	6		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		2,050	(589)
Unrealized gains or losses from financial assets at fair value through other comprehensive income		12,987	7,368
Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		2,952	5,353
Tax of items that will not be reclassified subsequently to profit or loss		(509)	(99)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		(9,200)	(4,938)
<b>Total other comprehensive income, net of tax</b>		8,280	7,095
<b>Total comprehensive income</b>		\$85,919	\$(328,032)
<b>Earnings per share (NTD)</b>	6		
Earnings (losses) per share-basic		\$0.77	\$(3.39)
Earnings (losses) per share-diluted		\$0.77	\$(3.39)

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Description	Retained Earnings					Others Components of Equity					Total
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences Resulting from Translating the Financial Statements of Foreign Operations	Unrealized Gains or Losses from Financial Assets at Fair Value Through Other Comprehensive Loss	Unearned stock-Based Employee Compensation	Treasury Shares		
Balance as of January 1, 2023	\$852,630	\$158,340	\$128,417	\$247,943	\$841,135	\$7,057	\$(153,267)	\$-	\$(101,847)	\$1,980,408	
Appropriation and distribution of 2022 retained earnings											
Legal reserve	-	-	47,063	-	(47,063)	-	-	-	-	-	
Cash dividends	-	-	-	-	(127,130)	-	-	-	-	(127,130)	
Stock dividends	169,506	-	-	-	(169,506)	-	-	-	-	-	
Reversal of special reserve	-	-	-	(101,732)	101,732	-	-	-	-	-	
Net income in 2023	-	-	-	-	(335,127)	-	-	-	-	(335,127)	
Other comprehensive income (loss) in 2023	-	-	-	-	(507)	(258)	7,860	-	-	7,095	
Total comprehensive income (loss) in 2023	-	-	-	-	(335,634)	(258)	7,860	-	-	(328,032)	
Repurchase of treasury share	-	-	-	-	-	-	-	-	(24,282)	(24,282)	
Acquisition of company's stocks by subsidiaries recognized as treasury shares	-	-	-	-	-	-	-	-	(19,403)	(19,403)	
Disposal of the parent company's stock by a subsidiary is regarded as a treasury stock transaction	-	2,682	-	-	-	-	-	-	2,084	4,766	
Parent company's cash dividends received by subsidiaries	-	4,195	-	-	-	-	-	-	-	4,195	
Difference between consideration and carrying amount of subsidiaries acquired	-	982	-	-	-	-	-	-	-	982	
Changes in ownership interests in subsidiaries	-	(12,690)	-	-	(7,535)	-	-	-	-	(20,225)	
Share-based payment transactions	16,700	109,552	-	-	-	-	-	(44,714)	-	81,538	
Balance as of December 31, 2023	\$1,038,836	\$263,061	\$175,480	\$146,211	\$255,999	\$6,799	\$(145,407)	\$(44,714)	\$(143,448)	\$1,552,817	
Balance as of January 1, 2024	\$1,038,836	\$263,061	\$175,480	\$146,211	\$255,999	\$6,799	\$(145,407)	\$(44,714)	\$(143,448)	\$1,552,817	
Appropriation and distribution of 2023 retained earnings											
Reversal of special reserve	-	-	-	(7,603)	7,603	-	-	-	-	-	
Donated surplus	-	13,601	-	-	-	-	-	-	-	13,601	
Equity component of convertible bonds	-	17,820	-	-	-	-	-	-	-	17,820	
Net loss in 2024	-	-	-	-	77,639	-	-	-	-	77,639	
Other comprehensive income (loss) in 2024	-	-	-	-	1,541	(9,200)	15,939	-	-	8,280	
Total comprehensive income (loss) in 2024	-	31,421	-	-	79,180	(9,200)	15,939	-	-	85,919	
Cash capital increase	52,000	286,000	-	-	-	-	-	-	-	338,000	
Acquisition of company's stocks by subsidiaries recognized as treasury shares	-	(112)	-	-	-	-	-	-	(71,836)	(71,948)	
Disposal of investments using the equity method	-	-	-	-	(607)	-	607	-	-	-	
Difference between consideration and carrying amount of subsidiaries acquired	-	12,287	-	-	(990)	-	-	-	-	11,297	
Changes in ownership interests in subsidiaries	-	61,640	-	-	(330)	-	(516)	-	-	60,794	
Share-based payment transactions	2,100	10,836	-	-	-	-	-	37,175	-	50,111	
Disposal of equity instruments investments measured at fair value through other comprehensive loss	-	-	-	-	(6,000)	-	6,000	-	-	-	
Employee restricted shares for cancellation	(1,075)	(7,380)	-	-	-	-	-	-	-	(8,455)	
Balance as of December 31, 2024	\$1,091,861	\$657,753	\$175,480	\$138,608	\$334,855	\$(2,401)	\$(123,377)	\$(7,539)	\$(215,284)	\$2,049,956	

Note: For the year ended December 31, 2024, employees' compensation and remuneration to directors and supervisors were NT\$1,909 thousand and NT\$636 thousand, respectively, and had already been deducted in the statement of comprehensive income, while for the year ended December 31, 2023, employees' compensation and remuneration to directors and supervisors were both NT\$0 thousand.

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
SOFTSTAR ENTERTAINMENT INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

Description	For the Years Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Income (loss) before tax	\$61,095	\$(297,507)
Adjustments for:		
Depreciation	23,945	17,718
Amortization	10,875	4,517
Expected credit impairment losses	4,818	10,906
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(11,666)	5,613
Interest expense	9,992	6,038
Interest income	(1,696)	(6,286)
Share-based payments expense	48,557	72,505
Share of profit or loss of associates and joint ventures accounted for using equity method	(2,310)	155,113
Losses on disposal of property, plant and equipment	2,036	5
(Gains) losses on disposal of intangible assets	(8,024)	335
Losses on disposal of investment	-	(711)
Impairment loss of non-financial assets	-	13
Gains on disposal of mobile game intellectual property	(212,472)	-
Others	(175)	(253)
Changes in operating assets and liabilities:		
Contract assets	483	635
Accounts receivable, net	(15,655)	2,994
Accounts receivable-related parties, net	2,088	4,524
Other receivables	6,926	(1,079)
Other receivables-related parties	(2,649)	23,991
Prepayment	(25,477)	(36,067)
Other current assets	1,486	(1,965)
Contract liabilities	83,726	(20,367)
Notes payable	(201)	201
Accounts payable	2,807	(2,014)
Accounts payable-related parties	4,178	(3,470)
Other payables	7,139	(22,783)
Other payables-related parties	1,224	157
Other current liabilities	47,578	(1,228)
Net defined benefit liabilities	(2,248)	(646)
Cash generated from operations	36,380	(89,111)
Interest received	1,696	6,286
Interest paid	(6,631)	(5,032)
Income tax paid	(18,563)	(15,350)
Net cash provided by (used in) operating activities	12,882	(103,207)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$-	\$(6,093)
Acquisition of financial assets at fair value through profit or loss	(18,050)	(7,057)
Proceeds from disposal of financial assets at fair value through profit or loss	5,088	-
Acquisition of investments accounted for using equity method	(514,890)	(403,823)
Acquisition of property, plant and equipment	(16,005)	(8,525)
Proceeds from disposal of property, plant and equipment	449	64
Decrease in guarantee deposits paid	382	2,398
Other receivables-related parties	(94,000)	-
Acquisition of intangible assets	(10,202)	(21,665)
Proceeds from disposal of intangible assets	19,589	925
Decrease in other financial assets	18,498	75,436
Dividends received	-	360,697
Net cash used in investing activities	(609,141)	(7,643)
Cash flows from financing activities:		
Increase in short-term borrowings	310,000	187,000
Decrease in short-term borrowings	(247,000)	(238,000)
Proceeds from bonds issued	298,845	-
Proceeds from long-term borrowings	60,000	225,000
Repayment of long-term borrowings	(225,021)	(86,420)
Repayment of the principal portion of lease liabilities	(16,608)	(13,880)
Cash dividends	-	(127,130)
Cash capital increase	338,000	-
Treasury stock transactions	-	(24,282)
Disposal of ownership interests in subsidiaries (without losing control)	5,597	17,228
Others	13,601	-
Net cash provided by (used in) financing activities	537,414	(60,484)
Net decrease in cash and cash equivalents	(58,845)	(171,334)
Cash and cash equivalents at beginning of year	180,575	351,909
Cash and cash equivalents at end of year	\$121,730	\$180,575

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

## SOFTSTAR ENTERTAINMENT INC.

### Comparison Table of Amendments to Articles of Incorporation (25th Amendment)

Article Number	Amended Article	Original Article	Explanation for Amendment
Article 29	<p>If the Company has profits for the year, it shall allocate no less than three percent as employee remuneration and no more than three percent as directors' remuneration.</p> <p>However, if the Company still has accumulated losses (including adjustments to unappropriated earnings), it shall first reserve the amount to offset the losses.</p> <p><u>Of the aforementioned employee remuneration, no less than twenty percent shall be set aside for distribution to non-executive employees.</u> Employee remuneration shall be distributed in the form of stock or cash as resolved by the Board of Directors, and the recipients may include employees of subsidiaries who meet the conditions set by the Board of Directors. The aforementioned directors' remuneration may only be distributed in cash.</p>	<p>If the Company has profits for the year, it shall allocate no less than three percent as employee remuneration and no more than three percent as directors' remuneration. However, if the Company still has accumulated losses (including adjustments to unappropriated earnings), it shall first reserve the amount to offset the losses.</p> <p>The aforementioned employee remuneration shall be distributed in the form of stock or cash as resolved by the Board of Directors, and the recipients may include employees of subsidiaries who meet certain conditions set by the Board of Directors. The aforementioned directors' remuneration may only be distributed in cash.</p> <p>The distribution of employee and directors' remuneration shall be decided by a resolution of the Board of Directors and reported to the shareholders' meeting.</p>	In compliance with regulatory requirements
Article 34	<p>These Articles of Incorporation were established on July 28, 1998. The first amendment was made on September 21, 1998. (omitted below)</p> <p>The 24th amendment was made on June 26, 2023.</p> <p><u>The 25th amendment was made on June 5, 2025.</u></p>	<p>These Articles of Incorporation were established on July 28, 1998. The first amendment was made on September 21, 1998. (omitted below)</p> <p>The 24th amendment was made on June 26, 2023.</p>	Added amendment date

## List of Director (including Independent Director) Candidates

### 【List of Independent Director Candidates】

Number	Name	Education	Experience	Current Position	Number of Shares Held
1	Tu, Chun-Kuang	Graduated from the Department of Civil Engineering, Tamkang University	Chairman, Softstar Entertainment Inc.	Chairman, Softstar Entertainment Inc.	0
2	Oriental Golden Richness LTD.	Not Applicable	Not Applicable	Director, Softstar Entertainment Inc.	9,708,162
3	Uniplus Electronics Co., Ltd.	Not Applicable	Not Applicable	None	6,551,290
4	Global Angel Investments Limited	Not Applicable	Not Applicable	Softstar Entertainment Inc., Director	5,995,018

**【List of Independent Director Candidates】**

<b>Number</b>	<b>Name</b>	<b>Education</b>	<b>Experience</b>	<b>Current Position</b>	<b>Number of Shares Held</b>	<b>Has served as an independent director for three consecutive terms?</b>	<b>Reasons for the continued nomination of an individual who has served as an independent director for three consecutive terms.</b>
1	Hung, Pi-Lien	Bachelor's Degree in Accounting from National Chengchi University Master's Degree in Accounting from National Chengchi University	Specialist, Taipei Exchange Supervisor, LIWANLI Innovation Co., Ltd.	Independent Director, Softstar Entertainment Inc. Independent Director, Atrack Technology Inc. CPA, Xinda United Accounting Firm		Yes	Possesses professional knowledge and practical experience in finance and accounting, is well-versed in relevant laws and regulations, and is an expert in corporate governance. His/her expertise has been significantly beneficial to the Company, and it is intended to continue leveraging such expertise in the performance of duties as an independent director.
2	Chang, Yu-Te	Bachelor's Degree in Economics from Simon Fraser University	Sales Manager, KGI Securities	Independent Director, Softstar Entertainment Inc. Director, Deken Asset Management Co., Ltd. Director, Shin Cheng Venture Capital Co., Ltd.,			Not Applicable
3	Hsieh, I-Chun	Master's Degree in Marketing from Golden Gate University	COO. The Playground Investment Limited	Independent Director, Softstar Entertainment Inc. President, Naval Games Co., Ltd.			Not Applicable

# SOFTSTAR ENTERTAINMENT INC. Articles of Incorporation

## Chapter 1. General Provisions

- Article 1 -1 The Company was organized in accordance with the Company Act. (SOFTSTAR ENTERTAINMENT INC.)
- Article 2 The Company's scope of business is as follows:
- (I) I599990 Other Designing.
  - (II) F401010 International Trade.
  - (III) I301010 Software Design Services.
  - (IV) F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
  - (V) F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
  - (VI) JE01010 Rental and Leasing Business.
  - (VII) F118010 Wholesale of Computer Software.
  - (VIII) F218010 Retail Sale of Computer Software.
  - (IX) F113050 Wholesale of Computing and Business Machinery Equipment.
  - (X) F213030 Retail Sale of Computing and Business Machinery Equipment.
  - (XI) I301020 Data Processing Services
  - (XII) CC01120 Data Storage Media Manufacturing and Duplicating.
  - (XIII) CC01080 Electronic Parts and Components Manufacturing.
  - (XIV) I301030 Digital Information Supply Services.
- Article 3 The Company set up its headquarters in Taipei City. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors.
- Article 4 When the Company is a limited liability shareholder of another company, the total amount of its investment in the other company is exempted from the prohibition against exceeding 40% of the paid-up capital described in Article 13 of the Company Act.
- Article 5 The Company may endorse/guarantee.

## Chapter 2. Shares

- Article 6 The Company's authorized capital is NT\$1.3 billion, which is divided into 130 million shares. Each share carries a par value of NT\$10, and the Board of Directors has been authorized to issue them in installments, some of which may be preferred shares. The NT\$100 million shares of the capital in the preceding paragraph are reserved for stock options including preferred shares with options,

company bonds with stock options and employee stock options, totaling ten million shares. Each share carries a par value of NT\$10 and may be issued in accordance with the resolution of the Board of Directors.

Employees eligible to receive newly issued restricted stock with restricted rights, transferees of treasury stocks acquired in accordance with the Company Act, recipients of employee stock options certificates, or employees subscribing for shares when newly issued, may include employees of subsidiary companies who meet certain conditions.

Article 6 -1 deleted

Article 6 -2 deleted

Article 6 -3 deleted

Article 6 -4 deleted

Article 6 -5 deleted

Article 6 -6 deleted

Article 6 -7 The rights and obligations of this Company's preferred shares and related issuing conditions are as follows:

- I. When there are earnings in the annual final accounts of the Company, 10% of the balance, after deducting all taxes and making up for the losses in the past years (including undistributed earnings adjusted), shall be set aside for the statutory surplus reserves, except when the cumulative statutory surplus has reached the paid-in capital of the Company. Then, it shall set aside or reverse special reserve according to the regulations, and the balance shall be used to pay the distributable dividends on the preferred shares.
- II. The dividend rate of preferred shares is capped at 4% per annum and is calculated based on the issuance price. Dividends are to be distributed in the form of cash each year. Once the Company's financial reports are ratified in the Annual Shareholders' Meeting, the Board of Directors will set the record date for the distribution of previous year's dividends payable. The number of annual dividends for the year and the annual recovery of dividends are calculated based on the ratio of actual issuance days to total days of the year.
- III. The Company has discretion over the distribution of preferred share dividends. If the Company did not generate any or sufficient profits during the year for the distribution of preferred share dividends, it may resolve not to pay out the dividends and preferred shareholders have no rights to object. If the preferred shares issued are of the non-accumulative

type, the undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the years with earnings in the future.

- IV. Unless the shareholders of preferred shares receive dividends as specified in Subparagraph 2 of this Article, if the preferred shares are in a non-participating type, they shall not participate in distribution of cash and allotted capital from earnings and capital reserve for common shares.
- V. When the Company issues new shares in cash, the shareholders of preferred shares shall have the same priority on option as shareholders of common shares.
- VI. The priority order of shareholders of preferred shares in distribution of residual property is higher than shareholders of common shares, and it is the same with the repayment order for shareholders of various preferred shares but next to the creditor. Besides, it shall not exceed the amount calculated according to the issuance price of the outstanding preferred shares at the time of distribution.
- VII. Holders of preferred shares are entitled to voting rights or election rights at the Shareholders' Meeting, and may also be elected as directors.
- VIII. If the issued preferred shares by the Company are convertible preferred ones, they shall not be converted within one year from the date of issuance. The Board of Directors shall be authorized to formulate the convertible period according to actual conditions. Based on the issuance terms, holders of convertible preferred shares may apply to convert all or a part of preferred shares held at the conversion ratio of one preferred share for one common share (The conversion ratio is 1:1). After convertible preferred shares are converted into common shares, their rights and obligations are the same as common shares. Dividend distribution at the conversion year shall be calculated based on the ratio of actual issuance days to total days of the conversion year. However, preferred shareholders who convert their shares prior to the ex-dividend date cannot participate in the preferred share dividends of that year and all subsequent year. Nevertheless, they may participate in the distribution of profit and capital surplus for common shares.
- IX. Preferred shares have no maturity dates and preferred shareholders have no rights to request the Company to redeem those shares. However, the Company may redeem all or a part of preferred shares in cash, by compulsory conversion into new shares or by other means permissible by laws based on the issuance price and by relevant issuance terms at any time starting from the date after the shares have been issued for three years. The unredeemed preferred shares continue to have the rights and obligations stipulated in this Article until they are redeemed by the

Company. In the year of redeeming preferred shares, the dividends that shall be distributed until the redemption date shall be distributed based on the ratio of actual issuance days to total days of the year if the Shareholders' Meeting of the Company decides to distribute dividends.

- X. The Board of Directors is authorized to list the preferred shares or the common shares converted at the TPEx depending on the Company and market conditions.

The Board of Directors is authorized to set the name, issuance date and terms, and other relevant matters of the preferred shares at the time of issuance based on the market conditions and investors' subscription interests, in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

Article 7 All of the shares issued by the Company shall be name-bearing, numbered and signed or sealed by at least three of the Company's Directors. Shares can be issued by the competent authority or the competent authority's approved share-issuing institution after the shares are recorded. The Company may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody institution to make registration of such shares. The same applies to securities.

Article 8 Stock-related affairs shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9 deleted

Article 10 The transfer of shares shall be suspended within 60 days prior to the convening date of a Annual Shareholders' Meeting, or within 30 days prior to the convening date of an Extraordinary Shareholders' Meeting, or within 5 days prior to the base date fixed by the Company for distribution of dividends, bonus or other benefits.

### Chapter 3. Shareholders' Meeting

Article 11 The Company's Shareholders' Meeting falls in the following 2 categories:

- I. Annual Shareholders' Meetings, held by the Board of Directors within 6 months after the end of each fiscal year.
- II. Extraordinary Shareholders' Meeting, convened in accordance with relevant laws and regulations when necessary.

The Special Shareholders' Meeting is convened by the Board of Directors according to laws when necessary.

Article 12 The Shareholders' Meeting shall be chaired by the Chairman of the Board. In

case the Chairman is on leave, the designated Director appointed by the Chairman shall act in place of the Chairman. Where the Chairman does not make such appointment, the Directors shall elect one person from among themselves to serve as chair. When the meeting is called by a person outside of the Board of Directors, the convener shall preside as the chair, and when there are two or more conveners, a person among them shall be elected to preside as the chair.

Article 13 The Annual Shareholders' Meeting shall be convened 30 days before the day of the meeting and the Extraordinary Shareholders' Meeting shall be convened 15 days before the date of the meeting. The shareholders shall be notified of the date, place, and reasons of the meeting.

Article 14 When a shareholder is unable to attend the Shareholders' Meeting, he/she may appoint a representative through a letter of proxy printed by the Company, stating the scope of authorization to the representative.

Use of the letter of proxy shall be subject to the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies.

Article 15 Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 16 Unless otherwise stated in relevant laws and regulations, resolutions of Shareholders' Meeting shall be agreed by the majority of votes represented by the attending shareholders or representatives who represent the majority of the total number of issued shares.

#### Chapter 4. Board of Directors, the Audit Committee, and the Manager

Article 17 The Company shall have seven Directors with three-year office term. Directors are elected and appointed by the Shareholders' Meeting from the list of candidates in accordance with the candidate nomination system. Candidate(s) may continue in office if re-elected.

The number of Independent Directors shall be no less than three, and not less than one-fifth of the number of Directors. The professional qualification requirements, restrictions on shares held and concurrent positions, identification of independence, candidate nomination and election, exercising power, and other relevant requirements of the Independent Directors shall be in accordance with the regulations of the security authority.

The election of Independent Directors and non-Independent Directors shall be held together. The number of elected seats shall be calculated independently.

The total number of shares held by all Directors in the Company's registered shares shall not be less than the amount specified by the supervisory authority. The Company shall purchase liability insurance for the Directors for carrying out the scope of their responsibilities during the terms of office.

Article 17-1 The Audit Committee in accordance with the Securities and Exchanges Act shall be comprised of all Independent Directors, whose number shall be no less than three, and one of whom will be the convener. At least one of the members shall have accounting or finance expertise.

Where an Audit Committee has been established by the Company, the provisions of the Securities and Exchange Act, the Company Act, and other laws relating to supervisors shall apply to the Audit Committee.

Article 18 The Board of Directors is formed by the directors, and its functions are as follows:

- I. To provide business plans.
- II. To propose profit distribution or a plan for recovery of losses.
- III. To propose capital increase or decrease.
- IV. To formulate material chapters and the Company's organization procedures.
- V. To appoint and discharge the Company's general manager and managers.
- VI. To setup and shutdown branch institutes.
- VII. To prepare budgets and final accounts
- VIII. Other power entitled by the Company Act or the resolution of the Shareholders' Meeting.

Article 19 The Chairman shall be elected among the Directors with two-thirds or more of all Directors in attendance and the consent of the majority of the Directors present. The Chairman shall represent the Company externally.

Article 20 The Board of Directors shall be convened by the Chairman unless otherwise provided by the Company Act. Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of more than half of the Directors in attendance at the meeting where more than half of the total number of Directors presents.

Article 20 -1 In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, in the case of

emergency, the meeting may be convened at any time. In calling a meeting of the Board of Directors, a notice setting forth to each Director can be in the form of writing, e-mail, or fax.

Article 21 If the Chairman of the Board is on leave or cannot perform his duties for some reason, the Chairman shall designate a Director to act on his behalf. If the Chairman does not designate a Director, Directors shall elect one person from among themselves to serve as chair. Directors shall attend meetings of the Board of Directors. If a Director is unavailable to attend a meeting in person, the Director may issue a power of attorney for the given meeting, but such authorization is limited to one person only.

Article 22 deleted

Article 23 When the number of Directors falls to one-third of the total or all Independent Directors have been dismissed, the Board of Directors shall call an Extraordinary Shareholders' Meeting within 60 days from the date of occurrence to carry out a by-election to fill the vacancies.

Article 24 The Company may have managerial officers. Appointment, dismissal and compensation of the managerial officers shall be decided in accordance with Article 29 of the Company Act.

Article 24 -1 The Board of Directors is authorized to decide the compensation for all Directors based on the degree of their participation in and contribution to the operations of the Company and referred at a rate consistent with general practices in the industry.

Article 25 The General Manager shall preside over the business of the Company in accordance with the resolution of the Board of Directors.

#### Chapter 5. Accounting

Article 26 The Company's fiscal year begins from January 1 to December 31. Final accounts should be processed at the end of each year.

Article 27 In accordance with Article 228 of the Company Act, at the close of each fiscal year, the Board of Directors shall prepare the following reports and statements, which will be subsequently submitted to the annual general meeting for recognition.

I. Business Report.

II. Financial Statements.

III. Proposal on earnings distribution or a plan for recovery of losses.

Article 28 The distribution of dividends and bonuses is based on the proportion of shares held by each shareholder. When the company has no earnings, it does not pay dividends and bonuses.

Article 29 If the Company makes a profit in the year, at least 3% of the profit shall be allocated for employees' compensation and no more than 3% shall be allocated for Directors' compensation. However, the Company shall reserve a portion of profit to make up for accumulated losses (including adjusted unallocated earnings from previous years), if any.

The Board of Directors shall issue the employee compensation in the preceding paragraph in the form of stocks or cash distribution, and the objects of the issuance shall include employees of the subordinate companies that meet the conditions set by the Board of Directors. The Director compensation of the preceding paragraph is only paid in cash.

The compensation distribution of the employees and Directors shall be subject to the resolution of the Board of Directors, and shall be reported to the Shareholders' Meeting.

Article 29 -1 When there are earnings in the annual final accounts of the Company, 10% of the balance, after deducting all taxes and making up for the losses in the past years (including adjusted unallocated earnings), shall be set aside for the statutory surplus reserves, except when the cumulative statutory surplus has reached the paid-in capital of the Company. Special surplus reserves required by the regulations shall also be allocated and the balance then added with the unallocated earnings from previous years. Subsequently, the Board of Directors shall plan the earnings distribution and forward a proposal to the Shareholders' Meeting for approval.

The Company's dividend distribution policy is subject to the Company's operational needs and the maximum interests of shareholders. The distribution of shareholder dividends is based on the principle of stock dividends. If there are surpluses, the cash dividends are distributed to shareholders. However, the proportion of cash dividends is not more than 50% of the total dividend distribution.

Article 30 deleted

Chapter 6. Others

- Article 31 deleted
- Article 32 The Company's organizational structures and business rules shall be established separately.
- Article 33 Any other matters not set forth in the Procedures shall be dealt with in accordance with Company Act and the relevant laws and regulations.
- Article 34 The Articles of Incorporation were established on July 28, 1998. The 1st amendment was made on September 21, 1998. The 2nd amendment was made on November 17, 1998. The 3rd amendment was made on May 6, 1999. The 4th amendment was made on November 25, 1999. The 5th amendment was made on May 24, 2000. The 6th amendment was made on June 13, 2001. The 7th amendment was made on June 24, 2002. The 8th amendment was made on June 24, 2002. The 9th amendment was made on June 15, 2004. The 10th amendment was made on June 14, 2005. The 11th amendment was made on June 14, 2006. The 12th amendment was made on June 13, 2007. The 13th amendment was made on June 13, 2008. The 14th amendment was made on June 16, 2009. The 15th amendment was made on June 17, 2010. The 16th amendment was made on June 22, 2011. The 17th amendment was made on June 27, 2012. The 18th amendment was made on June 4, 2013. The 19th amendment was made on April 30, 2015. The 20th amendment was made on June 6, 2016. The 21st amendment was made on June 22, 2017. The 22nd amendment was made on June 29, 2018. The 23rd Amendment was made on July 1, 2021. The 24th amendment was made on June 26, 2023.

SOFTSTAR ENTERTAINMENT INC.

Chairman: Tu, Chun-Kuang

SOFTSTAR ENTERTAINMENT INC.  
Rules of Procedure for Shareholders' Meeting

- I. Meetings of shareholders shall be acted upon in accordance with these rules.
- II. Shareholders (or proxies) attending the Shareholders' Meeting shall sign on the attendance book, or turn in the sign-in card for check-in procedures. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed.
- III. Attendance and voting at a Shareholders' Meeting shall be calculated based the number of shares. The calculation of the number of shares present shall be based on the attendance book or sign-in cards submitted by the shareholders and those shares whose votes are exercised in writing or by electronic form.
- IV. The location of the Shareholders' Meeting shall be the Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9 a.m. or later than 3 p.m.
- V. When a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case the Chairman is on leave or for any reason unable to exercise his powers, the Vice Chairman shall act in place of the Chairman. If there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such an appointment, the managing Directors or the Directors shall elect one person from among themselves to serve as chair.

If the chairman has not appointed a representative or the designated Director cannot perform his/her duties for some reason, the meeting chair shall be elected from among the Directors present.

- VI. The Company may appoint its attorneys, certified public accountants, or related persons to attend a Shareholders' Meeting with a non-voting capacity.

The staff members who take charge of the Shareholders' Meeting affairs shall wear identification certificates or armbands.

- VII. The Company shall record the Shareholders' Meetings by audio or video and keep the recording for at least one year.
- VIII. The chair shall call the meeting to order at the appointed meeting time, as well as announcing information such as the number of shares with no voting right and shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative

resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within 1 month.

When, prior to termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the Shareholders' Meeting pursuant to Article 174 of the Company Act.

- IX. If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors and relevant proposals shall be voted one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.

The provisions of the preceding paragraph apply to a Shareholders' Meeting convened by a party with the power to convene that is the member of the Board of Directors.

Unless otherwise resolved at the Shareholders' Meeting, the chair may not announce adjournment of the meeting unless the scheduled agenda items (including Extemporaneous Motions) set forth in the preceding two provisions of this Article are concluded.

After the meeting is adjourned, shareholders may not separately elect a chair and resume the meeting at the original or another venue.

- X. Before speaking, the attending shareholder shall complete the speaker's slip indicating the subject of speech, shareholder's account number (or the attendance card number) and account name. The sequence of speeches shall be determined by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt. Unless they have obtained the consent of the chair and the shareholder who has the floor, the chair shall stop any violation.

- XI. A shareholder may not speak more than twice on the same resolution without the chair's consent, with five minutes maximum for each speech. However, if approved by the chair, it may be extended for three minutes. The chair may stop any shareholders who violate the above rules or exceed the scope of the agenda item.

- XII. Any legal entity designated as proxy by shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting. When a corporate shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives appointed may speak on the same proposal.

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

- XIV. When the chair considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The result of the voting shall be reported and made into a record.
- XVI. Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions shall be adopted by a majority of the votes represented by the attending shareholders.
- The election of directors at the shareholders' meeting, if any, shall be handled according to the Rules on Director Election made by the Company, and the voting results shall be announced on the spot including the list of elected directors and the numbers of votes, as well as the list of unelected directors and the respective number of votes received.
- XVII. When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XVIII. During the process of the meeting, the chairman may announce a recess at an appropriate time. During the meeting, when an airstrike alarm, earthquake, fire or other major disaster occurs, the meeting will be terminated or suspended with attendants evacuated. After the situation is clear, the chair may announce the meeting time as appropriate. A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within five days without further notice or announcement.
- XIX. The chair may direct the inspectors (or security personnel) to help maintain order at the meeting place. When inspectors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Inspectors".
- XX. The resolution matters at Shareholders' Meetings shall be recorded in the meeting minutes to be signed or stamped by the chair and then distributed to shareholders within 20 days after the meeting. Electronic measures or announcements may be adopted to print and distribute meeting minutes. Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the MOPS.
- The meeting minutes shall accurately record the date and place of the meeting, the chair's name, the resolutions and voting results (including statistical voting power), and in case of election of directors, the votes received by each elected director. The meeting minutes shall be as long as the Company exists.
- XXI. Any matters not sufficiently provided for in these Rules shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and other applicable laws or regulations.
- XXII. Along with any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

**Softstar Entertainment Inc.**  
**Rules for Election of Directors**

Article 1. The Company's election of Directors shall be handled in accordance with these Rules, unless otherwise provided by laws or Articles of Incorporation.

Article 2. The Company's election of Directors shall be held at the Shareholders' Meeting. The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's Directors Board members shall possess knowledge, skills, and qualities required to carry out their duties. Abilities needed for each member are as follows:

1. Business judgment ability.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership.
8. Decision-making ability.

More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Directors.

Article 3. The cumulative voting method shall be used for the election of the Company's Directors. Each share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 4. The election of Directors of the Company shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act.

If the dismissal of a Director results in a Board with less than five Directors, the Company shall hold a by-election at the next Shareholders' Meeting. However, if Director vacancies reach one third of seats stipulated by regulations, the Company shall hold a Extraordinary Shareholders' Meeting to elect Directors within 60 days from the date of such occurrence.

When the number of Independent Directors falls below that is required by the law, a by-election shall be held at the next Shareholders' Meeting. When the Independent Directors are dismissed en masse, an Extraordinary Shareholders' Meeting shall be called within 60 days from the date of such occurrence to hold a by-election.

Article 5. The Directors of the Company shall calculate the voting rights of common Directors and Independent Directors in accordance with the Company's Articles of Incorporation. They shall be acted upon by those representing more voting rights in order. If there are two or more persons obtaining the same number of rights exceeding the stipulated quota, a decision shall be made by drawing lots, and the chair shall draw on behalf of the those absent.

Article 6. In preparing the ballots, the Board of Directors shall specify on the ballots the number of

voting rights associated with each ballot. However, if voting rights are exercised electronically, no ballot will be prepared.

Article 7. Before the election begins, the chair shall appoint a number of persons with shareholder status as vote monitoring personnel and counting personnel to perform the duties of vote monitoring and counting, respectively.

Article 8. If a candidate is a shareholder, the voter shall enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name on the ballot, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.

Article 9. Ballots are deemed void in any of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are written on the ballot in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. Nonetheless, this does not apply to those handled in accordance with Article 8.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such an individual.

Article 10. The voting rights shall be calculated on site immediately after the end of the poll, and the list of persons elected as the directors shall be announced by the chair or a person designated by the chair on site.

Article 11. These Rules and any amendments thereto shall be implemented after the approval by a Shareholders' Meeting.

**SOFTSTAR ENTERTAINMENT INC.**  
**Status of Shareholding by All Directors**

1. The Company has issued a total of 109,111,051 shares.
2. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the Company has appointed three independent directors. The shareholding requirement for all directors, excluding independent directors, is reduced to 80% of the calculation in the preceding paragraph. Therefore, the minimum number of shares required to be held by all directors is 8,000,000 shares.
3. As of April 7, 2025, the record date for stock transfer suspension for this shareholders' meeting, the shareholdings of individual directors and all directors as recorded in the shareholders' register are listed in the table below: the shareholding percentages comply with the legal requirements.

Unit: Share

Title	Name	Number of shares held as recorded in the share register on the Record Date for stock transfer suspension
Chairman	Tu, Chun-Kuang	
Director	Angel Fund (ASIA) Investments Limited, British Cayman Islands	8,078,562
Director	Oriental Golden Richness LTD.	9,708,162
Director	Global Angel Investments Limited	5,995,018
Independent Director	Hung, Pi-Lien	0
Independent Director	Chang, Yu-Te	0
Independent Director	Hsieh, I-Chun	0
<b>Total for All Directors</b>		<b>23,781,742</b>