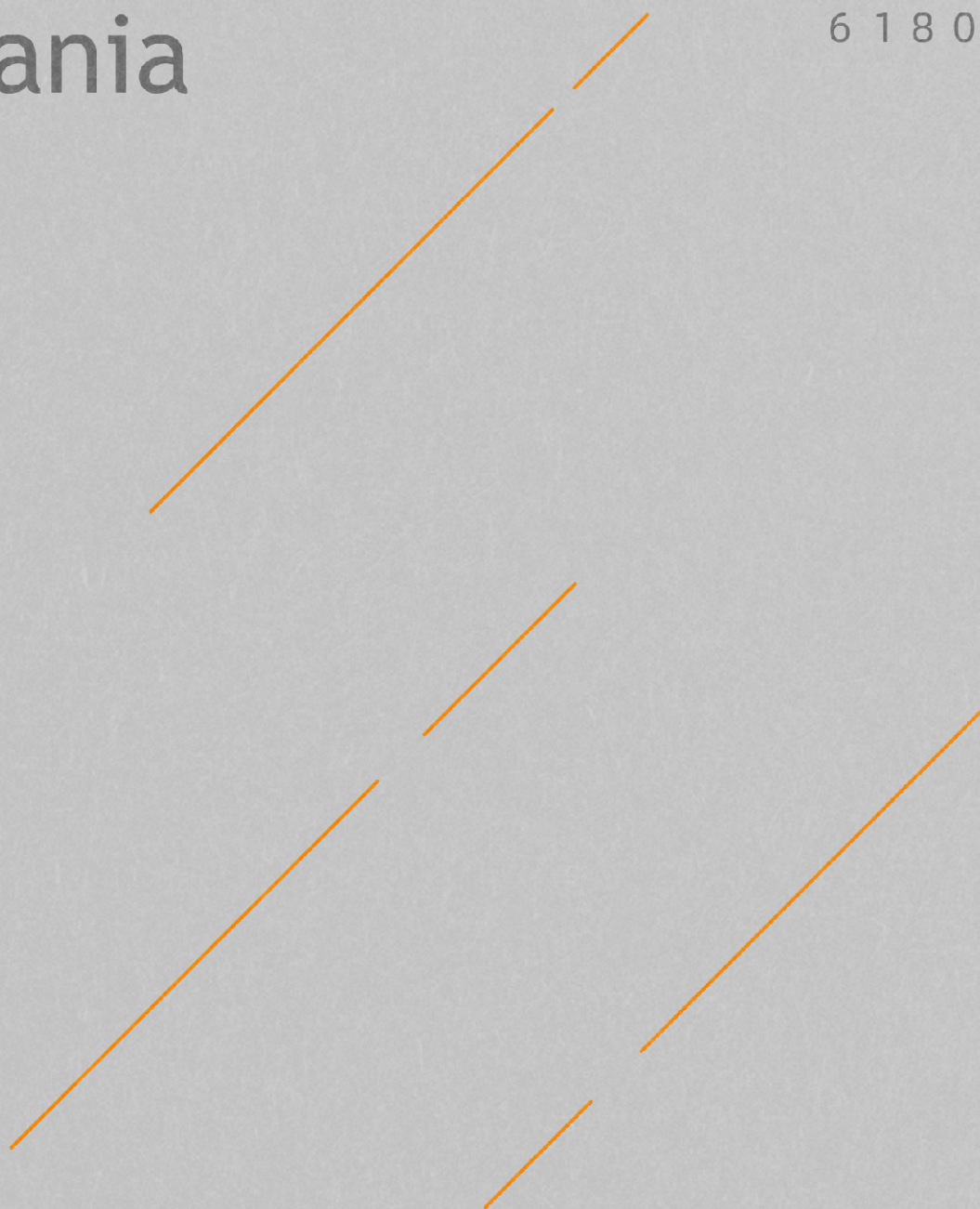


gamania

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Annual Report  
2020



## **One. Spokesperson**

Spokesperson: Su, Hsin-Hung

Title: Chief Financial Officer of the Group

Telephone: (02) 2658-8866 extension 1020

Email: spokesman@gamania.com

Acting Spokesperson: Chen Yun-Ru

Title: Chief Marketing Officer of the Group

Telephone: (02) 2658-8866 extension 1223

Email: spokesman@gamania.com

## **Two. Address and Telephone of the Company:**

Address: No. 111, Ruihu Street, Neihu District, Taipei City

Telephone: (02)2658-8866

## **Three. Stock Registration Agency**

Name: KGI Securities Co. Ltd. Registrar Department

Address: 5F, No. 2, Chongqing South Road Section 1, Taipei City

Website: <http://www.kgiworld.com.tw>

Telephone: (02)2389-2999

## **Four. CPA(s) for the Latest Financial Statement**

Name(s): Lin Yi-Fan, Yen Yu-Fun

Name of Firm: PwC Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Road, Taipei City

Website: <http://www.pwc.com>

Telephone: (02)2729-6666

## **Five. Name of Trading Site for Securities Listed Overseas and How to Search for the Said Overseas Securities:** None.

## **Six. Company Website:** <http://www.gamania.com>

**Investor Relations Website:** <http://ir.gamania.com>

## Table of Content

I.	Letter to Shareholders IR .....	3
II.	Company Profile .....	7
1.	Established Date.....	7
2.	Company History .....	7
III.	Corporate Governance Report.....	17
I.	Organizational System: .....	17
II.	Information of Directors, Supervisors, President, Vice President, Assistant Vice President, and Heads of Various Departments and Branches: .....	19
III.	Remuneration paid to to Directors, Supervisors, President and Vice President in the Past Year: .....	31
IV.	Status of Corporate Governance .....	40
V.	Information on Public Expenditure on CPAs.....	80
VI.	Information on Replacement of CPAs: .....	82
VII.	Disclosure of the name, position, and duration of service at the firms or their affiliates that the Company’s Chairman, President, or managers in charge of financial or accounting affairs in the past year, if any: None. ....	83
VIII.	Changes in the transfer and pledge of equity among directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% in the past year and up to the date the Annual Report was printed. ....	84
IX.	Information of relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship. ....	86
X.	Number of shares held by the Company, the Company’s directors, supervisors, managers, and directly or indirectly controlled businesses and the consolidated general holding ratio. ....	88
IV.	Fund-raising.....	89
I.	Capital and Shares.....	89
II.	Corporate Bonds: None.....	95
III.	Preferred Stock: None. ....	95
IV.	Global Depositary Receipt: None. ....	95
V.	Employee Share Subscription Warrant: None.....	95
VI.	M&A or Acceptance of Transferred Shares of Another Company for Issuance of New Shares: None. ....	95
VII.	Implementation of Capital Utilization Plan: None. ....	95
V.	Operational Overview .....	96
I.	Scope of Operation: .....	96
II.	Market and Production/Distribution Overview: .....	105
III.	Employees.....	119
IV.	Information on Environmental Protection Expenditure.....	119

V.	Labor-Management Relations.....	119
VI.	Important Contract.....	124
VI.	Financial Overview.....	125
I.	Condensed Balance Sheet and Comprehensive Income Statement of the Past Five Years and Audit Opinions from the CPAs.....	125
II.	Financial Analysis of the past Five Years.....	129
III.	Review Reports of Audit Committee of 2020 Financial Statements.....	132
IV.	2020 Financial Statements.....	133
V.	2020 Individual Financial Statement of the Company Audited and Certified by CPAs.....	239
VI.	Impacts of Latest Financial Difficulties Encountered by the Company and Any of Its Affiliates on the Company’s Financing Standing, if Any, in the Past Year Up to the Date the Annual Report Was Printed: None.....	329
VII.	Discussion and Analysis of Financial Standing and Financial Performance and Risks.....	329
I.	Financial Standing.....	329
II.	Financial Performance.....	330
III.	Cash Flow.....	332
IV.	Impacts of Latest Major Capital Expenditure on Financial Operation: None.....	333
V.	Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year.....	334
VI.	Analysis and Evaluation of Risk Matters in the Past Year up to the Date the Annual Report was Printed:.....	336
VII.	Other important matters: None.....	341
VIII.	Special Notes.....	342
I.	Information of Affiliates.....	342
II.	Private placement securities in the past year up to the date the Annual Report was printed: None.....	354
III.	Holding or disposal of the Company's shares by its subsidiaries in the past year up to the date the Annual Report was printed: None.....	354
IV.	Other matters requiring supplementary information: None.....	354
IX.	Matters with important impacts on shareholders’ equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities Exchange Act in the most recent year and up to the date the Annual Report was printed: None.....	354

## **I. Letter to Shareholders IR**

Dear shareholders, ladies and gentlemen:

The consolidated revenue of the Group in 2020 was NTD 10.44 billion, a growth of 8%, primarily due to the steady operations of the gaming business and the continuously optimized portfolios of respective businesses. The consolidated revenue broke the ten billion threshold again and marked the second highest in the history of the Group. Impacted by the renewal fees for gaming contracts in 2020, the net operating profit came to NTD 3.97 billion, an annual reduction of 3%. The operating expenditure was NTD 2.83 billion, which was equivalent to the year before. The operating profit amounted to NTD 1.14 billion and the operating profit ratio was 11%. The after-tax net profit attributable to the owner of the Company was NTD 870 million and the earnings per share (EPS) was NTD 5.00.

In 2020, Gamania continued to piece together its ecosystem. The gaming business, in particular, played a key role in profits and trend-setting. The charm of the main product “Lineage M” continued. Its major rehash attracted players extensively and was greatly discussed. The evergreen online game “MapleStory (New)”, on the other hand, hit a new record high revenue over the past 15 years under respective trendy transformation plans initiated by the operational team and contributed to the new record high revenue of Gamania Digital Entertainment (HK) Co., Ltd. to lay the groundwork for the long-term operational momentum of the Group. In the first half of 2021, the IP masterpiece “World of Dragon Nest” and the brand new pinball motion RPG “World Flipper” were introduced and for the second half of the year, the self-developed recreational “Chibi Maruko-chan for mobile phones” will be introduced. Hopefully, through the diversified deployment of products, the existing trend-setting advantages are kept track of and the user base is further expanded.

In 2020, when non-contact economy was booming, the four major businesses, namely gaming, payment, e-commerce, and media, gained traction and rendered synergistic effects in proactive bridging of diversified online and offline consumption scenes. The massive game users and the huge population brought about by the media business have helped the scope of service of the Group shift from the traditional stay-at-home economy to the whole living community. With the splendid performance in gaming, Gamania Digital Entertainment (HK) Co., Ltd. reached its scope of operation out to integrated media marketing to make the best of the marginal benefit. Meanwhile, while the pandemic remains unsteady, for more opportunities to contact and interact with users, the Group integrated its games, payment, e-commerce, and beanfun! for the first and third quarters of 2020 and created two rounds of the brand new Live Show “Gamania Online Carnival” with exposure to up to a head count of a million people. The number of viewers went higher and higher, too. The performance was impressive. Besides successfully keeping users of beanfun! active and increasing the use rate of

respective services, it also catalyzed the influential O2O curatorial brand for the Group.

In addition, the Group is proactively fulfilling its corporate social responsibilities. Besides broadening of horizon and development of practical ability of young people through its Foundation, answering to the adventurous essence of “Dare to Challenge”, starting in 2019, the Corporate Social Responsibility Report has been prepared. In the 13th Taiwan Corporate Sustainability Award screening of 2020, the Group was honored by the Silver Award for “Sustainability Report” and Award for “Excellent Sustainability Example” - Talent Development in recognition of the sustainable accomplishments of Gamania over the long term and its positive influence on society.

2021 will mark the beginning of a new wave of changes for the Group. On the basis of our experience on the market accumulated over the past 25 years, we are transforming it to third-generation competitiveness centering AI, big data, and platforms for the development. From gaming, we are setting foot also in a variety of other fields, namely, payment, e-commerce, media, and digital commerce. Through beanfun!, each service of the Group and its partners is linked together. It helps maximize the digital entertainment territory of the Group and challenge the market for mobile life portal in Taiwan.

The Group was able to constantly evolve over the past 25 years because of the long-term trust and support from all shareholders. We promise each shareholder that trusts Gamania that we will continue to create value and rewards and give them back to shareholders while at the same time making the best of our market insights and releasing a new wave of innovative momentum to create next exciting 25 golden years of Gamania.

I wish you

The best in all your endeavors and happiness and well-being of you and your loved ones!

Chairman and President

Liu, Po-Yuan

## Business Report

### 1. Results of Business Plans for 2020

The operating income, operating gross profit, pre-tax net profit, and after-tax net profit of 2020 are detailed in the table below.

Unit: NTD 1,000

Item	2020
Operating income	10,443,042
Operating gross profit	3,968,738
Operating profit	1,137,415
Pre-tax net profit	1,065,547
Net profit attributable to the owner of the parent company	872,496

### 2. Analysis of Financial Income and Expenditure and Profitability

Refer to “II. Financial Analysis of Past Five Years” under “Six. Financial Overview” for details.

### 3. Status of Research and Development

Refer to the descriptions about R&D accomplishments under “I. Scope of Operation” under “Five. Overview of Operation” for details.

### 4. Expected Sales Volume and Rationale

The Company has different measurement units given its numerous types of operating income and has not prepared financial forecasts, so there are no statistics on the expected sales.

### 5. Impacts from External Competition, Regulatory Environment, and Overall Operational Setting

#### (1) Impacts from External Competition and Overall Operational Setting

The popularization of smart phones and mobile devices has contributed to the rapid growths in the production value brought about by games and has also attracted accession of foreign game service providers at the same time. As a result, the competition on the domestic gaming market is getting fiercer and fiercer. The external environment, international trade disputes, and the global pandemic, however, impact global economic growths and add uncertainties to the operational setting. In light of this, besides continuing to run large well-known IP games, the Company is proactively transforming to be a comprehensive web-based enterprise. Centering gaming consumers, respective businesses are connected to bring growth momentum for the Company.

(2) Impacts from the Regulatory Setting

As far as the regulatory setting is concerned, besides complying with national policies and regulatory requirements, respective units, namely finance, business, and auditing, of the Company are paying close attention to changes in important policies and laws in the nation at any time and are precisely keeping track of the latest information so as to adjust the Company's internal system and operating activities accordingly and to ensure smooth corporate operations.

Chairman of the Board:  
Liu, Po-Yuan

Manager: Liu, Po-Yuan

Head of Accounting:  
Su, Hsin-Hung



## II. Company Profile

### 1. Established on June 12, 1995

### 2. Company History :

- 1) Company mergers and acquisitions in the past year up to the date the Annual Report was printed: None.
- 2) Transfer or exchange of stock options in large quantities by directors, supervisors, or heavyweight shareholders holding more than 10% of all shares in the past year up to the date the Annual Report was printed: None.
- 3) Company restructuring in the past year up to the date the Annual Report was printed: None.
- 4) Major changes in operation or scope of operation in the past year up to the date the Annual Report was printed: None.
- 5) Change in the management and other important matters sufficient to impact shareholder equity and their impacts on the Company in the past year up to the date the Annual Report was printed: None.
- 6) Reinvestment in affiliates in the past year up to the date the Annual Report was printed: Refer to “I. Related information of Affiliates” on Page 342.
- 7) Other Information:
  - 1995
    - The Company was established under the name of “FullSoft Co., Ltd.” and dealt mainly with information and software services.
  - 1999
    - Released the first self-made product “CONVENIENT STORE”, which was well received on the market with unprecedented sales.
    - The Company officially changed its name to Gamania Digital Entertainment Co., Ltd. (Gamania).
  - 2000
    - Gamania Digital Entertainment (HK) Co., Ltd. was established.
    - Brokered and released the online game “Lineage” and rewrote the history of the gaming industry of Taiwan.
    - Released the digital recreational magazine “MANIA”; 200 thousand volumes were sold as soon as it was available on the market.
    - “CONVENIENT STORE” was awarded “Best Strategy Game by an Independent Developer” by the Taipei Computer Association.
    - Released the self-made product “CONVENIENT STORE 2”.
  - 2001
    - “CONVENIENT STORE 2” was awarded “Best Strategy Game by an Independent Developer” by the Taipei Computer Association.
    - “Lineage” was awarded “Best Online Game” by the Taipei Computer Association.
    - Gamania’s Corporate Identity System (CIS) received the Gold Award in Taiwan’s “Top 10 National Design Award”.
  - 2002
    - Listed in Taiwan under the ticker symbol of 6180.
    - Gamania Digital Entertainment (Beijing) Co., Ltd. was established.
  - 2003
    - The self-made online game “COCOCAN” was introduced to the market in Taiwan along with “Game Cat” as its sound track.

- Gamania's Corporate Identity System received a National Level Gold Award for creativity.
- "Hero: 108" won the "2003 International Digital Content Prototype Award" for its animation.
- 2004 ▪ Taiwan Index became part of Gamania (and the name was changed to "Gameastor").
- 2005 ▪ Brokered and released the online game "MapleStory", which became the first free online game in Taiwan that changed the habits of players.
- Brokered and released the online game "Mabinogi".
- 2006 ▪ Attended the Tokyo Game Show for the first time where five of the Company's self-made online games, including "Lucent Heart" made their debut.
- Brokered and released the recreational online game "Crazy Arcade".
- 2007 ▪ Brokered and released the online game "CrazyRacing KartRider", which became the largest recreational game in scale in Taiwan.
- "Lucent Heart" won the "International Digital Content Prototype Award" in the digital content series of contests of Taiwan.
- 2008 ▪ Released the self-made online games "Lucent Heart" and "SenMoDo". "Lucent Heart", in particular, was awarded "Best Game of 2008" in Japan.
- Gamania was named one of Taiwan's Top 10 Brands.
- Brokered and released the online game "Counter Strike Online" which started the fad of FPS shooting games.
- "Gamania Cheer Up Foundation" was set up to encourage young people to "dream hard and be yourself".
- Formed the E-sports team "Gama Bears" and became officially devoted to E-sports.
- 2009 ▪ Gameastor brokered and released the online game "Elsword".
- Gamania Digital Entertainment (United States) Co., Ltd. was established.
- Gamania received an "Outstanding" award from Branding Taiwan in 2009.
- The original animation "Hero: 108", a product of collaboration with Cartoon Network under US Warner Bros. and France Moon Scoop played in over 100 countries around the world, including the US, the UK, and France through Cartoon Network channel.
- 2010 ▪ Attended the Tokyo Game Show and showcased eight of the Company's self-made games, including "Core Blaze," "DIVINA," etc.
- The comprehensive platform "Beanfun!" made its official debut and was commissioned one after another in Taiwan, the US, Europe, China, and Hong Kong.
- Released the self-made online games "DIVINA", "ROA online", "Hero: 108", and "Koihime Muso".
- Gamania Digital Entertainment (Europe) Co., Ltd. was established.
- "TWO TIGERS CO., LTD." was established in Taiwan and "Firedog Studio" in Hong Kong.
- 2011 ▪ Gash Point Card Digital Technology Co., Ltd. was established and upgraded to "GASH+" to diversify business in respective areas.
- Released the first iPhone game "Hero: 108" to officially launch on the global iOS platform.

- Organized the large product release conference Gamania Game Show in Taipei that gathered representatives of 110 media companies from around the world to try the games and to cover the show.
- 2012
  - “Web Koihime Muso” won the 2012 GAME STAR “Best Self-made Web-based Game Silver Award”.
  - Gama Bears won the national championship in Taiwan E-sports five-year “SF” and “CrazyRacing KartRider”.
  - The first season of the original animation “Hero: 108” was well received after it played through Cartoon Network around the world in 2010 and the complete second season played right after around the world.
  - The cross-industrial collaboration of the original animation “Mig Said” and the GTV trendy drama “In Time With You” started the “Square-head Lion” fad. A series of commodities were introduced. The said trendy drama won the “Program Marketing Award” of the Golden Bell Awards.
  - Founded the corporate childcare facility “GamaGarden” that is based on the corporate essence of “love to play” and to live up to “gaming is to learn happily and learning is the game of acquiring knowledge”.
  - Gama Bears won the Taiwan E-sports five-year national championship.
- 2013
  - Brokered and released the cute online game “Crazy Shooting Bubble Fighter” to showcase popularity.
  - Listed consecutively in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2013 and topped the list of counterparts from Taiwan.
  - Gama Bears won the national championship in Taiwan E-sports six-year “CrazyRacing KartRider”.
  - Attended China Joy to maximize the distribution network and solicit business.
  - The two popular games “Mabinogi (New)” and “Elsword” won the Bronze Award in “Popular Online MMORPG Game of the Year” and “Other Popular Online Game of the Year” in the 2013 Bahamut Game Award.
  - Attended the Tokyo Game Show; the R&D Company PlayCoo Corporation successfully attracted international attention with three of its self-made games, including “Pocket Valkyria”.
  - Founded “MIMIGIGI” to take charge of the mobile phone business. For the first game, it brokered the international masterpiece “Plants vs. Zombies for Android Traditional Chinese version. In total, it was downloaded more than 600 thousand times.
- 2014
  - Brokered and released the popular sci-fi action “Phantasy Star Online 2”.
  - The free server edition of the classic long-lived online game “Lineage” was introduced; it became one of the most popular games of the year in Taiwan. A headcount of more than one million people signed up for the first time.
  - “Dragon Poker”, the famous Japanese card game was introduced.
  - The public fund-raising platform by the name of “WeBackers” was introduced to provide entrepreneurship teams with diversified

- opportunities and cultural and creative, gaming, animation, design, audiovisual, technology, and public interest proposals are welcome.
- Reinvested in “Jollywiz Digital” to officially set foot in e-commerce.
  - Established the online audiovisual new entertainment media platform “COTURE” to bring new perspectives for online entertainment.
  - Established “Gash Point Pay” to secure third-party payment opportunities.
- 2015
- The Group proactively transforms towards becoming a comprehensive web-based enterprise. The “Gamania 20” exhibition was held in Huashan 1914 Creative Park so that the general public got a chance to feel for themselves the comprehensive web-based daily life services provided by the Group.
  - Listed consecutively in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2015 and topped the list of counterparts from Taiwan.
  - Introduced the popular RPG game “Finger Knights”.
  - Introduced the mobile phone edition “Pocket MapleStory” of the super popular RPG online game “MapleStory (New)”.
  - Introduced the mobile-end dual platform game “Lineage Mobile: Haste”.
  - Announced collaboration with the Japan mobile game leader GungHo to jointly enter the markets in Taiwan, Hong Kong, and Macao.
  - Gash Point Pay received the official business license to run as an exclusive electronic payment institution for domestic 020 physical store payment service.
  - Jollywiz established “JSTaiwan” to enter the China e-commerce platform Tmall Global with quality historical store products in Taiwan.
  - COTURE introduced the talent show “Gamania 20 Top Million Star”, the very first multi-screen real-time interactive audiovisual entertainment show.
  - Introduced online exchange marketplace APP “Swapub” to start a new shared economic model.
  - “Gash Point Card Digital Technology Co., Ltd.” changed its name to “Gash Point Co., Ltd.”.
  - Introduced “Azion Corporation” and “MERCURIES DATA SYSTEMS LTD.” to be the strategic partners of “Digicentre” and to jointly create the great future for cloud data.
  - Invested in “NOWnews” to further media deployment.
- 2016
- Joined hands with the Japan mobile game leader GungHo and introduced the popular Japanese RPG chessboard-type mobile game “Summons Boards”; it was well received among the million players and members.
  - Brokered and released the popular FPS classic online game extension “CS02 Counter Strike Online 2”; more than 500 thousand people signed up in the first month after it was introduced to reignite the passion for FPS games.
  - Introduced the original classic music-based social networking-oriented mobile game “PLAN-S”; it combined the elements of COTURE’s talent show “PLAN-S” while creating an innovative video-game interactive entertainment model. The game was downloaded more than

a million times.

- The “2016 CSO World Championship” organized by Gamania successfully attracted more than ten thousand players to take part and a headcount of up to 500 thousand people watched it alive online.
- “Gash Point Pay Co., Ltd.” changed its name to “GAMA PAY CO., LTD.”.
- “GAMA PAY” officially went online to comprehensively promote the scope of electronic payment. The goal is to become a leading brand in electronic payment in Taiwan.
- The masterpiece of COTURE “Gamania 20 Top Million Star” won the “Best Variety Show Award” of the 51st Golden Bell Awards and was the first new online media to be honored with the awards in Taiwan.
- The Gamania Group was officially relocated to its new headquarters in Neihsu and turned over a new leaf as a comprehensive web-based enterprise.
- Jollywiz continued to expand the scope of its service and helped introduce well-known brands such as SunnyHills, Lian Hwa Foods, Watsons, and Yili Milk to Tmall Global to secure cross-border business opportunities.
- Introduced the real-time communication software “BeanGo!”; it sees through communication at three levels: intuition, online dating, and events, and redefines the networking model of the new generation and hence builds the funniest and most trendy communication experience.
- 2017 ▪ Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2017, the best ranking in history, and topped the list of counterparts from Taiwan. The Group continued to live up to its core essence of “live and work in peace and happiness” while building a quality workplace with benefits.
- Received “Outstanding Issuer of Government Uniform Invoice (GUI)” Award from the Ministry of Finance.
- Obtained the exclusive dealership of the mobile game masterpiece of NCSOFT “Lineage M” for Taiwan, Hong Kong, and Macao. It was released to the market concurrently in Taiwan, Hong Kong and Macao on December 11 and the number of members went up to 2.43 million within only 20 days. The highest record was over 1.11 million people active in one single day and more than 400 thousand people online at the same time; both were the new records on the gaming market. Meanwhile, it had been topping the iOS list of best sellers and the Google Play list of highest revenue for three weeks in a row.
- For the classic flagship online game “MapleStory (New)”, the yearned-for 10-year all-profession five-turn contents were introduced. The popularity was unprecedented.
- As part of its internationalization strategy, GASH cooperated with the Japan cash flow platform BitCash to reach out to the world.
- Fund-raising for the first nostalgic game magazine “Retro Game Time” of WEBACKERS rendered more than NTD 7 million raised, the highest record in the fund-raising history of game publications in the world.
- WEBACKERS focused on fund-raising for the ACG industry and introduced the charity brand WeGamersLove; it was the single event

- that broke the one million record in fund-raising.
- COTURE, in the midst of the “Lineage M” fad, introduced the interactive video game “Be With You” and the online drama “Game Not Over”. Cumulatively, they were viewed by more than 2.5 million times.
  - COTURE introduced Boy's Love drama “Deep Blue and Moonlight”; the innovative theme triggered heated discussions online and it was viewed 15 million times.
  - Swapub entered the Thai market by means of word-of-mouth marketing. The platform grew actively by 8 folds. Its scope of operation covers 155 countries, including China, Hong Kong, Japan, and Thailand. The number of users around the world broke the 2 million threshold.
  - Jollywiz obtained the exclusive dealership of the international brand Vita Coco in Taiwan. The cross-border e-commerce operation reached out to the largest e-commerce platform Lazada in Southeast Asia.
  - Jollywiz ventured with sisters and formed “Bjolly Digital Corporation Ltd.” to become e-commerce social media capable of producing its own media content, running its own e-commerce platform, and managing its own brand.
- 2018
- Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2018.
  - The Group took part in the Taipei Game Show, spearhead by “Lineage M”, with subordinate businesses, namely GASH, COTURE, GAMA PAY, and Swapub. Starting with games, new AV media, mobile pay, and second-hand exchange marketplace were combined. The deployment covering various types of mobile applications facilitated the Group to grow toward being a comprehensive web-based enterprise.
  - The No.1 cross-generational mobile game masterpiece “Lineage M” continued to sweep through the gaming market in Taiwan. For weeks, it had been topping the list of dual-platform best sellers in Taiwan. Cumulatively, the number of members broke 5 million. New professional modifications such as “Dark Fairy” and “Gunman” were introduced, too, and the “Lineage M” fad continued throughout Taiwan.
  - “MapleStory (New)” announced grand cross-industrial collaboration with the famous classic animation “Evangelion”.
  - The action-based adventurous online game “Elsword” allowed the 3-turn final stage - the third branch. Three-turn was allowed for a total of 37 new professions and unforeseen dark images and splendid standing images of all roles were released.
  - To show its support for the IeSF Esports World Championship that was held for the first time in Taiwan, Beanfun!, Gamania, GASH, and GAMA PAY together built a large recreational area outside Kaohsiung Arena and called for people throughout Taiwan to act to support the players.
  - GASH started selling the limited-offer “Lineage M” Blue Diamond Pack and the New Year Gift Pack; all were well received by the players. The joint marketing effects from “Lineage M” quickly drove

- the number of users up to nearly 1.2 million in the first half of 2018.
  - GASH released its new business model for the gaming industry during the Asia Blockchain Summit for the first time in the third quarter, the IIO (Initial Item Offerings), which triggered inquiries from a lot of game operators.
  - GAMA PAY and Taishin Bank jointly introduced the “account link” service. Users may add value through any of the 3100 FamilyMart stores in Taiwan. GAMA PAY became the electronic payment service provider with the most value addition sites throughout Taiwan. Consumption sites throughout Taiwan had come to 30 thousand as well. Meanwhile, collaboration began with Taiwan High-Speed Rail; users could now purchase THSR tickets on its website with GAMA PAY.
  - The mobile shopping platform centering on networking e-commerce - “JollyBuy”; the innovative group-shopping model and its combination with Beanfun! allowance spending successfully boosted brand awareness.
  - The media business took a step further. In the third quarter of 2018, Nownews officially became a subsidiary of the Group; it is positioned to be the engine for original contents of Taiwan and contributes to a more robust foundation of the Group while the latter grows to be a comprehensive web-based enterprise.
  - The original drama “Ghost High School” of COTURE was nominated for Mini-series, Actor, and Supporting Actress of the Golden Bell Awards.
- 2019
- The first Corporate Social Responsibility Report of Gamania won the Golden Award for “Corporate Sustainability Report” in the 12<sup>th</sup> Taiwan Corporate Sustainability Awards.
  - Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” for the 14<sup>th</sup> year and ranked 23<sup>rd</sup>, the best-ever in history.
  - The Group’s kindergarten “GamaGarden” won the 12<sup>th</sup> Taiwan Interior Design Award in 2019 for its public space, demonstrating that the corporate benefits had reached new heights.
  - Continued with the “Expedition to South Pole” project of Gamania Cheer Up Foundation. First, a small “South Pole Adventure Exhibition” was held in the headquarters of the Gamania Group in Neihu where challenges countered in the south pole expedition and its preparations were released to the public. It was recognized by 2019 Germany Iconic Awards. Cooperated with Discovery in 2019 and produced the adventure science documentary “Expedition to South Pole” and held the first special exhibition on the south pole adventure at the end of the year entitled “Go! Go ! South Pole” to encourage young generations to be brave to go for their dreams.
  - Mobile life portal Beanfun!  
was officially released to trigger the marketing war. With Beanfun! as the backbone, other subordinate businesses such as Gamania, GASH, COTURE, GAMA PAY, Swapub, and JollyBuy joined hands and took part in the Taipei Game Show. Starting with games, new AV media, mobile pay, and second-hand exchange marketplace were combined. The focus was on promoting the brand new integrated service

Beanfun! Meanwhile, during the Chinese New Year, the first allowance marketing war began. The treasure box marketing module was applied to build an exclusive novel interactive mechanism that attracted potential users.

- The cross-generation mobile game masterpiece “Lineage M” introduced new professions such as Dragon Fighter and Dark Knight and allowed cross-server “World Marvelous Stone Siege” for the first time. Meanwhile, the cross-industrial collaboration with “PiLi Puppet Theatre” continued to contribute to the revenue and motivated players to return.
  - “MapleStore (New)” had been running for 14 years. The “Black Mage” brand new BOSS copy content and the new profession “Pioneer” were released and the “No. 14 street layout” was renewed. The first cross-industrial IP collaboration with the global role brand LINE FRIENDS brought another log-in wave for the product.
  - The classic IP mobile game “Cross Gate M” allied with Beanfun!, KKBOX, and TikTok and was introduced to the market expecting a million log-ins. Meanwhile, with social gaming becoming a trend, the mobile life portal Beanfun! was combined to build the “Cross Gate M Community” and to successfully spearhead the gaming fad.
  - The “CrazyRacing KartRider” World Championship was held for the first time. On the day of the final match, official channels in South Korea saw an unprecedented number of players, 30 thousand in total, watching the same online at the same time. Over three days, it was viewed a total of 300 thousand times. The gaming fad continued.
  - Obtained exclusive dealership for Taiwan, Hong Kong, and Macao for the end-games “Lineage REMASTERED” and “Dragon Nest” and mobile games “Dragon Nest: New World”, “SinTales”, and “Komori Life” and deployed the market for mild to severe diversified players to maximize the game player base.
  - The joint venture WalkerMedia was established with Taiwan Kadokawa. Technological innovation was applied to travel and food information, creating a one-stop fulfilling intelligence website for those who love to travel and enriched contents were introduced into Beanfun! In the future, it will be planned to combine memberships of both for maximized synergistic effects in daily life entertainment services such as intelligence/information, games, and payment.
  - DIGICENTRE rendered fruitful results in overseas deployment. Its branch office HyperG was established in Singapore and it collaborated with the Israel information security company Reblaze in providing new services. Domestically, on the other hand, it successfully entered the medical care and national defense fields. The cloud information security service continued to grow.
- 2020
- Gamania Group celebrated its 25<sup>th</sup> anniversary by holding the online exhibition “Checkpoint Challenge” and releasing its 25<sup>th</sup> anniversary film “Let’s Go for It” at the same time. The film depicted the bravery of Gamania in innovation and the journey it had taken on in being an industrial leader as well as history of the cyber industry of Taiwan that has covered generations.
  - The 2019 “Go! Go! South Pole” special exhibition of Gamania Cheer



Up Foundation won the 2020 Germany Red Dot Design Award for being the “Best of the Best” “Brands & Communication Design”, the 2020 Good Design Award, and 2020 Golden Pin Design Award, and many other special honors.

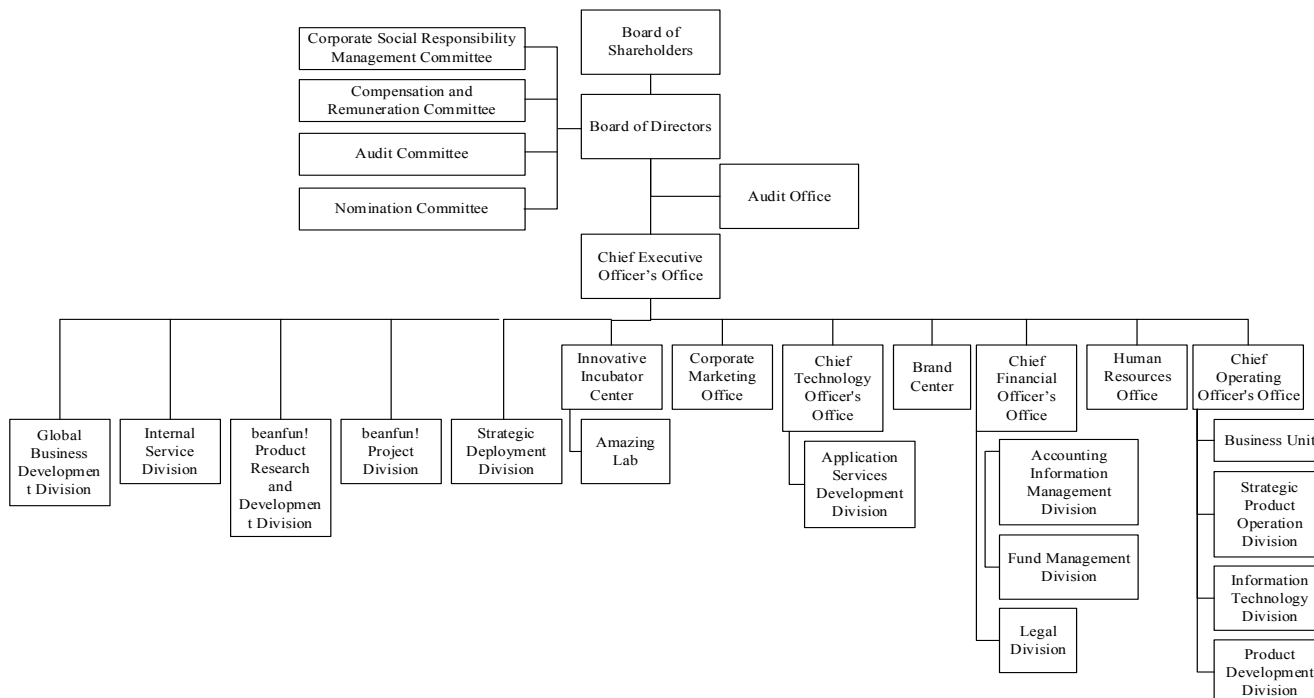
- The Gamania Group took part in the 13<sup>th</sup> Taiwan Corporate Sustainability Award screening and won “Sustainability Report - Silver” and “Excellent Sustainability Example - Talent Development”.
- The Gamania Group took part in the fifth Sports Enterprise Certificate screening and received the “I Sports Enterprise” certification symbol from the Sports Administration, Ministry of Education.
- Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” for the 15<sup>th</sup> year and also the only enterprise selected from the industry of Taiwan.
- One of the finalists for the second Annual Enterprises Protection Award.
- Rated as top 6%-20% among TPEX-listed companies in the seventh corporate governance accreditation.
- Gamania has been devoted to corporate governance over the long term and hopes to strengthen communications with stakeholders and information disclosure by improving the function of its Board of Directors, setting up the Audit Committee, the Nomination Committee, independent directors, and corporate governance supervisors, creating maximum shareholder equity and realizing sustainable corporate operation.
- The Group created two rounds of the player-interactive Live Show “Gamania Online Carnival” where resources throughout the Gamania Group, namely games, payment, e-commerce, and daily life portal Beanfun! were combined to provide impressive game contents and super-value preferred deals. The hope was to converge the membership flow throughout the Group with the pan-entertainment audiovisual live broadcasting and improve their involvement for synergistic effects brought about by cross-business collaboration. Both were clicked on more than a million times and were viewed by nearly 6,000 people at the same time, demonstrating the potential of this brand new curating approach.
- For the mobile game masterpiece “Lineage M”, two new professions “Saint Paladin” and “Berserker” were introduced and multiple professions such as “Advanced Goblin”, “Gunman”, “Mage”, “Black Demon”, and “Dragon Fighter” were optimized and the E-sports live event “Flag Fight Elite Tournament” was held for the first time.
- The two professions “Tiger Shadow” and “Adele” were introduced for “MapleStory (New)” and multiple large modifications took place to celebrate the 15<sup>th</sup> anniversary; it brought about splendid revenue for the Group in 2020.
- GungHo Gamania brokered the virtual life habit formation mobile game “Komori Life” that was released by Shanghai Ruluo Network Development and Shengqu Games and it went officially online on both platforms in Taiwan, Hong Kong, and Macao.

- The Group obtained the dealership for the brand new pinball RPG mobile game “World Flipper” Traditional Chinese that was jointly developed by the Japan heavyweight Cygames and its subsidiary Citail for Taiwan, Hong Kong, and Macao Cygames. In addition, it was announced that the Group would join hands with the well-known Korean game enterprise Kakao Games to jointly run the IP product “The Legendary Moonlight Sculptor” of the famous fantasy novel. This game was the first MMORPG mobile game created under the leadership of the Father of Lineage - Jake Song.
- Cross-border e-commerce “Jollywiz Digital” announced that it would enter Vietnam and introduce the brand new cross-border e-commerce platform “ttCHOICE”. In the beginning, it was expected to introduce 10 to 15 domestic and international brands. They would enter the market in Vietnam as well. In addition, Jollywiz was recognized with a five-star rating by Tmall again in 2020 and became the first Taiwan capital enterprise to gain the honor consecutively.
- GASH “IIO Virtual Exchange” completed Stage 1 virtual treasury conversion, withdrawing function creation and testing in the first half of the year and effectively brought new members for Beanfun!.
- Multiple high-frequency consumption channels such as 7-ELEVEN, Global Mall, Miramar Entertainment Park, and CPC were commissioned for the third quarter for GAMA PAY; accumulatively, there had been over 60 thousand consumption sites.
- In response to the sudden increase in the demand for working from home in 2020, DIGICENTRE focused on the “Amazing Thor Smart and Safe Office solution” that could be quickly set up to provide support and took care of information security at the same time in the first quarter. Meanwhile, it worked with the Israel information security company Reblaze in robotic flow authentication business and continued to work on SaaS service planning and promotion to facilitate home office applications. It also allied with SecurityScorecard, which is known for specializing in non-invasive information collection and analysis. Big data analysis and continuous monitoring of threatening intelligence can be performed outside an enterprise for cyber information security risk assessment. This has become a new solution.
- Entertainment e-commerce “JollyBuy” saw returning buying sprees for game host accessories and home electronic appliances in the first half of the year. Both the number of members and that of stores surged. Meanwhile, it joined the e-commerce transformation revitalization plan of the Ministry of Economic Affairs and increased subsidies for resources to help stores with digital transformation.
- The exchange platform Swapub saw an increase in membership because of enterprises encouraging their employees to work from home. Both the download size and the trading volume around the world climbed in the second quarter. In the second half of the year, Swapub focused on AI application and optimization of cross-screen user experience.

### III. Corporate Governance Report

#### I. Organizational System:

##### (I) Organizational Structure:



##### (II) Major Departments and Their Scope of Operation:

Unit	Task and Responsibility
Chief Executive Officer's Office	Prepares the overall strategic goals of the Group and centrally manages and supervises the implementation of Group business as a whole.
Audit Office	Plans and implements the internal control system.
Chief Operating Officer's Office	Centrally plans and implements operations involving end-game and mobile-game products, membership expansion, and platform creation as well as supervise operations at respective departments.
Human Resources Office	Plans and implements recruitment, educational trainings, compensation and welfare, and employee relations throughout the Group.
Chief Financial Officer's Office	Normalizes the corporate financial structure, prepares corporate financial strategies, allocates corporate funds, decides investments, and manages risks as well as handles accounts, prepares and analyzes financial and accounting statements and reports. The Legal Division is responsible for reviewing contracts and compliance.
Brand Center	Communicates the essence of Gamania as a brand and reinforces brand depth. Takes charge of brand-related affairs such as brand identity, brand image, branding, branded goods, and Group cultural dissemination in order to maintain consistency of the brand internally

	and externally.
Chief Technology Officer's Office	Takes charge of integrating related application and development resources to coupled with the group's operation direction and helps define strategic development and technical research for new services.
Corporate Marketing Office	Takes charge of the Group's public relations, plans and implements the Group's annual public relations plan, holds luncheons with the media and press conferences, releases Group news and accepts interviews by the media, maintains media relations, monitors daily news, and manages crises.
Innovative Incubator Center	Helps the Group with the development and incubation of various mobile applications.
Strategic Deployment Division	Takes charge of related operational affairs between the Group and outside parties as part of strategic collaboration.
beanfun! Product Research and Development Division	Plans beanfun! app products and develops their features.
beanfun! Project Division	Prepares marketing strategies and centrally organizes resources for beanfun! app.
Internal Service Division	Takes charge of planning fixed assets, purchases, contracts and documentation, and occupational safety, among other logistic and administrative resources, assisting in other services and measures such as employee business tours, employee cafeterias, and the fitness room, and centrally managing related properties such as the corporate building in Neihu.
Global Business Development Division	Searches for, approaches, and negotiates business development, collaborative opportunities with respective subsidiaries, gaming dealership and business to support with business operation, collects market and competition information, shares new trends, maintains relations with contractors and customers.

## II. Information of Directors, Supervisors, President, Vice President, Assistant Vice President, and Heads of Various Departments and Branches:

### (I) Directors and Supervisors:

April 29, 2021

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Chairman	R.O.C.	Liu, Po-Yuan	Male	June 17, 2020	Three years	April 1, 1995	19,372,202	11.04	20,291,305	11.56	0	0	13,600,000	7.75	Chairman and CEO of the Company Executive Manager of FULLJIHN Machinery  Department of Mechanical Engineering, Hwa Hsia University of Technology	Refer to Note 1 for details	None			Refer to Note 2 for details
Director	R.O.C.	WANIN INTERNATIONAL CO., LTD.	-	June 17, 2020	Three years	June 8, 2017	15,101,000	8.6	15,101,000	8.6	0	0	0	0	-	-	None			None
	R.O.C.	Representative Hsiao, Cheng-Hao	Male					0	0	0	0	0	0	0	0	Chairman and President of WANIN INTERNATIONAL CO., LTD.  Ling Tung University	Chairman and President of WANIN INTERNATIONAL CO., LTD.	None		
Director	R.O.C.	Lin, Hsien-Ming	Male	June 17, 2020	Three years	June 17, 2020	0	0	0	0	0	0	0	0	President of ACER INCORPORATED  Electronic Computer and Control Engineering, National Chiao Tung University Bachelor's Degree	Chairman and CSO of WISTRON CORPORATION Chairman of Wiwynn Corporation Chairman of WISTRON DIGITAL TECHNOLOGY HOLDING COMPANY Independent Director of TAIWAN IC PACKAGING CORPORATION Independent Director of ELAN MICROELECTRONICS CORPORATION Independent Director of	None			None

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
																Powerchip Semiconductor Manufacturing Corporation				
Director	R.O.C.	Cloud Copious Investment Limited	-	June 17, 2020	Three years	June 17, 2020	1,005	0	1,005	0	0	0	0	0	-	-	None	None	None	
	R.O.C.	Representative Chen, Shih-Ying	Male					0	0	0	0	0	0	0	0	Managing Partner of Tongli Law Firm Independent Director of Jinli Group Holdings Limited Independent Director of Nova Chic Holdings Company Limited Independent Director of Yonggu Group Co., Ltd. Supervisor of Thermaltake Technology Co., Ltd.				
Independent Director	R.O.C.	Sheng, Bao-Si	Male	June 17, 2020	Three years	June 8, 2017	0	0	0	0	0	0	0	0	Chairman and President of BORA PHARMACEUTICALS CO., LTD. Bachelor of Economics of University of California - Berkeley	Member of the Compensation and Remuneration Committee, Audit Committee, and Nomination Committee of Gamania Digital Entertainment Co., Ltd. Chairman and President of BORA PHARMACEUTICALS CO., LTD. Director of WELLPOOL CO., LTD. Chairman of UNION CHEMICAL & PHARMACEUTICAL CO., LTD. Director of Baolei Co. Ltd. Chairman of Bao En International Co., Ltd. Independent Director, Compensation and Remuneration Committee, Audit Committee of BIONET CORP.	None	None	None	None

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Number of shares	Shareholding ratio (%)	Position	
															Director of Rui Bao Xing Investment Co., Ltd. Chairman of YUTA HEALTH CO., LTD. Chairman of Bora Pharmaceutical Laboratories Inc. Chairman of Jia Xi International Co., Ltd. Chairman of Bora Management Consulting Co., Ltd.					
Independent Director	R.O.C.	Lin, Ruei-Yi	Male	June 17, 2020	Three years	June 8, 2017	0	0	0	0	0	0	0	0	President of SHUNG YE TRADING CO., LTD. Master of Business Administration of George Washington University	Member of the Compensation and Remuneration Committee, Audit Committee, and Nomination Committee of Gamania Digital Entertainment Co., Ltd. Chairman of STARTRII CO., LTD. Director of Shun Yi Investment Co., Ltd. Director of SHUNG YE TRADING CO., LTD. Director of Lien Chen Automotive Co., Ltd. Independent Director, Compensation and Remuneration Committee, Audit Committee of BORA PHARMACEUTICALS CO., LTD.	None			None

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Independent Director	R.O.C.	Chen, Kuan-Pai	Male	June 17, 2020	Three years	June 17, 2020	0	0	0	0	0	0	0	0	Chairman of Bai Chuan International Investment Co., Ltd. Master of University of Southern California	Member of the Compensation and Remuneration Committee, Audit Committee, and Nomination Committee of Gamania Digital Entertainment Co., Ltd. Chairman of Bai Chuan International Investment Co., Ltd. Director of Bora Pharmaceuticals Independent Director, Compensation and Remuneration Committee, Audit Committee of Teco Image Systems (TIS) Co., Ltd.	None			None

Note 1: CEO of Gamania Digital Entertainment Co., Ltd., Chairman of Gamania Digital Entertainment (HK) Co., Ltd., Chairman of Gamania Digital Entertainment (Beijing) Co., Ltd., Chairman (Institutional Representative) of Foundation Digital Entertainment Co., Ltd., Director (Institutional Representative) of Taiwan Esports League Co., Ltd., Chairman (Institutional Representative) of Digicentre Company Limited, Chairman (Institutional Representative) of JollyBuy Digital Tech. Co., Ltd., Chairman (Institutional Representative) of Two Tigers Co., Ltd., Chairman of Gash Point (Japan) Co., Ltd., Director of Cash Point (Hong Kong) Company Limited, Chairman of Cash Point (Korea) Co., Ltd., Director (Institutional Representative) of JSDWAY DIGITAL TECHNOLOGY CO., LTD., Chairman (Institutional Representative) of INDILAND CO., LTD., Chairman (Institutional Representative) of ANTS' POWER CO., LTD., Director (Institutional Representative) of PRI-ONE COMMERCIAL PRODUCTION CO., LTD., Chairman (Institutional Representative) of COTURE NEW MEDIA CO., LTD., Chairman (Institutional Representative) of MADSUGR DIGITAL TECHNOLOGY CO., LTD., Chairman of Joymobee Entertainment Company Limited, Chairman of Gamania Holdings Ltd., Chairman (Institutional Representative) of Gamania International Holdings Ltd., Chairman (Institutional Representative) of Gamania China Holdings Ltd., Chairman of Gamania Sino Holdings Ltd., Chairman (Institutional Representative) of GASH POINT CO., LTD., Chairman (Institutional Representative) of Ya Ju Investment Co., Ltd., Chairman of Gamania Cheer Up Foundation, Chairman of Wanin International Co., Ltd., Director (Institutional Representative) of GAMA PAY CO., LTD., Chairman (Institutional Representative) of CONETTER COMARKETING CO., LTD., Chairman (Institutional Representative) of WEBACKERS CO., LTD., Chairman of Xiang Sheng Investment Co., Ltd., Director of HaPod Digital Technology Co., Ltd, Chairman (Institutional Representative) of Jollywiz Digital Technology Co., Ltd, Director of Achieve Made International (BVI), Director of Gungho Gamania Co., Limited, Chairman (Institutional Representative) of BEANGO CO., LTD., Chairman (Institutional Representative) of CIIRCO, INC., Director of CIIRCO (HK) Company Limited, Director (Institutional Representative) of 4-Way News, Chairman (Institutional Representative) of The China Post, Director (Institutional Representative) of POLYSH CO., LTD., Director of DIGICENTRE(HK) COMPANT LIMITED, member of the Nomination Committee of Gamania Digital Entertainment Co., Ltd.



Note 2: When the chairman and president or someone charged with equivalent responsibilities (the highest-ranking manager) are the same person, are each other's spouse, or are relatives of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures shall be stated below:

(I) The industry that the Company is in is changing quickly. Chairman Liu, Po-Yuan also serves as the President for the purpose of enhancing the operational efficiency and boosting decision-making capability given his broker perspective, trendy insights, and flexible strategic approach so that maximum value may be created for the Company and given back to shareholders.

(II) For reinforced corporate governance, substantial measures of the Company are as follows:

1. The Company has set up functional committees for which independent directors and members that are the best of their kind in the industry are selected to reinforce the function of the Board of Directors.
2. The independent directors of the Company take part in the Compensation and Remuneration Committee, the Audit Committee, the Nomination Committee and important internal meetings for reinforced corporate governance.
3. The Company plans at least 2 continuing education courses for the members of its Board of Directors each year to reinforce the function of the Board of Directors.
4. In 2019, the Board of Directors approved the establishment of the Corporate Social Responsibility Committee and voluntarily prepared the Corporate Social Responsibility Report for reinforced corporate governance.
5. Only the Chairman and the President are the same person in the Company. No other directors are also employees of the Company.

#### (Resigned director and supervisor)

Note 1: Positions served at the Company and other companies at present were calculated up to April 19, 2020 and the number of shares held was calculated up to June 30, 2020.

Note 2: Director of LOYAL-HQ INDUSTRIAL CORP., Director of Triple Dragon Limited (B.V.I.), Director of Loyal Holdings PTE. Ltd., Director of Loyal International Holding Ltd. (Samoa), Director of Loyal International Enterprise Co.,Ltd. (B.V.I.), Director of New Success House Co. Ltd(B.V.I.), Director of SUCCESS HOUSE INDUSTRIES LIMITED(HK), Director of New Success House Industries Limited(HK), Director of Loyal Investment Limited(HK), Director of Supreme Joy Industrial Limited(HK), Chairman of YAN ZHOU ENTERPRISES LTD., Chairman of Azion Corporation, Chairman (Institutional Representative of JetIT Corporation, Chairman (Institutional Representative of ED-IN International Co., Ltd., Chairman of ED-IN DATA TECHNOLOGY GROUP LTD.,CO., Chairman of ED-IN TECHNOLOGY H.K.LIMITED, Director of LOYAL-KEENEYES INDUSTRIAL CORP., Chairman of Solvento GROUP, Director of SolventoSOFT, Director of IRONYUN INCORPORATED, Chairman of YANG SOFT CORPORATION, Chairman of CCDN TECHNOLOGY CORP., Chairman of WHATHEN DIGITAL CO., LTD., Director (Institutional Representative of LoFTech, Director of Pik Bear Co., Ltd.

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares (Note 1)	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Number of shares	Shareholding ratio (%)	Position	
Vice Chairman	R.O.C.	JL INVESTMENT TAIWAN LTD.	-	June 8, 2017	Three years	June 19, 2014	1,000	0	1,000	0	0	0	0	0	-	-	None	None	None	
	R.O.C.	Representative Liao, Wen-To	Male				710,736	0.4	710,736	0.4	0	0	1,000	0	Chairman and President of Azion Corporation  PhD of Computer Science, University of California EMBA, Graduate Institute of Business, National Taiwan University	Refer to Note 2 for details				
Director	R.O.C.	Hsieh, Chin-Chang	Male	June 8, 2017	Three years	May 22, 2001	17,387	0.01	17,387	0.01	2,000	0	0	0	Chairman of ST. VINCENT INTERNATIONAL CO., LTD.  PhD of Education, University of Arkansas	Chairman of ST. VINCENT INTERNATIONAL CO., LTD.	None	None	None	None
Supervisor	R.O.C.	Chung Ying Investment Co., Ltd.	-	June 8, 2017	Three years	June 13, 2008	1,260,744	0.72	1,260,744	0.72	0	0	0	0	-	-	None	None	None	
	R.O.C.	Representative Cheng, Shih-Chia	Male				800,000	0.46	145,000	0.08	0	0	0	0	Google Software Engineer  Master of of Computer Science, Stanford University	Chairman and CEO of IKALA INTERACTIVE MEDIA INC. Director of Chung Ying Investment Co., Ltd. Director of Rawstone Co., Ltd. Chairman of Powerful Content Inc. Advisor of Taipei City Government				

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio (%)	Number of shares (Note 1)	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Supervisor	R.O.C.	Cloud Copious Investment Limited	-	June 8, 2017	Three years	June 13, 2008	1,005	0	1,005	0	0	0	0	0	-	-	None	None	None	
	R.O.C.	Representative Chu, Chia-Lin	Male					4,440	0	4,440	0	0	0	0	0	Chairman of MEGA 888 CORP. Bachelor of Economics, Columbia University in the City of New York Master of Economics, Graduate School of Business and Finance, Waseda University Master of Administrative Research, Business School of the University of Oxford PhD student for Management, Business School of Imperial College London				Chairman of MEGA 888 CORP.

**Major shareholders of institutional shareholders**

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
WANIN INTERNATIONAL CO., LTD.	Huang Xin Investment Co., Ltd.	44.08%
	Hsiao, Cheng-Hao	18.76%
	Yu Xin Investment Co., Ltd.	8.18%
	Li, Yu-Chi	7.62%
	FANTASY TECHNOLOGY CO., LTD.	5.55%
	JOYDEVELOPCY., LTD.	2.43%
	Chang, Xie-Jian	2.33%
	Bo Yang Investment Co., Ltd.	1.86%
	Pu Yi Enterprise Co., Ltd.	1.52%
	Xun Yeh Investment Co., Ltd.	0.88%
Cloud Copious Investment Limited	Tang, Jun-Jie	100%

**Major Shareholders Whose Major Shareholders are Legal Entities:** The shareholding information of the other legal entities is not released so disclosure is impossible.

## Director

April 29, 2021

Name	Qualification	More than five years of work experience and the following professional qualifications	Fulfillment of independence (Note)												Number of other public offering companies serving as independent directors
	Qualification	Required work experience to carry out business, legal affairs, financial affairs, accounting, or corporate operations	1	2	3	4	5	6	7	8	9	10	11	12	
Chairman of the Board: Liu, Po-Yuan			✓				✓	✓	✓		✓	✓	✓	✓	0
Director: WANIN INTERNATIONAL CO., LTD. Representative: Hsiao, Cheng-Hao			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		0
Director: Lin, Hsien-Ming			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Director: Cloud Copious Investment Limited Representative: Chen, Shih-Ying		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		3
Independent Director: Sheng, Bao-Si			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Independent Director: Lin, Ruei-Yi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Independent Director: Chen, Kuan-Pai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

### Notes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (3) Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list.
- (4) Not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed under (1) or those listed under (2) and (3).
- (5) Not a director, supervisor, or employee of an institutional shareholder directly holding at least 5% of the circulating shares of the Company or that ranks Top 5 in shareholding ratio or that assigns a representative to serve as director or supervisor of the Company according to Article 27 Paragraph 1 or 2 of the Company act (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (6) Not a director, supervisor, or employee of another company with the number of directors in the Company or shares entitled to votes accounting for a majority that is controlled by the same person (The same does not apply, however, to independent directors set up by the Company or its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)

- (7) Not a director, supervisor, or employee of another company or institution whose chairman, president, or someone assigned with similar responsibilities is the same person or the spouse of that of the Company (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (8) Not a director, supervisor, or manager, or shareholder holding at least 5% of shares of a specific company or institution that is financially or commercially related to the Company (The same does not apply, however, if the said specific company or institution holds at least 20% yet less than 50% of the circulating shares of the Company and to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (9) Not a professional providing services or consultations on business, legal affairs, financial affairs, and accounting at the Company or its associated enterprise such as auditing that have brought about rewards accumulatively yet to exceed NTD 500 thousand, or the owner, partner, director, supervisor, manager, and his/her spouse of a sole proprietorship or collaborative company or institution. This, however, does not apply to the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Mergers and Acquisitions Committee fulfilling its duties in accordance with the Securities Transaction Act or the Business Mergers and Acquisitions Act, among others.
- (10) Not the spouse or a relative within the second degree of kinship to any other director of the Company.
- (11) None of the conditions indicated under Article 30 of the Company Act.
- (12) Not a government agency, corporation, or its representative set forth in Article 27 of the Company Act.

(II) President, Vice President, Assistant Vice President, and Heads of Various Departments and Branches:

April 29, 2021 Unit: Share

Position	Nationality	Name	Gender	Date Elected (Inaugurated)	Shares held		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Main experience/education	Current positions at other companies	Managers who are the spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Chief Executive Officer	R.O.C.	Liu, Po-Yuan	Male	April 1, 1995	20,291,305	11.56	0	0	13,600,000	7.75	Executive Manager of FULLJIHN Machinery Department of Mechanical Engineering, Hwa Hsia University of Technology	Refer to Note 1 for details	None			Refer to Note 3 for details
Chief Financial Officer	R.O.C.	Su, Hsin-Hung	Male	May 13, 2002	990,533	0.56	0	0	0	0	Underwriting Department of Yuanta Securities Master's Degree, Graduate School of Business Administration, University of Houston	Refer to Note 2 for details	None			None
Chief Auditor	R.O.C.	Wu, Chang-Hung	Male	May 8, 2000	8,777	0.01	0	0	0	0	Assistant Specialist on Data Management, International Department of Fubon Bank Graduate School of Accounting, Eastern Michigan University	Supervisor of Gash Point Co., Ltd. Supervisor of GAMA PAY CO., LTD. Supervisor (Institutional Representative) of Jollywiz Digital Technology Co., Ltd. Supervisor (Institutional Representative) of COCO DIGITAL TECHNOLOGY CO., LTD Supervisor of NOWNEWS NETWORK CO., LTD. Supervisor (Institutional Representative) of CHINA POST	None			None
Chief Technology Officer	R.O.C.	Juang, Shyan-Jer	Male	October 2, 2014	259,177	0.15	0	0	0	0	Microsoft Taiwan, Technical Account Manager Department of Electrical and Mechanical Engineering, Lee-Ming Institute of Technology	None	None			None
Chief Operating Officer in Taiwan	R.O.C.	Chien, Chih-Hao	Male	January 1, 2015	95,937	0.05	781	0	0	0	Head of Mobile Development Division of Gamania EMBA, Royal Roads University	None	None			None

Note 1: Chairman of Gamania Digital Entertainment Co., Ltd., Chairman of Gamania Digital Entertainment (HK) Co., Ltd., Chairman of Gamania Digital Entertainment (Beijing) Co., Ltd., Chairman (Institutional Representative) of Foundation Digital Entertainment Co., Ltd., Director (Institutional Representative) of Taiwan Esports League Co., Ltd., Chairman (Institutional Representative) of Digicentre Company Limited, Chairman (Institutional Representative) of JollyBuy Digital Tech. Co., Ltd., Chairman (Institutional Representative) of Two Tigers Co., Ltd., Chairman of Gash Point (Japan) Co., Ltd., Director of Cash Point (Hong Kong) Company Limited, Chairman of Cash Point (Korea)

Co., Ltd., Director (Institutional Representative) of JSDWAY DIGITAL TECHNOLOGY CO., LTD., Chairman (Institutional Representative) of INDILAND CO., LTD., Chairman (Institutional Representative) of ANTS' POWER CO. LTD., Director (Institutional Representative) of PRI-ONE COMMERCIAL PRODUCTION CO., LTD., Chairman (Institutional Representative) of COTURE NEW MEDIA CO., LTD., Chairman (Institutional Representative) of MADSUGR DIGITAL TECHNOLOGY CO., LTD., Chairman of Joymobee Entertainment Company Limited, Chairman of Gamania Holdings Ltd., Chairman (Institutional Representative) of Gamania International Holdings Ltd., Chairman (Institutional Representative) of Gamania China Holdings Ltd., Chairman of Gamania Sino Holdings Ltd., Chairman (Institutional Representative) of GASH POINT CO., LTD., Chairman (Institutional Representative) of Gamania Asia Investment Co., Ltd., Chairman of Gamania Cheer Up Foundation, Chairman of Wanin International Co., Ltd., Director (Institutional Representative) of GAMA PAY CO., LTD., Chairman (Institutional Representative) of CONETTER COMARKETING CO., LTD., Chairman (Institutional Representative) of WEBACKERS CO., LTD., Chairman of Xiang Sheng Investment Co., Ltd., Director of HaPod Digital Technology Co., Ltd, Chairman (Institutional Representative) of Jollywiz Digital Technology Co., Ltd., Director of Achieve Made International (BVI), Director of Gungho Gamania Co., Limited, Chairman (Institutional Representative) of BEANGO CO., LTD., Chairman (Institutional Representative) of CIIRCO, INC., Director of CIIRCO (HK) Company Limited, Director (Institutional Representative) of 4-Way News, Chairman (Institutional Representative) of The China Post, Director (Institutional Representative) of POLYSH CO., LTD., Director of DIGICENTRE(HK) COMPANT LIMITED, member of the Nomination Committee of Gamania Digital Entertainment Co., Ltd.

Note 2: Director of Gamania Digital Entertainment (HK) Co., Ltd., Supervisor of Gamania Digital Entertainment (Beijing) Co., Ltd., Director of Achieve Made International (BVI), Supervisor of DIGICENTRE COMPANY LIMITED, Supervisor of Jollybuy Digital Technology Co., Ltd., Director of Gamania Cheer Up Foundation, Director of Joymobee Entertainment Company Limited, Supervisor of TWO TIGERS CO., LTD., Director (Institutional Representative) of Gash Point Co., Ltd., Director of Gash Point (Japan) Co., Ltd., Director of Gash Point (Hong Kong) Company Limited., Supervisor of Gash Point (Korea) Co.,Ltd., Director (Institutional Representative) of JSDWAY DIGITAL TECHNOLOGY CO., LTD., Supervisor of WEBACKERS CO., LTD., Supervisor of DIT, Supervisor of COTURE NEW MEDIA CO., LTD., Supervisor of MADSUGR DIGITAL TECHNOLOGY CO., LTD., Director (Institutional Representative) and President of GAMA PAY CO., LTD., Supervisor of CONETTER COMARKETING CO., LTD., Director (Institutional Representative) of Jollywiz Digital Technology Co., Ltd., Director (Institutional Representative) of Microprogram Information Co. Ltd., Director (Institutional Representative) of LifePlus Co., Ltd, Director (Institutional Representative) of NOWNEWS NETWORK CO., LTD., Director (Institutional Representative) of Gungho Gamania Co., Limited, Director (Institutional Representative) of CHINA POST, Director of Hyperg Smart Security Technology Pte. Ltd., Supervisor of WalkerMedia, Director (Institutional Representative) of Aotter Inc., Supervisor of CIIRCO, INC..

Note 3: When the chairman and president or someone charged with equivalent responsibilities (the highest-ranking manager) are the same person, are each other's spouse, or are relatives of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures shall be stated below:

- (I) The industry that the Company is in is changing quickly. Chairman Liu, Po-Yuan also serves as the Chairman for the purpose of enhancing the operational efficiency and boosting decision-making capability given his broker perspective, trendy insights, and flexible strategic approach so that maximum value may be created for the Company and given back to shareholders.
- (II) For reinforced corporate governance, substantial measures of the Company are as follows:
  1. The Company has set up functional committees for which independent directors and members that are the best of their kind in the industry are selected to reinforce the function of the Board of Directors.
  2. The independent directors of the Company take part in the Compensation and Remuneration Committee, the Audit Committee, the Nomination Committee and important internal meetings for reinforced corporate governance.
  3. The Company plans at least 2 continuing education courses for the members of its Board of Directors each year to reinforce the function of the Board of Directors.
  4. In 2019, the Board of Directors approved the establishment of the Corporate Social Responsibility Committee and voluntarily prepared the Corporate Social Responsibility Report for reinforced corporate governance.
  5. Only the Chairman and the President are the same person in the Company. No other directors are also employees of the Company.



### III. Remuneration paid to Directors, Supervisors, President and Vice President in the Past Year:

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

Unit: NTD thousand; 1,000 shares

Position	Name	Remuneration for directors								Ratio of the sum of A, B, C, and D to after-tax net profit (%)		Related remuneration to those who are also employees								Ratio of the sum of A, B, C, D, E, F, and G to after-tax net profit %		Claim of remuneration from re-invested businesses other than subsidiaries or the parent company
		Reward (A)		Retirement and pension (B)		Remuneration for directors (C)		Operational expenditure (D)				Salary, bonus, and special expenditure (E)		Retirement and pension (F)		Remuneration for employees (G) (Note 1)						
		The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	Cash value	Stock value	Cash value	Stock value	The Company	All companies included in the financial statement	
Chairman	Liu, Po-Yuan	0	0	0	0	7,799	7,799	80	80	0.9	0.9	35,009	35,009	0	0	54,166	0	0	0	11.12	11.12	0
Director	WANIN INTERNATIONAL CO., LTD. Representative: Hsiao, Cheng-Hao	0	0	0	0	3,898	3,898	10	10	0.45	0.45	0	0	0	0	0	0	0	0	0.45	0.45	0
Director	Lin, Hsien-Ming	0	0	0	0	3,898	3,898	60	60	0.45	0.45	0	0	0	0	0	0	0	0	0.45	0.45	0
Director	Cloud Copious Investment Limited Representative: Chen, Shih-Ying	0	0	0	0	3,898	3,898	50	50	0.45	0.45	0	0	0	0	0	0	0	0	0.45	0.45	0
Independent Director	Sheng, Bao-Si	1,800	1,800	0	0	1,169	1,169	80	80	0.35	0.35	0	0	0	0	0	0	0	0	0.35	0.35	0
Independent Director	Lin, Ruei-Yi	1,800	1,800	0	0	1,169	1,169	80	80	0.35	0.35	0	0	0	0	0	0	0	0	0.35	0.35	0
Independent Director	Chen, Kuan-Pai	970	970	0	0	1,169	1,169	50	50	0.25	0.25	0	0	0	0	0	0	0	0	0.25	0.25	0

Note 1: The remuneration to employees is an estimate.

Note 2: The payment policy, system, criteria, and structure of remuneration for general and independent directors of the Company and the association between factors such as responsibilities assigned, risks, and time spent, among others, and the value of the rewards paid:

- In accordance with the Company's Director Compensation and Remuneration Distribution Guidelines, the remuneration for directors is distributed following the weighted ratio system. Different weights are provided reflective of the corresponding contribution of each director to the Company. For independent directors, on the other hand, the distribution is based on the substantial contributions.
- In accordance with the Company's Director Compensation and Remuneration Distribution Guidelines, the remuneration for independent directors is based on the extent of their involvement in the Company's operations and value of their contribution with reference to the generally-accepted industry standards domestically and internationally. The Board of Directors is authorized to determine it through a meeting.

## (Resigned director)

Position	Name	Remuneration for directors								Ratio of the sum of A, B, C, and D to after-tax net profit (%)								Related remuneration to those who are also employees				Ratio of the sum of A, B, C, D, E, F, and G to after-tax net profit %		Claim of remuneration from re-invested businesses other than subsidiaries or the parent company
		Reward (A)		Retirement and pension (B)		Remuneration for directors (C)		Operational expenditure (D)		Salary, bonus, and special expenditure (E)		Retirement and pension (F)		Remuneration for employees (G) (Note 1)				The Company	All companies included in the financial statement					
		The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	Cash value	Stock value	Cash value	Stock value							
Vice Chairman	JL INVESTMENT TAIWAN LTD. Representative: Liao, Wen-To	0	0	0	0	0	0	20	20	0.002	0.002	0	0	0	0	0	0	0	0	0.002	0.002	0		
Director	Hsieh, Chin-Chang	0	0	0	0	0	0	30	30	0.003	0.003	0	0	0	0	0	0	0	0	0.003	0.003	0		

Remuneration bracket table

Bracket by which remuneration is paid to individual directors of the Company	Director's Name			
	Sum of the first four types of remuneration (A+B+C+D)		Sum of the first seven types of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statement (I)	The Company	All companies included in the financial statement (J)
Below \$1,000,000.00	Representative of JL INVESTMENT TAIWAN LTD.: Liao, Wen-To Hsieh, Chin-Chang	Representative of JL INVESTMENT TAIWAN LTD.: Liao, Wen-To Hsieh, Chin-Chang	Representative of JL INVESTMENT TAIWAN LTD.: Liao, Wen-To Hsieh, Chin-Chang	Representative of JL INVESTMENT TAIWAN LTD.: Liao, Wen-To Hsieh, Chin-Chang
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	-	-	-	-
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	Representative of WANIN INTERNATIONAL CO., LTD.: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of Cloud Copious Investment Limited: Chen, Shih-Ying	Representative of WANIN INTERNATIONAL CO., LTD.: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of Cloud Copious Investment Limited: Chen, Shih-Ying	Representative of WANIN INTERNATIONAL CO., LTD.: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of Cloud Copious Investment Limited: Chen, Shih-Ying	Representative of WANIN INTERNATIONAL CO., LTD.: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of Cloud Copious Investment Limited: Chen, Shih-Ying
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	Liu, Po-Yuan	Liu, Po-Yuan	-	-
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	-	-	-	-
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	-	-	-	-
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)	-	-	-	-
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)	-	-	Liu, Po-Yuan	Liu, Po-Yuan
Above \$100,000,000.00	-	-	-	-
Total	9	9	9	9

## (II) Remuneration for supervisors

(Resigned)

Unit: NTD 1,000

Position	Name	Remuneration for supervisors						Ratio of the sum of A, B and C to after-tax net profit %		Claim of remuneration from re-invested businesses other than subsidiaries or the parent company
		Reward (A)		Remunerations (B)		Operational expenditure (C)		The Company	All companies included in the financial statement	
		The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement			
Supervisor	Representative of Chung Ying Investment Co., Ltd.: Cheng, Shih-Chia	0	0	0	0	30	30	0.003	0.003	0
	Representative of Cloud Copious Investment Limited: Chu, Chia-Lin	0	0	0	0	30	30	0.003	0.003	0

Remuneration bracket table

Bracket by which remunerations are paid to individual supervisors of the company	Name of Supervisor	
	Sum of the first three types of remunerations (A+B+C)	
	The Company	All companies included in the financial statement (D)
Below \$1,000,000.00	Representative of Chung Ying Investment Co., Ltd.: Cheng, Shih-Chia Representative of Cloud Copious Investment Limited: Chu, Chia-Lin	Representative of Chung Ying Investment Co., Ltd.: Cheng, Shih-Chia Representative of Cloud Copious Investment Limited: Chu, Chia-Lin
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	-	-
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)	-	-
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	-	-
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	-	-
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	-	-
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	-	-
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)	-	-
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)	-	-
Above \$100,000,000.00	-	-
Total	2	2

(III) Remuneration for President and Vice President

Unit: NTD 1,000

Position	Name	Salary (A)		Retirement and pension (B) (Note 1)		Bonus and special expenditure (C)		Employee remuneration (D) (Note 2)				Ratio of the sum of A, B, C, and D to after-tax earnings (%)		Claim of remuneration from re-invested businesses other than subsidiaries or the parent company
		The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company		All companies included in the financial statement		The Company	All companies included in the financial statement	
								Cash value	Stock value	Cash value	Stock value			
President	Liu, Po-Yuan	23,351	23,351	324	324	31,796	31,796	64,367	0	64,367	0	13.74	13.74	None
Vice President	Su, Hsin-Hung													
Vice President	Juang, Shyan-Jer													
Vice President (Note 3)	Wang, Chi-Huang													

Note 1: The required amount to be set aside according to the Labor Standards Act for the Pension Fund (B).

Note 2: The remuneration to employees is an estimate.

Note 3: The status of Vice President is no longer starting from April 1, 2021 due to adjustment of positions.

Remuneration bracket table

Bracket by which remuneration is paid to individual President and Vice Presidents of the Company	Name of General Manager and Vice General Manager	
	The Company	All companies included in the financial statement
Below \$1,000,000.00	-	-
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	-	-
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)	-	-
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	-	-
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	Wang, Chi-Huang Juang, Shyan-Jer	Wang, Chi-Huang Juang, Shyan-Jer
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	-	-
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	Su, Hsin-Hung	Su, Hsin-Hung
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)	-	-
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)	Liu, Po-Yuan	Liu, Po-Yuan
Above \$100,000,000.00	-	-
Total	4	4

(IV) Names of managers assigned with employee remuneration and the distribution:

The Company expects to distribute the remuneration for employees for 2020 as follows.

Unit: NTD 1,000

Position	Name	Stock bonus value	Cash bonus value	Total	Ratio of sum to after-tax net profit (%)
President	Liu, Po-Yuan	0	64,076	64,076	7.23
Vice President	Su, Hsin-Hung				
Vice President	Juang, Shyan-Jer				

- (V) For TWSE/TPEX-listed companies whose individual or consolidated financial statements of the past three years show after-tax deficits or whose corporate governance evaluation of the last year came in the last bracket or whose transaction method was once changed or which were once stopped from trading or whose listed status has been terminated or which had other conditions that were determined by the corporate governance review committee as unqualified for the evaluation in the past year up to the date the Annual Report was printed, the remuneration of the Top 5 supervisors in value shall be disclosed separately: None.
- (VI) Compare and describe separately the analysis of ratios of the total remuneration paid to directors, supervisors, the President and the Vice President of the Company in the past two years by the Company and all companies in the consolidated statement to after-tax net profit and describe correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and management efficacy and risks in the future.
1. The compensation structure for the directors of the Company is fixed: The ratio to the annual Pre-tax net profit is adopted as the remuneration.
  2. The compensation structure for the President and Vice President(s) of the Company includes fixed items (such as salary and benefits defined in the personnel management regulations) and variable items (such as bonus, employee remuneration (stock/cash), and employee stock option).
  3. Fixed items mentioned above shall maintain the mean competitive level of the Company in the industry in principle. For the variable items, on the other



hand, corporate profitability and personal performance are considered as a whole. The performance is evaluated by the goal fulfillment rate, profitability, operational efficacy, contribution, and future potential as a whole. Related goals and weights are to be defined after the overall economic and environmental changes, the internal operational plan, trends in the industry, and risks in the future are evaluated.

4. The Company has set up its Compensation and Remuneration Committee. Related procedures for defining and reviewing the remuneration are to be enforced according to applicable laws and regulations.

Analysis of ratios of the total remuneration paid to directors, supervisors, the President, and the Vice President by the Company and all companies included in the consolidated statement to after-tax net profit in the past two years

Position	The Company		All companies included in the financial statement	
	2019	2020	2019	2020
Directors, Supervisors, President and Vice President	26.29%	16.05%	26.29%	16.05%

## IV. Status of Corporate Governance

### 1. Operational Status of the Board of Directors:

Seating and attendance of directors in the 9 meetings of the Board of Directors over the past year as of the date the Annual Report was printed are provided as follows:

(Current director)

Position	Name	Actual attendance (seated) frequency	Attendance through proxy	Actual attendance (seated)(%)	Remarks
Chairman	Liu, Po-Yuan	9	0	100	Tenure extended on June 17, 2020 (9 meetings for which attendance is expected)
Director	WANIN INTERNATIONAL CO., LTD. Representative: Hsiao, Cheng-Hao	1	8	11	Tenure extended on June 17, 2020 (9 meetings for which attendance is expected)
Director	Lin, Hsien-Ming	7	2	78	Tenure extended on June 17, 2020 (9 meetings for which attendance is expected)
Director	Cloud Copious Investment Limited Representative: Chen, Shih-Ying	6	0	100	Newly elected on June 17, 2020 (6 meetings for which attendance is expected)
Independent Director	Sheng, Bao-Si	9	0	100	Tenure extended on June 17, 2020 (9 meetings for which attendance is expected)
Independent Director	Lin, Ruei-Yi	9	0	100	Tenure extended on June 17, 2020 (9 meetings for which attendance is expected)
Independent Director	Chen, Kuan-Pai	6	0	100	Newly elected on June 17, 2020 (6 meetings for which attendance is expected)

(Resigned director)

Vice Chairman	JL INVESTMENT TAIWAN LTD. Representative: Liao, Wen-To	2	0	66	Resigned June 17, 2020 (3 meetings for which attendance is expected)
Director	Hsieh, Chin-Chang	3	0	100	Resigned June 17, 2020 (3 meetings for which

attendance is expected)

Other details to be documented:

I. Does the operation of the Board of Directors involve (I) matters listed in Article 14-3 of the Securities Exchange Act. (II) Besides the foregoing, other resolutions reached in Board of Directors' meetings objected to or with reservations expressed by independent directors that are recorded or documented in written statements rector in a written statement: No.

II. Recusal of directors upon conflicts of interest in proposals being discussed:

(I) Article 15 of the Company's Rules of Procedure for the Board of Directors' Meetings is followed. If a director or the corporation that the director represents is considered an interested party in the matter included in the meeting, important information on the conflicting relationship shall be specified in the specific Board of Directors' meeting. If the Company's interest being hurt is a concern, the said director may not join the discussions or cast a vote and shall be excused during discussion and voting and the director may not exercise voting rights on behalf of any other director.

(II) Recusal due to conflicting interests in each of the Board of Directors' meetings is provided as follows:

Date of the Board of Directors' Meeting	Name	Contents of the proposal	Reason for the recusal	Remarks
March 12, 2020	Liu, Po-Yuan	Proposal of the compensation and remuneration for managers	Director and Manager	Excused and did not take part in discussions and voting
March 12, 2020		Distribution the Company's remuneration for 2019		
June 29, 2020		Assignment of treasury stock to managers		
June 29, 2020		Distribution the Company's remuneration to its managers for 2019		
December 24, 2020	Lin, Ruei-Yi Sheng, Bao-Si Chen, Kuan-Pai	Revision of the Director Compensation and Remuneration Distribution Guidelines	Compensation was adjusted	Excused and did not take part in discussions and voting
March 22, 2021	Liu, Po-Yuan	Proposal of the compensation and remuneration for managers	Director and Manager	Excused and did not take part in discussions and voting
		Distribution the Company's remuneration for 2020		

III. Information about the evaluation cycle and duration, and scope, approach, and content of the evaluation, among other information, of the reviews performed independently by the Board of

Directors or peer reviews:

- (I) The Company's Guidelines for Evaluating Performance of the Board of Directors have been approved by the Board of Directors. As is required, the Board of Directors performance evaluation shall be completed before the end of the year and the performance evaluation findings shall be filed before the end of the first quarter of the coming year and report shall be submitted to the Board of Directors.
- (II) The Company already completed related evaluations about the operations of the Board of Directors between January 1, 2020 and December 31, 2020. The evaluations included the self-evaluation questionnaire to be completed by the seven directors (including three independent directors) and the internal questionnaire (to be completed by the Chief Financial Officer's Office, the Operation and Management Office, the Human Resources Division, and the Audit Office).
- (III) The performance evaluations of the Board of Directors and the functional committees of 2020 came back as "Excellent".
- (IV) The performance evaluation findings will serve as reference for the performance, compensation, and nomination for an extension in office of individual directors.

IV. Reinforced assessments of functional objectives of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:

- (I) The Company revised through the Board of Directors in December 2006, March 2008, July 2011, March 2012, and October 2012 the Rules of Procedure for Board of Directors' Meetings in order to effectively define the governance system and to normalize the supervisory function of the Board of Directors and to reinforce the governance mechanism.
- (II) The Company has set up the Compensation and Remuneration Committee to take charge of helping the Board of Directors periodically evaluate and determine the compensation and remuneration for directors and managers and to periodically reflect upon the policy, system, criteria, and structure of performance evaluation and for compensation and remuneration to be paid to directors and managers.
- (III) The Company has set up the Audit Committee to take charge of supervising the Company in the fair presentation of financial statements, the appointment and dismissal of and independence and performance of certified public accountants, effective implementation of internal control, compliance with laws and regulations, and control of existing or potential risks.
- (IV) The Company has set up the Nomination Committee to take charge of proposing a list of suitable candidates for the director or high-ranking managerial openings to the Board of Directors (including those of subsidiaries) and reviewing in advance the candidates recommended by shareholders or the Board of Directors by law and submitting the review results and the reference list of candidates to the Board of Directors.

(II) Implementation of Board of Directors Evaluations:

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Highlights of evaluation
Every year	January 1 through December 31, 2020	Board of Directors	Internal assessment of the Board of Directors	(1) Involvement in corporation operations (2) Improved decision-making quality of the Board of Directors (3) Composition and structure of Board of Directors (4) Election of directors and continuing education for them (5) Internal control
			Self-assessment of the Board of Directors members	(1) Keeping track of goals and missions (2) Awareness of the duties of a director (3) Involvement in corporate operations (4) Management of internal relationship and communication (5) Director's professionalism and continuing education (6) Internal control
		Compensation and Remuneration Committee Audit Committee	Members' and internal self-assessments	(1) Involvement in corporate operations (2) Awareness of the duties of functional committees (3) Decision-making quality of functional committees (4) Composition and election of members of functional committees (5) Internal control

(III) Operational status of the Audit Committee and participation of supervisors in the operations of the Board of Directors:

1. Operation of Audit Committee:

Seating and attendance of independent directors in the 4 meetings held by the Audit Committee over the past year up to the date the Annual Report was printed are provided as follows:

Position	Name	Actual attendance (seated) frequency	Actual seated rate (%)	Remarks
Member (Convener)	Lin, Ruei-Yi	4	100	June 17, 2020 Establishment of the Audit Committee
Member	Sheng, Bao-Si	4	100	
Member	Chen, Kuan-Pai	4	100	

Other details to be documented:

- I. The Audit Committee meet four times on June 16, 2020, August 3, 2020, November 11, 2020, and March 22, 2021 to discuss the following:
  - (1) Referral of the convener and Chairman of the Audit Committee of the first intake.
  - (2) Approval of the Company's Consolidated Financial Statement for the first half of 2020.
  - (3) Approval of the revision to the Company' Internal Control System.
  - (4) Approval of the revision to the Company' Internal Audit Enforcement Rules.
  - (5) Approval of the revision to the Company's Consolidated Financial Statement for the third quarter of 2020.
  - (6) Approval of the Company's endorsement/guarantee of its subsidiary Jollybuy Digital Technology Co., Ltd.
  - (7) Issuance of the Internal Control System Declaration based on the self-evaluation findings for the internal control system between January 1, 2020 and December 31, 2020.
  - (8) The Company's 2020 Financial Statements
  - (9) The Company's 2020 Distribution of Earnings.
  - (10) 2021 highlights of the tasks of the Audit Committee
  - (11) Assessment of the independence of the CPAs and the accounting firm they belong to for 2021.

※ All of the matters mentioned above were approved by the Committee.
- II. Other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee: None.
- III. For the recusal upon conflicts of interest among independent directors, the name of the independent director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described: None
- IV. Communication between independent directors, supervisors and internal audit heads and CPAs (important matters communicated, method, and results of the communication over the financial standing and business operation of the Company, etc.)
  - (1) The Company's Board of Directors of the ninth intake consisted of 5 directors, 2 independent directors, and 2 supervisors and served a term in office from June 8, 2017 to June 7, 2020.
  - (2) The Company's Board of Directors of the tenth intake consists of 4 directors, 3 independent directors, and serves a term in office from June 17, 2020 to June 16, 2023.
  - (3) The Company's Audit Committee of the first intake consists of 3 independent directors and serves a term in office identical to that of the Board of Director, that is, from June 17, 2020 to June 16, 2023.

Communication between independent directors, supervisors and internal audit heads:

- I. The internal audit unit submits the audit report on a monthly basis to each of the independent directors and supervisors for their review and will discuss with them immediately on questions asked by the independent directors and supervisors. Each year, it calls for the corporate governance meeting, to communicate with independent directors, supervisors, and CPAs. After the Audit Committee is established, it will report to the independent directors verbally of the Audit Committee as needed for the specific proposal.
- II. The independent directors, supervisors, and the internal audit unit communicate with one another by email, phone, or face to face as needed on usual days.
- III. Communication between independent directors, supervisors and internal audit heads is optimal and is summarized as follows:

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
March 12, 2020	Corporate governance meeting	<ol style="list-style-type: none"> <li>1. The internal audit head reported and communicated on how audits were performed and the internal operation throughout 2019.</li> <li>2. The internal audit head reported and communicated on how audits are expected to be performed for 2020.</li> </ol>	None
November 11, 2020	Audit Committee	<ol style="list-style-type: none"> <li>1. Reporting of audit operations carried out.</li> <li>2. Reporting of the Audit Plan for 2021.</li> <li>3. Discussion of the revisions made to the internal control system and the Internal Audit Enforcement Rules.</li> </ol>	None
March 22, 2021	Corporate governance meeting	<ol style="list-style-type: none"> <li>1. The internal audit head reported and communicated on how audits were performed and the internal operation throughout 2020.</li> <li>2. The internal audit head reported and communicated on how audits are expected to be performed for 2021.</li> </ol>	None
March 22, 2021	Audit Committee	<ol style="list-style-type: none"> <li>1. Reporting of audit operations carried out.</li> <li>2. Reporting of the Internal Control System Declaration.</li> </ol>	None

Communication between independent directors, supervisors, and CPAs:

- I. CPAs communicates in the Audit Committee meeting called for on a quarterly basis on the audit of the financial statement(s) for the current quarter and the findings and other applicable regulatory requirements.
- II. The independent directors, supervisors, and CPAs communicate with one another by email, phone, or face to face as needed on usual days.

III. Communication between independent directors, supervisors and CPAs is optimal and is summarized as follows:

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
March 12, 2020	Corporate governance meeting	<ol style="list-style-type: none"> <li>1. CPAs fully communicated on findings of the audit of 2019 financial statements and key matters being audited.</li> <li>2. 2020 rotational transfer of CPAs.</li> <li>3. CPAs discussed and communicated on corporations preparing their own financial statements and regulatory updates.</li> </ol>	None
August 3 2020	Audit Committee	CPAs reported on the Consolidated Financial Statement for the first half of 2020.	None
November 11, 2020	Audit Committee	CPAs reported the Consolidated Financial Statement for the third quarter of 2020.	None
March 22, 2021	Corporate governance meeting	<ol style="list-style-type: none"> <li>1. CPAs fully communicated on findings of the audit of 2020 financial statements and key matters being audited.</li> <li>2. CPAs discussed and communicated on the independence and regulatory updates.</li> </ol>	None
March 22, 2021	Audit Committee	<ol style="list-style-type: none"> <li>1. Gave a presentation on the status for “independently preparing financial statements.”</li> <li>2. 0000PAs reported on the 2020 Consolidated Financial Statement.</li> <li>3. Discussed and communicated the highlights of the Audit Committee tasks for 2021.</li> <li>4. Discussed the independence of the CPAs and the accounting firm they belong to for 2021.</li> </ol>	None



## 2. Supervisors' Involvement in Board of Directors' Operations:

Seating and attendance of supervisors in the 8 meetings of the Board of Directors in the past year are as follows:

Position	Name	Actual attendance (seated) frequency	Actual seated rate (%)	Remarks
Supervisor	Chung Ying Investment Co., Ltd. Representative: Cheng, Shih-Chia	3	100	Resigned June 17, 2020  (3 meetings for which attendance is expected throughout the year)
	Cloud Copious Investment Limited Representative: Chu, Chia-Lin	3	100	

Other details to be documented:

### I. Composition and Responsibilities of Supervisors:

- (1) Communication between supervisors and employees and shareholders of the Company:  
The supervisors of the Company communicate and discuss opinions from employees and shareholders of the Company in Board of Directors' meetings and in internal meetings that are called for from time to time and the communication has been going well.
- (2) Communication between internal audit heads and persons in charge of audits and CPAs:  
The supervisors of the Company communicate and discuss internal control and management and financial statements with the internal audit heads and the CPAs in Board of Directors' meetings and in internal meetings that are called for from time to time and the communication has been going well.

II. Have supervisors seated in Board of Directors' meetings expressed opinions against any proposal: No.

**(IV) Corporate Governance Implementation Status and Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons:**

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established and disclosed them.	No difference
II. Shareholding Structure and Shareholder Equity (1) Does the company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures? (2) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders? (3) Has the company established and implemented risk management and firewall mechanisms with its associated enterprises? (4) Has the company established internal rules against insiders trading with undisclosed information?	V V V V		(I) The Company has set up the Investor Relations Department and has someone to take charge of addressing suggestions provided by or disputes involving shareholders. (II) There are exclusive unit and people to take charge. (III) For the internal control system of the Company, there are the “Parent/Subsidiary and Affiliate Management Guidelines” and the “Operating Procedure for Transactions Involving Specific Companies, Group Businesses, and Related Parties” to govern financial and operational activities with its affiliates and “supervision and management of subsidiaries” is in place for the sound risk control mechanism and firewall with the affiliates. (IV) The Company has defined its Ethical Code of Conduct to govern the behavior of related people and applicable details and information have been disclosed on the Company’s website.	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																										
	Yes	No	Summary																											
III. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors developed and implemented a diversified policy for the composition of its members? (2) Does the company voluntarily establish other functional committees in addition to the Compensation and Remuneration Committee and the Audit Committee that are established as required by laws? (3) Has the Company established standards and method for evaluating the performance of the Board of Directors, and does the Company implement the performance evaluation periodically and submit results of the performance evaluation to the Board of Directors, and use them for reference while deciding compensation and rewards for individual directors and nominating them for a second term in office? (4) Does the company regularly evaluate the independence of CPAs?	V		(I) <ul style="list-style-type: none"> <li>• The Company has specified its diversification policy about the composition of the Board of Directors in its Corporate Governance Best Practice Principles; outstanding entrepreneurs and professionals with abundant experience in finance and operation are included.</li> <li>• The Board of Directors of the current take consists of 7 directors in total (including 3 independent directors). All independent directors may serve no more than three terms in office to ensure absolute independence.</li> <li>• All members of the Board of Directors are known for their background and expertise in operation and management, their abundant industrial knowledge, and their leadership and decision-making capability.</li> </ul> <table border="1"> <thead> <tr> <th rowspan="2">Position</th> <th rowspan="2">Name</th> <th colspan="7">Diversified professionalism</th> </tr> <tr> <th>Making judgment about operations</th> <th>Accounting and financial analyses</th> <th>Operational management</th> <th>management</th> <th>Crisis knowledge</th> <th>Industrial market views</th> <th>Leadership</th> <th>Decision-making</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Liu, Po-Yuan</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> </tbody> </table>	Position	Name	Diversified professionalism							Making judgment about operations	Accounting and financial analyses	Operational management	management	Crisis knowledge	Industrial market views	Leadership	Decision-making	Chairman	Liu, Po-Yuan	●	●	●	●	●	●	●	No difference
Position	Name	Diversified professionalism																												
		Making judgment about operations	Accounting and financial analyses	Operational management	management	Crisis knowledge	Industrial market views	Leadership	Decision-making																					
Chairman	Liu, Po-Yuan	●	●	●	●	●	●	●																						

Evaluation item	Operation										Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons		
	Yes	No	Summary										
			Director	WANIN INTERNATIONAL CO., LTD. Representative: Hsiao, Cheng-Hao	●	●	●	●	●	●	●	●	
			Director	Lin, Hsien-Ming	●	●	●	●	●	●	●	●	
			Director	Cloud Copious Investment Limited Representative: Chen, Shih-Ying	●	●	●	●	●	●	●	●	
			Independent Director	Lin, Ruei-Yi	●	●	●	●	●	●	●	●	
			Independent Director	Sheng, Bao-Si	●	●	●	●	●	●	●	●	
			Independent Director	Chen, Kuan-Pai	●	●	●	●	●	●	●	●	
(II) The Board of Directors of the Company approved on March													

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>7, 2019 on the voluntary establishment of a functional committee (Corporate Social Responsibility Committee). The Board of Directors of the Company approved on December 24, 2020 on the voluntary establishment of a functional committee (Nomination Committee).</p> <p>(III) The Company has established standards and method for evaluating the performance of its Board of Directors, and performs periodic evaluations and submits the evaluation findings to the Board of Directors on a yearly basis so that they can serve as reference while compensation and remuneration and nomination for a second term is being decided.</p> <p>(IV) The Company periodically evaluates the independence of CPAs.</p>	
IV. For TWSE/TPEX listed companies, is there an appropriated (combined) unit or person and designates supervisor for corporate governance to take charge of related matters (including without limitation providing directors and supervisors with materials required for them to carry out their tasks, taking care of Board of Directors' meetings and shareholders' meetings as required by law, registering the company and changing registered information, preparing minutes of Board of Directors' meetings and shareholders' meetings)?	V		The Company has set up responsible people to take charge of corporate governance-related affairs. The Board of Directors also designated in 2020 that the Company's Vice President and Chief Financial Officer Su, Hsin-Hung to serve as the head of corporate governance and to take charge of corporate governance-related affairs, including organizing meetings of the Board of Directors, the Audit Committee, and the Compensation and Remuneration Committee, and shareholders' meetings, helping directors to take office and receive continuing education, providing materials required for directors to perform their duties, and helping the directors comply with laws and regulations, etc.	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
V. Has the company established a communication channel and build a designated section on its website for stakeholders (including but without limitation of shareholders, employees, customers, and suppliers, etc.) and properly respond to corporate social responsibility issues that stakeholders are concerned about?	V		The Company has set up related departments and communication channels in honor of its corporate social responsibilities.	No difference
VI. Does the company designate a professional shareholder service agency to deal with affairs relating to shareholders meetings?	V		The shareholder service agency of the Company is KGI Securities Co., Ltd.	No difference
VII. Disclosure of Information (1) Has the company established a corporate website to disclose information regarding its financial, business and corporate governance status? (2) Does the company adopt other ways of disclosing information (e.g., maintaining an English website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)? (3) Does the Company announce and declare its Annual Financial Statement within 2 months after a fiscal year ends and announce and declare the financial statements for the first, second, and third quarters and operational status of each month than the required deadline?	V V	V	The Company has set up its corporate website and disclose the information as required.  The Company has set up its Chinese and English websites and has someone to take charge of collecting and disclosing information about the Company, enforces the spokesperson system and investor conference is placed on the corporate website.  The Company has completed the announcement and declaration of its annual financial statements and the financial statements for the first, second, and third quarters, and operational status in each month by the given deadline.	No difference No difference No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII. Is there any other important information available to facilitate a better understanding of the company's corporate governance operational status (including without limitation employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>All of the Company's employees are covered by Labor Insurance, National Health Insurance, and Group Insurance and are entitled to benefits under each of the programs. Meanwhile, there are the Employee Welfare Committee and the Pension Fund Supervisory Committee in place to set aside the employee welfare fund and the pension fund as required by law, to hold employee communication meetings periodically, to set up the daycare center for employees' children, and to prepare details about distribution of bonus to employees so that the Company can share its profits with all employees. People with disabilities are hired and the charity foundation is established to encourage young people to work hard to realize their dreams in honor of corporate social responsibilities. Meanwhile, industrial workshops organized by the competent authority are proactively participated in and investor conferences are held from time to time. The Company also has the Investor Relations Department and website to provide related information for investors' reference.</p> <p>Operation at the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. The Company's directors and supervisors precisely excuse themselves in proposals involving conflicting interests.</li> <li>2. The Company has established its Rules of Procedure for Shareholders' Meetings and precisely enforces them.</li> <li>3. The Company has established its Rules of Procedure for Board of Directors' Meetings and precisely enforces them.</li> <li>4. The Company has purchased liability insurance from its</li> </ol>	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons															
	Yes	No	Summary																
			<p>directors and supervisors and it has been approved through the shareholders' meeting that liability insurance for directors and supervisors will be included as part of the Articles of Incorporation and extensions or changes will be reported to the Board of Directors once completed.</p> <p>5. Except for impossible attendance in the Board of Directors' meeting due to sudden or important public duties, all directors and supervisors shall take part in the meeting from start to end in order to supervise and discuss related proposals.</p> <p>6. Continuing education completed by the Company's directors in 2020:</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Name</th> <th>Continuation Date</th> <th>Organizer</th> <th>Course title</th> <th>Hours involved</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td> <td rowspan="2">Liu, Po-Yuan</td> <td>August 3, 2020</td> <td rowspan="2">Securities and Futures Institute</td> <td>Corporate Upgrade and Transformation Strategy and Management—Choice over Acquisition/Merger and Alliance</td> <td>3</td> </tr> <tr> <td>November 11, 2020</td> <td>Human Resources in Corporate Mergers and Acquisitions and Integrated Mergers and Acquisitions</td> <td>3</td> </tr> </tbody> </table>	Position	Name	Continuation Date	Organizer	Course title	Hours involved	Chairman	Liu, Po-Yuan	August 3, 2020	Securities and Futures Institute	Corporate Upgrade and Transformation Strategy and Management—Choice over Acquisition/Merger and Alliance	3	November 11, 2020	Human Resources in Corporate Mergers and Acquisitions and Integrated Mergers and Acquisitions	3	
Position	Name	Continuation Date	Organizer	Course title	Hours involved														
Chairman	Liu, Po-Yuan	August 3, 2020	Securities and Futures Institute	Corporate Upgrade and Transformation Strategy and Management—Choice over Acquisition/Merger and Alliance	3														
		November 11, 2020		Human Resources in Corporate Mergers and Acquisitions and Integrated Mergers and Acquisitions	3														



Evaluation item	Operation				Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary		
			Director	Lin, Hsien-Ming September 18, 2020 Taiwan Corporate Governance Association	Analysis of Top 10 Risks in the World 3 Development of the Latest Practice Regarding Insider Trading in Taiwan and Countermeasures Taken by Corporations 3
			Director	Representative of Cloud Copious Investment Limited Chen, Shih-Ying August 3, 2020	Corporate Upgrade and Transformation Strategy and Management– Choice over Acquisition/Merger and Alliance 3
				October 14, 2020	Securities and Futures Institute 2020 Workshop on Prevention against Insider Trading and Transaction of Insider Equity 3
				November 11, 2020	Human Resources in Corporate Mergers and Acquisitions and Integrated Mergers and Acquisitions 3

Evaluation item	Operation				Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons				
	Yes	No	Summary						
			Independent Director	Lin, Ruei-Yi	August 3, 2020	Securities and Futures Institute	Corporate Upgrade and Transformation Strategy and Management– Choice over Acquisition/Merger and Alliance	3	
					August 13, 2020		Information Transparency and Prevention against Insider Trading	3	
			Independent Director	Sheng, Bao-Si	August 3, 2020	Securities and Futures Institute	Corporate Upgrade and Transformation Strategy and Management– Choice over Acquisition/Merger and Alliance	3	
					August 13, 2020		Information Transparency and Prevention against Insider Trading	3	
			Independent Director	Chen, Kuan-Pai	August 3, 2020	Securities and Futures Institute	Corporate Upgrade and Transformation Strategy and Management– Choice over Acquisition/Merger and Alliance	3	

Evaluation item	Operation				Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons		
	Yes	No	Summary				
				August 13, 2020	Information Transparency and Prevention against Insider Trading	3	
				November 11, 2020	Human Resources in Corporate Mergers and Acquisitions and Integrated Mergers and Acquisitions	3	
IX. Improvement on findings from the corporate governance evaluation released in the past year: The Company has improved evaluation items that were not given a score and continued to strengthen corporate governance and was rated Top 6%-20% among TPEX-listed companies in the seventh corporate governance evaluation.							

(V) Composition, Responsibilities, and Operations of the Remuneration Committee, If Available

The Board of Directors of the Company, based on the Organic Rules of the Compensation and Remuneration Committee, established the Compensation and Remuneration Committee to take charge of primarily: 1. Preparing and periodically discussing the policy, system, criteria, and structure of director, supervisor, and manager performance and compensation and remuneration. 2. Periodically evaluating and determining the compensation and remuneration for directors, supervisors, and managers and submitting the advice to the Board of Directors for discussion. The Company's Compensation and Remuneration Committee was established on December 12, 2011.

1. Membership of Compensation and Remuneration Committee

Status	Qualification	More than five years of work experience and the following professional qualifications	Fulfillment of independence (Note)										Number of other public offering companies with membership in their Compensation and Remuneration Committee	Remarks		
			1	2	3	4	5	6	7	8	9	10				
Name		Lecturer or higher ranking at the business, legal affairs, financial affairs, or accounting department, or other departments relating to corporate operation of public and private colleges and universities	Judge, prosecutor, lawyer, CPA, or other professionals and technicians that have taken and been approved in national exams required for corporate operation	Required work experience to carry out business, legal affairs, financial affairs, accounting, or corporate operations												
Independent Director	Lin, Ruei-Yi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	None
Independent Director	Sheng, Bao-Si			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	None
Independent Director	Chen, Kuan-Pai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	None

Notes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (3) Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list.
- (4) Not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managers listed under (1) or those listed under (2) and (3).
- (5) Not a director, supervisor, or employee of an institutional shareholder directly holding at least 5% of the circulating shares of the Company or that ranks Top 5 in shareholding ratio or that assigns a representative to serve as director or supervisor of the Company according to Article 27 Paragraph 1 or 2 of the Company act (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (6) Not a director, supervisor, or employee of another company with the number of directors in the Company or shares entitled to votes accounting for a majority that is controlled by the same person (The same does not apply, however, to independent directors set up by the Company or its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (7) Not a director, supervisor, or employee of another company or institution whose chairman, president, or someone assigned with similar responsibilities is the same person or the spouse of that of the Company (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (8) Not a director, supervisor, or manager, or shareholder holding at least 5% of shares of a specific company or institution that is financially or commercially related to the Company (The same does not apply, however, if the said specific company or institution holds at least 20% yet less than 50% of the circulating shares of the Company and to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)
- (9) Not a professional providing services or consultations on business, legal affairs, financial affairs, and accounting at the Company or its associated enterprise such as auditing that have brought about rewards accumulatively yet to exceed NTD 500 thousand, or the owner, partner, director, supervisor, manager, and his/her spouse of a sole proprietorship or collaborative company or institution. This, however, does not apply to the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Mergers and Acquisitions Committee fulfilling its duties in accordance with the Securities Transaction Act or the Business Mergers and Acquisitions Act, among others.
- (10) None of the conditions indicated under Article 30 of the Company Act.

2. Operational Status of the Compensation and Remuneration Committee

- (1) The Company's Compensation and Remuneration Committee has 3 members in total.
- (2) Tenure of current members: from June 17, 2020 to June 16, 2023. The Compensation and Remuneration Committee met 5 times over the past year up to the date the Annual Report was printed. The attendance of members is provided below:

Position	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person (%)	Remarks
Member (Convener)	Sheng, Bao-Si	5	0	100	None
Member	Lin, Ruei-Yi	5	0	100	None
Member	Chen, Kuan-Pai	5	0	100	None

Other details to be documented:

1. The Compensation and Remuneration Committee met five times on March 12, 2020, June 17, 2020, June 29, 2020, December 24, 2020, and March 22, 2021 to discuss the following:
  - (1) Approval of the revision of the Company's Organic Rules of the Compensation and Remuneration Committee.
  - (2) Proposal of the compensation and remuneration for the directors, supervisors, and managers of the Company.
  - (3) Review of the distribution of the remuneration for directors and supervisors and that for employees for 2019 of the Company.
  - (4) Referral and election of the convener and Chairman of the Compensation and Remuneration Committee of the Fourth Intake.
  - (5) Proposal on the value of the remuneration for directors and supervisors and that for employees for 2019 of the Company.
  - (6) Assignment of treasury stock to managers.
  - (7) Approval of the revision of the Director Compensation and Remuneration Distribution Guidelines.
  - (8) Proposal of the compensation and remuneration for the directors and managers of the Company.
  - (9) Review of the distribution of the remuneration for directors and supervisors and that for employees for 2020 of the Company.

※ All of the matters mentioned above were approved by the Committee.
2. The Board of Directors does not adopt or modifies the advice provided by the Compensation and Remuneration Committee: None.
3. For decisions made by the Compensation and Remuneration Committee, there are members who object to or have their reservations that are recorded or stated in writing: None.

**(VI) Fulfillment of Social Responsibilities and Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons**

Evaluation item	Operation			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company perform risk assessments when dealing with environmental, social, and corporate governance-related issues that concern the Company's operations according to the materiality principle and define related risk management policies or strategies?	V		The Company has had related units to perform risk assessments.	No difference
II. Does the company have a unit that specializes (or is involved) in CSR practices? Is the CSR unit run by senior management as authorized by the Board of Directors and reports its progress to the Board of Directors?	V		The Company has set up its Corporate Social Responsibility Committee under the Board of Directors. Members of the Committee are responsible for promoting corporate social responsibilities and reporting the operational status to the Board of Directors.	No difference
III. Environmental Issues (1) Has the company developed an appropriate environmental management system, given its distinctive characteristics? (2) Has the company endeavored to improve the efficiency of resource utilization and used recycled materials which have a low impact on the environment? (3) Does the Company evaluate potential risks and opportunities now and in the future brought about by climate change for the corporation and adopts responsive measures to climate-related issues? (4) Does the Company tally the total greenhouse gas emissions, water usage, and waste generated over	V V V V		(1) The Administration Department of the Company is responsible for promoting and enforcing related tasks. (2) The Administration Department of the Company is responsible for promoting and enforcing related affairs. (3) The Administration Department of the Company is responsible for promoting and enforcing related tasks. The environmental safety and health management goals are defined and disclosed on the corporate website. (4) The Administration Department of the Company is responsible for promoting and	No difference

Evaluation item	Operation			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
the past 2 years and have energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management policies in place?			enforcing related tasks and disclosing the information on the corporate website.	
IV. Social Issues				
(1) Has the company developed related management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?	V		(1) The Company complies with applicable labor laws and regulations and respects internationally accepted principles about basic human rights of the workforce. Hiring and dismissal of employees and their compensation are based on the requirements specified in the Company's Personnel Management Regulations in order to protect the basic rights of employees. (2) The Company defines and enforces reasonable employee welfare measures according to the Personnel Management Regulations and adequately reflects operational performance and achievements in the employees' compensation. (3) The Company disinfects respective workplaces and maintains safety equipment periodically and holds employee health examinations periodically on a yearly basis and arranges a variety of workshops on employee health and safety. The employee recreational center and cafeteria have been established to contribute to a safe and healthy workplace. The Company holds the employee general	No difference
(2) Does the Company define and enforce reasonable employee welfare measures (including compensation, leave, and other benefits, among others) and the operational performance or accomplishments are adequately reflected in the employees' compensation?	V			
(3) Does the Company provide employees with a safe and healthy work environment as well as periodic safety and health education?	V			
(4) Has the Company established an effective training program that helps employees develop skills over the course of their career?	V			
(5) Does the Company comply with laws and international standards concerning customer health and safety, customer privacy, marketing, and labeling of products and services and define related policies and complaint-filing procedures to protect the rights of consumers?	V			
(6) Does the Company define supplier management policies and require that suppliers follow	V			



Evaluation item	Operation			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
applicable regulations in issues such as environmental protection, occupational safety and health, or human rights of workers and how are they implemented?			<p>assembly on a quarterly basis to communicate face to face with employees on issues brought forth and also communicates various operational strategies or operational changes to employees through internal publications.</p> <p>(4) The Company plans career empowerment programs periodically for its employees.</p> <p>(5) The Company has exclusive people and email to address related consumer complaints fairly and in a timely manner.</p> <p>(6) The Administration Department of the Company is responsible for promoting and enforcing related tasks and the supplier management policy has been defined and disclosed on the corporate website.</p>	
V. Does the Company prepare the Corporate Social Responsibility Report or other reports disclosing non-financial information of the Company by referring to international general principles or guidelines in the preparation of reports? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?	V		<p>The Company adopts GRI Standards while preparing the report and has it validated by a third-party qualification unit and there is the exclusive section for corporate social responsibilities on the corporate website. Meanwhile, related information in the report is disclosed concurrently on the MOPS.</p>	No difference
VI. If the Company has established its own CSR principles according to the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its implementation and the established principles: None.				
<p>VII. Other important information to help understand utilization of Corporate Social Responsibilities:</p> <p>(1) The Company cares about industrial safety, environmental protection, safety, and health and has respective units to promote and enforce them.</p> <p>(2) The Company creates many job opportunities. It was listed as one of the “Top 100 Companies for the Young Generation” and has set up the Employee Welfare Committee. It enforces the Pension System and organizes various training programs, travels, and group insurance, as well as periodic health examinations for the employees. A harmonious relationship with workers is valued.</p>				

Evaluation item	Operation			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(3) The Company's Employee Welfare Committee has been proactively taking part in and calling upon employees to take part in various charity sale and caring events for years to help related social welfare groups.				
(4) The Company established its "Gamaia Cheer Up Foundation" in April 2007 and has been caring for young people and encouraging them to go for their dreams in addition to a variety of public interest projects enforced.				

**(VII) Fulfillment of Ethical Corporate Management and Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons**

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>I. Establishment of Ethical Corporate Management Policy and Proposal</p> <p>(I) Has the Company defined ethical corporate management policies approved by the Board of Directors and declared its ethical corporate management policies and procedures in its rules and external documents, as well as the commitment of its Board of Directors and high-ranking management to implementing the management policies?</p> <p>(II) Has the Company established an evaluation mechanism for unethical behavioral risks that helps periodically analyze and evaluate operational activities of relatively high unethical behavioral risks within the scope of operation and defined a solution to prevent against unethical behaviors accordingly that covers at least the preventive measures against respective acts under Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>(III) Has the Company specified the operating procedures, guidelines of conduct, punishment for violators, and rules of appeal in the solution to prevent against unethical behaviors, and enforced them, and periodically reflected upon and amended the foregoing solution?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(1) The Company has prepared applicable regulations and policies on ethical corporate management that have been approved by the Board of Directors. Both the Board of Directors and the management adhere to the principle of ethical corporate management in order to maximize the shareholder equity.</p> <p>(2) The Company has set up the exclusive unit to promote ethical corporate management under the Board of Directors, the “Chief Executive Officer’s Office”. It is responsible for defining and supervising the implementation of the ethical corporate management policy and preventive solutions and reporting to the Board of Directors periodically on the implementation status. Related regulations and information have been disclosed on the corporate website.</p> <p>(3) The Company has set up the exclusive unit to promote ethical corporate management under the Board of Directors, the “Chief Executive Officer’s Office”. It is responsible for defining and supervising the implementation of the ethical corporate management policy and preventive solutions and reporting to the Board of Directors periodically on the implementation status. Related</p>	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			regulations and information have been disclosed on the corporate website.	
II. Consolidation of Ethical Corporate Management (1) Has the Company evaluated the ethical records of parties it does business with and stipulated ethical conduct clauses in business contracts? (2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and report its ethical management policy and solution to prevent against unethical behaviors and the status of implementation to the Board of Directors periodically (at least once a year)? (3) Has the Company established policies to prevent against conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly? (4) Has the company created effective accounting and internal control systems to consolidate ethical corporate management and have those systems audited by either internal auditors or CPAs on a regular basis? (5) Does the Company hold internal and external educational trainings on ethical management regularly?	V  V  V  V		(1) The Company has a rating mechanism in place for current customers and suppliers. The rights and obligations as well as the confidentiality clause of both parties are detailed in a business contract entered into. (2) The Company has established a dedicated unit under the Board of Directors, the Chief, to take charge of the promotion and related planning. It reports the ethical corporate management policy and the preventive solution and monitoring and implementation status to the Board of Directors at least once a year. (3) The Company already has the Guidelines for Recusals in Cases of Conflicting Personal Interests for Group Employees in place. Any conflict of interest can be reported to the respective supervisor. (4) The Company's Audit Office sets respective routine, non-routine, exceptional, and impromptu audit plans each year and reports to the Board of Directors how audits are performed. (5) The Company holds internal and external educational trainings on ethical corporate management periodically.	No difference
III. Whistle-blowing System of the Company (I) Does the Company have substantial reporting and	V		The Company has established the Operational	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>incentive systems in place, provide convenient reporting channels, and assign appropriate specialists investigate reported matters?</p> <p>(II) Has the company established any standard operating procedures, subsequent measures to be adopted after the investigation is completed, or confidentiality mechanisms for handling reported matters?</p> <p>(III) Does the Company assure employees who reported on malpractices that they will not be improperly treated for making such reports?</p>	V		Procedures and Guidelines of Ethical Corporate Management Best Practice that cover thorough whistleblowing measures, the standard operating procedure and confidentiality mechanism for the investigation of reported matter, applicable measures to protect the whistleblower. External whistleblowing is under the charge of the dedicated unit under the Board of Directors, the Audit Office while internally, the responsible unit is the Human Resources Office, which plans and operates related whistleblowing systems. If a report matter is found to be true, the responsible unit will report it along with how it will be handled and the subsequent corrective actions to the Board of Directors. Related regulations and information are already disclosed on the corporate website.	
<p>IV. Reinforced Information Disclosure</p> <p>(1) Has the company disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS.?</p>	V		The Company has disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS.	No difference
V. If the company has its own Ethical Management Principles established according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its implementation and the principles: None.				
VI. Other important information that helps understand the implementation of ethical corporate management of the company: None.				

(VIII) How they may be found shall be disclosed if the company has established Corporate Governance Principles and related regulations: The corporate website and the MOPS.

(IX) Other important information that is sufficient to boost knowledge about corporate governance shall also be disclosed:

Gamania has been devoted to corporate governance over the long term and hopes to create maximum shareholder equity and sustainable corporate operation by enhancing the function of the Board of Directors, establishing functional committees, strengthening communications with stakeholders, and reinforcing information disclosure, among others.

1. Establishment of the Nomination Committee

In the fifth meeting of the Board of Directors of the tenth intake on December 24, 2020, establishment of the Nomination Committee was approved. The Committee consists of four members in total that are the Company’s Chairman and all independent directors.

(1) Committee Membership and Professionalism

All members of the Committee are equipped with diversified professionalism, including operation and management, industrial knowledge, leadership, and decision-making. They are either outstanding entrepreneurs or professionals with enriched experience in finance and operation.

Position	Name	Diversified professionalism							
		Making judgment about operations	Accounting and financial analyses	Operational management	Crisis management	Industrial knowledge	International market views	Leadership	Decision-making
Member (Convener)	Liu, Po-Yuan	●	●	●	●	●	●	●	●
Member	Lin, Ruei-Yi	●	●	●	●	●	●	●	●
Member	Sheng, Bao-Si	●	●	●	●	●	●	●	●
Member	Chen, Kuan-Pai	●	●	●	●	●	●	●	●

(2) Duties of the Committee

To propose a list of suitable candidates for the director or high-ranking managerial openings to the Board of Directors (including those of subsidiaries) and review in advance the candidates recommended by shareholders or the Board of Directors by law and submit the review results and the reference list of candidates to the Board of Directors. While proposing the list of independent director candidates, attention shall be paid to the experience, professionalism, integrity, and fulfillment of the Securities and Exchange Act, Regulations

Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and applicable laws and regulations regarding the criteria of independent directors of each candidate and the developments of the Company and the long-term interest of shareholders shall be the primary considerations.

(3) Operational Status

Organization and Staffing

The Nomination Committee referred Liu, Po-Yuan to be its Chairman and convener on December 24, 2020.

Scope of Operation

- No tasks have been performed for 2020 since the Nomination Committee was set up on December 24, 2020.
- Seating and attendance in the 1 meeting of the Nomination Committee held in the past year are as follows:

Position	Name	Actual attendance (seated) frequency	Actual seated rate (%)
Member (Convener)	Liu, Po-Yuan	1	100
Member	Lin, Ruei-Yi	1	100
Member	Sheng, Bao-Si	1	100
Member	Chen, Kuan-Pai	1	100

2. Establishment of Corporate Governance Supervisor

In the fourth meeting of the Board of Directors of the tenth intake on November 11, 2020, the establishment of the corporate governance supervisor was approved. It would be served by the Chief Financial Officer Su, Hsin-Hung, who has experience of working as the supervisor of shareholder affairs and corporate governance-related affairs in public companies for at least three years.

(1) Responsibilities of the Corporate Governance Supervisor

To take care of corporate governance-related affairs, including matters related to the organization of shareholders' meetings and the meetings of the Board of Directors, the Audit Committee, the Compensation and Remuneration Committee, the Nomination Committee and related functional committees, helping directors to take office and comply with laws and regulations, providing directors with materials required for

them to perform tasks, and other matters defined by law, in the Articles of Incorporation, or in contracts, etc.

(2) Operational Status in 2020

Organization and Staffing

- The Audit Committee was set up after the comprehensive re-election through the shareholders’ meeting on June 17, 2020.
- The Board of Directors approved the setup of corporate governance supervisor on November 11, 2020.
- The Board of Directors approved the setup of Nomination Committee on December 24, 2020.

Execution of Operation

- To prepare the agenda for a shareholders’ meeting, a Board of Directors’ meeting, or a meeting of each of the functional committees, provide the agenda and related attachments by the statutory deadline, and communicate with the Board of Directors members or the members of each of the said committees in advance and prepare meeting minutes-related documentation.

Name of Meeting	Shareholders’ meeting	Board of Directors’ meeting	Audit Committee meeting	Compensation and Remuneration Committee meeting	Nomination Committee meeting	Corporate Social Responsibility Management Committee
Frequency	1	8	3	4	1	1

- Reviewed the important information to be released after the Board of Directors’ meeting and the shareholders’ meeting to ensure its legitimacy and accuracy of its content and to protect the rights of investors.
- Helped new directors to take office and comply with laws and regulations by introducing the scope of operation, organization, and other precautions of the Company and providing new directors with related internal personnel and regulatory communication handbooks.
- Completed the revision of the Articles of Incorporation and registration of related changes following the re-election of directors.
- Cooperated with the competent authority in the latter’s revision of policies or laws or regulations by revising applicable regulations on corporate governance in real time and to submit it to the Board of Directors.



- Planned the annual Board of Directors continuing education courses that help reinforce its function.

Date	Training agency	Description	Hours involved
August 3, 2020	Securities and Futures Institute	Corporate Upgrade and Transformation Strategy and Management - Choice over Acquisition/Merger and Alliance	3 hours
November 11, 2020	Securities and Futures Institute	Discussion of Human Resources during Corporation Mergers and Acquisitions and Integrated Issues of Mergers and Acquisitions	3 hours

- Provided related financial or operational information of the Company needed by directors and to keep optimal communications between directors and the management.
- Arranged communication meetings between independent directors and the internal audit head and CPAs so that independent directors can summarize historical communications as part of their duty. Refer to “Corporate Governance” on the corporate website for investor relations for the communications with independent directors.
- Optimized the terms and conditions of the liability insurance contract for the directors, supervisors, and managers and to present them in the Board of Director’s meeting on March 12, 2020.
- The Corporate Social Responsibility Management Committee reported annual implementation accomplishments to the Board of Directors on November 11, 2020.
- The Ethical Corporate Management Unit reported annual implementation accomplishments to the Board of Directors on November 11, 2020.
- Performed the 2019 Board of Directors Performance Evaluation and reported it to the Board of Directors on March 12, 2020.
- Planned the 2020 Board of Directors Performance Evaluation and included the Compensation and Remuneration Committee, the Audit Committee to consolidate corporate governance.
- Established the “Intellectual Property Management Plan” and submitted it to the Board of Directors on November 11, 2020 to consolidate the Group’s intellectual property management policy.

- Promoted paper-less meetings and applied it to the Board of Directors and each of the functional committees to control confidential documentation at a depth and to consolidate the Group’s environmental protection policy.
- Uploaded the 2019 Financial Statement disclosed in English 7 days prior to the general shareholders’ meeting on June 17, 2020.
- The quarterly financial statements for the first and second quarters of 2020 were approved by the Board of Directors or submitted to the Board of Directors 7 days before the announcement deadline and were released within one day after the date of approval or submission.
- The interim financial statements for the first to the third quarters of 2020 were disclosed in English and were announced within two months after the deadline for declaring the Chinese interim financial statements.
- The overview of trends in the macroeconomic environment and in the industry that the Company is in was disclosed in the annual report during the 2019 shareholder’s meeting and the trends were discussed.
- On the corporate website, 2020 financial, operation, and corporate governance-related information was disclosed and related information was disclosed in English on the English corporate website as well.

Item	Disclosed Matter
Financial	Monthly revenues, quarterly financial statements in 2020
Operational	Latest news in 2020
Corporate governance	<ul style="list-style-type: none"> <li>▪ Introduction to the professional background of each member of the Board of Directors of the tenth intake</li> <li>▪ 2020 shareholders’ meeting-related information, including the annual report in the shareholders’ meeting, the meeting notice, the meeting handbook, and the meeting minutes.</li> <li>▪ 2020 Investor Conference-related information and presentation</li> <li>▪ 2019 Corporate Social Responsibility Report</li> </ul>

- On the corporate website, other corporate governance-related

information was disclosed in 2020:

Organizational structure, labor-management relations, important internal requirements - applicable regulations governing the operations of shareholders' meetings and the Board of Directors, corporate governance and corporate social responsibility-related guidelines, Articles of Incorporation, Letter to Shareholders, diversification in the composition of the Board of Directors and the professionalism, Nomination Committee, Audit Committee, Compensation and Remuneration Committee, summary of communications between independent directors and CPAs in 2020, summary of communications between independent directors and the internal audit head in 2020, 2020 information security risk disclosure, 2020 Corporate Social Responsibility Report, exclusive section for stakeholders, exclusive section for sustainable environmental development - energy management policy

- On the corporate website, the list of major shareholders was disclosed, including the name of shareholder, the number of shares held, and the shareholding ratio of those holding at least 5% of shares and who were one of the Top 10 shareholders as of the base date of April 19, 2020.
- The Company was invited to hold one investor conference on a quarterly basis throughout 2020 where the industry and the operational overview were presented.

Date	Information about investor conference
March 18, 2020	Invited to take part in the online investor conference organized by President Securities
June 18, 2020	Invited to take part in the online investor conference organized by MasterLink Securities
September 3, 2020	Invited to take part in the Jih Sun Securities Sun Lion Fall Business Day for Stock Market in Taiwan organized by Jih Sun Securities
December 17, 2020	Invited to take part in the investor conference organized by Mega Securities

- Built the exchange platform for respective units within the Group in order to strengthen communication between the Group and its employees and to communicate information.
- Improved software and hardware in the employee cafeteria (gama island) and the communication channel for enhanced employee

welfare.

- Established and disclosed energy management policy to consolidate the Group's policy.
- Listed in Cheers Magazine's "Top 100 Companies for the Young Generation" for the 15<sup>th</sup> year in a row.
- Honored by the "2020 to 2023 Sports Enterprise Certificate" from the Sports Administration under the Ministry of Education.
- One of the finalists for the second Annual Enterprises Protection Award.
- Honored by the 13<sup>th</sup> TCSA Silver Award for "Sustainability Report" and the fourth place in the service and information and communication sector for "Excellent Sustainability Example" - Talent Development.
- Rated as 6%-20% among TPEX-listed companies in the seventh corporate governance accreditation.

### 3. Continuing Education for Corporate Governance Supervisor

- (1) As is required by Article 24 Paragraph 2 of the Guidelines to the Establishment of the Board of Directors, anyone who serves as the corporate governance supervisor for the first time shall complete continuing education consisting of 18 hours within one year from the start of service and additional continuing education at 12 hours shall be maintained each year thereafter.
- (2) The Company's corporate governance supervisor was set up on November 11, 2020 and the said number of hours to be fulfilled shall be acquired by November 10, 2021.
- (3) The corporate governance supervisor has not acquired any continuing education hours this year.

## (X) Implementation of Internal Control System:

### 1. Declaration on Internal Control:

Date: December 31, 2020

For the Company's internal control system of 2020, it is hereby declared as follows according to self-assessment findings:

- (I) The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. The purpose of the system is to reasonably ensure the achievement of various objectives, including operational efficiency and effectiveness (including profitability, business performance and the security of assets), the reliability, timeliness and transparency of information disclosed, and compliance with relevant guidelines as well as relevant laws and regulations.
- (II) The internal control system has its inherited restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take a corrective action against deficiencies confirmed.
- (III) The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. Please refer to "Governing Regulations" for details.
- (IV) The Company has already adopted the aforesaid items for assessing the effectiveness of its internal control system in terms of system design and implementation.
- (V) Pursuant to the results of the above-mentioned evaluations, the Company is of the view that the design and implementation of its internal control system as of December 31, 2020 (including its supervision and management of subsidiaries), including its awareness of the extent by which the operating effects and efficiency goals are fulfilled, reliability of reports, and compliance with relevant laws and regulations, are such that it is effective and capable of reasonably ensuring that the aforementioned goals can be achieved.
- (VI) This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. If the aforesaid published contents are found to be false, or fraudulent in any way, the Company and its management shall be legally liable in accordance with Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- (VII) This Declaration was approved at the meeting of the Company's Board of Directors on

March 22, 2021 with no directors expressing dissent out of the 7 Directors in attendance.

Gamania Digital Entertainment Co., Ltd.

Chairman: Liu, Po-Yuan Signature/Seal

President: Liu, Po-Yuan Signature/Seal

2. If review of the internal audit system is outsourced to CPAs as an exception, the CPA Review Report shall be disclosed: None.

(XI) Details of the penalty imposed on the Company and its internal staff as required by law or that imposed by the Company on its internal staff for violating requirements of the internal control system that may have significant impacts on the shareholder equity or prices of securities, major deficiencies, and improvements that shall be disclosed in the past year up to the date the Annual Report was printed: None.

(XII) Important decisions reached in shareholders' meetings and made by the Board of Directors in the past year up to the date the Annual Report was printed

1. Important decisions made in the 2020 shareholders' meeting:

Date of meeting	Summary of important proposals	Implementation status
June 17, 2020	Ratification of 2019 statements and reports	The proposal was approved in the shareholders' meeting as is.
	Ratification of 2019 distribution of earnings	The proposal was approved in the shareholders' meeting as is; distribution of cash dividends was completed on August 7, 2020.
	Approval of the revision of the Company's Articles of Incorporation	The proposal was approved in the shareholders' meeting as is and the change registration was approved by the Ministry of Economic Affairs on July 13, 2020.
	Approval of the revision to the Company's Rules of Procedure for Shareholders' Meetings	The proposal was approved in the shareholders' meeting as is and the post-amended procedure was followed.
	Approval of the revision of the Company's Regulations Governing the Acquisition and Disposal of Assets	The proposal was approved in the shareholders' meeting as is and the post-amended procedure was followed.
	Approval of the revision of the Company's Operating Procedure for Lending of Funds and Endorsement/ Guarantee	The proposal was approved in the shareholders' meeting as is and the post-amended procedure was followed.
	Approval of the revision of the Company's Board of Directors Election Regulations	The proposal was approved in the shareholders' meeting as is and the post-amended Regulations were followed.
	Approval of lifting of the non-competition pledge obligations upon new directors	The proposal was approved in the shareholders' meeting as is. The non-competition pledge obligations were lifted for new directors.
	Comprehensive re-election of Board directors	Seven directors were re-elected and the change registration was approved by the Ministry of Economic Affairs on July 13, 2020.

## 2. Important decisions of the Board of Directors

Important decisions made by the Board of Directors in 2020 up to the date the Annual Report was printed are summarized as follows:

Date	Important decision
March 12, 2020	<ul style="list-style-type: none"> <li>● Approval of the Company's 2019 statements and reports</li> <li>● Approval of the Company's 2019 distribution of earnings in cash dividends</li> <li>● Approval of the distribution of remuneration for directors and supervisors and that for employees</li> <li>● Approval of the call for 2020 General Shareholders' Meeting and comprehensive re-election of the seven directors</li> </ul>
April 22, 2020	<ul style="list-style-type: none"> <li>● Approval of the Company's extension of the contract on game dealership</li> </ul>
May 5, 2020	<ul style="list-style-type: none"> <li>● Approval of the Company's consolidated financial statement for the first quarter of 2020</li> <li>● Approval of the Board of Directors' nominations for independent directors</li> </ul>
June 17, 2020	<ul style="list-style-type: none"> <li>● Approval of the appointment of the Company's Chairman</li> <li>● Approval of the appointment of the members for the Company's Compensation and Remuneration Committee of the fourth intake</li> </ul>
June 29, 2020	<ul style="list-style-type: none"> <li>● Approval of the determination of the Ex-dividend base date for the Company</li> <li>● Approval of the Company's proposal on the value of the remuneration for directors and supervisors and managers that for employees for 2019</li> <li>● Approval of the determination of the base date for share subscription in the "transfer of treasury stock to employees"</li> <li>● Transfer of treasury stock to managers</li> </ul>
August 3, 2020	<ul style="list-style-type: none"> <li>● Approval of the Company's Consolidated Financial Statement for the first half of 2020</li> </ul>
November 11, 2020	<ul style="list-style-type: none"> <li>● Approval of the Company's Consolidated Financial Statement for the third quarter of 2020</li> <li>● Approval of the Company's 2021 Annual Audit Plan</li> <li>● Approval of 2020 Board of Directors Performance Evaluation</li> <li>● Approval of the establishment of "Corporate Governance Supervisor"</li> </ul>
December 24, 2020	<ul style="list-style-type: none"> <li>● Approval of the appointment of the members for the Company's Nomination Committee of the first intake</li> </ul>
March 22, 2021	<ul style="list-style-type: none"> <li>● Approval of the Company's 2020 statements and reports</li> <li>● Approval of the Company's 2020 distribution of earnings in cash dividends</li> <li>● Approval of the distribution of remuneration for directors and supervisors and that for employees</li> <li>● Approval of the call for 2020 General Shareholders' Meeting</li> </ul>



(XIII) Main contents of different opinions of directors or supervisors that are recorded and stated in writing on important decisions made by the Board of Directors in the past year up to the date the Annual Report was printed: None.

(XIV) Summary of resignations and dismissals of the Company's Chairman, President, head of accounting, head of finance, head of internal audit, head of corporate governance, and head of R&D in the past year up to the date the Annual Report was printed: None.

(XV) Status on certification required by the competent authority of the Company and applicable staff in financial information transparency

Name of certificate	Number of people
Internal Auditor Certificate	1
Basic Internal Corporate Control Skills Qualification Certificate	2
Trust and Investment Underwriter	2
Shareholder Service Professionalism Qualification Certificate	2
Professional Trust Business Provider Qualification Certificate	2
Certification in Risk Management Assurance (CRMA)	1
Bank Internal Control and Internal Audit Test	1
Brokerage Senior Dealer Qualification Certificate	1
Brokerage Dealer Certificate of Successful Completion	1
Brokerage Dealer Qualification Certificate	1

## V. Information on Public Expenditure on CPAs

Bracket table of information on public expenditure on CPAs

Name of Accounting Firm	Name of CPA		Duration of Inspection	Remarks
PwC Taiwan	Lin Yi-Fan	Yen Yu-Fun	January 1, 2020 through December 31, 2020	None

Currency: NTD 1,000

Value bracket		Public expenditure	Audit public expenditure	Non-audit public expenditure	Total
1	Below \$2,000,000.00			✓	
2	\$2,000,000.00 (inclusive) ~ \$4,000,000.00				
3	\$4,000,000.00 (inclusive) ~ \$6,000,000.00		✓		✓
4	\$6,000,000.00 (inclusive) ~ \$8,000,000.00				
5	\$8,000,000.00 (inclusive) ~ \$10,000,000.00				
6	Above \$10,000,000.00 (inclusive)				

- (I) When the non-audit public expenditure paid to CPAs, their firms, and their associated enterprises accounts for more than one-fourth of the audit public expenditure, the values of both audit and non-audit public expenditures and contents of non-audit services shall be disclosed

The non-audit public expenditure paid in 2020 by the Company accounted for 24% of audit public expenditure. Details about the service provided are as follows:

Currency: NTD 1,000

Name of Accounting Firm	Name of CPA	Audit public expenditure	Non-audit public expenditure					Duration of audit	Remarks
			System design	Business registration	Human resources	Others	Subtotal		
PwC Taiwan	Lin Yi-Fan Yen Yu-Fun	4,035	-	-	-	970	970	January 1, 2020 through December 31, 2020	For dual-status business entities, the certification charge of \$120,000.00 and taxation consulting service of \$850,000.00 are subtracted directly.

Note: The audit public expenditure of the Company in 2020 totaled \$4,035,000.00 only and non-audit public expenditure - other totaled \$970,000.00. Although it fell short of the 25% expected of non-audit public expenditure, related information is provided in the remarks column.

(II) When the accounting firm is changed and the audit public expenditure in the year of replacement is reduced compared to that in the preceding year, the audit public expenditures before and after the replacement and the reasons shall be disclosed: None.

(III) When the audit public expenditure is reduced by more than 10% from the preceding year, the value reduced and its ratio and cause shall be disclosed: None.

## VI. Information on Replacement of CPAs:

If the Company replaced the CPAs in the past two years and thereafter, the following information shall be disclosed:

### (I) About the former CPA

Date of Replacement	February 27, 2020		
Reason for Replacement and Description	To go with the internal organizational adjustment of PwC Taiwan		
Explain if the appointee or accountant is terminated or does not accept the appointment	Situation	Client	CPA
	Spontaneous termination of appointment		Lin Yi-Fan, PAN Huiling
	Does not accept (continue with) appointment		None
Opinions expressed in audit reports other than unqualified opinions issued within the most recent two years and the reason	None		
Different opinions from those of the publisher	Yes		Accounting principles or practice
			Disclosure of financial statements
			Scope of inspection or steps
			Others
	None	√	
	Description		
Other Matters (Those that should be disclosed as indicated in Article 10 Subparagraph 6 Items 1-4 to 1-7 of these Guidelines)	None		

## (II) About the Succeeding CPA

Name of Accounting Firm	PwC Taiwan
Name of CPA	Lin Yi-Fan, Yen Yu-Fun
Date of Authorization	February 27, 2020
Consultations and findings about opinions possibly signed off on the accounting approach of specific transactions and financial statements prior to authorization.	None
Written opinions of succeeding CPAs that differ from those of former CPAs	None

(III) Replies of former CPAs to Article 10 Paragraph 6 Item 1 and Item 2 Matter 3 of the Guidelines: Not applicable.

## (IV) Evaluation of CPA's Independence

The Company prepares its Independent Evaluation Form based on the contents of "Integrity, Impartiality, Objectiveness, and Independence" in 10 of the Code of Ethics for Professional Accountants and evaluates the independence, professionalism, and suitability of CPAs. The evaluation covers whether the CPA is correlated to the Company, is in a business relationship with, holds financial interests in the Company. The Evaluation Form is reviewed also by the Company's supervisors. In addition, the Company obtains the Independence Declaration issued by the accounting firm, too.

It was reviewed and approved through the sixth meeting of the Board of Directors of the tenth term on March 22, 2021. The evaluation revealed that CPA Lin, Yi-Fan and CPA Yen, Yu-Fun of PwC Taiwan both meet the Company' independence evaluation criteria and can serve as the CPAs of the Company.

**VII. Disclosure of the name, position, and duration of service at the firms or their affiliates that the Company's Chairman, President, or managers in charge of financial or accounting affairs in the past year, if any:** None.

**VIII. Changes in the transfer and pledge of equity among directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% in the past year and up to the date the Annual Report was printed.**

Unit: Thousand shares

Position	Name	2020		2021 As of March 31	
		Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged
Chairman	Liu, Po-Yuan	919	(2,121)	-	(250)
Director	WANIN INTERNATIONAL CO., LTD. Representative: Hsiao, Cheng-Hao	-	-	-	-
Director	Lin, Hsien-Ming	-	-	-	-
Director	Cloud Copious Investment Limited Representative: Chen, Shih-Ying	-	-	-	-
Independent Director	Sheng, Bao-Si	-	-	-	-
Independent Director	Lin, Ruei-Yi	-	-	-	-
Independent Director	Chen, Kuan-Pai	-	-	-	-
Manager	Su, Hsin-Hung	71	-	(31)	-
Manager	Wu, Chang-Hung	3	-	-	-
Manager	Juang, Shyan-Jer	31	-	-	-
Manager	Chien, Chih-Hao	26	-	-	-
Manager (Note)	Wang, Chi-Huang	31	-	(6)	-

(Note) The status of manager is no longer starting from April 1, 2021 due to adjustment of positions.

(Resigned director/supervisor)

Position	Name	2020 As of June 30	
		Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged
Vice Chairman	JL INVESTMENT TAIWAN LTD. Representative: Liao, Wen-To	-	-
Director	Hsieh, Chin-Chang	-	-
Supervisor	Chung Ying Investment Co., Ltd. Representative: Cheng, Shih-Chia	-	-
Supervisor	Cloud Copious Investment Limited Representative: Chu, Chia-Lin	-	-

Information on the transfer of equity: No transfer of equity to a related party occurred among the directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% of the Company.

Information on the pledge of equity: No pledge of equity to a related party occurred among the directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% of the Company.

**IX. Information of relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship.**

April 26, 2021

Name	Shares held in person		Shares held by spouse and minor child(ren)		Shares held in someone else's name		The title or name and relationship among shareholders in the Top 10 shareholding list who are related, spouse to each other, or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Liu, Po-Yuan	20,291,305	11.56%	-	-	-	-	Xiangsheng Investment Co., Ltd.	Person in charge	-
WANIN INTERNATIONAL CO., LTD.	15,101,000	8.60%	-	-	-	-	-	-	-
Representative: Hsiao, Cheng-Hao	0	0	-	-	-	-	-	-	-
JOY DEVELOP CO., LTD. Taiwan Branch	13,639,000	7.77%	-	-	-	-	-	-	-
Lawsuit and non-lawsuit representative: Wang, Jun-Ming	0	0	-	-	-	-	-	-	-
Xiangsheng Investment Co., Ltd.	13,600,000	7.75%	-	-	-	-	Liu, Po-Yuan	Person in charge	-
Representative: Liu, Po-Yuan	20,291,305	11.56%	-	-	-	-	-	-	-
Investment Account of Polunin Emerging Markets Fund Company in the trusteeship of Deutsche Bank	3,574,100	2.04%	-	-	-	-	-	-	-
Jakedi Emerging Market Small Cap Equity Fund in the trusteeship of HSBC	2,626,000	1.5%	-	-	-	-	-	-	-
Investment Account of Xingtian Technology	1,975,000	1.13%	-	-	-	-	-	-	-



Co., Ltd. in the trusteeship of KGI Bank Co., Ltd.									
Liu, Tie-Cheng	1, 664, 411	0. 95%	-	-	-	-	Liu, Po-Yuan	Son	-
Gamania Digital Entertainment Co., Ltd. Trust Account with Chinatrust Commercial Bank	1, 150, 495	0. 66%	-	-	-	-	-	-	-
WISTRON CORPORATION	1, 126, 445	0. 64%	-	-	-	-	-	-	-

**X. Number of shares held by the Company, the Company's directors, supervisors, managers, and directly or indirectly controlled businesses and the consolidated general holding ratio.**

March 31, 2020

Unit: Thousand shares; %

Re-invested business (Note)	Investment made by the Company		Directors, supervisors, managers, and directly or indirectly controlled businesses		Comprehensive investment	
	Number of shares	Holding ratio	Number of shares	Holding ratio	Shares	Holding ratio
Gamania Holdings Ltd.	46,278	100.00%	-	-	46,278	100.00%
FUNdation DIGITAL ENTERTAINMENT Co. Ltd.	317	100.00%	-	-	317	100.00%
DIGICENTRE COMPANY LIMITED	16,016	67.48%	-	-	16,016	67.48%
Jollybuy Digital Technology Co. Ltd.	18,600	96.37%	-	-	18,600	96.37%
TWO TIGERS CO., LTD.	627	51.00%	-	-	627	51.00%
Gash Point Co., Ltd.	13,500	90.00%	602	4.01%	14,102	94.01%
Indiland Co., Ltd.	50	100.00%	-	-	50	100.00%
DIT startup Co., Ltd.	3,997	33.03%	-	-	3,997	33.03%
ANTS' POWER CO., LTD.	1,000	100.00%	-	-	1,000	100.00%
COTURE NEW MEDIA CO., LTD.	1,315	93.08%	-	-	1,315	93.08%
MADSUGR DIGITAL TECHNOLOGY CO., LTD.	4,590	51.00%	-	-	4,590	51.00%
WEBACKERS CO., LTD.	374	93.38%	-	-	374	93.38%
NOWNEWS NETWORK CO., LTD.	33,917	78.72%	515	1.20%	34,432	79.92%
Gamania Asia Investment Co., Ltd.	18,900	100.00%	-	-	18,900	100.00%
BEANGO CO., LTD.	400	100.00%	-	-	400	100.00%
GAMA PAY CO., LTD.	47,714	59.64%	22,643	28.30%	70,357	87.94%
CIIRCO, INC.	6,991	99.87%	-	-	6,991	99.87%
4-Way News	190	38.00%	-	-	190	38.00%
WALKERMEDIA CO., LTD.	3,000	30.00%	-	-	3,000	30.00%

(Note): It is the long-term investment of the Company using the equity method.

## IV. Fund-raising

### I. Capital and Shares

#### (1) Source of Capital Stock

April 29, 2021 Unit: NTD 1,000; thousand shares

MM/YYYY	Issue price	Approved capital stock		Paid-in capital stock		Remarks		
		Number of shares	Value	Number of shares	Value	Source of capital stock	Using properties other than cash to write off the stock value	Others
06/1995	10	500	5,000	500	5,000	Establishment		Note 1
04/1998	10	1,000	10,000	1,000	10,000	Capital increase in cash \$5,000		Note 2
10/1999	10	17,000	170,000	5,000	50,000	Capital increase in cash \$40,000		Note 3
05/2000	10	60,000	600,000	28,057	280,570	Capital increase in cash \$200,000 Earnings transferred capital increase \$ 27,500 Employee bonus transferred capital increase \$ 3,070		Note 4
03/2001	10	60,000	600,000	52,813	528,130	Capital increase in cash \$247,560		Note 5
08/2001	10	60,000	600,000	56,920	569,200	Earnings transferred capital increase \$ 36,970 Employee bonus transferred capital increase \$ 4,100		Note 6
07/2002	10	110,000	1,100,000	88,027	880,270	Earnings transferred capital increase \$ 227,680 Capital reserve transferred capital increase \$56,920 Employee bonus transferred capital increase \$ 26,470		Note 7
11/2002	10	110,000	1,100,000	108,027	1,080,270	Capital increase in cash \$200,000		Note 8
07/2003	10	250,000	2,500,000	158,799	1,587,997	Earnings transferred capital increase \$ 410,503 Employee bonus transferred capital increase \$ 97,224		Note 9
10/2004	10	250,000	2,500,000	153,990	1,539,897	Treasury stock-based capital reduction \$48,100		Note 10
04/2005	10	250,000	2,500,000	152,918	1,529,177	Treasury stock-based capital reduction \$10,720		Note 11
09/2005	10	250,000	2,500,000	151,879	1,518,787	Treasury stock-based capital reduction \$10,390		Note 12
03/2006	10	250,000	2,500,000	146,879	1,468,787	Treasury stock-based capital reduction \$50,000		Note 13
09/2007	10	250,000	2,500,000	152,869	1,528,694	Earnings transferred capital increase \$ 38,188 Employee bonus transferred capital increase \$ 21,719		Note 14
10/2007	10	250,000	2,500,000	153,067	1,530,677	Employee share subscription warrant conversion \$1,983		Note 15
10/2008	10	250,000	2,500,000	158,782	1,587,827	Earnings transferred capital increase \$ 7,061 Employee bonus transferred capital increase \$ 50,088		Note 16
05/2009	10	250,000	2,500,000	158,905	1,589,058	Employee share subscription warrant conversion \$1,231		Note 17
11/2009	10	250,000	2,500,000	160,495	1,604,950	Employee share subscription warrant conversion \$15,892		Note 18
04/2010	10	250,000	2,500,000	161,738	1,617,387	Employee share subscription warrant conversion \$12,436		Note 19
05/2010	10	250,000	2,500,000	165,637	1,656,376	Employee share subscription warrant conversion \$38,988		Note 20
11/2010	10	250,000	2,500,000	165,702	1,657,020	Employee share subscription warrant conversion \$644		Note 21
04/2011	10	250,000	2,500,000	166,320	1,663,206	Employee share subscription warrant conversion \$6,186		Note 22
05/2011	10	250,000	2,500,000	168,128	1,681,282	Employee share subscription warrant conversion \$18,076		Note 23
06/2011	10	250,000	2,500,000	156,288	1,562,882	Treasury stock-based capital reduction \$118,400		Note 24
09/2011	10	250,000	2,500,000	156,401	1,564,011	Employee share subscription warrant conversion \$1,128		Note 25
11/2011	10	250,000	2,500,000	156,751	1,567,515	Employee share subscription warrant conversion \$3,504		Note 26
04/2012	10	250,000	2,500,000	156,754	1,567,543	Employee share subscription warrant conversion \$28		Note 27

06/2012	10	250,000	2,500,000	156,812	1,568,125	Employee share subscription warrant conversion \$582	Note 28
11/2012	10	250,000	2,500,000	156,868	1,568,684	Employee share subscription warrant conversion \$559	Note 29
05/2013	10	250,000	2,500,000	156,883	1,568,833	Employee share subscription warrant conversion \$149	Note 30
06/2013	10	250,000	2,500,000	157,097	1,570,975	Employee share subscription warrant conversion \$2,142	Note 31
09/2013	10	250,000	2,500,000	157,113	1,571,132	Employee share subscription warrant conversion \$157	Note 32
12/2013	10	250,000	2,500,000	157,311	1,573,117	Employee share subscription warrant conversion \$1,985	Note 33
04/2014	10	250,000	2,500,000	157,594	1,575,936	Employee share subscription warrant conversion \$2,819	Note 34
11/2017	10	250,000	2,500,000	168,537	1,685,372	Corporate bone conversion \$109,436	Note 35
02/2018	10	250,000	2,500,000	175,028	1,750,281	Corporate bone conversion \$64,909	Note 36
05/2018	10	250,000	2,500,000	175,427	1,754,270	Corporate bone conversion \$3,989	Note 37
08/2018	10	250,000	2,500,000	175,493	1,754,935	Corporate bone conversion \$665	Note 38

Note 1: Approval No.: (1995) Jian (4) No. 86819 dated June 12, 1995  
Note 2: Approval No.: (1998) Jian (3) Geng No. 14362 dated April 3, 1998  
Note 3: Approval No.: Jing (1999) Zhong No. 88972957 dated October 27, 1999  
Note 4: Approval No.: (2000) Tai-Cai-Zheng (I) No. 29638 dated April 14, 2000  
Note 5: Approval No.: (2000) Tai-Cai-Zheng (I) No. 77120 dated September 11, 2000  
Note 6: Approval No.: (2001) Tai-Cai-Zheng (I) No. 142580 dated July 3, 2001  
Note 7: Approval No.: Tai-Cai-Zheng (I) No. 0910132738 dated June 17, 2002  
Note 8: Approval No.: Tai-Cai-Zheng (I) No. 0910147223 dated September 03, 2002  
Note 9: Approval No.: Tai-Cai-Zheng (I) No. 0920122373 dated May 21, 2003  
Note 10: Approval No.: Jing-Shou-Shang No. 09301198100 dated October 21, 2004  
Note 11: Approval No.: Jing-Shou-Shang No. 09401063160 dated April 18, 2005  
Note 12: Approval No.: Jing-Shou-Shang No. 09401193330 dated September 30, 2005  
Note 13: Approval No.: Jing-Shou-Shang No. 09501048910 dated March 22, 2006  
Note 14: Approval No.: Jing-Shou-Shang No. 09601222410 dated September 10, 2007  
Note 15: Approval No.: Jing-Shou-Shang No. 09601266570 dated October 30, 2007  
Note 16: Approval No.: Jing-Shou-Shang No. 09701264660 dated October 15, 2008  
Note 17: Approval No.: Jing-Shou-Shang No. 09801097160 dated May 15, 2009  
Note 18: Approval No.: Jing-Shou-Shang No. 09801271060 dated November 23, 2009  
Note 19: Approval No.: Jing-Shou-Shang No. 09901072040 dated April 15, 2010

Note 20: Approval No.: Jing-Shou-Shang No. 09901109060 dated May 28, 2010  
Note 21: Approval No.: Jing-Shou-Shang No. 09901260820 dated November 22, 2010  
Note 22: Approval No.: Jing-Shou-Shang No. 10001070290 dated April 11, 2011  
Note 23: Approval No.: Jing-Shou-Shang No. 10001096330 dated May 16, 2011  
Note 24: Approval No.: Jing-Shou-Shang No. 10001121560 dated June 16, 2011  
Note 25: Approval No.: Jing-Shou-Shang No. 10001218040 dated September 19, 2011  
Note 26: Approval No.: Jing-Shou-Shang No. 10001258190 dated November 11, 2011  
Note 27: Approval No.: Jing-Shou-Shang No. 10101062780 dated April 10, 2012  
Note 28: Approval No.: Jing-Shou-Shang No. 10101107630 dated June 13, 2012  
Note 29: Approval No.: Jing-Shou-Shang No. 10101237660 dated November 15, 2012  
Note 30: Approval No.: Jing-Shou-Shang No. 10201077710 dated May 3, 2013  
Note 31: Approval No.: Jing-Shou-Shang No. 10201104100 dated June 5, 2013  
Note 32: Approval No.: Jing-Shou-Shang No. 10201184280 dated September 6, 2013  
Note 33: Approval No.: Jing-Shou-Shang No. 10201255760 dated December 18, 2013  
Note 34: Approval No.: Jing-Shou-Shang No. 10301065780 dated April 16, 2014  
Note 35: Approval No.: Jing-Shou-Shang No. 10601159640 dated November 20, 2017  
Note 36: Approval No.: Jing-Shou-Shang No. 10701015940 dated February 9, 2018  
Note 37: Approval No.: Jing-Shou-Shang No. 10701055860 dated May 25, 2018  
Note 38: Approval No.: Jing-Shou-Shang No. 10701110500 dated August 27, 2018

April 29, 2021; Unit; Share

Type of share	Approved capital stock			Remarks
	Shares already issued	Shares yet to be issued	Total	
Registered common stock	175,493,573	74,506,427	250,000,000	Main Board stock

Information on shelf registration: None

## (2) Shareholder Structure

April 26, 2021

Shareholder structure Quantity	Government agency	Financial institutions	Other corporations	Individuals	Foreign institution and alien	Total
Number of people	0	1	151	42,909	131	43,192
Number of shares held	0	620,000	33,188,169	109,736,487	31,948,917	175,493,573
Holding ratio (%)	0	0.35	18.91	62.53	18.21	100

## (3) Decentralization of Equity

### Decentralization of equity

Denomination of \$10 per share

April 26, 2021

Shareholding classification	Number of shareholders	Number of shares held	Holding ratio (%)
1 ~ 999	18,153	644,002	0.37
1,000 ~ 5,000	21,932	40,506,836	23.08
5,001 ~ 10,000	1,902	15,159,528	8.64
10,001 ~ 15,000	426	5,534,570	3.15
15,001 ~ 20,000	282	5,255,920	2.99
20,001 ~ 30,000	208	5,353,333	3.05
30,001 ~ 40,000	82	3,006,207	1.71
40,001 ~ 50,000	62	2,893,886	1.65
50,001 ~ 100,000	69	4,744,580	2.70
100,001 ~ 200,000	36	5,001,985	2.85
200,001 ~ 400,000	20	5,685,117	3.24
400,001 ~ 600,000	4	2,066,000	1.18
600,001 ~ 800,000	3	2,061,620	1.17
800,001 ~ 1,000,000	3	2,832,233	1.61
Above 1,000,001	10	74,747,756	42.61
Total	43,192	175,493,573	100.00

Preferred stock: None

#### (4) List of Major Shareholders

April 26, 2021

Name of major shareholder	Number of shares held (share)	Holding ratio (%)
Liu, Po-Yuan	20,291,305	11.56%
WANIN INTERNATIONAL CO., LTD.	15,101,000	8.60%
JOY DEVELOP CO., LTD. Taiwan Branch	13,639,000	7.77%
Xiangsheng Investment Co., Ltd.	13,600,000	7.75%
Investment Account of Polunin Emerging Markets Fund Company in the trusteeship of Deutsche Bank	3,574,100	2.04%
Jakedi Emerging Market Small Cap Equity Fund in the trusteeship of HSBC	2,626,000	1.50%
Investment Account of Xingtian Technology Co., Ltd. in the trusteeship of KGI Bank Co., Ltd.	1,975,000	1.13%
Liu, Tie-Cheng	1,664,411	0.95%
Gamania Digital Entertainment Co., Ltd. Trust Account with Chinatrust Commercial Bank	1,150,495	0.66%
WISTRON CORPORATION	1,126,445	0.64%

#### (5) Related information of market price per share, net value, earnings, and dividends for the past two years

Item	Year		2019	2020	The current year up to March 31, 2021
Market value per share	Maximum		82.20	82.30	72.40
	Minimum		56.20	37.10	62.10
	Average		66.91	61.93	65.00
Net value per share	Before distribution		26.84	28.40	30.15
	After distribution		23.74	28.40	30.15
Earnings per share	Weighted average number of shares (thousand shares)		174,203	174,474	175,494
	Earnings per share		5.10	5.00	1.76
Dividend per share	Cash dividend		3.10	4.00	-
	Free share assignment	-	-	-	-
		-	-	-	-
Accumulated unpaid dividend		-	-	-	
Analysis of return on investment	Price to earnings ratio		13.12	12.39	36.93
	Price to dividend ratio		21.58	15.48	-
	Cash dividend yield		4.63%	6.46%	-

Note: As of the date this Annual Report was printed, materials from the latest quarter that have been audited (reviewed and approved) by the CPAs were yet to be received.

#### (6) Company's dividend policy and implementation status

##### I. Dividend policy:

As is required by the Company's Articles of Incorporation, for pre-tax profits of the Company for the current period, 10% to 15% of the profits will be set aside to pay employee remuneration, and no more than 2% of profits will be set aside to pay remuneration to directors. The Company shall appropriate for write-off the loss carried forward, if applicable. The policy on the distribution of dividends is as follows:

(1) Principle for the distribution of dividends:

The Company distributes dividends applying the robust balance principle, with normalization of the corporate financial structure and accommodation of operational growth potential as the top principle. Dividends are distributed at a ratio of no less than 10% of the earnings of the specific year.

(2) Procedure for distributing dividends:

The procedure for distributing dividends of the Company is based on the requirements of the Company Act. Each year, the Board of Directors takes into consideration the profitability of the Company and its future operational demand while preparing the proposal on distribution of earnings and the proposal is to be approved through the general shareholders' meeting before it is implemented.

(3) How dividends will be distributed:

How dividends are distributed takes reference of the profitability, financial structure, and future developments of the Company, among other factors, and at least 10% of the dividends distributed in the specific year will be set aside to pay cash dividends. The Board of Directors, however, may adjust it reflective of the overall operational status and fund planning and submit it during the shareholders' meeting for a decision.

II. Distribution of dividends intended to be proposed and discussed during the current shareholders' meeting:

It was approved by the Company's Board of Directors on March 22, 2021 that cash dividends in the value of \$4 per share will be distributed.

III. Expected major changes to the dividend policy, if any: None.

(7) Impacts of free share assignment intended through the current shareholders' meeting on the Company's operational performance and earnings per share: No share assignment is involved.

(8) Remuneration for employees, directors

I. Percentage or range of remuneration for employees, and directors as stated in the Company's Articles of Incorporation:

- (1) 10% to 15% as the remuneration for employees
- (2) No higher than 2% as the remuneration for directors

II. Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration for employees, and directors, basis for calculating the number of shares included in the distribution of remuneration for employees, and the actual value distributed and their estimates of the current term:

The remuneration to directors dropped by NT\$610,396 from that was recognized for 2020. The difference will be listed as the loss or profit for 2021.

III. Approval of distribution of remuneration by the Board of Directors:

It was approved by the Company's Board of Directors on March 22, 2021 to distribute

- (1) Remuneration for directors: NTD 23,000,000.00.
- (2) Remuneration for employees: NTD 118,051,982.00.

IV. The actual value of the remuneration distributed to employees and directors for 2019 in 2020 did not differ from that decided by the Board of Directors and during the shareholders' meeting in 2020.

(9) Buyback of the Company's Shares

I. Completed

Buyback of the Company's shares

April 29, 2021

Buyback period	11 <sup>th</sup> times	12 <sup>th</sup> times
Purpose of the buyback	Transfer to employees	Transfer to employees
Duration of the buy back	11/09/2018- 01/08/2019	03/13/2020- 05/12/2020
Buyback price range	\$50-90	\$40-58
Type and quantity of shares already bought back	Common stock 0 shares	Common stock 2,241,000 shares
Value of shares already bought back	\$0	\$91,449,447.00
Number of shares bought back/Number of shares expected to be bought back (%)	0	74.7



Quantity of shares already written off and assigned	0 shares	2,241,000 shares
Cumulative quantity of shares of the Company held	0 shares	0 shares
Total number of shares in the Company/total number of outstanding shares (%)	0	0

II. Ongoing: None.

**II. Corporate Bonds:** None.

**III. Preferred Stock:** None.

**IV. Global Depositary Receipt:** None.

**V. Employee Share Subscription Warrant:** None.

**VI. M&A or Acceptance of Transferred Shares of Another Company for Issuance of New Shares:** None.

**VII. Implementation of Capital Utilization Plan:** None.

## V. Operational Overview

### I. Scope of Operation:

#### (I) Scope of Operation:

##### 1. Main scope of operation

- (1) Trading in all kinds of computer hardware and software.
- (2) Design, planning, trading, agency and distribution of industrial and commercial machinery and equipment.
- (3) Output of machinery and equipment across the plant.
- (4) General imports and exports (excluding licensing).
- (5) Bidding and quotation for products on behalf of domestic and foreign manufacturers.
- (6) General advertising.
- (7) TV program production.
- (8) Release of Radio and TV programs.
- (9) Radio and TV advertising.
- (10) Brokerage.
- (11) Manufacturing of data storage and processing equipment.
- (12) Information software service.
- (13) Magazine.
- (14) Besides that licensed, the Company may also engage itself in business that is not prohibited or restricted by law.

##### 2. Scope of operation by the weight

Unit: NTD 1,000

Year \ Product	2019		2020	
	Value	%	Value	%
Gaming and point storage income	7,997,878	83%	8,552,139	82%
Labor and other operating income	1,683,467	17%	1,890,903	18%
Total	9,681,345	100%	10,443,042	100%

Source: 2020 Consolidated Financial Statement Audited and Certified by CPAs

##### 3. Current Products (Services) of the Company

- (1) Games: The games provided by the Group include online games “MapleStory (New)”, Lineage Remastered”, “Counter Strike Online”, and “Dragon Nest” and mobile games “Lineage M”, “Summons Boards”, “Cross Gate M”, and “The Legendary Moonlight Sculptor”, among others. The Company continues to work with international

heavyweights in introducing gaming masterpieces featuring exquisite and unique contents.

- (2) E-commerce: The Group's "Jollybuy Digital" is the first of its kind to focus on Anime, Comics, and Games (ACG) and is devoted to creating an entertaining e-commerce platform. Gaming and socializing upgrade the shopping fun. AI data are applied to improve the operational performance of partner stores and to make trading more convenient and shopping more fun.
- (3) Payment: The Group's GAMA PAY combines the Group and its cross-disciplinary partners and turns online digital content-based transactions offline (Online to Offline). The scope of service covers food, clothing, housing, transportation, education, and entertainment to build convenient and safe payment applications that better meet the spending needs of the digital generation. Young and gaming populations are prioritized. Meanwhile, the stores are offered the best solution to cash flows, membership management, and ticketing. "GASH" point service not only enables players to make payments but also provides them with comprehensive digital entertainment contents. The quality and powerful features make it possible for digital players around the world to travel freely in the infinite wide-range digital entertainment world through the GASH platform.
- (4) Media: The Group's "CONETTER" is known for its in-depth original digital solid foundation. The needs of network users are explored at a depth. Meanwhile, the organizational capability of the Group makes rapid streamlining of network resources possible. It becomes a marketing A Team in streamlining media resources and helping customers echo with consumers of the digital generation that is heard on the market, creating synergistic effects! "ANTS", with its many years of experience in customer service and sound customer service mechanism as well as flexible professional organization and deployment, renders benefits such as brand formation and product promotion through social media-based marketing to provide customers with powerful backup and support in real time.
- (5) Others: The Group's "DIGICENTRE" is an expert in cloud data and information security that combines cloud depot, information security service, and mobile safety in one. With its technical experience accumulated over the years, domestic and international customers are offered tailored services and solutions in terms of information security,

system integration, and IDC/NOC/SOC.

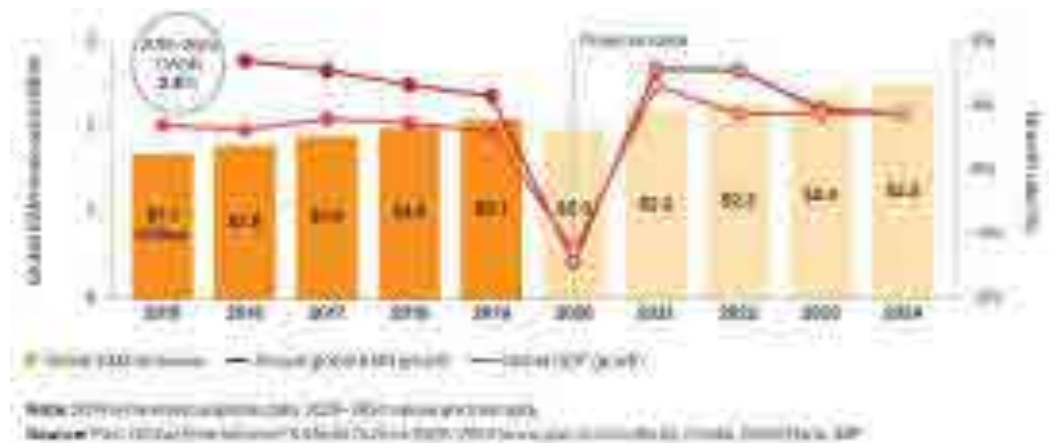
- (6) Mobile platform: Beanfun! is a comprehensive mobile living platform that combines games, entertainment points, payment, e-commerce, and IM in one and also consumption coupons. With simple personalized interfaces, it further enriches life. One can shop in a group through chatting, adding more fun to communication and allowing the “multi-functional radar” to remain on at any time anywhere for a simple yet enriched web-based life.

## (II) Industrial Overview:

### 1. Current Status and Developmental Trends

The PwC Global Entertainment & Media Outlook 2020-2024 released by PricewaterhouseCoopers (PWC) shows that impacted by the pandemic, the global entertainment and media industry in 2020 suffered a slightly shrunk market share that was worth USD 2 trillion (around NTD 56 trillion) (see the figure below). Over the long term, however, the growing stream remains strong. It is estimated that the value will reach around USD 2.5 trillion in 2024 (around NTD 70 trillion). As a whole, the compound growth rate in the global entertainment and media industry between 2020 and 2024 is around 2.8%. Impacted by the pandemic, consumers changed their behavior in 2020, which expedited the digitalization pace taken by governments and enterprises. It is making a digital revolution happen early and even brings a turning point for the industry that can be an industrial ecology impossible to be broken through for years. Digitalization will be a key momentum to shape all industries. It is expected that the entertainment and media industry in the future will turn distant, virtual, streamed, and personalized and become even more home-centered, creating even greater digital business opportunities.

## Revenue of Global Entertainment and Media Industry 2015~2024



Source: PWC (2020)

As is stated in the “2020 Taiwan Digital Content Industry Yearbook” released in September 2020 by the Ministry of Economic Affairs, with the dawning of the digital economy era, the production value structure of the digital content industry in Taiwan was inferred to be adjusted as: digital games, animations, digital publishing and digital learning, and motion-sensing technology, which are core sub-industries, in 2018. Meanwhile, in response to the smart learning program of the Industrial Development Bureau under the MOEA, it is estimated that the production value of the digital learning industry would change somehow. The combined production value of digital contents in Taiwan in 2019 was about NTD 254.2 billion, an annual growth of around 5.3% (see the table below). By the industry, digital learning accounted for the largest portion in all digital content industries, followed by digital games. Taiwan’s digital content market secures its 20<sup>th</sup> place in the world and 7<sup>th</sup> place in Asia, with a compound annual growth rate of around 3.7%. The digital content industry is also key to the reinforcement of the cultural soft capabilities and industrial competitive advantages of Taiwan. Technological developments are constantly moving the digital content industry forward, too, and brings a new look in life for people. To open up new business opportunities on the constantly changing market, one has to deal with new challenges. The digital content industry will develop towards combining emerging technologies and cross-disciplinary applications. Given the pandemic in 2020, it is particularly important to think outside the box and apply the co-creation model in the ecosystem in order to welcome the new wave of digital economy after the pandemic and secure business opportunities.

Production structure of the digital content industry in Taiwan 2014 - 2019

Unit: NTD hundred million

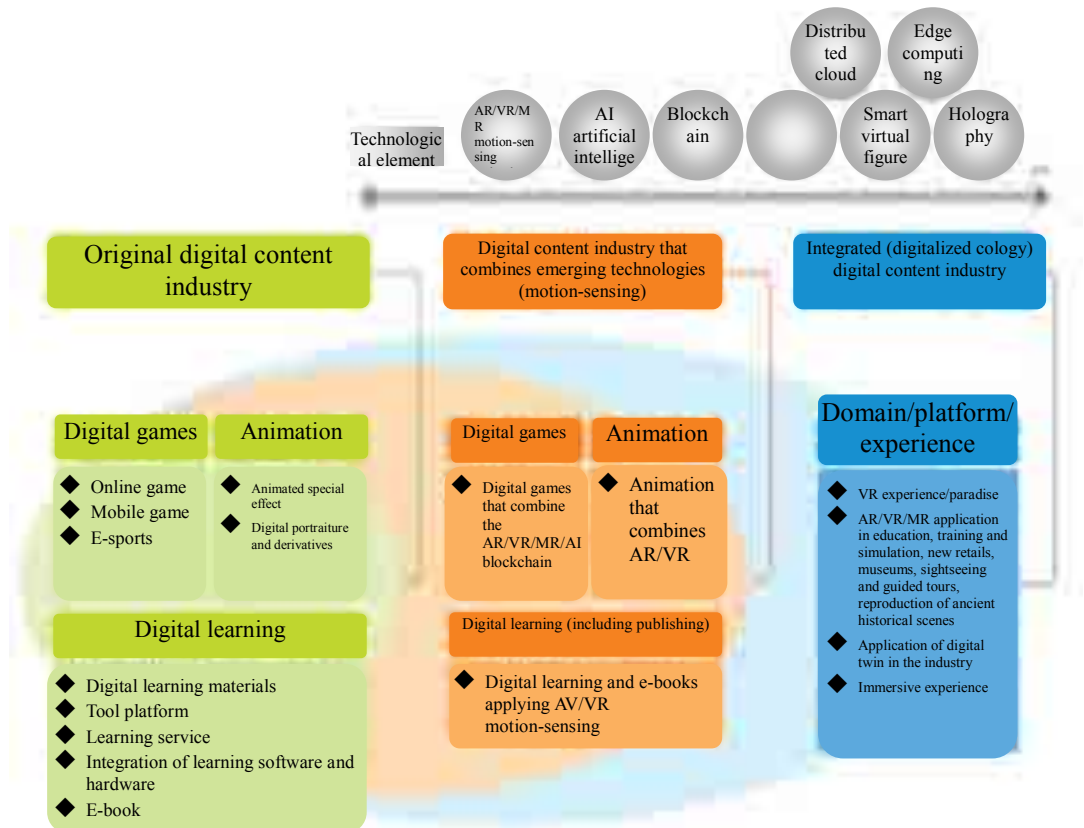
Digital content industry/Year	2014	2015	2016	2017	2018	2019
Digital games	506	532	572	531	587	622
Animation	67	70	75	76	79	87
Digital learning (with the approach estimated to change in 2018)	719	903	1,102	1,323	1,269	1,336
Digital publishing	438	383	385	375	386	391
Motion-sensing technology	-	-	70	84	94	106
Overall production value	1,730	1,888	2,204	2,389	2,415	2,542

Source: Taiwan Digital Content Industry Yearbook (2020)

## 2. Industrial Correlation

According to the latest 2020 Taiwan Digital Content Industry Yearbook, the discussions shall cover three levels. At level one, the original three major core industries are maintained: 1. Digital games, mobile games, e-sports. 2. Animation: animated special effects, digital portraiture, and derivatives. 3. Digital learning: digital materials, tool platforms, learning service, integration of learning software and hardware, e-books. At the second level, it is the digital content industry that combines emerging technologies (motion-sensing) and new technological elements, including AR/VR/MR, AI, and blockchain. The third level, on the other hand, explores an integrated digital content industry that constantly evolves with technological contents. Examples include DigitalTwin, smart virtual figures, holography, edge computing, and distributed cloud, among other emerging technologies. It aims to present a digitalized ecology, with domain/platform/experience as the display or application interface (see the figure below).

## The latest scope of the digital content industry in Taiwan 2020



Source: Taiwan Digital Content Industry Yearbook (2020) ; Chung-Hua Institution for Economic Research.

### 3. Developmental Trends and Competition of Products and Services

(1) Abundant types of games that vary in styles: Gamania introduced “Lineage” in Taiwan in 2000 and opened the era of online games in Taiwan. In 2005, the free “MapleStory” heated up the gaming fad throughout Taiwan. Games introduced over the years feature better enriched contents and diversified styles. There are first-person shooting, cosplay, real-time strategy, motion, adventure, simulation, sports, quiz, recreational, and habit-forming options. Products are run for the long term. Despite the increased competition in Taiwan, several classic games of the Company continue to stand out as always. The heavyweight IP mobile game “Lineage M” was introduced at the end of 2017 and set multiple records in the history of mobile games of Taiwan. Various collaborative events have been introduced with subsidiaries, too, to provide players with more diversified services. Data of the international research and investigation institute App Annie show that since it was introduced to the market, “Lineage M” has topped the list

of best-selling mobile phones for three years in a row in Taiwan.

- (2) Mobile game contents: As smart phones and tablets become popular, mobile game contents bring about new opportunities. Data of the international market survey institute Newzoo show that the income from mobile games throughout 2020 accounted for nearly 50% on the gaming market as a whole and was the largest market segment and its growth remains the fastest. The Gamania Group has introduced one after another multiple trend-setting mobile games, too, namely “Lineage M”, “Cross Gate M”, and “The Legendary Moonlight Sculptor”, all of which are eye-catchers on the market. In the future, localized operational capabilities will continue to excel in order to bring about brand new impressive gaming experience for the players.
- (3) Vast e-commerce opportunities: The Gamania Group’s “JollyBuy Digital” is the first entertaining e-commerce platform to focus on Anime, Comics, and Games (ACG) and is the first one to connect the four segments together, namely, supply, distribution, introduction, and shopping. Applying the introduction and shopping features of beanfun! and the Group’s advantageous membership base in addition to the interactive consumption model that combines e-commerce and games, it brings the e-commerce market to new heights. “JollyBuy Digital” was also one of the businesses included in the digital transformation revitalization plan for retail business of the MOEA in 2020 that aimed to help micro-stores and personal stores by providing retailers with more digital transformation preferred solutions and help ease the operational stress they had to deal with in the midst of the pandemic.
- (4) Maximized deployment for mobile payment service: To popularize mobile payment service in Taiwan, the government proactively introduces related solutions. The goal is to bring the popularization rate to 90% by 2025. Survey of the Institute for Information Industry shows that consumers’ dependence and preference over mobile payment service continue to rise. Young people aged 18 to 35 are particularly proactive. This also shows that young people are leading the mobile payment market for the time being. In terms of the scenario and channel, main businesses are integration O2O and deploying towards cross-industrial alliance to allow sharing among each other’s members, points, and channels. As far as application is concerned, due to the fact that mobile payment helps build the transaction data and behavioral traces of users, which, after appropriate processing, may be combined



in advertising or marketing, banking, telecommunication, healthcare, and sightseeing scenarios, they are giving rise to even more profitable opportunities. What is also worth noting is that channels, preferred discounts, and system stability will be key factors affecting whether user choose to say or leave. The Group’s “GAMA PAY” is proactively explore collaboration through a variety of consumption channels. It was comprehensively integrated with beanfun! in 2019, too. The mobile wallet “beanfun! GAMA Pay” that combines social media service and payment was introduced for a brand new gaming and daily payment pattern and it has been certified by multiple international information security standards, too. In 2020, all of the four major convenience stores joined the partnership as well as multiple shopping areas and large franchises to significantly empower beanfun! and raid spending preferred discounts are introduced from time to time to provide members with spending experiences that are more fun and more diversified. They have not only been well-received among users but also brought about multiplied growths.

- (5) Precise control over digital marketing trends: The Group’s “CONETTER” provides partners with comprehensive integrating marketing service that explores the needs of network users at a depth applying its robust digital media base that has been in place for years. Taking advantage of the solid network resources of the Group, data are shared and analyzed, as well, and diversified media is combined to maximize the customer marketing effect. In 2020, it successfully helped multiple games, entertaining and e-commerce products enter the market in Taiwan.

### (III) Technical and Research and Development Overview:

Research and, development expenses and technologies or products successfully developed in the most recent year and up to the date the annual report was printed.

Year	Research and development expenditure	Research and development accomplishments
2020	NTD 345.651 million	<ol style="list-style-type: none"> <li>1. Completion of the internal communication and coordination tool teamgoal!</li> <li>2. Justification of the internal application system</li> <li>3. Fulfillment of comprehensive monitoring of</li> </ol>

		<p>the safe release environment for products</p> <ol style="list-style-type: none"> <li>4. Dismantlement and restructuring interactive motion devices</li> <li>5. Completion of internal service and development of multi-purpose self-driving car application</li> <li>6. Completion new corporate service multi-media device</li> <li>7. Completion of the configuration of a multi-media digital filming studio</li> <li>8. Research, analysis, and output of AI Big Data</li> <li>9. Completion of Alpha Ver.1.0 for Chibi Maruko-chan for mobile phones</li> <li>10. Continued optimization of respective features of beanfun!</li> </ol>
2021 First Quarter	NTD 89.775 million	<ol style="list-style-type: none"> <li>1. Feedback on AI object image transformation data learning and qualification power</li> <li>2. Testing and calibration of Alpha for Chibi Maruko-chan for mobile phones</li> <li>3. Testing and calibration of the core pocket version available at FamilyMart</li> </ol>

#### (IV) Long-term and Short-term Business Development Plans

##### 1. Mid-to-long-term business development plan

The Group will continue to grow towards being a comprehensive web-based enterprise. In the future, besides growing further each of its businesses, including gaming, payment, e-commerce, media, and digital business solutions for diversified deployment, the operations will be focused on beanfun! Respective businesses will be integrated and connected with one another to ensure comprehensive in-depth daily utilization, to turn around user experience, to innovate on the backbone of the Group, to render synergistic effects throughout the Group, and to become a comprehensive web-based enterprise while creating a wonderful smart new life.

##### 2. Short-term business development plan

- (1) Heavyweight Ip-driven game operations: Market oriented and player demand-centered along with the diversified segmentation strategy, quality game contents will be introduced.
- (2) Cultivating ACG e-commerce at a depth: In light of the fact that social media experience is becoming a new driving force to catalyze online shopping needs, the Group's "JollyBuy Digital" will continue to

strengthen the consumption model where shopping is combined with gaming and will research and develop digitalization-specific differential business models to expedite the application of big data that are the resources in the ecosystem of the Group and to realize real-time referrals of personalized commodities and to further bring operating momentum for beanfun!.

- (3) Deployment of the scenario for applying mobile payment: The Group's "GAMA PAY" prioritizes young and gaming populations and is proactively approaching prospective partners in respective industries and adding diversity to the scope of service and use scenarios. It continues to explore key channels reflective of user preference and to empower beanfun! while at the same time creating rapid, convenient, and safe payment tools.
- (4) Expanding the market share of beanfun! and maximizing its influence on a mobile life: The mobile life platform beanfun! App introduced by the Group demonstrates the momentum and membership size built over the years in the transformation into a web-based enterprise, which are the niche for the growth of beanfun!. Beanfun! will continue to develop and interface new contents and services and deepen the management over user needs to secure its presence on the mobile life portal market in Taiwan.

## II. Market and Production/Distribution Overview:

### (I) Market Analysis

1. Where products services are primarily sold to or provided and the market share

Unit: NTD 1,000

Item \ Year	2019		2020	
	Value	%	Value	%
Taiwan	8,714,793	90%	8,720,101	84%
Asia and others	966,552	10%	1,722,941	16%
Total	9,681,345	100%	10,443,042	100%

Source: 2020 Consolidated Financial Statement Audited and Certified by CPAs

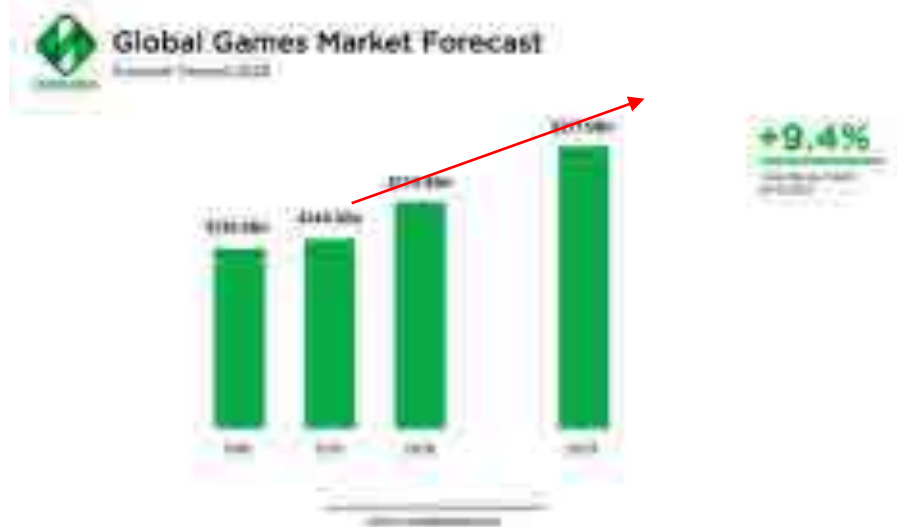
Gamania is a pioneer in the gaming industry of Taiwan. It started the era of online games in 2000 and introduced the first fee collection model featuring free download of the tools in 2005. All have been trend-setting

and received well among the consumers. Gamania has also been listed as one of the “Top 100 Companies for the Young Generation” for consecutive years. The Gamania Group, not only demonstrating robust capabilities in the gaming field, has also been proactively transforming itself. In 2019, it built the first local mobile life portal “beanfun!” in Taiwan that combines games, points, media, mobile payment, and e-commerce in one while trying to become the first comprehensive web-based enterprise in Taiwan.

## 2. Future supply and demand and growth on the market

- (1) Games: Newzoo updated its forecast about the global gaming market size at the end of 2020 to USD 174.9 billion. Mobile games, in particular, accounted for USD 86.3 billion, nearly 50% of the overall market size and continue to be the fastest-growing segment. By the region, contributions from the Asia-Pacific region remain the highest at nearly 50%. In addition, it also forecast that the 2.8 billion players around the world will help the global gaming market see an income of USD 189.3 billion in 2021. By 2023, the income on the gaming market will increase to USD 217.9 billion and the compound annual growth rate between 2018 and 2023 will be as high as 9.4%. The PwC Global Entertainment & Media Outlook 2020-2024 released by PricewaterhouseCoopers (PWC) shows that the overall gaming market size in Taiwan was USD 2.05 billion in 2020 and it would grow to USD 2.5 billion in 2024. Mobile games, in particular, will account for nearly 60% of the overall market size. It was further pointed out in the report that Taiwan ranked 11<sup>th</sup> globally with its gaming market size in 2019 and steady growths are expected in the future for Taiwan to keep the leading position in the world.

Global gaming market scale 2018~2023



Source: Newzoo (2020)

Analysis of the global gaming market by the region 2020



Source: Newzoo (2020)

Analysis of the global gaming market by the equipment 2020



Source: Newzoo (2020)

Taiwan gaming market scale 2015~2024

Computer games and e-sports in Taiwan

Unit: USD in millions	2015	2016	2017	2018	2019E	2020F	2021F	2022F	2023F	2024F	2019-24 CAGR
<b>Traditional computer games</b>	<b>803</b>	<b>758</b>	<b>799</b>	<b>828</b>	<b>850</b>	<b>873</b>	<b>905</b>	<b>929</b>	<b>960</b>	<b>993</b>	<b>3.2%</b>
Computer games	562	533	570	593	609	633	664	687	717	750	4.3%
- Physical games	1	1	1	1	1	1	1	1	0	0	-30.2%
- Digital	74	18	19	19	20	21	22	23	25	27	6.1%
- Online/Intra-game micro-transaction	487	513	549	573	588	612	641	663	692	724	4.2%
Home game consoles	241	225	230	235	241	240	241	242	243	243	0.1%
- Physical games	205	185	183	180	180	173	169	165	160	155	-3.0%
- Digital	35	39	46	53	59	65	70	75	79	83	7.0%
- Online/Intra-game micro-transaction	1	1	1	1	2	2	2	3	4	5	25.8%
<b>Social media/recreational games</b>	<b>712</b>	<b>828</b>	<b>917</b>	<b>975</b>	<b>1,079</b>	<b>1,166</b>	<b>1,249</b>	<b>1,326</b>	<b>1,408</b>	<b>1,480</b>	<b>6.5%</b>
App	616	744	838	902	1,011	1,101	1,188	1,268	1,353	1,428	7.2%
Browser	96	84	79	73	69	65	62	58	55	52	-5.5%
<b>Gaming advertisement</b>	<b>8</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>4.5%</b>
<b>Overall revenue</b>	<b>1,523</b>	<b>1,596</b>	<b>1,727</b>	<b>1,815</b>	<b>1,942</b>	<b>2,052</b>	<b>2,168</b>	<b>2,270</b>	<b>2,383</b>	<b>2,489</b>	<b>5.1%</b>

Note: The statistics are the preliminary sum including repeated calculations and hence may not be equal to the sum of the respective sub-industries.

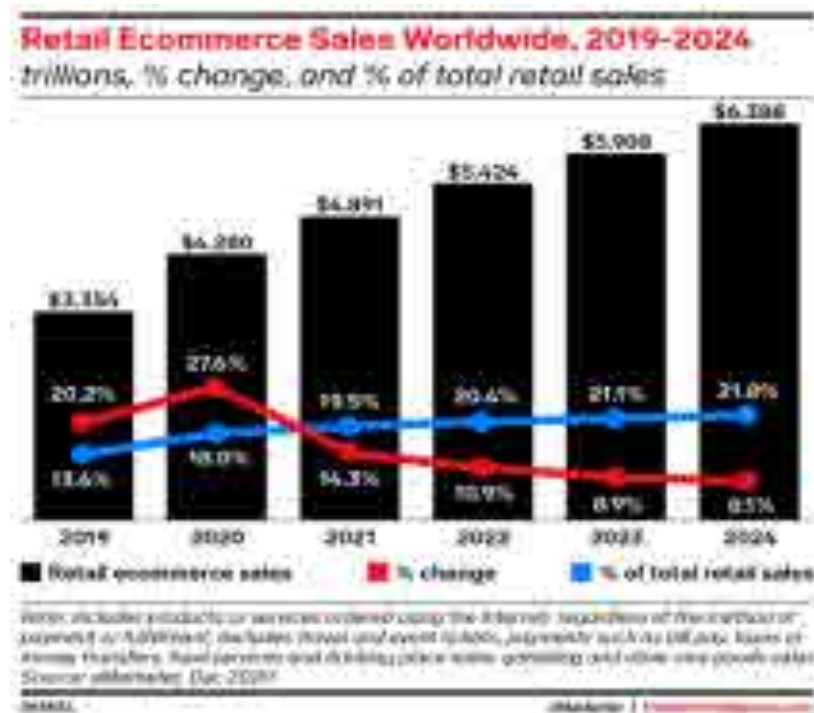
Source: PwC Global Entertainment and Media Industry Outlook Report 2020-2024, www.pwc.outlook.

Source: PWC (2020)

- (2) E-commerce: The data of eMarketer show that the global e-commerce market size grew quickly in the midst of the pandemic by 27.6% to reach USD 4.3 trillion in 2020 and it is expected to

reach USD 4.9 trillion in 2021 and even break the threshold of USD 6.3 trillion in 2024. Data of the MOEA Department of Statistics show that the revenue of the e-shopping and mail order industry of Taiwan reached NTD 241.2 billion in 2020, an annual growth of 16% and the greatest over the past nearly ten years. Besides the continuous expansion in market size, e-commerce will penetrate the retail market further, indicating that online spending is a future trend.

Global e-commerce market size 2019~2024



Soure: eMarketer (2020)

### Taiwan e-shopping and mail order industry market size 2011~2020



Source: MOEA Department of Statistics

- (3) Mobile payment: Mordor intelligence points out that the global mobile payment market size was USD 1.45 trillion in 2020 and it is expected to reach USD 5.40 trillion in 2026, with a compound annual growth rate (CAGR) of around 24.5%. When analyzed by the number of people, statistical data of eMarketer show that the number of users of mobile payment around the world broke the threshold of 1 billion in 2020 and users of smart phones accounted for around 38.4% and it is expected that it will grow to 1.3 billion in 2023 and the ratio of users will continue to grow steadily, too. When analyzed by the payment method, Worldpay indicated in its report that the ratios of online and offline mobile payments around the world were, respectively, 45% and 26% in 2020 and they are expected to grow further to 52% and 33%, respectively, in 2024. In addition, impacted by the pandemic, consumption has turned online, which also motivated consumers to use mobile payment and turn it would be even more popularized payment option. The ratios of online and offline mobile payments in the Asia-Pacific region were, respectively, 60% and 40%, in 2020 and they are expected to grow further to 65% and 48%, respectively in 2024, turning it to be the region with the highest ratios of mobile payments in the world. The MIC survey of the Institute for Information Industry shows that among the common transaction methods in Taiwan for the second half of 2020, mobile payment (60.3%) remained below physical cards (76.3%) and cash



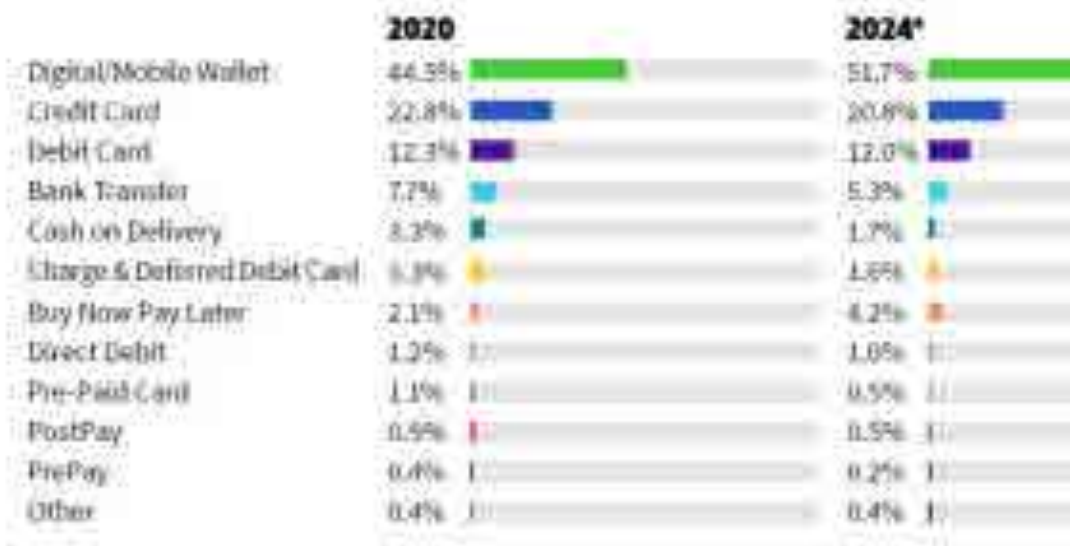
(75.5%) yet it surpassed physical E-tickets (54.8%) for the first time and entered the golden cross. In addition, the ratio of mobile payment being a preferred option of consumers in stores that accept it has been climbing steadily from 32.2% in 2019 to 37.2% in the second half of 2020, surpassing those of physical cards (34.5%), cash (18.8%), and E-tickets ( 8.9%), indicating that with reduced environmental restrictions, mobile payment as a preferred option for consumers still has potential for growth. Plus the pandemic that continues to expedite the dependence of consumers on touch-free tools, it is expected that the market for mobile payment will be further heated in 2021. In the future, adding the scenarios and collaborative strategies will decide who will win out in the competition.

Number and ratio of users of mobile payment around the world 2018~2023

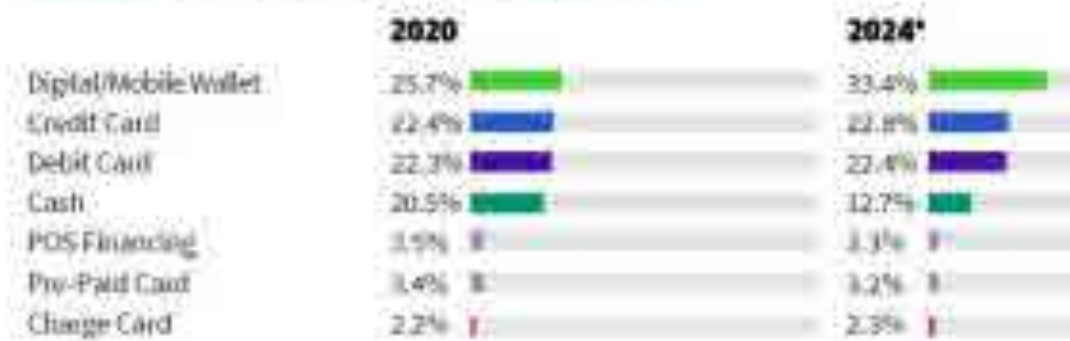


Source: eMarketer (2019)

### Global e-com payment methods



### Global POS payment methods



Source: Worldpay (2021)

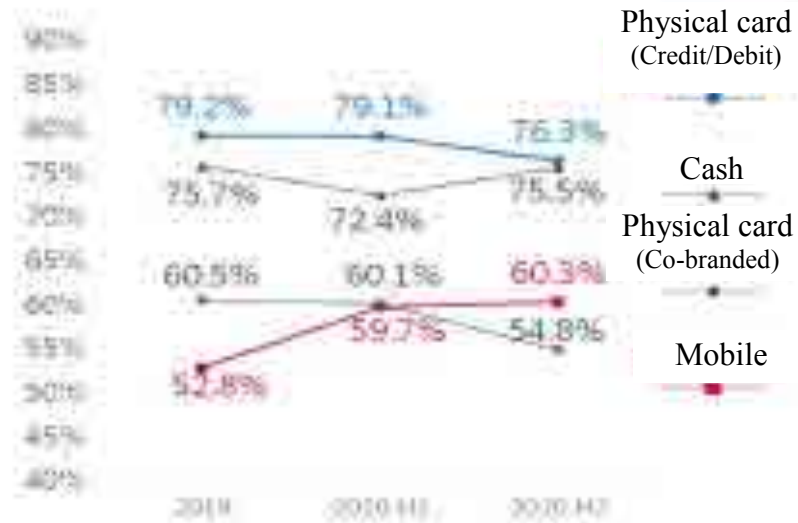
### Analysis of ratios of payment options in Asia-Pacific region 2020~2024



Source: Worldpay (2021)

Survey of use of mobile payment in Taiwan 2019~2020

Common transaction methods among consumers (choose all that apply, without restrictions)



Preferred payment option (single choice) among consumers when spending in stores that offer the following options



Source: MIC (2020)

- (4) Media: eMarketer data show that there were up to 2.78 billion people who used the digital audiovisual service around world in 2020 and the population is expected to reach 3.14 billion in 2023. The number in the Asia-Pacific Region, in particular, was 1.54 billion and is expected to reach 1.64 billion in 2021, with an annual growth rate of around 6.5%, which is above the global annual growth rate of 4.8%. The InsightXplorer survey revealed that the use rate of online audiovisual websites in Taiwan also reached 93.8% in 2020, with “smart phone” being the most common viewing equipment, which shows that watching digital audiovisual films is

not just a trend but also a part of people’s life. What is also worth paying attention to is that it is indicated in the 2020 Taiwan Internet Report released by the Taiwan Network Information Center that among the Top 5 network services used in Taiwan, the Top 3 were, respectively, real-time communication (95.6%), web-news (80.3%), and social media forum (80.1%), all of which were web-based media-related services. One can see that in this era where Internet usage is highly popular, people depend highly on web-based media. As such, it will attract more enterprises to invest in it, too for a brand new Internet ecosystem and it will further diversify the developments on the market. It also means that related services such as web-based media will be an important trend in the industry.

Digital AV viewing population around the world by the region 2019-2023

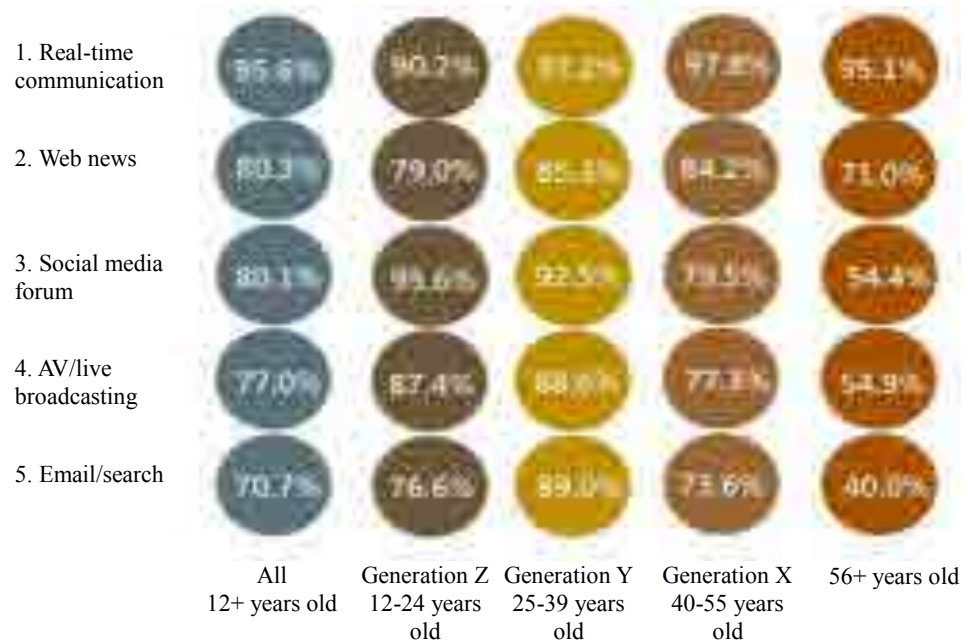
<b>Digital Video Viewers Worldwide, by Region, 2019-2023</b>					
<i>millions</i>					
	2019	2020	2021	2022	2023
Asia-Pacific	1,431.9	1,541.3	1,642.0	1,736.5	1,812.1
Latin America	289.3	298.2	305.9	312.0	317.9
North America	260.2	265.9	271.0	275.8	280.3
Western Europe	234.1	250.0	264.9	269.0	272.6
Central & Eastern Europe	226.6	233.5	239.1	245.5	250.3
Middle East & Africa	170.3	182.2	192.6	200.7	207.8
<b>Worldwide</b>	<b>2,622.3</b>	<b>2,781.6</b>	<b>2,915.5</b>	<b>2,939.5</b>	<b>2,981.2</b>

Note: internet users of any age who watch streaming or downloaded video content via any device at least once per month  
Source: eMarketer, September 2019

T10938 www.eMarketer.com

Soure: eMarketer (2019)

### Top 5 web-based services used in Taiwan in 2020



Source: Taiwan Network Information Center (2020)

### 3. Competitive niche and advantageous and disadvantageous factors for future developments and countermeasures

Gamania has been on the gaming market for 25 years and is a pioneer in the industry. In 2003, with its flagship game “Lineage”, it set the prelude to the onling gaming era in Taiwan. In 2005, its “MapleStory” featured a new free operational model, customer-positioning and a unique marketing approach, and successfully expanded the scope for players. In 2014, it introduced the free server edition of the classic ever-green online game “Lineage”, which brought the headcount of newly registered members to a million people. The marketing of the heavyweight IP mobile game “Lineage M” in 2017 set multiple records in the history of mobile games in Taiwan. App Annie’s data show that to date, “Lineage M” has been topping the list of best-selling mobile games in Taiwan for three years in a row. All of the above are examples of Gamania’s innovative and flexible strategies. Gamania thinks outside the box and takes the lead to address demand on the market and the needs of users to be a brave breakthrough pioneer. Its brand new creativity is its main competitive advantage.

The Gamania Group not only keeps track of the mobile tendency on the global gaming market; it is also not afraid of challenges and began its path to transformation. It extended its reach to payment, e-commerce, media,

and digital business solutions, among other businesses while proactively growing towards being a comprehensive we-based enterprise. The Group works with major international gaming service providers, introduces heavyweight new games to give players with unparalleled experience, keeps track of business opportunities in entertaining e-commerce, introduces its JollyDigital to target the ACG population and to explore new possibilities on the market for e-commerce through a consumption model that combines shopping and gaming. The Group's GAMA PAY covers respective segments of consumption, food, clothing, housing, transportation, education, and entertainment, and online and offline locations to realize convenient and safe payment application services that better reflect the spending needs of the digital generation; media In the future, the Gamania Group will grow towards the goal of integrated developments of the four major businesses, namely games, payment, e-commerce, and media. With game users as the starting point, these four major businesses are connected with one another and gathered on the beanfun! platform. The hope is to form an ecosystem featuring mutual assistance and sharing of resources with beanfun! in the center.

## (II) Important purposes and production processes of main products

### 1. Important purposes of main products

The Company mainly provides gaming service and hopes to reach out to other diversified fields such as e-commerce, payment, media, and mobile life platform to help create a comprehensive smart new life for its consumers.

### 2. Production processes of main products: The Company is not in the production industry and hence this is not applicable.

## (III) Supply of main raw materials: The Company is not in the production industry and hence this is not applicable.

(IV) List of main purchases and sales customers over the past two years

1. Names of customers with 10% or more purchases and the values and ratios of the purchases in any of the past two years: please also describe the reason for the increase or decrease.

Unit: NTD thousand

Item	2019				2020				2021 up to the end of the previous quarter (Note 1)			
	Name	Value	Percentage in the net purchases throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net purchases throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net purchases of the current year up to the end of the first quarter (%)	Relationship with the issuer
1	P04	1,575,828	29.25	None	P04	1,579,746	24.29	None	P01	471,759	25.44	None
2	P01	436,002	8.09	None	P01	890,238	13.69	None	P04	324,015	17.47	None
	Other	3,374,838	62.66		Other	4,034,697	62.02		Other	1,058,494	57.09	
	Net purchases	5,386,668	100.00		Net purchases	6,504,681	100.00		Net purchases	1,854,268	100.00	

2. Names of customers with 10% or more sales and the values and ratios of the sales in any of the past two years: please also describe the reason for the increase or decrease.

Unit: NTD thousand

Item	2019				2020				2021 up to the end of the previous quarter (Note 1)			
	Name	Value	Percentage in the net sales throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net sales throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net sales of the current year up to the end of the first quarter (%)	Relationship with the issuer
1	S23	2,784,510	27.80	None	S23	2,907,748	27.99	None	S23	695,476	22.34	None
	-	-	-	-	-	-	-	-	-	-	-	-
	Other	7,229,961	72.20		Other	7,481,369	72.01		Other	2,417,560	77.66	
	Net sales	10,014,471	100.00		Net sales	10,389,117	100.00		Net sales	2,417,560	100.00	

## (V) Production volumes/values in the past two years

**Production volumes/values over the past two years**

Unit: NTD thousand

Production volume/value  Main product (or department)	Year	2020			2019		
		Throughput	Production volume	Production value	Throughput	Production volume	Production value
Online game		-	-	-	-	-	-
Labor		-	-	-	-	-	-
Other		-	-	-	-	-	-
Total		-	-	-	-	-	-

Note: Not applicable because of the nature of the industry.

## (VI) Sales volumes/values in the past two years

**Sales volumes/values in the past two years**

Unit: NTD thousand

Sales volume/value  Main product (or department)	Year	2020				2019			
		Importation		Exportation		Importation		Exportation	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Online game		-	-	-	-	-	-	-	-
Labor		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

Note: Not applicable because of the nature of the industry



### III. Employees

Year		2019	2020	As of March 31, 2021
Number of employees	Manager	194	170	164
	Research and development	124	113	104
	Management and distribution	660	688	695
	Total	978	971	963
Mean age		34.94	35.02	35.09
Mean years in service		6.51	5.16	5.29
Ratio of education distribution	Post-graduate School	0.00%	0.00%	0.13%
	Graduate School	14.31%	12.92%	12.57%
	University (College)	64.93%	68.52%	69.07%
	Junior College	13.19%	13.62%	13.22%
	High School and Below	7.57%	4.95%	5.00%

### IV. Information on Environmental Protection Expenditure

Losses suffered because of environmental pollutions in the past year up to the date the Annual Report was printed (including compensation and violations of environmental protection laws and regulations with environmental protection audit findings; the date of punishment, punishment number, article of the law or regulation violated, description of the violation and the punishment shall be specified) and disclose estimated values now and likely incurred in the future and countermeasures: None.

### V. Labor-Management Relations

#### (I) Employee Welfare Measures

1. Group insurance: The Company has each of its employees covered by the group insurance that has coverage for life, accidents and injuries, hospitalized medical care, cancer, and unexpected medical care, etc.
2. Employee healthcare program: Employees are entitled to one health examination at a hospital or physical checkup facility that

collaborates with the Company.

3. Cafeteria and recreational center: There is the employee cafeteria and each employee are entitled to certain free consumption points a day and may use the fitness room free of charge around the clock.
4. Welfare events: All Gamania employees are entitled to have their children to study in the affiliated kindergarten with partial sponsorship, online game points offers for employees, free parking spaces, peripheral corporate commodities, unlimited spontaneous leave, paid travel leave of three days, paid birthday leave, paid maternity leave for female workers of up to eight days, paid paternity leave for male workers of up to five days and maternity leave up to eight days, and multiple subsidies to cover the expenses in employee gatherings, travel expenses, and to sponsor employee clubs, the three festival and birthday gift money, for weddings, funerals, hospital stays, child birth, emergencies, home cleaning, and laundry, etc.

## (II) Continuing education and training for employees

The Company provides a sound learning environment and complete educational training framework, including training for new hires, professional training, hierarchical training, and holds seminars on a yearly basis and workshops from time to time and digital learning is applied for educational training. Meanwhile, employees will receive subsidies for them to attend external professional courses.

In 2020, there were a total of 164 classes of employee training courses; among them, a total of 144 were organized by the Company, with a headcount of 5,459 trainees in total and up to 7,252 trainee-hours combined. The overall training expenses throughout the year came to NTD 2,206,665.

Description	Number of courses	No. of classes opened per course	Headcount of trainees	Trainee-hours
Organized by the Company - classroom course	35	92	1547	3986
Organized by the Company - online course	52	52	3789	1314
Organized by an external institution - external training course	77	123	123	1952
Total	164	267	5459	7252

### (III) Retirement System and Its Implementation

1. The Company has prepared the Employee Retirement Guidelines as required by the Labor Standards Act, the Labor Pension Act and follows them.
2. Appropriation of the pension fund: Starting on July 1, 2005, the Company has been applying its pension allocation guidelines that were prepared for native employees in compliance with the Labor Pension Act. The Company sets aside 6% of the monthly salary to be the labor pension for the personal accounts of employees with the Labor Insurance Bureau in accordance with the labor pension system defined in the Labor Pension Act that employees choose to apply. The payment of the pension fund can be done on a monthly basis or in a lump sum according to the amount in the personal retirement account of each employee and the accumulated income. The employee pension reserve set aside by the Company is under the supervision of the Committee formed jointly by employees and the Company. Employees may not account for less than two-thirds of the total members of the Committee.
3. Employees may apply for retirement as they wish under of the following conditions: (1) they have worked for at least 15 years and are 55 years old or older; (2) they have worked for at least 25 years; or (3) they have worked for at least 10 years and are 60 years old or older. For spontaneous retirement, the employee shall submit the “Employee Retirement Application Form” one month prior to the scheduled date of retirement. Once it is approved by the supervisor with decision-making power, it will be processed by the Human Resources Unit. Employees applicable under the new system who are 60 years old or older and have worked for at least 15 years may apply with the Labor Insurance Bureau and claim the pension fund on a monthly basis. For those who have not worked for 15 years, the pension fund shall be claimed in a lump sum.

(IV) Labor-management agreement: None.

### (V) Respective Measures to Protect the Rights of Employees

1. Protective measures in the workplace:
  - (1) Fire drills and fire prevention workshops are organized on a yearly basis targeting in particular new hires. The Fire Prevention Plan is prepared and participants are assigned tasks during the drill and used actual firefighting equipment. Meanwhile, disaster prevention is precisely

enforced in order to protect the safety of employees. Fire drills and demonstrations take place from time to time as required by the Fire Department, too, to further perfect fire prevention in the workplace.

- (2) Filters for the drinking water dispensers in offices are replaced on a quarterly basis and water quality is tested and the water tower is cleaned each year to ensure quality of drinking water and protect the health of employees.
- (3) There are monthly preventions against cockroaches, mosquitoes, and mice and also quarterly thorough preventions against vectors in office areas to ensure a clean workplace for our people.
- (4) The carpets are extensively cleaned periodically on a yearly basis in order to ensure a comfortable environment.
- (5) The air-conditioning system is cleaned up periodically on a yearly basis and the filter for the energy recovery ventilator (ERV) is replaced periodically to ensure the quality of air at work.
- (6) There are multiple janitors to take charge of cleaning up offices and restrooms regularly on a daily basis to keep the workplace comfortable.

## 2. Personal safety protection:

- (1) All employees are entitled to one complete and comprehensive physical checkup a year to safeguard their health.
- (2) There is a full-time nurse based in the office to provide care.
- (3) There are the employee cafeteria and fitness room - gama island. Internal chefs and fitness coaches provide employees with thorough health solutions from their diet to exercise.
- (4) Medical doctors come to the Company each month to answer questions so that colleagues may have their health concerns addressed.
- (5) Labor Insurance, National Health Insurance, group insurance, and liability insurance coverage is provided. For those traveling for business, there is also the travel insurance so that colleagues are better protected with regard to their safety and health while they work hard for the Company.
- (6) The Safety and Space Management Department is set up to monitor the workplace around the clock for a safe and assuring workplace. Security guards control access around the clock and make the rounds through floors regularly to check blind spots that cannot be picked up by surveillance cameras.
- (7) The whole building is the exclusive office space for the Group and employees are given limited access that is set as needed by the Company.

(VI) Losses suffered because of labor-management disputes in the past year up to the date the Annual Report was printed (including violations of the Labor Standards Act with labor inspection findings; the date of punishment, punishment number, article of the law or regulation violated, description of the violation and the punishment shall be specified) and disclose estimated values now and likely incurred in the future and countermeasures:

The Company has been valuing employee welfare and the labor-management relations have been quite harmonious; no labor-management disputes have occurred. The same principle will continue to be followed in the future for more robust and harmonious labor-management relations, which is believed to be able to eliminate labor-management issues. Therefore, no losses have been incurred because of labor-management disputes.

## VI. Important Contract

As of the date the Annual Report was printed, important contracts of the Company are as follows:

Nature of contract	Client	Contract start/end date	Main contents	Restrictions
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	NCsoft Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	NCsoft Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Eyedentity Games, Inc.	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Equity swap	NCSOFT Corporation	Effective July 7, 2020	Sale of NCT shares	

## VI. Financial Overview

### I. Condensed Balance Sheet and Comprehensive Income Statement of the Past Five Years and Audit Opinions from the CPAs

#### (I) Condensed Balance Sheet and Income Statement

##### 1. Condensed Balance Sheet- Consolidated Financial Statement

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years (Note 1)					The current year up to March 31, 2021 Financial Data (Note 1)
		2016	2017	2018	2019	2020 (Note 2)	
Current assets		3,424,774	4,134,005	5,300,764	4,559,088	4,382,635	5,422,018
Real estate, plants, and equipment		2,810,280	2,794,303	2,896,310	2,857,123	2,845,436	2,841,836
Intangible assets		282,592	286,219	737,468	842,551	1,411,663	1,238,471
Other assets		1,392,520	1,317,011	888,870	1,001,123	665,161	650,850
Total assets		7,910,166	8,531,538	9,823,412	9,259,885	9,304,895	10,153,175
Current liabilities	Before distribution	3,810,787	4,082,592	3,787,431	3,606,079	3,579,602	4,160,989
	After distribution	3,810,787	4,082,592	4,861,653	4,150,109	3,579,602	4,160,989
Non-current liabilities		1,730,968	1,313,133	877,251	356,413	213,562	171,226
Total liabilities	Before distribution	5,541,755	5,395,725	4,664,682	3,962,492	3,793,164	4,332,215
	After distribution	5,541,755	5,395,725	5,738,904	4,506,522	3,793,164	4,332,215
Equity attributable to the owner of the parent company		2,068,344	2,788,644	4,720,979	4,711,091	4,984,648	5,291,523
Capital stock		1,575,936	1,750,281	1,754,936	1,754,936	1,754,936	1,754,936
Additional paid-in capital		697,656	1,033,045	1,140,786	1,291,593	1,352,471	1,345,128
Retained earnings	Before distribution	(191,319)	(14,270)	2,089,075	1,836,538	2,429,145	2,737,369
	After distribution	(191,319)	(14,270)	1,014,853	1,292,508	2,429,145	2,737,369
Other equities		171,535	205,814	(199,195)	(171,976)	(551,904)	(545,910)
Treasury stock		(185,464)	(186,226)	(64,623)	-	-	-
Non-controlling interests		300,067	347,169	437,751	586,302	527,083	529,437
Total equity	Before distribution	2,368,411	3,135,813	5,158,730	5,297,393	5,511,731	5,820,960
	After distribution	2,368,411	3,135,813	4,084,508	4,753,363	5,511,731	5,820,960

Note 1: All the annual financial data listed above have been audited or reviewed and certified by the CPAs.

Note 2: The above distribution of 2020 earnings was finalized through the Board of Directors' meeting on March 22, 2021 yet it is pending approval through the shareholders' meeting.

## 2. Condensed Balance Sheet- Individual Financial Statement

Unit: NTD thousand

Item \ Year		Financial Data of the Past Five Years (Note 1)				
		2016	2017	2018	2019	2020 (Note 2)
Current assets		550,550	1,355,475	2,523,220	1,291,583	1,190,557
Real estate, plants, and equipment		2,702,540	2,708,181	2,681,500	2,665,210	2,661,093
Intangible assets		129,577	165,057	80,700	158,910	808,911
Other assets		2,245,915	2,051,471	2,492,669	2,853,705	2,555,683
Total assets		5,628,582	6,280,184	7,778,089	6,969,408	7,216,244
Current liabilities	Before distribution	1,827,686	2,262,343	2,247,020	1,995,678	2,114,535
	After distribution	1,827,686	2,262,343	3,321,242	2,539,708	2,114,535
Non-current liabilities		1,732,552	1,229,197	810,090	262,639	117,061
Total liabilities	Before distribution	3,560,238	3,491,540	3,057,110	2,258,317	2,231,596
	After distribution	3,560,238	3,491,540	4,131,332	2,802,347	2,231,596
Capital stock		1,575,936	1,750,281	1,754,936	1,754,936	1,754,936
Additional paid-in capital		697,656	1,033,045	1,140,786	1,291,593	1,352,471
Retained earnings	Before distribution	(191,319)	(14,270)	2,089,075	1,836,538	2,429,145
	After distribution	(191,319)	(14,270)	1,014,853	1,292,508	2,429,145
Other equities		171,535	205,814	(199,195)	(171,976)	(551,904)
Treasury stock		(185,464)	(186,226)	(64,623)	-	-
Total equity	Before distribution	2,068,344	2,788,644	4,720,979	4,711,091	4,984,648
	After distribution	2,068,344	2,788,644	3,646,757	4,167,061	4,984,648

Note 1: All the annual financial data listed above have been audited and certified by the CPAs.

Note 2: The above distribution of 2020 earnings was finalized through the Board of Directors' meeting on March 22, 2021 yet it is pending approval through the shareholders' meeting.

Note 3: The Individual Financial statement for the first quarter of 2021 was not prepared.



### 3. Comprehensive Income Statement- Consolidated Financial Statement

Unit: NTD thousand

Item \ Year	Financial Data of the Past Five Years (Note)					Financial Data of the Current Year up to March 31, 2021 (Note)
	2016	2017	2018	2019	2020	
Operating income	8,409,034	8,474,988	14,334,948	9,681,345	10,443,042	3,106,547
Operating gross profit	1,288,422	1,564,887	4,893,919	4,093,158	3,968,738	1,221,716
Operating loss or profit	(139,636)	(81,960)	2,042,366	1,260,034	1,137,415	430,093
Non-operating income and expenditure	(336,489)	81,020	115,243	(81,627)	(71,868)	(4,307)
Pre-tax net profit (loss)	(476,125)	(940)	2,157,609	1,178,407	1,065,547	425,786
Net profit (loss) of the continuing operating department for the current term	(485,089)	(36,907)	1,693,985	864,618	782,320	292,991
Losses from discontinued units	-	-	-	-	-	-
Net profit (loss) of current term	(485,089)	(36,907)	1,693,985	864,618	782,320	292,991
Other comprehensive income of current term (after-tax net value)	216,883	37,915	(56,296)	(7,811)	(109,948)	7,870
Sum of combined profits or losses of current term	(268,206)	1,008	1,637,689	856,807	672,372	300,861
Net profit attributable to the owner of the parent company	(382,883)	26,680	1,759,973	887,895	872,496	308,878
Net profit attributable to non-controlling interests	(102,206)	(63,587)	(65,988)	(23,277)	(90,176)	(15,887)
The sum of comprehensive income attributable to the owner of the parent company	(146,463)	57,668	1,721,137	877,316	759,822	314,872
Total combined profits or losses attributable to non-controlling interests	(121,743)	(56,660)	(83,448)	(20,509)	(87,450)	(14,011)
Earnings per share	(2.45)	0.17	10.31	5.10	5.00	1.76

Note: All the annual financial data listed above have been audited or reviewed and certified by the CPAs.

#### 4. Comprehensive Income Statement- Individual Financial Statement

Unit: NTD thousand

Item \ Year	Financial Data of the Past Five Years (Note 1)				
	2016	2017	2018	2019	2020
Operating income	1,909,836	2,697,961	12,556,278	7,011,514	7,423,592
Operating gross profit	850,927	1,039,707	3,817,973	2,803,873	2,613,206
Operating loss or profit	162,398	115,697	2,320,999	1,325,732	1,024,974
Non-operating income and expenditure	(557,266)	(71,011)	(114,744)	(175,877)	15,037
Pre-tax net profit (loss)	(394,868)	44,686	2,206,255	1,149,855	1,040,011
Net profit (loss) of the continuing operating department for the current term	(382,883)	26,680	1,759,973	887,895	872,496
Losses from discontinued units	-	-	-	-	-
Net profit (loss) of current term	(382,883)	26,680	1,759,973	887,895	872,496
Other comprehensive income of current term (after-tax net value)	236,420	30,988	(38,836)	(10,579)	(112,674)
Sum of combined profits or losses of current term	(146,463)	57,668	1,721,137	877,316	759,822
Earnings per share	(2.45)	0.17	10.31	5.10	5.00

Note 1: All the annual financial data listed above have been audited and certified by the CPAs.

Note 2: The Individual Financial statement for the first quarter of 2020 was not prepared.

#### (II) Names of CPAs for the Past Five Years and Their Audit Opinions

	Name of Accounting Firm	Name of CPA	Audit Opinion
2016	PwC Taiwan	Lin Yi-Fan CHANG Shuqiong	Modified unqualified opinions
2017	PwC Taiwan	Lin Yi-Fan CHANG Shuqiong	Modified unqualified opinions
2018	PwC Taiwan	Lin Yi-Fan, PAN Huiling	Unqualified opinions plus emphasized matters and other matters
2019	PwC Taiwan	Lin Yi-Fan, PAN Huiling	Unqualified opinion plus other matters
2020	PwC Taiwan	Lin Yi-Fan, Yen Yu-Fun	Unqualified opinion plus other matters

## II. Financial Analysis of the past Five Years

### (I) Financial Analysis - Consolidated Financial Statement

Analytical Item (Note *)		Financial Analysis of the Past Five Years					The current year up to March 31, 2021
		2016	2017	2018	2019	2020	
Financial structure (%)	Liability-to-asset ratio	70.06	63.24	47.49	42.79	40.77	42.67
	Long term capital to real estate, plants and equipment Ratio	145.87	159.21	208.40	197.88	201.21	210.86
Solvency (%)	Current ratio	89.87	101.26	139.96	126.43	122.43	130.31
	Quick ratio	84.34	92.04	120.71	108.10	107.10	114.23
	Interest Protection Multiples	(836.24)	97.89	8575.84	6460.14	8827.55	24333.69
Management ability	Receivable turnover ratio (frequency)	4.67	4.33	8.47	9.02	9.84	2.85
	Average collection days	78.15	84.29	43.09	40.46	37.09	128.07
	Inventory turnover ratio (frequency)	93.83	123.62	106.16	50.11	52.44	13.79
	Payable turnover ratio (frequency)	5.30	4.90	8.47	9.39	12.35	3.39
	Average sales days	3.89	2.95	3.43	7.28	6.96	26.46
	Real estate, plants and equipment turnover ratio (times)	2.99	3.02	5.03	3.36	3.66	1.09
	Total asset turnover ratio (frequency)	1.04	1.03	1.56	1.01	1.13	0.32
Profitability	Return on assets (%)	(5.46)	0.00	18.68	9.22	8.53	3.03
	Return on equity (%)	(18.27)	(1.34)	40.85	16.54	14.48	5.17
	Pre-tax net profit to paid-in capital size ratio (%)	(30.21)	(0.05)	122.95	67.15	60.72	24.26
	Net profit rate (%)	(5.77)	(0.44)	11.82	8.93	7.49	9.43
	Earnings per share (NT\$)	(2.45)	0.17	10.31	5.10	5.00	1.76
Cash flow	Cash flow ratio (%)	12.63	(2.26)	81.89	24.30	65.20	11.32
	Cash flow adequacy ratio (%)	30.30	16.10	56.82	59.79	130.31	148.14
	Cash Re-investment ratio (%)	7.52	(2.06)	35.81	6.39	49.78	9.22
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00	1.00
	Financial leverage	0.73	0.65	1.01	1.01	1.01	1.00

Explain the reasons for the changes in respective financial ratios over the most recent two years. (No analysis is required if the variation in increases/decreases falls short of 20%.)

1. Interest protection multiples were the result of the increase in profits for the current term.
2. Cash flow ratio was the result of the increase in cash in-flows from operating activities.
3. Cash flow adequacy ratio was the result of the increase in cash in-flows from operating activities.
4. Cash re-investment ratio was the result of the increase in cash in-flows from operating activities.

## (II) Financial Analysis- Individual Financial Analysis

Analytical Item (Note *)		Financial Analysis of the Past Five Years				
		2016	2017	2018	2019	2020
Financial structure (%)	Liability-to-asset ratio	63.25	55.60	39.30	32.40	30.92
	Long term capital to real estate, plants and equipment Ratio	140.64	148.36	206.27	186.62	191.71
Solvency (%)	Current ratio	30.12	59.91	112.29	64.72	56.30
	Quick ratio	29.11	54.50	102.09	56.05	50.85
	Interest Protection Multiples	(837.71)	212.78	10,738.71	9,243.98	12014.43
Management ability	Receivable turnover ratio (frequency)	3.98	3.48	13.73	10.49	12.86
	Average collection days	91.70	104.88	26.58	34.79	28.38
	Inventory turnover ratio (frequency)	515.66	756.50	3,616.84	1,201.66	1,204.85
	Payable turnover ratio (frequency)	11.99	5.13	17.36	11.37	17.03
	Average sales days	0.70	0.48	0.10	0.3	0.30
	Real estate, plants and equipment turnover ratio (times)	0.70	0.99	4.65	2.62	2.78
	Total asset turnover ratio (frequency)	0.34	0.45	1.79	0.95	1.05
Profitability	Return on assets (%)	(6.19)	1.00	25.27	12.18	12.40
	Return on equity (%)	(16.37)	1.10	46.87	18.83	18.00
	Pre-tax net profit to paid-in capital size ratio (%)	(25.06)	2.55	125.72	65.52	59.26
	Net profit rate (%)	(20.05)	0.99	14.02	12.66	11.75
	Earnings per share (NT\$)	(2.45)	0.17	10.31	5.1	5.00
Cash flow	Cash flow ratio (%)	25.44	15.59	144.70	40.1	110.19
	Cash flow adequacy ratio (%)	39.76	36.37	75.21	66.36	124.60
	Cash Re-investment ratio (%)	7.96	9.08	62.69	66.36	52.83
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00
	Financial leverage	1.35	1.52	1.01	1.01	1.01

Explain the reasons for the changes in respective financial ratios over the most recent two years. (No analysis is required if the variation in increases/decreases falls short of 20%.)

1. Interest protection multiples were the result of the decrease in interest expenditure for the current term.
2. Receivable turnover ratio was the result of the increase in operating income for the current term.
3. Payable turnover ratio was the result of the increase in operating cost for the current term.
4. Cash flow ratio was the result of the increase in cash in-flows from operating activities for the current term.
5. Cash re-investment ratio was the result of the increase in cash in-flows from operating activities for the current term.

Note 1: All the annual financial data listed above have been audited and certified by the CPAs.

Note 2: The Individual Financial statement for the first quarter of 2021 was not prepared.

Note\*: The calculation formula is provided below:

1. Financial structure

- (1) Liability-to-asset ratio = total liabilities/ total assets
- (2) Long-term funds to fixed assets ratio = (net value of shareholder equity + long-term liabilities)/ net value of fixed assets.

2. Solvency

- (1) Current ratio = Current assets/ Current liabilities.
- (2) Quick ratio = (Current assets – Inventory – Advance payments)/Current liabilities.
- (3) Interest protection multiples = Income tax and net profit before interest/Interest expenditure of current term

3. Management ability

- (1) Receivable (including accounts receivable and receivable notes from operations) turnover ratio = Net sales value/ mean balance of receivables of each term (including accounts receivable and receivable notes from operations).
- (2) Average collection days = 365/Receivable turnover ratio
- (3) Inventory turnover ratio = Sales cost/mean inventory
- (4) Payable (including accounts payable and payable notes from operations) turnover ratio = Net sales value/ mean balance of payables of each term (including accounts payable and payable notes from operations).
- (5) Average sales days = 365/Inventory turnover ratio
- (6) Fixed asset turnover ratio = Net sales value/Mean net value of fixed assets
- (7) Total asset turnover ratio = Net sales value/Mean total assets

4. Profitability

- (1) Return on assets = [after-tax gains and losses + interest × (1-tax rate)]/gross assets on average
- (2) Return on shareholder equity = after-tax profit or loss/mean net value of shareholder equity
- (3) Net profit rate = After-tax profits and losses/Net sales value
- (4) Earnings per share = (After-tax net profit – Preferred stock dividend)/Weighted average number of shares already issued

5. Cash flow

- (1) Cash flow ratio = Net cash flow from operating activities/Current liabilities
- (2) Net cash flow adequacy ratio = Net cash flow of operating activities over the past five years/(capital expenditure + increase in inventory + cash dividend) over the past five years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends)/(gross value of fixed assets + long-term investment + other assets + working capital)

6. Leverage:

- (1) Operating leverage = (Net operating income – Change in operating costs and expenses)/Operating profit.
- (2) Financial leverage = Operating profit/(Operating profit - interest expenditure).

### **III. Review Reports of Audit Committee of 2020 Financial Statements**

#### **Gamania Digital Entertainment Co., Ltd. Audit Committee's Audit Report**

The Board of Directors prepared and submitted the 2020 Business Report, Financial Statements (individual and consolidated), and Proposal on Distribution of Earnings. The Financial Statements, in particular, were completely audited by CPA Lin, Yi-Fan and CPA Yen, Yu-Fun of PwC Taiwan and this Audit Report was issued. The above-mentioned Business Report, Financial Statements, and Proposal on Distribution of Earnings have been reviewed by the Audit Committee and no inconsistency has been found. Therefore, according to applicable requirements of the Securities and Exchange Act and the Company Act, it is reported as above. Your review and approval are cordially requested.

Gamania Digital Entertainment Co., Ltd.

Convener of Audit Committee:

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## IV. 2020 Financial Statements



### INDEPENDENT AUDITORS' REPORT

PWCR20000347

To the Board of Directors and Shareholders of Gamama Digital Entertainment Co., Ltd.

#### **Opinion**

We have audited the accompanying consolidated balance sheets of Gamama Digital Entertainment Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors (please refer to the other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

#### **Basis for opinion**

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *Norms of Professional Ethics for Certified Public Accountant of the Republic of China*, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. 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.

## Estimation of revenue recognition of online and mobile games revenue

### Description

Refer to Note 4(27) for accounting policies on revenue recognition, Note 3(2) for the critical accounting estimates and assumptions and Note 8(25) for the details of accounting applied on revenue recognition.

Gamma Digital Entertainment Co., Ltd. (the "Company") is primarily engaged in providing online and mobile game services. The game players purchase game stored-value cards or value-added to play the game or exchange for virtual items. The Company recognises receipt of payments for game stored-value and purchases or value-added by players as "contract liability", and recognises revenue over the period of the service or the estimated delivery period of the virtual items when the game stored-value cards or value-added is used for the purchase of service or virtual items, respectively.

The estimation of the virtual items delivery period, which is the same as the expected users' relationship period, is based on historical data on item consumption and item transfer by management. The Company has implemented processes and controls to develop and periodically review these estimates. The information of stored-value and value-added was collected by computer system. Given that the Company has many transactions of game revenue and the deferral of virtual items and the estimation of users' relationship period involve management's subjective judgment, we consider the estimation of recognition of online and mobile games revenue and contract liability as a key audit matter.

### How our audit addressed the matter

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

- A. Assessed and tested the relevant internal controls over revenue recognition for online and mobile games revenue.
- B. Tested on a sample basis the consumption information generated from the Company's data collection systems and verified against the consumption report provided by the Company's accountant.
- C. Tested on a sample basis the virtual items information generated from the Company's data collection systems and verified against the advance receipts as shown in the trial balance sheet provided by the Company's accountant.
- D. Tested on a sample basis the expected users' relationship periods as reflected in the data collection systems, and compared with expected consumptions based on the Company's accounting policy.



## Impairment assessment of goodwill

### Description

Refer to Notes 4(17) and (18) for accounting policies on goodwill impairment, Note 6(12) for details of goodwill, and Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to goodwill.

Goodwill arising from the merger of the Company with NOWnews Network Co., Ltd. and Digicentre Company Limited is material to the financial statements and the projected future cash flows of the expected recoverable amount under the valuation model adopted in the impairment assessment of goodwill was estimated based on management's subjective judgement and expectation on the future operations. Thus, we consider the assessment of goodwill impairment a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures relative to the above key audit matter:

- A. Assessed whether the valuation models adopted by the Group are reasonable for the industry, environment and the valued assets of the Group.
- B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budgets provided by the cash-generating units.
- C. Assessed the appointed external appraisers in conformity with the rules of qualification and independence, and evaluated the reasonableness of material assumptions, such as expected growth rates, operating profit margin and discount rates, by:
  - (a) Reviewing the appraisal method and calculation formulas used by the independent appraisal expert.
  - (b) Comparing the expected growth rate and operating profit margin with historical data.
  - (c) Reviewing the discount rate and comparing similar return on similar assets ratio in the market.
- D. Comparing the recoverable value and book value of each cash-generating unit in order to assess the reasonableness of the book value.

### **Realisability of license fees payment obligations**

#### Description

Refer to Note 4(17) for accounting policy on realisability of license fees payment obligations, Notes 6(12) and (16) for details of realisability of license fees payment obligations, and Note 5(2) for uncertainty of accounting estimates and assumptions in relation to realisability of license fees payment obligations.

The payment obligations in certain game license of the Group are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. Assessment of the realisability of license fees payment obligations involves subjective judgement of management, with respect to assumptions on the estimation of game point. Any changes in economic circumstances, industrial environment and the Group's strategy might affect the realisability of this payment obligations. Thus, we consider the realisability of license fees payment obligations as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures relative to the above key audit matter:

- A. Obtained the budget of game point provided by the management and compared the recession rate and growth rate used in the budget with historical results and similar market information.
- B. Reviewing the monthly budget achievement rate by comparing the actual report of game point with the estimated budget and confirmed whether there is a payment obligations in the future.

#### *Other matter – Reference to the audits of other auditors*

As described in Notes 4(3) and 6(8), part of the subsidiaries and investments accounted for under the equity method is based on the financial statements audited by other auditors appointed by these companies. We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method. Total assets of the subsidiaries amounted to NT\$2,186,919 thousand and NT\$2,125,556 thousand, constituting 24% and 23% of consolidated total assets as of December 31, 2020 and 2019, respectively, and operating revenue was NT\$2,736,688 thousand and NT\$2,186,630 thousand, constituting 26% and 33% of consolidated total operating revenue for the years then ended, respectively. The balance of investments accounted for under equity method amounted to NT\$106,943 thousand and NT\$0 thousand, constituting 1% and 0% of consolidated total assets as at December 31, 2020 and 2019, respectively, and other comprehensive loss accounted for under equity method was NT\$(370,713) thousand and NT\$0 thousand, constituting (11%) and 0% of consolidated total comprehensive income for the years then ended, respectively. These financial statements and information on the investees

disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other independent auditors.

***Other matter — Parent company only financial reports***

We have audited and expressed an unqualified opinion with emphasis of matter and other matter sections on the parent company only financial statements of Gamma Digital Entertainment Co., Ltd. as at and for the years ended December 31, 2020 and 2019.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements,



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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



資誠

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Lin Yi-Fan

Yen Yu-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 27, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The methods, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditor's report are not intended for use by those who are not familiar with the accounting principles or auditing standards generally accepted in the Republic of China, and their application in practice.

**RAMANA BRITAL ENTERTAINMENT CO. LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2010 AND 2009**  
 (Expressed in thousands of New Taiwan Dollars)

Account	Notes	December 31, 2009		December 31, 2010		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	8(1)	\$ 1,297,380	26	\$ 2,282,713	34
1150	Financial assets at amortized cost - interest	8(1) and 8	60,640	1	68,348	—
1150	Financial assets at amortized cost	8(2)	1,353	—	511	—
1170	Accounts receivable, net	8(2)	941,381	19	2,163,476	32
1180	Accounts receivable - related parties - net		13,340	—	6,303	—
1200	Other receivables	8(8)	28,380	1	370,376	6
1210	Other receivables - related parties	8	2,402	—	1,522	—
1250	Current tax receivable		6,588	—	36,000	—
1300	Inventory	8(8)	22,466	—	18,026	—
1410	Prepayments	8(8)	423,310	9	544,834	8
1470	Other current assets	8	382,448	8	382,476	6
1155	<b>Total current assets</b>		<u>\$ 4,302,415</u>	<u>87</u>	<u>\$ 4,559,888</u>	<u>68</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through other comprehensive income - non-current	8(1)	182,553	4	554,523	8
1550	Intestines accounted for under equity method	8(8)	305,090	7	339,418	5
1600	Property, plant and equipment	8(1) and 8	2,442,636	56	2,897,377	45
1700	Right-of-use assets	8(10)	60,588	—	89,760	—
1700	Intangible assets	8(2)	1,311,963	30	842,351	13
1800	Defined pension plan assets	8(9)	367,441	9	351,359	5
1900	Other non-current assets	8(11)	68,000	—	41,200	—
1555	<b>Total non-current assets</b>		<u>\$ 4,937,591</u>	<u>113</u>	<u>\$ 4,700,217</u>	<u>71</u>
1558	<b>Total assets</b>		<u>\$ 9,239,996</u>	<u>100</u>	<u>\$ 9,260,105</u>	<u>100</u>

(Continued)

**SIAMANGA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	(K15)	¥ 22,548	4	¥ 24,179	4
2130	Current contract liabilities	(K25)	281,529	4	335,094	4
2150	Notes payable		1,311	-	1,207	-
2170	Accounts payable		500,181	8	540,709	6
2180	Accounts payable - related parties	†	4,609	-	307	-
2200	Other payables	(K10)	1,655,710	22	1,374,028	17
2220	Other payables - related parties	†	215,740	3	48,808	1
2250	Current income tax liabilities		101,041	2	45,237	1
2280	Current lease liabilities	†	30,141	-	24,183	-
2300	Other current liabilities	(K17)	228,175	3	210,407	3
23XX	<b>Total current liabilities</b>		<u>3,338,002</u>	<u>33</u>	<u>3,490,079</u>	<u>39</u>
	<b>Non-current liabilities</b>					
2540	Long-term borrowings	(K10)	80,000	1	240,000	3
2570	Deferred income tax liabilities	(K11)	65,837	1	61,267	1
2600	Lease liabilities - non-current		36,777	-	15,668	-
2620	Other non-current liabilities	(K10)	20,124	-	10,548	-
26XX	<b>Total non-current liabilities</b>		<u>202,738</u>	<u>2</u>	<u>327,483</u>	<u>4</u>
27XX	<b>Total liabilities</b>		<u>3,540,740</u>	<u>35</u>	<u>3,817,562</u>	<u>43</u>
	<b>Equity attributable to owners of the parent</b>					
	Share capital	(K21)				
3110	Common stock		1,734,300	18	1,734,100	18
	Capital surplus	(K20)				
3200	Capital surplus		1,152,471	14	1,201,399	14
	Retained earnings	(K23)				
3310	Legal reserves		241,307	3	115,967	2
3320	Special reserves		272,870	3	394,198	3
3330	Unappropriated retained earnings		1,092,962	12	1,461,340	14
	Other equity (net)	(K24)				
3400	Other equity (net)		( 20,404)	(0)	(20,376)	(0)
31XX	<b>Equity attributable to owners of the parent</b>		<u>4,380,496</u>	<u>51</u>	<u>4,711,000</u>	<u>51</u>
36XX	<b>Non-controlling interest</b>	(K2)	127,001	1	300,000	1
37XX	<b>Total Equity</b>		<u>4,507,497</u>	<u>52</u>	<u>5,011,000</u>	<u>52</u>
	Significant contingent liabilities and associated contract commitments	0				
	Significant events after the balance sheet date	11				
38XX	<b>Total liabilities and equity</b>		<u>¥ 8,048,237</u>	<u>100</u>	<u>¥ 8,828,562</u>	<u>100</u>

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

**SIAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars, except earnings per share data)

Item	Units	Year ended December 31,				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
800	Operating revenue	NT\$ and T	\$ 10,441,962	100	\$ 9,681,347	100
900	Operating cost	NT\$ and T	6,471,561	63.1	5,568,187	59
950	Gross profit		3,968,738	38	4,095,158	42
	Operating expense	NT\$ and T				
910	Selling expense		\$ 1,195,557	14.1	1,263,661	13
920	General and administrative expense		1,256,480	12.1	1,228,271	13
930	Research and development expense		343,651	3.4	362,585	4
940	Expected credit impairment loss	T\$0	35,375	-	350	-
950	Total operating expense		2,831,063	27.1	2,855,117	29
960	Operating income		1,137,421	11	1,240,041	13
	Non-operating income and charges					
710	Interest income	NT\$	31,488	-	22,991	-
720	Other income	NT\$ and T	86,341	-	11,021	-
730	Other gains and losses	NT\$	4,431	-	30,436	-
740	Finance costs	NT\$ and T	(1,279)	-	(8,528)	-
750	Share of loss of associates and joint ventures accounted for under equity method					
	equity method		\$ 100,251	1.1	70,393	1.1
760	Total non-operating income and charges		139,931	1.1	95,283	1.1
770	Profit before income tax		1,277,352	12	1,335,324	14
780	Income tax expense	NT\$	(263,227)	-	(313,785)	-
8100	Profit for the year		\$ 1,014,125	10	\$ 1,021,539	11

(Continued)



**GAMMA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES**  
**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars, except earnings per share data)

Item	Type	Year ended December 31,			
		2020		2019	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income, net</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
4010	Actuarial losses on defined benefit plan	(4)	(4)	(2,270)	-
4510	Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	1	1	(1,240)	-
4020	Gain of other comprehensive income of associates and joint ventures accounted for under equity method	(	(	699)	-
4540	Increases related to components of other comprehensive income that will not be reclassified to profit or loss	1,280	1	60	-
4030	Other comprehensive loss income that will not be reclassified to profit or loss	(	(	9,851)	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
4061	Financial statements translation differences of foreign operations	1	1	(6,711)	-
4070	Gain of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	99	-	94	-
4060	Income attributable to the components of other comprehensive loss	4,902	-	-	-
4050	Other comprehensive loss that will be reclassified to profit or loss	(	(	16,818)	-
4040	<b>Total other comprehensive loss for the year</b>	(	(	7,861)	-
4000	<b>Total comprehensive income for the year</b>	1	1	976,899	0
<b>Profit (loss) attributable to:</b>					
6010	Owners of the parent	1	1	(887,861)	0
6020	Non-controlling interest	1	1	(23,277)	-
		1	1	(911,138)	0
<b>Comprehensive income (loss) attributable to:</b>					
8110	Owners of the parent	1	1	(977,914)	0
8120	Non-controlling interest	1	1	(28,799)	-
		1	1	(1,006,713)	0
<b>Earnings per share (in dollars)</b>					
970	Basic earnings per share	1	1	0.10	0
980	Diluted earnings per share	1	1	0.10	0

The accompanying notes are an integral part of these condensed financial statements.

**STATE OF CALIFORNIA**  
**DEPARTMENT OF REVENUE**  
**SALES TAX COLLECTION STATEMENT**

Description	2014			2015			2016		2017		2018	
	Actual	Target	Variance	Actual	Target	Variance	Actual	Target	Actual	Target	Actual	Target
<b>SALES TAX</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>
Retail Sales Tax	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Use Tax	200,000	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000	200,000	200,000
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>SALES TAX DEFERRED</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Retail Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0
Use Tax	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>SALES TAX PAID</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>
Retail Sales Tax	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Use Tax	200,000	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000	200,000	200,000
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>SALES TAX RECEIVABLE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Retail Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0
Use Tax	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>SALES TAX DEFERRED</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Retail Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0
Use Tax	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>SALES TAX PAID</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>
Retail Sales Tax	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Use Tax	200,000	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000	200,000	200,000
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>SALES TAX RECEIVABLE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Retail Sales Tax	0	0	0	0	0	0	0	0	0	0	0	0
Use Tax	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0

(Continued on reverse side of this statement)

**GOMANA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit before tax		\$ 1,365,547	\$ 1,178,407
Adjustments:			
Adjustments to reconcile profit (loss)			
Expensed credit impairment loss	(21)	35,397	706
Depreciation	(9)(10)(20)	361,894	155,646
Amortization	(12)(21)	499,221	177,341
Gain on financial assets at fair value through profit or loss	(28)	-	(62)
Share-based payments	(20)	65,803	(6),303
Share of loss of subsidiaries and associates accounted for under equity method	(8)	(300,000)	70,591
Gain on disposal of property, plant and equipment	(23)	(28)	1,133
Intangible assets transferred to other losses and expenses	(12)	-	4,797
Gain on disposal of investment	(28)	-	8,027
Impairment loss on non-financial assets	(1)(6)(28)	10,118	(4),825
Interest income	(26)	10,408	22,941
Interest expense	(29)	(2,106)	(8,528)
Dividend income	(6)(27)	(48)	2,306
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets at fair value through profit or loss			(20),052
Notes receivable	(1)	(4,022)	(9)
Accounts receivable	(1)	(11,813)	(142,833)
Accounts receivable - related parties	(1)	(6,411)	(45,000)
Other receivables	(1)	(25,135)	(6,088)
Other receivables - related parties	(1)	(1,138)	(2,135)
Investments	(1)	(9,477)	(5,110)
Prepayments	(1)	(21,529)	(28,012)
Other current assets	(1)	(4,563)	(12,472)
Other non-current assets	(1)	(2,117)	(12)
Changes in operating liabilities:			
Contract liabilities - current	(1)	(38,025)	(17,565)
Notes payable	(1)	(30)	(1,289)
Accounts payable	(1)	(49,550)	(94,025)
Accounts payable - related parties	(1)	(3,393)	(5,380)
Other payables	(1)	(69,878)	(107,045)
Other payables - related parties	(1)	(77,968)	(48,468)
Other current liabilities	(1)	(75,732)	(13,912)
Other non-current liabilities	(1)	(38)	(67)
Net inflow generated from operations		1,515,224	1,527,386
Interest received		10,648	(2),941
Dividends received		(1,078)	(4,477)
Interest paid	(1)	(12,208)	(8,528)
Income tax paid	(1)	(20,846)	(50,159)
Net cash flows provided by operating activities		1,469,640	1,460,119

(Continued)

**GAAMEDIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousand of New Taiwan dollars)

	Notes	Year ended December 31,	
		2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisition of financial assets at fair value through other comprehensive income		\$ -	\$ 81,305
Proceeds from liquidation of financial assets at fair value through other comprehensive income	(10)	2,381	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	(10)	296,118	-
Acquisition of investment accounted for under equity method	(18)	\$ 7,730	\$ 81,588
Proceeds from capital reduction of investments accounted for under equity method	(10)	23,280	-
Acquisition of subsidiaries (net of cash received)		-	\$ 181,850
Acquisition of property, plant and equipment	(13-1)	\$ 129,361	\$ 184,707
Proceeds from disposal of property, plant and equipment		2,000	20,229
Acquisition of intangible assets	(13-1)	\$ 25,885	\$ 805,401
Proceeds from disposal of intangible assets	(13-1)	-	72
Increase (decrease) in financial assets or structured non-current receivables		\$ 82,487	\$ 89,718
Increase in refundable deposits		\$ 586	\$ 6,062
Decrease (increase) in other financial assets		\$ 77,845	\$ 117,378
Net cash flows used in investing activities		\$ 892,794	\$ 880,792
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
(Decrease) increase in short-term borrowings	(15)	\$ 518,200	\$ 411,907
Repayment of long-term borrowings	(15)	\$ 169,000	\$ 583,000
Purchase of treasury shares		\$ 91,289	-
Increase in subsidiaries' capital from non-controlling interest	(17)	\$ 12,000	\$ 241,888
Increase (decrease) in guarantee deposits received		\$ 2,604	\$ 170
Payment of lease liabilities	(15)	\$ 20,632	\$ 25,996
Sale of treasury shares to employees		\$ 91,239	\$ 84,389
Cash dividends paid	(23)	\$ 844,830	\$ 1,074,222
Cash dividends paid to non-controlling interest		\$ 18,742	\$ 10,967
Acquisition of additional equity interest in subsidiaries	(10)	-	\$ 31,000
Net cash flows used in financing activities		\$ 1,268,825	\$ 882,715
Effect of exchange rate changes on cash and cash equivalents		\$ 7,528	\$ 2,830
Net increase (decrease) in cash and cash equivalents		\$ 99,868	\$ 792,946
Cash and cash equivalents at beginning of year		\$ 2,201,733	\$ 2,798,729
Cash and cash equivalents at end of year		\$ 2,301,601	\$ 3,591,675

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Gamma Digital Entertainment Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in software services of on-line game and sales of related merchandises.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 22, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective Date by the International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform – Phase 2'	January 1, 2021

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective Date by the International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligations.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of



the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

#### B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Garena Digital Entertainment Co., Ltd	Garena Holdings Ltd (GHL)	Holding company	100	100	
Garena Holdings Ltd (GHL)	Garena International Holdings Ltd (GIHL)	Investment and holding company	100	100	
Garena International Holdings Ltd (GIHL)	Garena Charm Holdings Ltd	Investment and holding company	98.85	98.85	
Garena International Holdings Ltd (GIHL)	Garena Western Holdings Ltd (GWH)	Investment and holding company	-	100	Note 1
Garena International Holdings Ltd (GIHL)	Justplay Entertainment Co., Ltd	Software services	100	100	
Garena International Holdings Ltd (GIHL)	Adaptive Media International Ltd (AMI)	Investment and holding company	41.71	42.00	Note 2
Garena International Holdings Ltd (GIHL)	HaPod Digital Technology Co., Ltd	Software services and sales	100	100	
Garena Charm Holdings Ltd	Garena Star Holdings Ltd	Investment and holding company	100	100	
Garena Charm Holdings Ltd	Garena Digital Entertainment (DCK) Co., Ltd	Software services and sales	100	100	
Garena Star Holdings Ltd	Garena Digital Entertainment (Beijing) Co., Ltd	Design, research and development and sales of software	100	100	



Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
Achwee Media International Ltd. (AM)	Jollywee Digital Technology Co., Ltd.	Supply of electronic information services	100	100	
Achwee Media International Ltd. (AM)	Jollywee International (HK) Co., Ltd.	Supply of electronic information services	93.43	81.23	Note 1
Jollywee Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment and holding company	100	100	
Jollywee Digital Technology Co., Ltd.	Jollywee International (HK) Co., Ltd.	Supply of electronic information services	6.57	11.78	Note 4
Jollywee Digital Technology Co., Ltd.	Huffy Co., Ltd. (Huffy)	Supply of electronic information services	95.84	92.27	Note 4
Huffy Co., Ltd.	OCWires Network Co., Ltd. (OCWires)	Broadcast and TV shows production	1.32	1.58	Note 8
Cyber Look Properties Ltd.	Legend Technology (Shanghai) Co., Ltd.	Supply of electronic information services	100	100	
Legend Technology (Shanghai) Co., Ltd.	Jollywee Digital Business Co., Ltd.	Supply of electronic information services	100	100	
Gamma Digital Entertainment Co., Ltd.	Gamma Asia Investment Co., Ltd. (Gamma Asia)	Investment company	100	100	
Gamma Digital Entertainment Co., Ltd.	Cineco Inc. (Cineco)	Software services	99.84	99.69	
Gamma Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd. (Fundation)	Publishing of magazine and periodicals	100	100	
Gamma Digital Entertainment Co., Ltd.	Jollywee Digital Tech. Co., Ltd. (Jollywee)	Supply of electronic information services	96.37	85.10	
Gamma Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd. (Two Tigers)	Animation production	91	91	
Gamma Digital Entertainment Co., Ltd.	Club Point Co., Ltd. (Club Point)	Information software and supply of electronic information services	94	90	
Gamma Digital Entertainment Co., Ltd.	Ami Power Co., Ltd. (Ami Power)	Customer service	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Shareholding (%)		Description
			December 31, 2025	December 31, 2019	
Genesys Digital Entertainment Co., Ltd.	IndiStar Co., Ltd. (IndiStar)	IP commission/artist management	100	100	
Genesys Digital Entertainment Co., Ltd.	We Builders Co., Ltd. (We Builders)	Crowd funding	93.08	93.08	
Genesys Digital Entertainment Co., Ltd.	BaseDot Co., Ltd. (BaseDot)	Software services	100	100	
Genesys Digital Entertainment Co., Ltd.	MadSage Digital Technology Co., Ltd. (MadSage)	Software services and sales	51	51	
Genesys Digital Entertainment Co., Ltd.	Cosmo New Media Co., Ltd. (Cosmo New Media)	Online media production	93.08	93.08	
Genesys Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Third-Party Payment	67.86	67.86	
Genesys Digital Entertainment Co., Ltd.	Coco Digital Technology Co., Ltd. (Coco)	Software services and sales	100	100	
Genesys Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	74.41	77.79	
Genesys Digital Entertainment Co., Ltd.	Digitaler Computer Limited (Digitaler)	Software services	97.08	97.08	
Gash Park Co., Ltd.	Gash Park (Hong Kong) Company Limited	Information software and supply of electronic information services	100	100	
Gash Park Co., Ltd.	Gash Park (Japan) Co., Ltd.	Information software and supply of electronic information services	100	100	
Gash Park Co., Ltd.	Gash Park Korea Co., Ltd.	Information software and supply of electronic information services	100	100	
Gash Park Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Third-Party Payment	16.07	16.07	
Gash Park Co., Ltd.	Genista CoMarketing Co., Ltd. (Genista)	Software services	79.98	79.98	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
MadBing Digital Technologies Co., Ltd.	MadBing Digital Technology (HK) Co., Ltd.	Software services and sales	100	100	
Cisco (HK)	Cisco (HK) (v. Ltd.	Software services	100	100	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Newspaper and magazine publishing	100	100	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	4.17	5.27	Note 4
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	
Digicentre Company Limited	Hyperg Internet Society Technology (Hk) Ltd. (Hyperg)	Software services	51	100	Note 5

Note 1: The liquidation of GWH was completed in January 2020.

Note 2: The equity held by the Group was less than 50%. However, the Group held half seats in the Board of Directors, thus, the investee was included in the consolidated financial statements.

Note 3: The Company's subsidiaries, Achieve Made International Ltd. and Jollywiz Digital Technology Co., Ltd., held a 93.43% and 6.57% equity interest in Jollywiz International (HK) Co., Limited, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 4: The Company's subsidiaries, Jollywiz Digital Technology Co., Ltd. and Gamania Asia, held a 95.83% and 4.17% equity interest in Bjolly, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 5: On November 29, 2019, Bjolly acquired 1.58% equity in NOWnews during the capital increase. In April and September 2020, NOWnews increased its capital. However, Bjolly did not participate in both the capital increase and accordingly, its equity interest in NOWnews decreased to 1.32%.

Note 6: On January 7, 2020, Hyperg increased its capital in exchange for contribution of technology from external shareholders. Accordingly, Digicentre's equity interest in Hyperg decreased to 51%.

The financial statements of certain consolidated subsidiaries were audited by other auditors, which statements reflect total assets of \$2,186,919 and \$2,125,556, constituting 24% and 23% of the consolidated total assets as of December 31, 2020 and 2019, respectively, and net operating revenue of \$2,716,688 and \$2,186,630, constituting 26% and 23% of the consolidated total operating revenues for the years then ended, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2020 and 2019, the non-controlling interest amounted to \$527,083 and \$586,302, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2020		December 31, 2019		
		Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 231,538	57.29%	\$ 305,500	57.94%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	134,837	32.52%	104,254	32.52%	

Note: Registered location of AMI is British Virgin Islands.

#### Balance sheets

	AMI and subsidiaries	
	December 31, 2020	December 31, 2019
Current assets	\$ 629,323	\$ 726,969
Non-current assets	68,011	68,433
Current liabilities	( 270,192)	( 236,470)
Total net assets	\$ 427,142	\$ 558,932

	Digicentre Company Limited and subsidiaries	
	December 31, 2020	December 31, 2019
Current assets	\$ 349,387	\$ 269,804
Non-current assets	253,147	212,123
Current liabilities	( 212,876)	( 139,945)
Non-current liabilities	( 23,152)	( 21,398)
Total net assets	\$ 366,506	\$ 320,584

Statements of comprehensive income

	AMI and subsidiaries	
	Years ended December 31,	
	2020	2019
Revenue	\$ 812,427	\$ 838,785
(Loss) profit before income tax	( 220,669)	2,942
Income tax benefit	1,198	5,183
(Loss) profit for the year	( 219,471)	8,125
Other comprehensive income, net of tax	16,278	3,142
Total comprehensive (loss) income for the year	<u>(\$ 203,193)</u>	<u>\$ 11,267</u>
Comprehensive (loss) income attributable to non-controlling interest	<u>(\$ 65,520)</u>	<u>\$ 6,535</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	DigiCare Company Limited and subsidiaries	
	Years ended December 31,	
	2020	2019
Revenue	\$ 866,962	\$ 655,026
Profit before income tax	38,142	38,532
Income tax expense	( 13,976)	( 8,563)
Profit for the year	24,166	29,969
Other comprehensive loss, net of tax	( 2,306)	( 182)
Total comprehensive income for the year	<u>\$ 21,860</u>	<u>\$ 29,787</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 7,883</u>	<u>\$ 8,447</u>
Dividends paid to non-controlling interest	<u>\$ 8,554</u>	<u>\$ 7,778</u>

Statements of cash flows

	AMI and subsidiaries	
	Years ended December 31,	
	2020	2019
Net cash used in operating activities	(\$ 46,722)	(\$ 84,506)
Net cash used in investing activities	( 89,107)	( 14,793)
Net cash provided by financing activities	13,305	243,706
Effect of exchange rate changes on cash and cash equivalents	11,135	11,874
(Decrease) increase in cash and cash equivalents	<u>( 111,389)</u>	<u>156,281</u>
Cash and cash equivalents, beginning of year	<u>221,074</u>	<u>64,793</u>
Cash and cash equivalents, end of year	<u>\$ 109,685</u>	<u>\$ 221,074</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Net cash provided by operating activities	\$ 79,033	\$ 44,164
Net cash used in investing activities	( 14,962)	( 12,832)
Net cash (used in) provided by financing activities	( 33,341)	32,566
Effect of exchange rate changes on cash and cash equivalents	( 1,163)	( 968)
Increase in cash and cash equivalents	29,567	62,930
Cash and cash equivalents, beginning of year	105,176	42,246
Cash and cash equivalents, end of year	<u>\$ 134,743</u>	<u>\$ 105,176</u>

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Group's functional and presentation currency.

##### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

##### B. Translation of foreign operations

- (a) The operating results and financial position of all the Group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that year; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
  - (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operations.

#### (5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.



(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established. Future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable arise when the Group has a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For receivables that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for receivables that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:



- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. The original costs are the cost to obtain the assets. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(14) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest.

- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

**(15) Property, plant and equipment**

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are evaluated, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	3~55 years
Machinery and equipment	2~6 years
Transportation equipment	5 years
Office equipment	2~4 years
Leasehold improvement	1~6 years
Other equipment	2~4 years

**(16) Leasing arrangements (lessee) - right-of-use assets/lease liabilities**

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-

value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost and the cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

#### (17) Intangible assets

##### A. Licence fees

Licence fees were prepaid and may be paid in the future for operating online game software, are stated at cost and amortised based on the period of the contract or reversed in proportion of operating revenue after online games launching.

##### B. Software

Costs of software are stated at cost and amortised under the straight-line basis over the estimated useful life of 1-5 years.

##### C. Trademark right

Trademark right is stated at fair value at the acquisition date and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

##### D. Customer relationships

Customer relationships which are intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 8-12 years.

##### E. Other intangible assets

- (a) Copyrights which are intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 15 years.
- (b) Software independent development which is intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-

line basis over their estimated useful life of 3 years.

- (c) Obtaining the relevant licence for the game, distribution business recognised as intangible assets and special technology with estimated useful life are stated at acquisition and occurred cost date and are amortised on a straight-line basis over their estimated useful life of 1-10 years.

#### F. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Goodwill is recognised in the amount of acquisition price including direct costs of business combination less the fair value of identifiable net assets acquired. The measurement date of acquisition price must not exceed one year from the acquisition date.

#### (18) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets in accordance with IAS 36 'Impairment of assets' where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill and intangible assets that have not definite useful life and have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

#### (19) Borrowings

It refers to long-term and short-term borrowings from the bank. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### (20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in

the ordinary course of business from suppliers. Short-term notes and accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense when it can no longer withdraw an offer of termination benefits or it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance



sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any differences between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.

(25) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. Online and mobile games revenue

- (a) The Group is engaged in online games and mobile phone games and sales of peripheral products of the games. Sales are recognised when control of the products has transferred, that is, the customer has control of the product and obtained most residual benefit, and there is no unfulfilled obligation that could affect the customer acceptance of the products.
- (b) Revenue is measured at the fair value of the consideration received or receivable taking into account business tax, returns, rebates and discounts for the sale of goods based on the contract price.
- (c) The Group recognises the collections of payments for game stored-value card purchases or value-added by players as contract liabilities, and amortises those amounts as revenue over

the expected users' relationship period or the estimated delivery period of the virtual items, when they are actually used.

- (d) The Group recognised accounts receivable when the control of product has been transferred and has the right to collect price without condition. The accounts receivable has usually a short-term period and does not contain significant financial component. However, for online games and mobile phone games, the Group collects the price in advance upon sale, and recognises the contract liability.

#### B. Service revenue

The Group recognises customer service revenue, advertisement revenue, E-commerce service revenue, cloud and information security service revenue when the individual obligation is fulfilled at a point in time or fulfilled over time. Service revenue is based on contract price. The sales of services is based on the price stated in the contract. When the contract consideration includes variable consideration, the Group recognises the minimum amount that is highly likely to not reverse in the future period.

#### C. Revenue from stored-values

The Group is engaged in the sale of game stored-value cards. The purpose of selling game stored-value cards to players is to offer a tool that allows them to purchase game services from the Group or another party. When a player purchases a game from another party for which the Group has no control over the service provided, then the Group merely acts as an intermediary that facilitates the transaction; the game service is entirely provided by another party. The Group recognises payments received less amounts paid to another party as revenue.

#### D. Sales revenue

The Group sell agent products and information security equipment. Sales revenue recognized when the products transfer control to customer, that is, when the product is delivered to the customers and the Group has no outstanding obligations that may affect the customer's acceptance of the product. When the product is shipped to the designated location, the risk of obsolescence and loss has been transferred to the customer and the customer accepts the product in accordance with the sales contract or there is objective evidence that all acceptance criteria have been met, the delivery of the goods will happen. Account receivables are recognised when the goods are delivered to the customer because the group has the unconditional right for consideration which can be collected from the customer.

#### (28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

### 5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical



Judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

**(1) Critical judgments in applying the Group's accounting policies**

**Revenue recognition on a net/gross basis**

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services.
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

**(2) Critical accounting estimates and assumptions**

**A. Revenue recognition**

The Group recognises the collections of payments for game stored-value card purchases or value-added by players as contract liabilities, and amortises those amounts as revenue over expected users' relationship periods or the estimated delivery period of the virtual items, when they are actually used. The Group estimates the deferred amount and delivery period based on operating history and other known factors. Given that the Group has extensive list of virtual items spread across thousands of users and the estimation of delivery period for virtual items may be complex, the Group assesses the reasonableness of the estimation periodically. Please refer to Note 6(25) for the information on revenue recognition.

**B. Impairment assessment of licence fees**

The impairment assessment of licence fees depend on the Group's subjective judgement. The recoverable amount is determined based on estimated online game revenue arising from expected game points used by players and budget expenditures.

C. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(12) for the information on goodwill impairment.

D. Realisability of license fees payment obligations

Assessment of the realisability of license fees payment obligations involves subjective judgement of management, with respect to assumptions on the estimation of game point. Any changes in economic circumstances, industrial environment and estimates due to the change of Group strategy might affect the realisability of this payment obligation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 4,049	\$ 5,828
Checking accounts and demand deposits	1,698,680	1,139,689
Cash equivalents - time deposits	694,872	1,057,216
	<u>\$ 2,397,601</u>	<u>\$ 2,202,733</u>

A. The Group deals with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral that have been classified as financial assets (shown as "other current assets") are provided in Note 8.

(2) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 4,533	\$ 511
Accounts receivable	\$ 82,111	\$ 1,114,107
Less: Loss allowance	( 37,420)	( 46,633)
	<u>944,691</u>	<u>1,067,474</u>
Revenue receivables (shown as other non-current assets)	99,824	99,830
Less: Loss allowance	( 99,824)	( 99,830)
	<u>\$ 944,691</u>	<u>\$ 1,067,474</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 867,296	\$ 1,026,566
Up to 30 days	21,655	13,602
31-60 days	13,396	10,700
61-90 days	7,000	2,364
91-120 days	25,423	796
Over 121 days	47,341	60,079
	<u>\$ 982,111</u>	<u>\$ 1,114,107</u>

The above ageing analysis was based on past due date:

- B. As at December 31, 2020 and 2019, the Group has no notes receivable past due.
- C. As at December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$1,086,468, \$1,214,448 and \$1,072,554, respectively.
- D. The Group does not hold any collateral. Further, the Group has no notes and accounts receivable pledged to others as collateral.
- E. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$4,533 and \$511, and accounts receivable was \$944,691 and \$1,067,474, respectively.
- F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Other receivables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables	\$ 265,563	\$ 440,722
Less: Loss allowance	( 7,403)	( 70,368)
	<u>\$ 258,160</u>	<u>\$ 370,354</u>

A. The ageing analysis of other receivables that were past due but not impaired is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 221,516	\$ 303,186
Up to 30 days	11,491	5,331
31 to 60 days	8,417	4,046
61 to 90 days	7,110	2,607
91 to 120 days	6,390	1,653
Over 121 days	10,639	123,899
	<u>\$ 265,563</u>	<u>\$ 440,722</u>

The above ageing analysis was based on past due date:

B. The Group does not hold any collateral for other receivables. Further, the Group has no other receivables pledged to others as collateral.

C. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's other receivables was \$258,160 and \$370,354, respectively.

D. Information relating to credit risk of other receivables is provided in Note 12(2).

(4) Inventories

	<u>December 31, 2020</u>		
		Allowance for obsolescence and market value decline	
	<u>Cost</u>		<u>Book value</u>
Merchandise inventory	\$ 128,333	(\$ 2,427)	\$ 125,906
	<u>December 31, 2019</u>		
	<th style="text-align: center;">Allowance for obsolescence and market value decline</th> <td></td>	Allowance for obsolescence and market value decline	
	<u>Cost</u>		<u>Book value</u>
Merchandise inventory	\$ 118,556	(\$ 2,127)	\$ 116,429

Expenses and losses incurred on inventories for the year:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cost of goods sold	\$ 710,718	\$ 689,824
Loss on (gain on reversal of) decline in market value (Note)	300	(1,009)
	<u>\$ 717,018</u>	<u>\$ 688,815</u>

Note: The Group reversed allowance for obsolescence because some inventories with allowance for obsolescence had been sold during the year ended December 31, 2019.

(5) Prepayments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments to suppliers	\$ 282,162	\$ 385,294
Prepaid expenses	95,799	105,546
Excess business tax paid	42,910	51,192
Others	2,234	2,602
	<u>\$ 423,105</u>	<u>\$ 544,634</u>

(6) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Emerging stocks	20,000	20,000
Unlisted, non-OTC and non-emerging stocks	<u>538,190</u>	<u>561,031</u>
	636,566	659,407
Valuation adjustment	( <u>453,613</u> )	( <u>105,874</u> )
	<u>\$ 182,953</u>	<u>\$ 553,533</u>

A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$182,953 and \$553,533 as at December 31, 2020 and 2019, respectively.

C. In the third quarter of 2020, in line with the Group's business development and resource allocation plan, the Group sold its 15% equity interest in NC Taiwan Co., Ltd. at fair value in the amount of \$294,116 which resulted in a cumulative gain on disposal of \$271,275. Due to the dissolution of Hagame International Co., Ltd. in the third quarter of 2019 and the completion of liquidation in the third quarter of 2020, the amount remitted back was \$2,331 and the cumulative loss on disposal was \$9,407.

C. Amounts recognised in profit or loss and other comprehensive income or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31:</u>	
	<u>2020</u>	<u>2019</u>
Change of fair value recognised in other comprehensive (loss) income	<u>(\$ 71,408)</u>	<u>\$ 11,541</u>
Cumulative gain (loss) reclassified to retained earnings due to derecognition	<u>\$ 273,606</u>	<u>(\$ 36,000)</u>
Dividend income recognised in profit or loss held at end of year	<u>\$ 458</u>	<u>\$ 2,916</u>

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(7) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Time deposit	<u>\$ 102,626</u>	<u>\$ 40,185</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2020	2019
Interest income	\$ 15	\$ 21

- B. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$102,626 and \$40,185, respectively.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(8) Investments accounted for under equity method

	2020	2019
At January 1	\$ 235,418	\$ 227,574
Addition of investments accounted for under equity method	96,776	81,988
Disposal of investments accounted for under equity method	-	(160)
Proceeds from capital reduction of investments accounted for under equity method	(23,340)	-
Share of loss of investments accounted for under equity method	(100,105)	(70,591)
Earnings distribution of investments accounted for under equity method	(620)	(1,561)
Changes in capital surplus	(2,496)	486
Changes in retained earnings	(787)	-
Changes in other equity items	542	(821)
Effects of foreign exchange	(298)	(1,497)
At December 31	\$ 205,000	\$ 235,418

A. List of long-term investments:

Name of associates	December 31, 2020		December 31, 2019	
	Ownership percentage	Balance	Ownership percentage	Balance
Gangho Gamania Co., Limited (Gangho Gamania)	49.00	\$ 59,451	49.00	\$ 61,046
Jidway Digital Technology Co., Ltd. (Jidway)	37.18	47,492	36.76	48,785
Chuang Meng Shi Ji Co., Ltd. (Chuang Meng Shi Ji)	33.00	31,395	19.35	10,241
Actter Inc. (Actter)	21.48	20,956	21.48	23,350
Walkermolia Co., Ltd. (Walkermolia)	30.00	19,425	30.00	26,431
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish) (Note 1)	-	-	44.08	27,939
Tamam e-sports Co., Ltd. (Tamam e-sports)	29.54	14,236	29.54	25,281
Polysb Co., Ltd. (Polysb) (Note 2)	-	-	20.00	8,720
Stere Marais Co., Ltd. (Marais) (Note 2)	7.69	8,382	-	-
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	3,017	30.00	2,979
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	38.00	536	38.00	640
Ju She Da Jin (Shanghai) International Trading Co., Ltd. (Ju Shi Da Jin) (Note 2)	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 3)	30.00	-	30.00	-
Firelog creative Co., Ltd. (Firelog) (Note 3)	40.00	-	40.00	-
		<u>\$ 205,099</u>		<u>\$ 235,418</u>

Note 1: As of December 31, 2020, Fantasy Fish was still under liquidation while the capital had been remitted back.

Note 2: On March 1, 2020, Marais merged with Polysb through a stock swap at a ratio of 1:1 with the shareholders who previously owned Polysb. Marais was the surviving company and Polysb was the dissolved company after the merger. The Group held 7.69% ownership of Marais and recognised as the investment under equity method because the Group still has



= significant influence over the investee through the seats held in the Board of Directors.

Note 3: All impairment losses derived from equity investments have been recognised based on the Company's assessment.

- B. The financial statements of investments under equity method, Ciengbo Gamania and Jidway, were audited by other independent auditors. The share of profit (loss) and other comprehensive income (loss) of associates was (\$70,713) for the year ended December 31, 2020 and the balance of investments accounted for under equity method was \$106,943 as at December 31, 2020.
- C. As of December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$205,090 and \$235,418, respectively. The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2020	2019
Loss for the year	(\$ 100,105)	(\$ 70,591)
Other comprehensive income (loss), net of tax	542	( 821)
Total comprehensive loss	(\$ 99,563)	(\$ 71,412)

- D. There is no price in open market for associates of the Group, therefore, no fair value is applicable.
- E. The Group is the single largest shareholder of Jidway with a 37.18% equity interest. Given that the remaining 62.82% equity interest in Jidway is held by other few investors and the number of votes of minority voting rights holders has exceeded the Group's votes as they acted together, this indicates that the Group has no current ability to direct the relevant activities of Jidway. Accordingly, the Group has no control, but only has significant influence, over the investee.



## (9) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2020</u>									
Cost	\$ 2,240,082	\$ 519,034	\$ 890,749	\$ 1,202	\$ 84,032	\$ 37,388	\$ 44,217	\$ 166	\$ 3,414,808
Accumulated depreciation	-	(101,027)	(343,815)	(1,342)	(57,696)	(11,379)	(25,604)	-	(540,864)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,240,082</u>	<u>\$ 418,007</u>	<u>\$ 540,552</u>	<u>\$ 14</u>	<u>\$ 26,336</u>	<u>\$ 26,019</u>	<u>\$ 18,613</u>	<u>\$ 166</u>	<u>\$ 2,857,123</u>
<u>2020</u>									
Opening net book amount as at January 1	\$ 2,240,082	\$ 418,006	\$ 540,552	\$ 14	\$ 26,336	\$ 26,018	\$ 18,611	\$ 166	\$ 2,857,123
Additions	-	8,018	68,421	1,000	14,907	2,529	1,249	30,200	128,131
Disposals	-	-	(11)	(4,211)	(3)	-	-	-	(4,225)
Transfer	-	166	-	-	(163)	1,328	(18,232)	(20,000)	-
Depreciation charge	-	(31,330)	(60,130)	(75)	(16,141)	(5,522)	(11,030)	-	(124,228)
Net exchange differences	-	-	(140)	-	(13)	(11)	-	-	(164)
Change net book amount as at December 31	<u>\$ 2,240,082</u>	<u>\$ 384,780</u>	<u>\$ 479,602</u>	<u>\$ 14</u>	<u>\$ 30,183</u>	<u>\$ 22,287</u>	<u>\$ 21,076</u>	<u>\$ 0,372</u>	<u>\$ 2,845,436</u>
<u>At December 31, 2020</u>									
Cost	\$ 2,240,082	\$ 517,870	\$ 890,246	\$ 1,226	\$ 101,019	\$ 35,544	\$ 61,201	\$ 9,372	\$ 3,457,580
Accumulated depreciation	-	(133,916)	(344,172)	(1,080)	(64,232)	(22,877)	(34,123)	-	(600,396)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,240,082</u>	<u>\$ 384,780</u>	<u>\$ 479,602</u>	<u>\$ 14</u>	<u>\$ 36,187</u>	<u>\$ 22,287</u>	<u>\$ 21,076</u>	<u>\$ 0,372</u>	<u>\$ 2,845,436</u>

	Land	Buildings	Mediums	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<b>At January 1, 2019</b>									
Cost	\$ 2,246,082	\$ 405,839	\$ 468,399	\$ 1,252	\$ 81,349	\$ 31,077	\$ 39,369	\$ 7,290	\$ 2,801,548
Accumulated depreciation	-	( 71,271)	( 343,359)	( 1,191)	( 48,020)	( 13,129)	( 21,890)	-	( 498,850)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 424,568</u>	<u>\$ 140,218</u>	<u>\$ 61</u>	<u>\$ 33,223</u>	<u>\$ 17,948</u>	<u>\$ 17,479</u>	<u>\$ 7,290</u>	<u>\$ 2,896,310</u>
<b>2019</b>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 424,568	\$ 140,218	\$ 61	\$ 33,223	\$ 17,948	\$ 17,479	\$ 7,290	\$ 2,896,310
Additions	-	10,822	73,081	-	18,636	2,475	11,208	2,290	112,549
Disposals	-	-	( 23,720)	-	( 2,347)	-	( 150)	-	( 26,120)
Transfers	-	10,014	-	-	-	-	-	( 10,014)	-
Reclassifications	-	( 3,000)	( 1,429)	-	( 2,800)	( 3,800)	( 1,374)	-	( 12,403)
Depreciation charge	-	( 22,699)	( 64,360)	-	( 13,915)	( 2,974)	( 9,423)	-	( 109,381)
Net exchange differences	-	-	-	( 1)	( 73)	14	( 12)	-	( 62)
Closing net book amount as at December 31	<u>\$ 2,246,082</u>	<u>\$ 409,000</u>	<u>\$ 130,552</u>	<u>\$ 60</u>	<u>\$ 36,420</u>	<u>\$ 18,218</u>	<u>\$ 18,055</u>	<u>\$ 100</u>	<u>\$ 2,857,123</u>
<b>At December 31, 2019</b>									
Cost	\$ 2,246,082	\$ 310,633	\$ 480,740	\$ 1,202	\$ 94,032	\$ 33,388	\$ 44,217	\$ 100	\$ 3,414,400
Accumulated depreciation	-	( 801,627)	( 343,815)	( 1,142)	( 57,600)	( 21,170)	( 23,690)	-	( 950,964)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 409,006</u>	<u>\$ 130,552</u>	<u>\$ 60</u>	<u>\$ 36,420</u>	<u>\$ 18,218</u>	<u>\$ 18,055</u>	<u>\$ 100</u>	<u>\$ 2,857,123</u>

A. The Group's property, plant and equipment are mainly owner-occupied.

B. No borrowing cost was capitalised as part of property, plant and equipment.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - Lessee

A. The Group leases various assets including buildings, machinery and business vehicles. Rental contracts are typically made for periods of 1 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise buildings and multifunction printers. For the years ended December 31, 2020 and 2019, payments of lease commitments for short-term leases amounted to \$22,417 and \$41,147, respectively.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 55,219	\$ 46,746
Land improvements	3,063	-
Transportation equipment (Business vehicles)	547	1,614
Machinery	7,760	11,340
	<u>\$ 66,589</u>	<u>\$ 59,700</u>

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Buildings	\$ 20,815	\$ 19,881
Land improvements	1,131	-
Transportation equipment (Business vehicles)	1,668	2,602
Machinery	3,581	3,581
	<u>\$ 26,595</u>	<u>\$ 26,064</u>

D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$34,807 and \$19,178, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 482	\$ 664
Expense on short-term lease contracts	\$ 22,417	\$ 41,147

F. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases were \$49,531 and \$67,777, respectively.

(11) Leasing arrangements - lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. Gain arising from operating lease agreements for the years ended December 31, 2020 and 2019 is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Rent income	<u>\$ 1,483</u>	<u>\$ 1,642</u>

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
2020	<u>\$ -</u>	<u>\$ 914</u>
2021	<u>305</u>	<u>305</u>
	<u>\$ 305</u>	<u>\$ 1,219</u>

(12) Intangible assets

	License fees	Software	Other intangible asset	Trademark rights	Customer relationships	Goodwill	Total
<b>At January 1, 2020</b>							
Cost	\$ 576,658	\$ 98,238	\$ 105,289	\$ 10,000	\$ 197,852	\$ 385,314	\$ 1,373,341
Accumulated amortization	( 306,572)	( 51,514)	( 46,254)	-	( 36,720)	-	( 440,060)
Accumulated impairment	( 17,303)	-	-	-	-	( 34,329)	( 51,632)
	<u>\$ 254,783</u>	<u>\$ 46,724</u>	<u>\$ 59,035</u>	<u>\$ 10,000</u>	<u>\$ 161,132</u>	<u>\$ 350,985</u>	<u>\$ 842,559</u>
<b>2020</b>							
Opening net book amount as at January 1	\$ 254,783	\$ 46,904	\$ 59,035	\$ 10,000	\$ 161,332	\$ 350,985	\$ 842,559
Additions	1,317,892	41,852	31,939	-	-	-	1,491,683
Amortization charge	( 257,023)	( 47,910)	( 14,857)	-	( 18,801)	-	( 338,591)
Depreciation during the year	-	-	( 4,102)	-	-	-	( 4,102)
Reclassifications (note)	-	-	( 982)	-	-	-	( 982)
Impairment loss	( 10,119)	-	-	-	-	-	( 10,119)
Net exchange differences	( 3,268)	( 364)	( 1,660)	-	( 405)	( 2,102)	( 5,799)
Closing net book amount as at December 31	<u>\$ 801,547</u>	<u>\$ 40,102</u>	<u>\$ 109,603</u>	<u>\$ 10,000</u>	<u>\$ 141,928</u>	<u>\$ 308,393</u>	<u>\$ 1,411,563</u>
<b>At December 31, 2021</b>							
Cost	\$ 1,693,225	\$ 97,266	\$ 141,995	\$ 10,000	\$ 197,852	\$ 382,804	\$ 2,523,222
Accumulated amortization	( 806,248)	( 57,164)	( 32,382)	-	( 55,924)	-	( 1,011,718)
Accumulated impairment	( 27,440)	-	-	-	-	( 34,411)	( 101,851)
	<u>\$ 801,547</u>	<u>\$ 40,102</u>	<u>\$ 109,603</u>	<u>\$ 10,000</u>	<u>\$ 141,928</u>	<u>\$ 308,393</u>	<u>\$ 1,411,563</u>

Note: It was reclassified to other non-current assets.

	License fees	Software	Other intangible asset	Trademark right	Customer relationship	Goodwill	Total
<b>At January 1, 2019</b>							
Cost	\$ 379,474	\$ 64,972	\$ 107,364	\$ 10,000	\$ 198,540	\$ 346,247	\$ 1,146,597
Accumulated amortization	( 256,053)	( 45,978)	( 42,686)	-	( 18,667)	-	( 363,384)
Accumulated impairment	( 17,321)	-	-	-	-	( 26,384)	( 43,705)
	\$ 106,099	\$ 18,974	\$ 64,618	\$ 10,000	\$ 179,873	\$ 319,863	\$ 737,468
<b>2019</b>							
Opening net book amount (as at January 1)	\$ 106,099	\$ 18,974	\$ 64,618	\$ 10,000	\$ 179,873	\$ 319,863	\$ 737,468
Additions	248,101	68,679	5,948	-	-	-	322,728
Transfers (Note 1)	54,228	-	-	-	-	-	54,228
Amortization charge	( 111,998)	( 41,474)	( 8,163)	-	( 18,916)	-	( 177,551)
Originals during the year	( 38,286)	-	( 52)	-	-	-	( 38,338)
Transferred to expenses and losses	-	( 12)	( 4,679)	-	-	-	( 4,791)
Impairment loss (Note 2)	-	-	-	-	-	( 46,825)	( 46,825)
Net exchange difference	( 3,289)	( 259)	( 421)	-	( 235)	( 453)	( 4,407)
Closing net book amount (as at December 31)	\$ 254,765	\$ 46,924	\$ 59,055	\$ 10,000	\$ 169,132	\$ 310,585	\$ 842,551
<b>At December 31, 2020</b>							
Cost	\$ 578,694	\$ 98,218	\$ 105,289	\$ 10,000	\$ 197,892	\$ 385,114	\$ 1,375,241
Accumulated amortization	( 306,572)	( 51,314)	( 46,254)	-	( 36,720)	-	( 440,860)
Accumulated impairment	( 17,321)	-	-	-	-	( 78,529)	( 91,850)
	\$ 254,765	\$ 46,924	\$ 59,055	\$ 10,000	\$ 161,132	\$ 310,585	\$ 842,551

Note 1: Pertains to revenue-sharing prepayments (shown as prepayments) which were then used as fees to acquire licenses. Thus, the prepayments were transferred to intangible assets.

Note 2: It refers to impairment loss of goodwill arising from NOWAgris and Digicoatre amounting to \$46,825. Please refer to Note 6(14) for further information.

A. The details of amortisation are as follows:

	Years ended December 31,	
	2020	2019
Operating costs	\$ 789,367	\$ 127,672
Selling expenses	18,471	18,060
General and administrative expenses	26,372	30,446
Research and development expenses	4,981	1,163
	<u>\$ 839,191</u>	<u>\$ 177,341</u>

B. The Group acquired registered trademark from the acquisition of NOWnews. As the trademark is assessed to have indefinite useful life, it shall not be amortised but shall be tested for impairment annually.

C. Goodwill and trademark with an indefinite useful life are allocated to the Group's cash-generating units identified according to operating segment as follows:

	December 31, 2020	December 31, 2019
Goodwill:		
NOWnews	\$ 197,055	\$ 197,055
Digicentre	141,149	141,149
AMI	17,543	18,467
GCH	25,450	26,791
Others	1,607	1,652
	<u>382,804</u>	<u>385,114</u>
Less: Accumulated impairment	( 74,411)	( 74,529)
	<u>\$ 308,393</u>	<u>\$ 310,585</u>
Trademark:		
NOWnews	\$ 10,090	\$ 10,090

Acquisition prices for business combination are calculated based on the price of acquisition and related direct costs. The amount of goodwill recognised is the difference of the acquisition price less the net fair value of identifiable assets acquired. The allocation period of acquisition price may not exceed one year after the acquisition.

D. As of December 31, 2020, the Group's goodwill acquired in a business combination amounted to \$308,393, consisting of expected operating revenue growth from acquired companies and benefits from its potential customer relations. In accordance with IAS 36, goodwill acquired from business combination shall be tested for impairment every year and when there is any indication that it might have been impaired. The impairment testing on goodwill as of December 31, 2020 and 2019 is as follows:

For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business

combination. Each company may be a cash-generating unit which can generate independent cash flows. Thus, the impairment of goodwill is calculated based on the difference between the recoverable amount and carrying amount of net assets of each company.

The Group used value-in-use calculated by external appraiser to be the recoverable amount, subsidiaries, NOWnews and Digicentre. The Group not recognised impairment loss on goodwill at December 31, 2020, because the recoverable amount was higher than the carrying amount. While the recoverable amount was lower than the carrying amount at December 31, 2019, no impairment loss was occurred. The main assumptions used in calculating value-in-use by external appraiser are set out below:

	December 31, 2020	December 31, 2019
Growth rate	3.2%-4.3%	2.3%-4.3%
Discount rate	13.9%-14.6%	13.6%-13.8%

On December 31, 2020 and 2019, aside from NOWnews and Digicentre, the recoverable amounts of cash-generating units were calculated based on value-in-use. Because the recoverable amounts exceeded the carrying amount, goodwill was not impaired. The key assumptions used for value-in-use calculations take into consideration operating profit margin, growth rate and discount rate.

Management determined the budgeted operating profit margin based on past performance and their expectations of market development. The weighted average growth rates are consistent with the projection in industry reports. The discount rates were pre-tax and reflected specific risks relating to the relevant operating segments.

(13) Other non-current assets

	December 31, 2020	December 31, 2019
Overdue receivables	\$ 99,824	\$ 99,830
Less: Loss allowance for overdue receivables	( 99,824)	( 99,830)
Refundable deposits	41,422	40,436
Others	3,666	767
	<u>\$ 45,088</u>	<u>\$ 41,203</u>

(14) Impairment of non-financial assets

The Group recognised impairment loss for the years ended December 31, 2020 and 2019 of \$10,119 and \$46,825, respectively. Details of such loss are as follows:

	Years ended December 31	
	2020	2019
	Recognised in profit or loss	Recognised in profit or loss
Impairment loss - license fees	\$ 10,119	\$ -
Impairment loss - goodwill	-	46,825
	<u>\$ 10,119</u>	<u>\$ 46,825</u>



- A. The Group recognised impairment loss on the license fees in the second quarter of 2020 as the recoverable amount of the present value of future cash flows of license fees is less than the carrying amount.
- B. The Group implemented impairment testing on the recoverable amount of goodwill at the financial year-end date. Information on the determination of the recoverable amount is provided in Note 6(12). For the year ended December 31, 2019, the recoverable amounts of goodwill of NOWnews and Digicentre were lower than their carrying amounts. Accordingly, the Group recognised impairment of goodwill amounting to \$46,825.

(15) Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bank borrowings		
Secured borrowings	\$ 123,615	\$ 98,179
Unsecured borrowings	102,533	650,000
	<u>\$ 226,148</u>	<u>\$ 748,179</u>
Credit lines	\$ 3,225,870	\$ 2,150,171
Interest rate range	<u>0.90%–6.10%</u>	<u>1.10%–6.10%</u>

(16) Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Store-value received on behalf of others	\$ 778,208	\$ 755,248
Payable on business tax and withholding tax	66,411	79,379
Commission payable	71,239	84,746
Salary and annual bonus payable	186,024	183,964
Employees' compensation payable	159,073	173,060
Payable on equipment and intangible assets (Note)	478,848	70,843
Directors' remuneration payable	24,155	26,678
Others	235,775	204,110
	<u>\$ 1,999,733</u>	<u>\$ 1,578,028</u>

Note: The payment obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. The Group recognised the license fees and payable on intangible assets after assessing that the payment obligation is highly realisable.

(17) Other current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Long-term borrowings, current portion	\$ 160,000	\$ 160,000
Receipts under custody	18,757	10,280
Tax receipts under custody	15,289	12,567
Other current liabilities	34,133	27,600
	<u>\$ 228,179</u>	<u>\$ 210,447</u>

(18) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2020
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 – March 20, 2025; interest is payable monthly for the first three years, starting from the fourth year, principal and interest are payable quarterly in 28 installments	1.13%-1.70%	Land and Buildings and structures	\$ 240,000
Less: Current portion				( 160,000)
				<u>\$ 80,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2019
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 – March 20, 2025; interest is payable monthly for the first three years, starting from the fourth year, principal and interest are payable quarterly in 28 installments	1.40%-1.70%	Land and Buildings and structures	\$ 400,000
Less: Current portion				( 160,000)
				<u>\$ 240,000</u>

(19) Pensions

A. Defined benefit plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who choose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the

Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit before March in the following year.

(b) The pension costs under the defined benefit pension plan of the Company for the years ended December 31, 2020 and 2019 were \$687 and \$662, respectively.

(c) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 77,575)	(\$ 67,103)
Fair value of plan assets	<u>67,106</u>	<u>63,977</u>
Net defined benefit liability		
(shown as 'other non-current liabilities')	<u>(\$ 10,469)</u>	<u>(\$ 3,126)</u>

(d) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit (liability) asset</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 67,103)	\$ 63,977	(\$ 3,126)
Current service cost	( 662)	-	( 662)
Interest (expense) income	( 537)	512	( 25)
	<u>( 68,302)</u>	<u>64,489</u>	<u>( 3,813)</u>
<u>Remeasurements</u>			
Return on plan assets	-	2,126	2,126
Change in financial assumptions	( 3,795)	-	( 3,795)
Experience adjustments	( 6,271)	-	( 6,271)
	<u>( 10,066)</u>	<u>2,126</u>	<u>( 7,940)</u>
Pension fund contribution	-	1,284	1,284
Paid pension	793	( 793)	-
Balance at December 31	<u>(\$ 77,575)</u>	<u>\$ 67,106</u>	<u>(\$ 10,469)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<u>Year ended December 31, 2019</u>			
Balance at January 1	(\$ 61,465)	\$ 59,982	(\$ 1,483)
Current service cost	( 646)	-	( 646)
Interest (expense) income	( 676)	660	( 16)
	<u>62,787</u>	<u>60,642</u>	<u>2,145</u>
Remeasurements:			
Return on plan assets	-	2,069	2,069
Change in financial assumptions	( 2,636)	-	( 2,636)
Experience adjustments	( 1,680)	-	( 1,680)
	<u>4,316</u>	<u>2,069</u>	<u>2,247</u>
Person final contribution	-	1,266	1,266
Balance at December 31	<u>(\$ 67,103)</u>	<u>\$ 63,977</u>	<u>(\$ 3,126)</u>

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2020	2019
Discount rate	0.40%	0.80%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 2,399)	\$ 2,493	\$ 2,221	(\$ 2,152)
December 31, 2019				
Effect on present value of defined benefit obligation	(\$ 2,206)	\$ 2,300	\$ 2,066	(\$ 1,998)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

- (g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to \$1,299.

#### B. Defined contribution plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Gamania Digital Entertainment (Beijing) Co., Ltd., Legion Technology (Shanghai) Co., Ltd. and Jollywiz Digital Business Co., Ltd. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2020 and 2019 were both 20%-22%. Other than the monthly contributions, the Group has no further obligations.
- (c) Gamania Digital Entertainment (HK) Co., Ltd., Gash Point (Hong Kong) Company Limited, Gash Point (Japan) Co., Ltd., Gash Point Korea Co., Ltd., Joymobee Entertainment Co., Ltd., Hapod Digital Technology Co., Ltd., Jollywiz International (HK) Co., Ltd., Madsaur Digital Technology (HK) Co., Ltd., Circo (HK) Co., Ltd., Digicentre (HK) Company Limited and Hyperg Smart Security Technology Pte., Ltd. provide pension reserves annually for their employees in accordance with the local regulations.

(d) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2020 and 2019 were \$38,440 and \$36,072, respectively

(20) Share-based payment

A. For the years ended December 31, 2020 and 2019, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
9 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries (Note 1)	2019.5.29	2,049	NA	Vested immediately
10 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries (Note 1)	2019.5.29	183	NA	Vested immediately
12 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries (Note 2)	2020.6.29	1,241	NA	Vested immediately

Note 1: For the 9<sup>th</sup> and 10<sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries, the periods of actual payment and transfer were from July 9, 2019 to July 19, 2019 and from August 1, 2019 to August 7, 2019, respectively.

Note 2: For the 12<sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries, the period of actual payment and transfer were from August 6, 2020 to August 10, 2020 and from September 2, 2020 to September 4, 2020, respectively.

B. The fair value of treasury stock transferred to employees on June 29, 2020 and May 29, 2019 is measured using the Black-Scholes pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
9 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	\$ 28.96	31.18%	0.14 year	0.59%	\$ 38.66
10 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	28.64	31.18%	0.14 year	0.59%	\$ 38.68
12 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries	2020.6.29	40.81	36.00%	0.12 year	0.34%	29.41



Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

C. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2020	2019
Equity-settled:	\$ 65,863	\$ 86,303

(21) Common stock

A. As of December 31, 2020, the Company's authorized capital was \$2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was \$1,754,936 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	2020	2019
At January 1	175,494	173,262
Treasury shares purchased	( 2,241)	-
Treasury stock transferred to employees	2,241	2,232
At December 31	175,494	175,494

B. Treasury shares

- (a) The Company has no treasury shares because they were all transferred to employees as of December 31, 2020 and 2019.
- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired.

(22) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law

requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. When it is resolved by the shareholders at their shareholders' meeting, legal reserve and whole or part of capital reserve arising from the following items can be used to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit:

- (a) Paid-in capital in excess of par value on issuance of common stocks; and
- (b) Donations.

(23) Unappropriated retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and appropriate or reverse for special reserve as required by the operating needs of the Company or regulations when necessary. The remainder, if any, to be retained or to be appropriated shall be proposed by the Board of Directors and resolved by the stockholders at the stockholders' meeting.

B. The Company's dividend policy adopts the conservatism principle, with consideration of the Company's profit, financial structure and future development plans. At least 10% of the Company's distributable earnings as of the end of the period shall be appropriated as cash dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall not make special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with *Jin-Guan-Zhong-Fa-Zi* Letter No. 1010017805, dated April 6, 2012, shall be reversed prospectively when the relevant assets are used, disposed of or reclassified subsequently.



E. On May 29, 2019, the shareholders during their meeting resolved the 2018 appropriations of retained earnings as follows:

	Year ended December 31, 2018	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 175,997	\$ -
Special reserve appropriated	199,195	-
Cash dividends distributed to shareholders	1,074,222	6.2
	<u>\$ 1,449,414</u>	<u>\$ 6.2</u>

F. On June 17, 2020, the shareholders during their meeting resolved the 2019 appropriations of retained earnings as follows:

	Year ended December 31, 2019	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 88,790	\$ -
Reversal of special reserve	(27,219)	-
Cash dividends distributed to shareholders	544,030	3.1
	<u>\$ 605,601</u>	<u>\$ 3.1</u>

G. On March 22, 2021, the shareholders during their meeting resolved the 2020 appropriations of retained earnings as follows:

	Year ended December 31, 2020	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 113,664	\$ -
Special reserve appropriated	379,928	-
Cash dividends distributed to shareholders	701,974	4.0
	<u>\$ 1,195,566</u>	<u>\$ 4.0</u>

H. Information about the appropriations approved by the Board of Directors and resolved by the shareholders and appropriations of employees' compensation and directors' and supervisors' remuneration will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

I. For the information relating to employees' bonus and directors' and supervisors' remuneration, please refer to Note 6(30).

(24) Other equity items

	2020		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 73,174)	(\$ 98,802)	(\$ 171,976)
Revaluation - Group	- (	71,408)	( 71,408)
Revaluation - Associates	- (	120)	( 120)
Revaluation transferred to retained earnings - Group	- (	273,606)	( 273,606)
Currency translation differences:			
- Group	( 35,456)	- (	( 35,456)
- Associates	662	-	662
At December 31	(\$ 107,968)	(\$ 443,936)	(\$ 551,904)

	2019		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 53,483)	(\$ 145,707)	(\$ 199,195)
Revaluation - Group	-	11,541	11,541
Revaluation - Associates	- (	636)	( 636)
Revaluation transferred to retained earnings - Group	-	36,000	36,000
Currency translation differences:			
- Group	( 19,501)	- (	( 19,501)
- Associates	185	-	185
At December 31	(\$ 73,174)	(\$ 98,802)	(\$ 171,976)

(25) Revenue

	Years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 10,443,042	\$ 9,681,345

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of games, goods and services over time and at a point in time in the following major types:

Year ended December 31, 2020	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from sponsored content	Total
Revenue from external customer contracts	\$ 8,277,884	\$ 1,142,141	\$ 398,362	\$ 218,255	\$ 10,441,042
Timing of revenue recognition:					
At a point in time:	\$ 8,025,324	\$ 443,569	\$ 398,362	\$ 218,255	\$ 8,501,010
Over time:	252,560	698,572			951,132
	\$ 8,277,884	\$ 1,142,141	\$ 398,362	\$ 218,255	\$ 10,441,042

Year ended December 31, 2019	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from sponsored content	Total
Revenue from external customer contracts	\$ 7,654,156	\$ 877,349	\$ 806,118	\$ 343,772	\$ 9,681,395
Timing of revenue recognition:					
At a point in time:	\$ 7,410,418	\$ 290,228	\$ 806,118	\$ 343,772	\$ 8,851,001
Over time:	243,695	586,591			830,284
	\$ 7,654,156	\$ 877,349	\$ 806,118	\$ 343,772	\$ 9,681,395

#### B. Contract liabilities

- (a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$281,129, \$335,054 and \$452,619 as of December 31, 2020, December 31, 2019 and January 1, 2019, respectively. The Group's contract liabilities are mainly deferred revenue from points stored but unused or unconsumed in the online game or mobile game, and are amortised as revenue over the period of the services or the estimated useful period of the virtual items when they are actually used.
- (b) Revenue recognised that was included in the contract liability balance at the beginning of the year

	Years ended December 31,	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from games	\$ 335,054	\$ 452,619

#### (36) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 10,683	\$ 22,920
Interest income from financial asset at amortised cost	15	21
	\$ 10,698	\$ 22,941

(27) Other income

	Years ended December 31,	
	2020	2019
Rental income	\$ 1,483	\$ 1,642
Dividend income	458	2,916
Other income	34,240	10,463
	<u>\$ 36,181</u>	<u>\$ 15,021</u>

(28) Other gains and losses

	Years ended December 31,	
	2020	2019
Gain on disposal of property, plant and equipment	\$ 236	\$ 1,133
Gain on disposal of investments	-	8,027
Foreign exchange gain	4,974	15,625
Gain on financial assets at fair value through profit or loss	-	902
Impairment loss	(10,119)	(46,825)
Other gains and losses	(1,524)	(9,332)
	<u>(\$ 6,433)</u>	<u>(\$ 30,470)</u>

(29) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 11,727	\$ 17,864
Lease liability	482	664
	<u>\$ 12,209</u>	<u>\$ 18,528</u>

(30) Employee benefit, depreciation and amortisation expense

	Years ended December 31,	
	2020	2019
Employee benefit expense		
Wages and salaries	\$ 969,207	\$ 1,034,981
Directors' remuneration	25,654	24,373
Share-based payments	65,863	86,303
Labor and health insurance fees	59,425	63,663
Pension costs	19,127	36,734
Other personnel expenses	45,989	41,502
	<u>\$ 1,205,265</u>	<u>\$ 1,287,556</u>
Depreciation on property, plant and equipment (including right-of-use assets)	\$ 164,394	\$ 154,646
Amortisation expense	\$ 839,191	\$ 177,341

A. According to the Articles of Incorporation of the Company, the profit before tax before deduction of employees' compensation and directors' remuneration of the Company, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 10%-15% for employees' compensation and shall not be higher than 2% for directors' remuneration. However, when there is still accumulated losses of the Company, it shall reserve the compensation amount in advance.

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$118,052 and \$130,665, respectively; while directors' remuneration was accrued at \$23,610 and \$26,133, respectively. The aforementioned amounts were recognized in salary expenses.

For the year ended December 31, 2020, the employees' compensation and directors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2020 amounted to \$118,052 and \$23,000, respectively, as resolved at the meeting of Board of Directors. The employees' compensation for 2020 as resolved by the Board of Directors was in agreement with those amounts recognized in the 2020 financial statements, and the difference of \$610 for directors' and supervisors' remuneration between the amount resolved at the Board meeting and the amount recognized in the 2020 financial statements had been adjusted in the profit or loss for 2021.

Employees' compensation and directors' and supervisors' remuneration for 2019 amounted to \$130,665 and \$26,000, respectively, as resolved at the meeting of Board of Directors. The employees' compensation resolved by the Board of Directors was the same with the amount recognized in the 2019 financial statements. The difference in directors' remuneration for 2019 of \$133 had been adjusted in the profit or loss for 2020.

C. Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors and stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2020	2019
Current tax:		
Current tax on profit for the year	\$ 323,221	\$ 265,644
Tax on unappropriated retained earnings	10,844	33,935
Prior year income tax over estimation	( 13,501)	( 18,374)
Total current tax	<u>320,564</u>	<u>281,205</u>
Deferred tax:		
Origination and reversal of temporary differences	( 37,337)	32,584
Income tax expense	<u>\$ 283,227</u>	<u>\$ 313,789</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2020	2019
Remeasurement of defined benefit obligation	(\$ 1,588)	(\$ 449)
Currency translation differences	( 9,907)	-
	<u>(\$ 11,495)</u>	<u>(\$ 449)</u>

B. The reconciliation between accounting income and income tax expense:

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 281,550	\$ 259,282
Effect from items disallowed by tax regulation	18,945	49,080
Overseas investment income not recognised as deferred tax liabilities	( 14,611)	( 10,134)
Prior year income tax over estimation	( 13,501)	( 18,374)
Tax on unappropriated retained earnings	10,844	33,935
Income tax expense	<u>\$ 283,227</u>	<u>\$ 313,789</u>

Note: The basis for computing the applicable tax rate are the rates applicable is the respective countries where the Group entities operate.

C. Amount of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
<b>-- Deferred tax assets</b>				
Provision for bad debts in excess of the allowable limit	\$ 3,078	\$ 1,521	\$ -	\$ 4,599
Allowance for inventory obsolescence	427	60	-	487
Impairment loss on financial assets	1,071	-	-	1,071
Investment loss accounted for under equity method	44,552	7,538	-	52,090
Impairment loss on intangible assets	5,628	1,205	-	6,833
Compensation for annual leave	4,905	-	-	4,905
Book-tax difference on property, plant and equipment from business combination	163	211	-	374
Deferred revenue	3,183	(1,175)	-	2,008
Provision payable	625	(110)	1,388	2,004
Loss carryforward	5,978	22	-	6,000
Royalty payable	-	48,440	-	48,440
Depreciation	139	(139)	-	-
Financial statements translation differences of foreign operations	33	-	9,300	9,333
Unrealised exchange loss	287	309	-	596
	<u>\$ 111,369</u>	<u>\$ 41,977</u>	<u>\$ 11,405</u>	<u>\$ 164,751</u>
<b>-- Deferred tax liabilities</b>				
Investment income accounted for under equity method	(\$ 28,066)	(\$ 8,827)	\$ -	(\$ 36,893)
Book-tax difference on intangible assets from business combination	(\$ 37,073)	3,662	-	(\$ 33,411)
Unrealised exchange gain	(\$ 218)	17	-	(\$ 201)
Depreciation	-	(92)	-	(\$ 92)
	<u>(\$ 65,367)</u>	<u>(\$ 5,340)</u>	<u>\$ -</u>	<u>(\$ 70,707)</u>

## Year ended December 31, 2019

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<b>— Deferred tax assets</b>				
Provision for bad debts in excess of the allowable limit	\$ 14,401 (B)	11,325 (B)	\$ -	\$ 5,076
Allowance for sales returns	107 (C)	107 (C)	-	-
Allowance for inventory obsolescence	428 (C)	3 (C)	-	427
Impairment loss on financial assets	1,971 (C)	-	-	1,971
Investment loss accounted for under equity method	28,865 (C)	4,511 (C)	-	34,376
Impairment loss on intangible assets	7,029 (C)	1,400 (C)	-	5,629
Compensation for unused leave	4,492 (C)	413 (C)	-	4,905
Book-tax difference on property, plant and equipment from business combination	684 (C)	21 (C)	-	705
Deferred revenue	2,625 (C)	548 (C)	-	3,173
Protein payable	283 (C)	107 (C)	440 (C)	623
Loss carryforward	10,186 (C)	4,207 (C)	-	14,393
Royalty payable	11,000 (C)	11,000 (C)	-	-
Depreciation	25 (C)	114 (C)	-	139
Financial statement translation differences of foreign operations	-	33 (C)	-	33
Unrealized exchange loss	-	287 (C)	-	287
	<u>\$ 142,105 (B)</u>	<u>31,283 (B)</u>	<u>440 (C)</u>	<u>\$ 113,262</u>
<b>— Deferred tax liabilities</b>				
Investment income accounted for under equity method	(\$ 10,467) (B)	4,544 (B)	- (B)	(\$ 34,006)
Book-tax difference on intangible assets from business combination	(40,500) (B)	3,427 (B)	- (B)	(37,073)
Financial statement translation differences of foreign operations	(34) (B)	34 (B)	- (B)	-
Unrealized exchange gain	- (B)	218 (B)	- (B)	218
	<u>(\$ 51,001) (B)</u>	<u>1,301 (B)</u>	<u>- (B)</u>	<u>(\$ 61,292)</u>



D. The Company and the Company's subsidiaries' expiration dates of unused loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020				
Year incurred	Amount filed/assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2010-2020	\$ 2,831,775	\$ 2,803,153	\$ 2,664,030	2030

December 31, 2019				
Year incurred	Amount filed/assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2009-2019	\$ 2,379,672	\$ 2,375,099	\$ 2,375,099	2029

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	\$ 55,944	\$ 70,556

The deductible temporary differences arise when the Company does not plan to dispose subsidiaries in the foreseeable future. Thus, the part of unrecognised investment loss on overseas subsidiaries was not recognised as deferred tax assets.

F. The Company's and its domestic subsidiaries' assessed and approved income tax returns are as follows:

	Latest Year Assessed by Tax Authority
The Company, Clash Point, Jollywiz, Two Tigers, Ants' Power, Indiland, Gamma Asia, Circo, Couture New Media, Madsagr, Conetter CoMarketing, WeBackers, Beamio, Foundation, Jollybuy, NOWnews, Digicentre, Bolly	2018
GAMA PAY	2019

(32) Earnings per share

Year ended December 31, 2020			
Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 872,496	174,474	\$ 5.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$		
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus (Note)	872,496	2,173	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 872,496	176,647	\$ 4.94

Year ended December 31, 2019			
Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 887,895	174,203	\$ 5.10
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 887,895		
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus (Note)		2,630	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 887,895	176,833	\$ 5.02

Note: Effective January 1, 2008, as employees' compensation could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock compensation issuance in the weighted-average number of common shares outstanding during the reporting period, taking into account the dilutive effects of stock compensation on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting period that include the shares of employees' stock compensation for the appropriation of prior year earnings, which have already been resolved at the shareholders' meeting held in the reporting period. Since capitalisation of employees' compensation no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalised), the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.

(33) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

In August 2019 and December 2019, the Group acquired additional 5.36% and 1.07% equity interest in the subsidiary, GAMA PAY, for a cash consideration of \$24,343 and \$4,886, respectively. For the year ended December 31, 2019, the movement in equity resulted in the changes in equity attributable to owners of parent as follows:

	<u>GAMA PAY</u>
	Year ended
	<u>December 31, 2019</u>
Carrying amount of non-controlling interest acquired	\$ 30,267
Consideration paid to non-controlling interest	( 29,229)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>\$ 1,038</u>

B. The Group did not subscribe to the capital increase raised by a subsidiary proportionally to its interest in the subsidiary

(a) The subsidiaries, Hyperg, JollyBuy, Ciirco and NOWnews, increased capital by issuing new shares for technology and cash, respectively, for the year ended December 31, 2020. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased (decreased) by (49%), 1.27%, 0.15% and 0.36%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>Hyperg</u>
	Year ended
	<u>December 31, 2020</u>
Special Technology	\$ 29,305
Increase in carrying amount of non-controlling interest	( 29,090)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>\$ 215</u>

	<u>Jollybuy</u>	
	Year ended	
	December 31, 2020	
Cash	\$	-
Increase in carrying amount of non-controlling interest	(	1,365)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$	1,365)

	<u>Circo</u>		<u>NOWnews</u>	
	Year ended December 31, 2020			
Cash	\$	-	\$	12,009
Increase in carrying amount of non-controlling interest	(	40)	(	13,104)
Decrease in unappropriated retained earnings	(\$	40)	(\$	1,095)

- (b) The subsidiaries, WeBackers, Circo, GAMA PAY, AMI, JollyBuy, Nownews, Conetta and Coture New Media increased capital by issuing new shares for the year ended December 31, 2019. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased (decreased) by 1.71%, 0.12%, 7.50%, (8.01%), (4.90%), (0.67%), (4.02%), and 0.54% respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>We Backers</u>		<u>Circo</u>	
	Year ended December 31, 2019			
Cash	\$	-	\$	-
Increase in carrying amount of non-controlling interest	(	519)	(	81)
Decrease in unappropriated retained earnings	(\$	519)	(\$	81)

	<u>GAMA PAY</u>		<u>Nownews</u>	
	Year ended December 31, 2019			
Cash	\$	-	\$	9,575
Increase in carrying amount of non-controlling interest	(	23,280)	(	12,385)
Decrease in unappropriated retained earnings	(\$	23,280)	(\$	2,810)

	<u>Cotare New Media</u>	
	Year ended	
	<u>December 31, 2019</u>	
Cash		
Increase in carrying amount of non-controlling interest	\$	-
Decrease in unappropriated retained earnings	(	669)
	(\$	<u>669)</u>
	<u>AMI</u>	<u>JollyBuy</u>
	Year ended December 31, 2019	
Cash	\$ 226,738	\$ 7,000
Increase in carrying amount of non-controlling interest	(165,426)	(5,200)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>\$ 61,312</u>	<u>\$ 1,800</u>
		<u>Conetter</u>
		Year ended
		<u>December 31, 2019</u>
Cash		\$ 1,570
Increase in carrying amount of non-controlling interest		(1,660)
Capital surplus - changes in parent's ownership interest in subsidiary		<u>(\$ 90)</u>

- C. In July 2020, the external shareholders of the subsidiary, Bjolly discarded 45.46% of issued shares and retired its share capital. After cancellation of its share capital, the Group held 100% of the shares of Bjolly after the retirement. Accordingly, the carrying amount of non-controlling interest increased by \$2,536, capital surplus - changes in parent's ownership interest in subsidiaries decreased by \$1,345 and unappropriated retained earnings decreased by \$1,191.
- D. The subsidiary, Digicentre, purchased treasury shares for the year ended December 31, 2019 totalling \$2,434. Therefore, the share ownership of the Group increased by 0.52%, the carrying amount of non-controlling interest increased by \$1,053 and unappropriated retained earnings decreased by \$1,053.

(34) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2020	2019
Acquisition of property, plant and equipment	\$ 128,133	\$ 117,585
Add: Opening balance of other payables	25,758	12,880
Less: Ending balance of other payables	(24,990)	(25,758)
Cash paid during the year	\$ 129,301	\$ 104,707

	Years ended December 31,	
	2020	2019
Purchase of intangible assets	\$ 1,431,283	\$ 327,712
Add: Opening balance of other payables	45,085	40,643
Add: Opening balance of other payables - related parties	-	20,381
Less: Offsetting other payables	-	(38,250)
Less: Ending balance of other payables	(454,258)	(45,085)
Less: Increase in non-controlling interests	(29,305)	-
Cash paid during the year	\$ 992,805	\$ 305,401

	Years ended December 31,	
	2020	2019
Disposals of intangible assets	\$ 4,162	\$ 38,302
Less: Offsetting other payables	-	(38,250)
Less: Decrease in non-controlling interest	(4,162)	-
Cash received during the year	\$ -	\$ 52

(35) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2020 and 2019 are as follows:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
January 1, 2020	\$ 748,179	\$ 400,000	\$ 59,851	\$ 1,208,030
Changes in cash flow from financing activities	( 518,870)	( 160,000)	( 26,632)	( 705,502)
Impact of changes in foreign exchange rate	( 3,161)	-	( 170)	( 3,331)
Changes in other non-cash items	-	-	34,807	34,807
Increase in right-of-use assets	-	-	34,807	34,807
Termination of right-of-use assets	-	-	( 937)	( 937)
December 31, 2020	\$ 226,148	\$ 240,000	\$ 66,919	\$ 533,067

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities—gross
January 1, 2019	\$ 139,613	\$ 900,000	\$ 66,716	\$ 1,166,329
Changes in cash flow from financing activities	611,907	(500,000)	(25,966)	(25,041)
Impact of changes in foreign exchange rate	( 3,341)	-	77	( 3,418)
Changes in other non-cash items	-	-	19,178	19,178
Increase in right-of-use assets	-	-	19,178	19,178
December 31, 2019	\$ 748,179	\$ 400,000	\$ 59,851	\$ 1,208,030

### 7. RELATED PARTY TRANSACTIONS

#### (1) Parent and ultimate controlling party

As the Company's shares are widely held, the Company has no ultimate parent company and ultimate controlling party.

#### (2) Names of related parties and relationship with the Company

Names of related parties	Relationship with the Company
Pri-One Marketing Co., Ltd.	Associate
Fantasy Fish Digital Games Co., Ltd.	*
GungHo Gamania Co., Limited	*
Idway Digital Technology Co., Ltd. (Idway)	*
UniCube Co., Ltd.	*
Firedog Create Company Ltd.	*
Aotto Inc.	*
Walker Media Co., Ltd.	*
Store Marais Co., Ltd. (Note)	*
Fantasy Fish Digital Games (HK) Co., Ltd.	*
Gamania Cheer Up Foundation	Other related party
Warren International Co., Ltd.	*
Sinansic Technology Sdn. Bhd.	*

Note: Store Marais Co., Ltd. merged with Polysh Co., Ltd. on March 1, 2020 and the related details are disclosed in Note 2 of Note 6 (8A).

(J) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2020	2019
Sales of goods:		
Associates	\$ 31,953	\$ 1,956
Other related parties	23,805	162,948
	<u>\$ 55,758</u>	<u>\$ 164,904</u>
Sales of services:		
Associates	\$ 54,867	\$ 38,061
Other related parties	59,411	77,809
	<u>\$ 114,278</u>	<u>\$ 115,860</u>

Sales of goods are on-line games revenue generated from prepaid cards sold by associates and construction revenue of IDC server room in accordance with mutual agreements. The online games revenue has no similar transactions to compare with, and the payment term is the same with non-related parties.

Sales of services are generated from a certain percentage of value-added services provided to related parties, customer services, production of advertisements, and providing IDC service that are in accordance with mutual agreements.

B. Operating costs

	Years ended December 31,	
	2020	2019
Mobile service costs:		
Associates	\$ -	\$ 210
Programs cost:		
Associates	324	1,236
Other related parties	-	6
Advertising costs:		
Associates	-	630
Service costs:		
Associates	-	93
Other related parties	6,705	-
	<u>\$ 7,029</u>	<u>\$ 2,175</u>

Mobile service costs are service cost for splitting revenue from mobile service, programs costs are costs incurred in the development of internet programs and TV programs, and service costs arise from the sales of services. All abovementioned costs are based on mutual agreement.



C. Operating expense (shown in selling expenses and general and administrative expenses)

	Years ended December 31,	
	2020	2019
Associates	\$ 22,309	\$ 22,396
Other related parties	19,615	95
	<u>\$ 41,924</u>	<u>\$ 22,491</u>

The above includes expenses paid to associates and other related parties for the Company's advertisements and game development, which were based on mutual agreements.

D. Donation (shown in general and administrative expenses)

	Years ended December 31,	
	2020	2019
Other related party Gamma Cheer Up Foundation	\$ 15,500	\$ 29,300

The Group made donations in support of projects for caring and encouraging the youth which had been resolved by the Board of Directors.

E. Rental income (shown in other income)

	Years ended December 31,	
	2020	2019
Associates	\$ 23	\$ 23
Other related parties	336	344
	<u>\$ 359</u>	<u>\$ 367</u>

Rental revenue arose from leasing offices to associates and other related parties. The rental is based on mutual agreement, and is collected monthly based on the agreement. The offices' contract period is from January 1, 2019 to December 31, 2022.

F. Receivables

	December 31, 2020	December 31, 2019
Accounts receivable:		
Associates	\$ 6,390	\$ 21
Other related parties	6,955	6,679
	<u>\$ 13,345</u>	<u>\$ 6,702</u>
Other receivables:		
Associates	\$ 2,577	\$ 1,456
Other related parties	65	66
	<u>\$ 2,642</u>	<u>\$ 1,522</u>

Accounts receivable arise mainly from service revenue, advertising revenue and IDC services. Accounts receivable are not pledged as collateral, do not bear interest and have no provision.

Other receivables arise mainly from rent receivable and payments on behalf of others.

#### G. Payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable:		
Associates	\$ -	\$ 297
Other related parties	4,060	-
	<u>\$ 4,060</u>	<u>\$ 297</u>
Other payables:		
Associates	\$ 5,893	\$ 4,356
Other related parties	109,883	94,322
	<u>\$ 115,776</u>	<u>\$ 98,678</u>

Accounts payable are payables for costs relating to service revenue and are due 60 days after the purchase. The payables do not bear interest.

Other payables are receipts under custody arising from value-added services provided to related parties, less a certain percentage of service revenue, payables for mobile games development advertisement.

#### H. Leasing arrangements - lessee

In January 2019, the Group leased offices from Jsdway and right-of-use assets was recognised in the amount of \$672 in accordance with IFRS 16. As of December 31, 2020 and 2019, the carrying amounts of right-of-use assets were \$224 and \$448, and lease liabilities were \$227 and \$451 respectively. For the years ended December 31, 2020 and 2019, the Group recognised interest expense amounting to \$5 and \$8, respectively.

The significant agreements in relation to lease liabilities are as follows:

- (a) In January 2019, the Group entered into a 3-year period office lease contract with Jsdway.
- (b) Rents are based on mutual agreement and are paid monthly.

#### (4) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 116,127	\$ 123,988
Post-employment benefits	324	324
Share-based payment	31,796	38,261
	<u>\$ 148,247</u>	<u>\$ 162,573</u>

## 8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value		Pledge purpose
	December 31, 2020	December 31, 2019	
Demand deposits (shown in "other current asset")	\$ 91,641	\$ 169,286	Guarantee for short-term borrowing facility, performance bond of on-line game card's standard contracts, trusted electronic payment accounts and trust performance bond for E-commerce service
Demand deposits (shown in "financial assets at amortised cost - current")	64,178	40,183	Guarantee for short-term borrowing facility and credit card merchant
Property, plant and equipment			
Land	2,246,082	2,246,082	Short-term and long-term loans / Credit lines
Buildings and structures	258,473	264,842	Short-term and long-term loans / Credit lines
	<u>\$ 2,660,374</u>	<u>\$ 2,720,395</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

None.

### (2) Commitments

The Group contracted the use of cable lines, T1 and T3, with rental charges based on utilisation. In addition, the Group contracted with several on-line game vendors and will pay royalty based on actual usage.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 6(23) G. appropriations of retained earnings.

## 12. OTHERS

### (1) Capital risk management

The Group's principal objectives when managing capital are to maintain an integrity credit rating

and a good capital structure to support operations and maximise stockholders' equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 182,953	\$ 353,533
Financial assets at amortised cost		
Cash and cash equivalents	\$ 2,397,601	\$ 2,202,733
Financial assets at amortised cost	102,626	40,185
Notes receivable	4,533	511
Accounts receivable (including related parties)	958,036	1,074,176
Other receivables (including related parties)	260,802	371,876
Other financial assets	91,641	169,286
Guarantee deposits paid	41,422	40,436
	<u>\$ 3,856,661</u>	<u>\$ 3,899,203</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 226,148	\$ 748,179
Notes payable	1,211	1,237
Accounts payable (including related parties)	504,243	541,036
Other payables (including related parties)	2,115,509	1,676,706
Long-term borrowings (including current portion)	240,060	400,000
Guarantee deposits received	12,625	30,021
	<u>\$ 3,099,736</u>	<u>\$ 3,377,179</u>
Lease liability (including related parties)	<u>\$ 66,919</u>	<u>\$ 59,851</u>

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management program considers the effect of economic environment, competition and market value risk. The Group attains to the best risk position, holds appropriate liquidity position and centers on management of all the market risks. To reach the objective of risk management, the Group's hedged activities are focused on the market value risk and the cash flow risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. Each of the entities in the Group operates in different countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies of each entity in the Group whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: Functional currency)	December 31, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,732	28.480	\$ 419,567
HKD:NTD	10,169	3.673	37,351
HKD:USD (Note)	70,473	0.129	258,912
USD:HKD (Note)	10,474	7.754	298,304
<u>Non-monetary items</u>			
USD:NTD	32,384	28.480	922,309
KRW:NTD	762,300	0.260	19,812
JPY:NTD	107,630	0.276	29,706
HKD:USD (Note)	80,762	0.129	296,713
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	49,984	28.480	1,423,544
HKD:NTD	9,872	3.673	36,260
HKD:USD (Note)	4,868	0.129	17,885
USD:HKD (Note)	1,892	7.754	53,885

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

(Foreign currency: Functional currency)	December 31, 2019		Book value (NTD)
	Foreign currency amount (in thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,856	29.980	\$ 445,381
HKD:NTD	8,776	3.849	33,779
HKD:USD (Note)	98,071	0.128	777,518
USD:HKD (Note)	9,846	7.789	295,182
<u>Non-monetary items</u>			
USD:NTD	27,502	29.980	824,507
KRW:NTD	609,623	0.026	15,972
JPY:NTD	104,011	0.276	28,707
HKD:USD (Note)	57,196	0.128	220,173
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	10,412	29.980	312,152
HKD:NTD	1,364	3.849	5,250
EUR:NTD	300	33.590	10,077
USD:HKD (Note)	2,512	7.789	75,309

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

- (v) The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019 amounted to \$4,974 and \$15,625, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange rate fluctuations is as follows:

(Foreign currency; Functional currency)	Year ended December 31, 2020		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<b>Financial assets</b>			
USD:NTD	1%	\$ 4,196	\$ -
HKD:NTD	1%	374	-
HKD:USD (Note)	1%	2,590	-
USD:HKD (Note)	1%	2,985	-
<b>Financial liabilities</b>			
<b>Monetary items</b>			
USD:NTD	1%	14,235	-
HKD:NTD	1%	363	-
HKD:USD (Note)	1%	179	-
USD:HKD (Note)	1%	5,389	-

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.

(Foreign currency; Functional currency)	Year ended December 31, 2019		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<b>Financial assets</b>			
USD:NTD	1%	\$ 4,454	\$ -
HKD:NTD	1%	338	-
HKD:USD (Note)	1%	3,775	-
USD:HKD (Note)	1%	2,952	-
<b>Financial liabilities</b>			
<b>Monetary items</b>			
USD:NTD	1%	3,122	-
HKD:NTD	1%	53	-
EUR:NTD	1%	101	-
USD:HKD (Note)	1%	753	-

Note: Since the functional currency of consolidated entity was not NTD, it should be considered when disclosed.



### Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit (or loss) and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. However, the Group has set stop-loss amounts for those assets; therefore, no material market risk is expected. If the prices of these equity securities had increased by 1% with all other variables held constant for the years ended December 31, 2020 and 2019, other comprehensive income or loss would have increased by \$1,830 and \$5,535, respectively, because equity investment is classified as financial asset at fair value through other comprehensive income.

### Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from borrowings issued at variable rates and expose the Group to cash flow interest rate risk. The interest rate for short-term borrowings of the Group are mainly floating rate and for long-term borrowings are fixed and variable rates. During the years ended December 31, 2020 and 2019, the Group's borrowings at variable rate were denominated in NTD and RMB.
- ii. At December 31, 2020 and 2019, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2020 and 2019 would have been \$94 and \$115 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

### (b) Credit risk:

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The internal risk control management evaluates the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on ratings from accounting and administration departments in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk mainly arose from debt instruments stated at amortised cost and receivables generated from operating activity. Only banks and financial institutions with optimal credit ratings



are accepted.

- iii. The Group adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. When the payment is past due 30 days based on the contract terms, there is a significant increase in credit risk on financial assets since initial recognition.
- iv. In line with credit risk management procedure, the default occurs when the Group expects that payments cannot be collected and reclassified as overdue receivables.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customer's accounts receivable and contract assets in accordance with product types. The Group applies the simplified approach using the provision matrix to estimate expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2020, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and other receivables. On December 31, 2020 and 2019, the provision matrix is as follows:

	December 31, 2020		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%-1.11%	\$ 1,088,812	\$ 41
Up to 30 days	0.19%-2.16%	33,146	64
31 to 60 days	0.98%-3.37%	21,813	507
61 to 90 days	3.90%-12.01%	14,110	550
91 to 120 days	4.74%-20.00%	31,813	1,507
Over 121 days	72.70%-100.00%	57,980	42,154
		<u>\$ 1,247,674</u>	<u>\$ 44,823</u>

	December 31, 2019		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%–0.10%	\$ 1,329,752	\$ 442
Up to 30 days	0.07%–1.46%	18,933	276
31 to 60 days	0.79%–6.31%	14,746	164
61 to 90 days	13.19%–20.00%	4,971	417
91 to 120 days	26.89%–36.93%	2,449	904
Over 121 days	48.31%–100.00%	183,978	114,798
		<u>\$ 1,554,829</u>	<u>\$ 117,001</u>

Note: The above does not include overdue receivables. All the overdue receivables had been provided with loss allowance.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable (including overdue receivables) and other receivables are as follows:

	2020		
	Accounts receivable	Other receivables	Total
At January 1	\$ 146,463	\$ 70,368	\$ 216,831
Provision for impairment loss	30,970	4,777	35,747
Write-off	(39,427)	(67,505)	(106,932)
Effect of exchange rate changes	(762)	(237)	(999)
At December 31	<u>\$ 137,244</u>	<u>\$ 7,403</u>	<u>\$ 144,647</u>
	2019		
	Accounts receivable	Other receivables	Total
At January 1	\$ 150,047	\$ 66,405	\$ 216,452
(Reversal of) provision for impairment loss	(3,584)	4,088	504
Effect of exchange rate changes	-	(125)	(125)
At December 31	<u>\$ 146,463</u>	<u>\$ 70,368</u>	<u>\$ 216,831</u>

For provisioned loss for the years ended December 31, 2020 and 2019, the impairment losses arising from customers' contracts were \$35,747 and \$504, respectively.

(c) Liquidity risk:

- Cash flow forecasting is performed in the operating entities of the Group and aggregated by the capital management department. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs.

- ii. The table below is the Group's non-derivative financial liabilities which is presented based on the remaining period at the balance sheet date to the contract maturity date and undiscounted maturity amount based on the maturity date:

Non-derivative financial liabilities

December 31, 2020	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 226,148	\$ -	\$ -
Notes payable	1,211	-	-
Accounts payable	590,183	-	-
Accounts payable - related parties	4,060	-	-
Other payables	1,999,733	-	-
Other payables - related parties	115,776	-	-
Lease liabilities	30,971	27,880	9,310
Long-term borrowings (including current portion)	162,520	80,420	-

December 31, 2019	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 748,179	\$ -	\$ -
Notes payable	1,237	-	-
Accounts payable	540,739	-	-
Accounts payable - related parties	297	-	-
Other payables	1,578,028	-	-
Other payables - related parties	98,678	-	-
Lease liabilities	24,966	32,493	3,352
Long-term borrowings (including current portion)	164,760	242,940	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed and OTC stocks and open-end fund is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in listed and OTC stocks of private placement is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other current assets, guarantee deposits paid, notes payable, accounts payable (including related parties) and other payables (including related parties), lease liabilities and guarantee deposits received, are approximate to the fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements:</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 56,962</u>	<u>\$ -</u>	<u>\$ 125,991</u>	<u>\$ 182,953</u>
<u>December 31, 2019</u>				
<b>Assets</b>				
<u>Recurring fair value measurements:</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 107,123</u>	<u>\$ -</u>	<u>\$ 446,410</u>	<u>\$ 553,533</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Open-end fund</u>	<u>Listed (OTC) and emerging stocks</u>
Market quoted price	<u>Net asset value</u>	<u>Closing price</u>

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- (c) For highly complex financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt

instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Notes 12(3) H and I.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments in the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	Equity securities	
	2020	2019
At January 1	\$ 446,410	\$ 457,802
Less recognised in other comprehensive income or loss	( 23,578)	( 13,657)
Acquired during the year	-	3,000
Disposal during the year	( 294,116)	-
Effects of foreign exchange	( 2,725)	( 1,335)
At December 31	\$ 125,991	\$ 446,410

G. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value	
Non-derivative equity instruments						
Unlisted and non- OTC shares	5	125,991	Market comparable companies	Enterprise value to operating income ratio multiple	31.58-42.05 (35.87)	The higher the multiple, the higher the fair value
				Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value	
Non-derivative equity instruments						
Unlisted and non- OTC shares	5	446,410	Market comparable companies	Price to book ratio multiple	1.88 (1.88)	The higher the multiple, the higher the fair value
				Enterprise value to operating income ratio multiple	20.85-37.09 (35.89)	The higher the multiple, the higher the fair value
				Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

1. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:



		December 31, 2020					
			Recognised in		Recognised in other		
			profit or loss		comprehensive income		
			Favourable	Unfavourable	Favourable	Unfavourable	
		Input	change	change	change	change	
Financial assets							
Equity instrument	Enterprise value to operating income ratio multiple	+1%	\$ -	\$ -	\$ 387	(\$ 387)	
	Discount for lack of marketability	+1%	-	-	742	( 742)	

		December 31, 2019					
			Recognised in		Recognised in other		
			profit or loss		comprehensive income		
			Favourable	Unfavourable	Favourable	Unfavourable	
		Input	change	change	change	change	
Financial assets							
Equity instrument	Price to book ratio multiple	+1%	\$ -	\$ -	\$ 113	(\$ 113)	
	Enterprise value to operating income ratio multiple	+1%	-	-	3,507	( 3,507)	
	Discount for lack of marketability	+1%	-	-	3,889	( 3,889)	

### 13 SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in

capital or more. Please refer to table 3.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. OPERATING SEGMENT INFORMATION

(1) General information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker which are used to make strategic decisions.

(2) Assessment of segment information

The chief operating decision-maker assesses the performance of the operating segments based on net income or loss of the reporting period.



(3) Information on segment profit (loss), assets and liabilities

The segment information on reportable segments provided to the chief operating decision-maker for the years ended December 31, 2020 and 2019 is as follows:

Year ended December 31, 2020

	Gammin Digital Entertainment Co., Ltd.	Cash Point Company Limited and Cash Point (Hong Kong) Company Limited	Others	Total
Revenue from external customers	\$ 7,271,806	\$ 239,313	\$ 2,931,923	\$ 10,443,042
Inter-segment revenue	151,786	529,682	730,341	1,411,809 Note 1
Segment operating profit (loss)	1,024,974	123,038 (	40,597)	1,137,415
Segment profit (loss), net of tax	872,496	119,023 (	209,199)	782,320
Segment profit (loss) includes:				
Depreciation and amortisation	( 841,249)	( 18,688)	( 143,648)	( 1,003,585)
Income tax expense	( 167,515)	( 32,806)	( 82,906)	( 283,227)
Investment income (loss) accounted for under equity method	31,293	13,468 (	82,280)	100,105 Note 2

Year ended December 31, 2019

	Gumami Digital Entertainment Co., Ltd	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total
Revenue from external customers	\$ 6,890,364	\$ 124,830	\$ 2,466,151	\$ 9,681,345
Inter-segment revenue	121,150	331,891	794,880	1,247,921
Segment operating profit (loss)	1,325,732	28,757	(94,455)	1,260,034
Segment profit (loss), net of tax	887,895	42,347	(65,624)	864,618
Segment profit (loss) includes:				
Depreciation and amortisation	( 217,542)	( 7,669)	( 106,776)	( 331,987)
Income tax expense	( 261,960)	( 11,100)	( 40,729)	( 313,789)
Investment income (loss) accounted for under equity method	( 194,953)	14,691	( 109,763)	( 290,025)

Note 1: The transaction had been eliminated in the consolidated financial statements.

Note 2: The inter-segment investment income or loss had been eliminated.

(4) Reconciliation information of segment profit (loss)

The segment reports provided to the chief operating decision-maker are measured in a manner consistent with that used for the statement of comprehensive income. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed.

(5) Information on product and service

Details are provided in Note 6(25).

The reportable segments of the Group are based on different companies. The reconciliation with Note 6(25) operating revenue is as follows:

	Year ended December 31, 2020			
	Games Digital Entertainment Co., Ltd.	Geek Point and Geek Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 1,201,408	\$ -	\$ 1,076,590	\$ 2,277,998
Service revenue	78,308	-	1,061,833	1,140,141
Sales revenue	-	-	755,760	755,760
Revenue from stored values	-	299,313	34,942	334,255
	<u>\$ 1,279,716</u>	<u>\$ 299,313</u>	<u>\$ 2,931,025</u>	<u>\$ 4,510,054</u>

	Year ended December 31, 2019			
	Games Digital Entertainment Co., Ltd.	Geek Point and Geek Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 6,850,323	\$ -	\$ 803,783	\$ 7,654,106
Service revenue	46,091	-	632,398	678,489
Sales revenue	-	-	896,118	896,118
Revenue from stored values	-	114,830	18,042	232,872
	<u>\$ 6,896,414</u>	<u>\$ 114,830</u>	<u>\$ 2,406,339</u>	<u>\$ 9,417,583</u>

(6) Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 8,720,101	\$ 3,908,563	\$ 8,714,793	\$ 3,394,447
Asia	1,722,941	110,398	966,552	55,109
	<u>\$ 10,443,042</u>	<u>\$ 4,018,961</u>	<u>\$ 9,681,345</u>	<u>\$ 3,449,556</u>

(7) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2020 and 2019.

**Global Light Technology (C) Ltd and Subsidiaries**  
**Statement of Financial Position as at 31 December 2019**  
**(Expressed in thousands of US\$)**

1991

Approved on behalf of the Board  
 Director (Name and Position)

Assets	Liabilities	Non-current assets				Current assets				Current liabilities		Current liabilities		Total		
		Property, plant and equipment	Intangible assets	Financial assets	Other non-current assets	Accounts receivable	Inventory	Prepaid expenses	Other current assets	Accounts payable	Other current liabilities	Equity	Liabilities	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note 1: The number of shares for the consolidated entity is 100,000,000 as at 31 December 2019.

- (a) 100,000,000
- (b) 100,000,000

Note 2: All amounts are in thousands of US dollars unless otherwise stated.

**1. General Information**

- (a) The consolidated entity is a public company listed on the ASX (ASX:GLT).
- (b) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (c) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (d) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (e) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (f) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (g) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (h) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (i) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (j) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
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- (l) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (m) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
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- (o) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (p) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
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- (s) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (t) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (u) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (v) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (w) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (x) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (y) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.
- (z) The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.

Note 3: The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.

Note 4: The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.

Note 5: The consolidated entity is a company limited by guarantee with a share capital of \$100,000,000.

Hesselt-Dupont Financials (FY 2021 and 2020 data)  
 (Table of convertible securities at the end of the year (not including convertible securities held until maturity)  
 December 31, 2021

Table 1

Adjusted to amounts of LTD  
 (stock valuations adjusted)

Security holder	Type of convertible security (See 1)	Date Issued (or Maturity Date)	Conversion Ratio	Conversion Price	As of December 31, 2021			
					Number of shares (in thousands)	Book value	Percentage	Market value (2021)
The Company	2021 Convertible Note - 2028	2021	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
The Company	2020 Convertible Note - 2027	2020	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
The Company	2019 Convertible Note - 2026	2019	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
The Company	2018 Convertible Note - 2025	2018	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
General Acquisition Co. Ltd.	2021 Convertible Note - 2027	2021	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
General Acquisition Co. Ltd.	2020 Convertible Note - 2026	2020	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
General Acquisition Co. Ltd.	2019 Convertible Note - 2025	2019	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
General Acquisition Co. Ltd.	2018 Convertible Note - 2024	2018	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500
General Acquisition Co. Ltd.	2017 Convertible Note - 2023	2017	1.000	100.00	1,000	\$ 2,500	1.0%	\$ 2,500

Note 1: Most convertible securities in this table will be issued, bought, sold, or converted and other related activities will be reported in the notes to the financial statements.  
 Note 2: All in the amount of the value and defined by contractual agreement for the convertible securities issued at the value. All in the amount of the value and defined by contractual agreement for the convertible securities issued at the value.

**Table 1**  
**Summary of the results of the 2011-2012 season**  
**for the 10 most important species of fish in the lake**  
**and the total catch**

Expressed in thousands of kg  
 (except in absolute number)

Species	Category	Number of fish	Sex	Production (kg)								
				Total			Males			Females		
				Number	Weight	Percentage of total production	Number	Weight	Percentage of total production	Number	Weight	Percentage of total production
Trout	Trout	1000	♂	1000	1000	1000	1000	1000	1000	1000	1000	
Salmon	Salmon	1000	♂	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♂	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♀	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♂	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♀	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♂	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♀	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♂	1000	1000	1000	1000	1000	1000	1000	1000	
Arctic char	Arctic char	1000	♀	1000	1000	1000	1000	1000	1000	1000	1000	

Note: The absolute number of fish is based on the product type, sex, length, weight, and other characteristics. Data are in absolute numbers for the 10 most important species and in thousands for the total catch.

**General Digital Entertainment Co. Ltd. and Subsidiaries**  
**Reconciliation of the consolidated financial statements of 2019 to those of 2018 in respect of**  
**December 31, 2019**

Table 1

Prepared as at the end of 2019  
 through the end of 2018

Name of issuer	Reporting period	Subsidiary	Balance as of		Change recorded		Balance as of	Balance as of	Balance as of	Balance as of
			December 31, 2019	December 31, 2018	Balance as of	December 31, 2019				
The Company	2018-2019	Subsidiary	0	255,877	149,441	0	0	331,777	0	331,777

Note 1: The balance as of December 31, 2019, should be read as of March 31, 2019.  
 Note 2: Reconciling to balance sheet 2018 through the adjustment.

**General Digital Distribution Co. Ltd and Subsidiaries**  
**Quarterly sales and operating transactions data for revenue use**  
**For ended December 31, 2020**

Table 1

Expressed in thousands of USD  
(Rounded to nearest million)

Order ID	Company name	Company	Sales entity	Transaction			Percentage of total operating revenues of total sales (2020)
				General ledger account	Amount	Transaction type	
1	The Company	General Digital Distribution (H.K.) Co., Ltd	1	Accounts receivable	\$ 11,800	Trade P	0.11
2	The Company	General Digital Distribution (H.K.) Co., Ltd	1	Prepaid expenses	7,900	Trade P	0.08
3	The Company	General Digital Distribution (H.K.) Co., Ltd	1	Scholar awards	11,447	Trade P	0.11
4	The Company	Web Fund Co., Ltd	1	Accounts receivable	355,972	Trade P	3.35
5	The Company	Web Fund Co., Ltd	1	Operating revenue	17,070	Trade P	0.16
6	The Company	Web Fund (HK) Co., Ltd	1	Accounts receivable	11,318	Trade P	0.11
7	The Company	Netof Digital Technology Co., Limited	1	Service revenue	60,020	Trade P	0.57
8	General Digital Distribution (H.K.) Co., Ltd	The Company	2	Accounts receivable	34,000	Trade P	0.32
9	General Digital Distribution (H.K.) Co., Ltd	Netof Digital Technology Co., Ltd	1	Others receivable	12,474	Trade P	0.12
10	General Digital Distribution (H.K.) Co., Ltd	Web Fund Co., Ltd	1	Accounts receivable	21,718	Trade P	0.21
11	General Digital Distribution (H.K.) Co., Ltd	Web Fund (HK) Co., Ltd	1	Accounts receivable	17,318	Trade P	0.16
12	Logistics International Company Limited	General Digital Distribution (H.K.) Co., Ltd	1	Scholarship payment	10,800	Trade P	0.10
13	Web Fund Co., Ltd	The Company	2	Accounts receivable	19,824	Trade P	0.19



**Beasat Right Administration Co., Ltd. and Subsidiaries**  
**Statement of Assets, Liabilities and Equity for reporting year**  
**Year ended December 31, 2020**

Table 5

Expressed in thousands of THB

(Amount in thousands of THB)

Assets (Note 1)	Impairment	Counterparty	Shareholding (Note 2)	Financial Assets		Percentage of total operating revenue or total assets (Note 3)	
				Account Name	Amount		
1	Bank of Asia Co., Ltd.	The Company	1	Service charges	100,000	Share 1	0.00
1	Bank of Asia Co., Ltd.	Bank of Asia Co., Ltd.	1	Other receivables	11,000	Share 1	0.03
1	Bank of Asia Co., Ltd.	Bank of Asia Co., Ltd.	1	Bill receivable	10,000	Share 1	0.03
3	Bank of Asia Co., Ltd.	Bank of Asia Co., Ltd.	1	Service charges	11,000	Share 1	0.03
4	Asia Street Co., Ltd.	The Company	2	Operating revenue	(11,243)	Share 1	1.00
4	Asia Street Co., Ltd.	The Company	2	Accounts receivable	27,000	Share 1	0.10
5	Asia Street Co., Ltd.	Worawit Digital Technology Co., Ltd.	5	Operating revenue	14,000	Share 1	0.11
4	Asia Street Co., Ltd.	Asia Street Co., Ltd.	4	Operating revenue	11,911	Share 1	0.11
6	Thyssen Company Limited	The Company	1	Accounts receivable	10,071	Share 1	0.11
6	Thyssen Company Limited	The Company	2	Operating revenue	210,199	Share 1	1.00
6	Thyssen Company Limited	Thyssen CRG Company Limited	6	Accounts receivable	37,800	Share 1	0.30
2	Thyssen Company Limited	Thyssen CRG Company Limited	2	Operating revenue	60,224	Share 1	0.50
5	Thyssen Company Limited	Asia Street Co., Ltd.	1	Operating revenue	11,810	Share 1	0.11
6	Thyssen Company Limited	Worawit Digital Technology Co., Ltd.	6	Operating revenue	11,164	Share 1	0.11
6	Thyssen Company Limited	Bank of Asia Co., Ltd.	1	Operating revenue	10,000	Share 1	0.10
6	Beasat Right Technology Co., Ltd.	Beasat Right Technology (HK) Co., Ltd.	1	Accounts receivable	40,700	Share 1	0.05
7	Central COMolding Co., Ltd.	The Company	1	Accounts receivable	30,414	Share 1 and 2	0.44
3	Central COMolding Co., Ltd.	The Company	3	Service charges	(91,898)	Share 1 and 2	(1.00)

**Hyundai Digital Entertainment Co., Ltd. and Subsidiaries**  
**Notes from their consolidated financial statements for the reporting period**  
**Year ended December 31, 2023**

Expressed in thousands of KRW  
 (except as otherwise indicated)

Table 1

Year-end Date (1)	Company name	Company type	Relationship (Item 2)	Transaction			Percentage of total operating revenues of total assets (2023.5)	
				Contract subject (Item 3)	Amount	Transaction date		
9	Hyung-Innet Digital Technology Co., Ltd.	Hyung-Innet Company Limited	9	Software development	9	11.24	Year 1	0.10
9	Hyung-Innet Company Entertainment Co., Ltd.	Hyung-Innet Company Limited	9	Software revenue		22.316	Year 1	0.21

Note 1: The names listed in the consolidated financial statements of non-company subsidiaries are as follows:

- (1) Parent company: 9
- (2) The subsidiaries are classified as either related party (1).

Note 2: Relationship between transaction company and parent company is classified by the below categories: (1) in the nature of company and past behavior of transactions between parent company and subsidiaries or between subsidiaries only in the same transaction, if it is not assigned in other items. For example, if the parent company has already disclosed its relationship with a subsidiary, then the subsidiaries must respond to disclose the transaction, its response behavior, key individuals, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.

- (1) Parent company or subsidiary
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount in consolidated total operating revenues or total assets, it is computed based on period-end balances of transaction in consolidated financial statements before a final summary and based on consolidated revenue for period in consolidated total operating revenues for related subsidiaries accounts.

Note 4: There is an equity transaction in contract with 9 and 9/9/9. An equity price and transaction date.

Note 5: The disclosure amount is based on 112,000 for the subsidiaries in amount.

General Fund Financials - OC, LLC - Worksheet 2  
 Worksheet 2 is a summary report for funding sources as tracked by OC  
 for fiscal year 2016. It is:

Supplemental Worksheet 2 (1)  
 Budget Worksheet Subtotal

General Fund Financials - OC, LLC - Worksheet 2  
 Worksheet 2 is a summary report for funding sources as tracked by OC  
 for fiscal year 2016. It is:

Worksheet 2 (1)

Worksheet 2 (1)

Worksheet 2 (1)

Worksheet 2 (1)

Worksheet 2 (1)

Worksheet 2 (1)

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Worksheet 2 (1)

Crown Food International Co., Ltd. and its Subsidiary  
 Schedule of Assets, Liabilities and Equity as at December 31, 2022  
 (in million Hong Kong dollars)

Figures are rounded to the nearest million Hong Kong dollars

(continued from page 1)

Continued

in million Hong Kong dollars

Company	Type of shares	Location	Main activity nature	Shareholdings		Number of shares	Par value	Paid-up	Reserves	Total equity	Shareholder's equity (non-controlling interests)		Minority interest
				December 31, 2022	December 31, 2021						Equity	Reserves	
Chenglong	China Food International, Ltd.	Hong Kong	Investment and management services	1	100	10,000	100	355	105	105	—	—	
Bea Group	Bea Group Co., Ltd.	Hong Kong	Trading of investment management services	30,000	30,000	3,000,000	3,000	10,000	10,000	10,000	—	—	
China Food International Submarine Co., Ltd.	China Food International, Ltd.	Hong Kong	Import of Seafood products and sale of other food products	30,000	30,000	12,000	300	800	1,100	1,100	—	—	
Shanghai Company (Group)	Shanghai (PVI) Investment Limited	Hong Kong	Investment services	1,100	1,100	10,000	10,000	2,124	12,124	12,124	—	—	
Shanghai Company (Group)	Shanghai (PVI) Investment Limited	Hong Kong	Investment services	10,000	10,000	1,000,000	10,000	14,800	15,800	15,800	—	—	
Shanghai	China Food International, Ltd.	Hong Kong	Investment services	10,000	10,000	1,200,000	10,000	5,700	6,700	6,700	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment management and business of others	100	1,000	10,000	100	600	1,700	1,700	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment management and business of others	—	1,100	—	—	—	1,100	1,100	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Software information and supply of business services	10,100	10,100	1,200,000	10,100	1,000	2,300	2,300	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Finance	4,000	4,000	1,000,000	4,000	1,000	5,000	5,000	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment and business of others	1	1	10,000	100	—	100	100	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment and business of others	100	100	10,000	100	—	100	100	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment and business of others	10,000	10,000	1,000,000	10,000	1,000	11,000	11,000	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment and business of others	—	—	—	100	—	100	100	—	—	
Shanghai Investment Management (PVI) (Group) Co., Ltd.	China Food International, Ltd.	Hong Kong	Investment and business of others	10,000	10,000	1,000,000	10,000	1,000	11,000	11,000	—	—	

Greenlight Performance Co. LLC (continued)  
 Schedule of assets, liabilities and equity (continued) - Mutual Fund  
 (in units of \$100)

Expressed in units of \$100  
 (Some amounts reflect)

Company	Name of issuer	Location	Site characteristics	Valuation		Number of acres	Percentage	Book value	Improvements	
				December 31, 2020	December 31, 2019				Subject to loan	Completed by the Company
East Penn Co. LLC	East Penn Steel King Co. LLC	Kingston	Industrial building and shop of various processes, water	\$ 1,000	\$ 1,000	74,000	100%	\$1,000	\$0.00	\$0.00
East Penn Co. LLC	East Penn Steel Co. LLC	East Penn	Industrial building and shop of various processes, water	1,000	1,000	118,000	100%	1,000	1.00	1.00
East Penn Co. LLC	Greenlight Molding Co. LLC	Greer	Industrial building and shop of various processes, water	2,000	2,000	200,000	100%	2,000	1.00	1.00
East Penn Co. LLC	MMI COO Co. LLC	Greer	Industrial building	10,000	10,000	494,000	100%	10,000	10,000	10,000
Greenlight Mfg. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	1,000,000	1,000,000	17,000,000	100%	1,000,000	1,000,000	1,000,000
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	81,100	81,100	3,400,000	100%	81,100	22,100	22,100
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	11,100	11,100	470,000	100%	11,100	0	0
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	1,000	1,000	500,000	100%	1,000	0	0
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	1,000,000	1,000,000	1,000,000	100%	1,000,000	1,000,000	1,000,000
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	1,100	1,100	40,000	100%	1,100	0	0
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	1,000	1,000	2,000,000	100%	1,000	1,000	1,000
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	20,100	19,100	200	100%	20,100	19,100	19,100
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	10,000	10,000	10,000,000	100%	10,000	10,000	10,000
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	10,000	10,100	10,000,000	100%	10,000	10,100	10,100
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	2,000	2,000	1,000,000	100%	2,000	1,000	1,000
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	10,100	10,100	4,000,000	100%	10,100	10,100	10,100
Greenlight Molding Co. LLC	Greenlight Molding Co. LLC	Greer, South Carolina	Industrial building	1,000	1,000	1,000,000	100%	1,000	1,000	1,000

**General Digital Investments (GDI) and Subscriptions**  
**Accounting for license agreements and software licenses (in thousands)**  
**Year ended December 31, 2020**

Amounts in thousands of USD  
 except as otherwise indicated

		Original Agreement with Term > 12 Months		Term < 12 Months or December 31, 2020						Relevant metrics	
Company	View of license	Location	View of license agreement	December 31, 2019	December 31, 2020	Number of licenses	Percentage	Relevant metrics	Number of licenses	Percentage	Change
Paycom Software Inc. Ltd.	Company-owned (SaaS)	Global	Company-owned (SaaS) subscription	\$ 1,600	\$ 1,600	43,000	100%	43,000	10,000	23%	10,000
Harvest Data Solutions Ltd.	Company-owned (SaaS)	United Kingdom	Company-owned (SaaS) subscription	1,000,000	1,000,000	100,000	100%	100,000	100,000	100%	0
Deltek (Eco) Software Ltd.	Company-owned (SaaS)	United Kingdom	Company-owned (SaaS) subscription	1,000,000	1,000,000	100,000	100%	100,000	100,000	100%	0

Note 1: All license agreements are subscription-based (SaaS) and are for a term of 12 months or more.  
 Note 2: SaaS license agreements are accounted for using the right-of-use model as defined in other applicable accounting standards.  
 Note 3: Paycom Software Inc. Ltd. entered into a license agreement with Microsoft on March 1, 2020 and the related data was provided in Table 2 of this report as requested pursuant to the new work of December 31, 2020.  
 Note 4: As of December 31, 2020, Microsoft signed Technology (SaaS) Co., Ltd., Shaper Data (Japan) Limited and Cloud Impact Technology Co., Ltd. new license agreements with the applicable term covered here.

**United Capital Investment Corp. and subsidiaries**  
**Statement of operations - continued**  
**For the periods ended 12/31**

2021

(Expressed in thousands of \$)

Income & Expense Detail	Non-recurring charges	Operating performance - Period 1										Operating performance - Period 2			
		Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
United Capital Investment (Company) (1)	Change in fair value of equity	5,327,000	0	5,327,000	0	0	0	5,327,000	0	2,201,000	0	2,201,000	0	0	0
United Capital Investment (Company) (2)	Business and management of equity	0	0	4,700	0	0	0	4,700	0	0	0	0	0	0	0
United Investment (Company) (3)	Equity investment (dividend income)	112,000	0	112,000	0	0	0	112,000	0	412,000	0	412,000	0	0	0
United Capital Investment (Company) (4)	Equity investment (dividend income)	0	0	0	0	0	0	0	0	7,200	0	7,200	0	0	0
United Capital Investment (Company) (5)	Equity investment (dividend income)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

- Note 1: Other than the change in fair value of equity, all other items are recurring.
- Note 2: Business and management of equity.
- Note 3: Equity investment (dividend income).
- Note 4: Equity investment (dividend income).
- Note 5: Equity investment (dividend income).
- Note 6: Equity investment (dividend income).
- Note 7: Equity investment (dividend income).
- Note 8: Equity investment (dividend income).
- Note 9: Equity investment (dividend income).
- Note 10: Equity investment (dividend income).

Income & Expense Detail	Operating performance - Period 1		Operating performance - Period 2	
	Income	Expenses	Income	Expenses
United Capital Investment (Company) (1)	5,327,000	0	2,201,000	0
United Capital Investment (Company) (2)	4,700	0	4,700	0

Note: All amounts are in thousands of dollars.

**Consolidated Financial Statements**  
**As of and for the period ended**  
**December 31, 2019**

Table 1

Item	Amount (July 2019)	Percentage
Item 1: [Illegible]	25,000,000	11.0%
Item 2: [Illegible]	10,000,000	4.0%
Item 3: [Illegible]	12,000,000	5.0%
Item 4: [Illegible]	13,000,000	5.5%

Item 1: [Illegible text]  
 Item 2: [Illegible text]  
 Item 3: [Illegible text]  
 Item 4: [Illegible text]



## V. 2020 Individual Financial Statement of the Company Audited and Certified by CPAs



### INDEPENDENT AUDITORS' REPORT

PWCR 20000394

To the Board of Directors and Shareholders of Gimasia Digital Entertainment Co., Ltd.

#### *Opinion*

We have audited the accompanying parent company only balance sheets of Gimasia Digital Entertainment Co., Ltd. (the "Company") as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Gimasia Digital Entertainment Co., Ltd. as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

#### *Basis for opinion*

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. 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.



## Estimate of revenue recognition of online and mobile games revenue

### Description

Refer to Note 4(25) for accounting policies on revenue recognition, Note 5(2) for the critical accounting estimates and assumptions and Note 6(23) for the details of accounting applied on revenue recognition.

The Company is primarily engaged in providing online and mobile game services. The game players purchase game stored-value cards or value-added to play the game or exchange for virtual items. The Company recognises receipt of payments for game stored-value card purchases as value-added by players as "contract liability", and recognises revenue over the period of the service or the estimated delivery period of the virtual items when the game stored-value cards or value-added is used for the purchase of service or virtual items, respectively.

The estimation of the virtual items delivery period, which is the same as the expected users' relationship period, is based on historical data on item consumption and item transfer by management. The Company has implemented processes and controls to develop and periodically review these estimates. Given that the Company has many transactions of game revenue and the deferral of virtual items and the estimation of users relationship period involve management's subjective judgement, we consider the estimation of recognition of online and mobile games revenue and contract liability as a key audit matter.

### How our audit addressed the matter

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

- A. Assessed and tested the relevant internal controls over revenue recognition for online and mobile games revenue.
- B. Tested on a sample basis the consumption information generated from the Company's data collection systems and verified against the consumption report provided by the Company's accountant.
- C. Tested on a sample basis the virtual items information generated from the Company's data collection systems and verified against the advance receipts as shown in the trial balance sheet provided by the Company's accountant.
- D. Tested on a sample basis the expected users' relationship periods as reflected in the data collection systems, and compared with expected consumption based on the Company's accounting policy.

## **Impairment assessment of premium on investments accounted for under equity method**

### Description

Refer to Notes 4(1) and (16) for accounting policy on impairment assessment of investments accounted for under equity method, Note 6(6) for details of impairment assessment of investments accounted for under equity method, and Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for under equity method.

As of December 31, 2020, the investments of Gamma Digital Entertainment Co., Ltd. in NGNews Network Co., Ltd. and Digicentre Company Limited are material and there is a premium arising from goodwill. The future cash flows projections of the expected recoverable amount was estimated based on management's estimation and expectation of the future operations, which involve management's subjective judgement and significant estimation, and the result is significant to the financial statements. Thus, we consider impairment assessment of investments accounted for using equity method a key audit matter.

### How our audit addressed the matter:

We performed the following audit procedures relative to the above key audit matter:

- A. Assessed whether the valuation models adopted by the Company are reasonable for the industry, environment and the valued assets of the Company;
- B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budget provided by the cash-generating units;
- C. Assessed the appointed external appraisers in conformity with the rules of qualification and independence, and evaluated the reasonableness of material assumptions, such as expected growth rates, operating profit margin and discount rates, by:
  - (1) Reviewing the appraisal method and calculation formulas used by the independent appraisal expert;
  - (2) Comparing the expected growth rate and operating profit margin with historical data;
  - (3) Reviewing the discount rate and comparing similar rates on similar assets in the market.
- D. Comparing the recoverable value and book value of each cash-generating unit in order to assess the



reasonableness of the book value.

#### **Realisability of license fee payment obligations**

##### **Description**

Refer to Note 4(11) for accounting policy on realisability of license fees payment obligations, Notes 6(10) and (14) for details of realisability of license fees payment obligations, and Note 5(2) for uncertainty of accounting estimates and assumptions in relation to realisability of license fees payment obligations.

The payment obligations of certain game license of the Company are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. Assessment of the realisability of license fees payment obligations involves subjective judgment of management with respect to assumptions on the estimation of game point. Any changes in economic circumstances, industrial environment and the Group's strategy might affect the realisability of this payment obligations. Thus, we consider the realisability of license fees payment obligations as a key audit matter.

##### **How our audit addressed the matter**

We performed the following audit procedures relative to the above key audit matter:

- A. Obtained the budget of game point provided by the management and compared the recession rate and growth one used in the budget with historical results and similar market information.
- B. Reviewing the monthly budget achievement rate by comparing the actual report of game point with the estimated budget and confirmed whether there is a payment obligation in the future.

##### **Other matter – Scope of the Audit**

As described in Note 6(6), part of the investments accounted for under the equity method is based on the financial statements audited by other auditors appointed by those companies. We did not audit the financial statements of certain investments accounted for under the equity method. For the years ended December 31, 2020 and 2019, the comprehensive income amounted to NT\$89,185 thousand and NT\$100,973 thousand, respectively, and the balance of investments accounted for under equity method amounted to NT\$1,379,771 thousand and NT\$1,228,483 thousand as of December 31, 2020 and 2019, respectively. These financial statements and information on the investees disclosed in Note 13 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 in the financial statements relative to these investees is based solely on the audit reports of the other auditors.

*Responsibilities of management and those charged with governance for the parent company only financial statements*

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditors' responsibilities for the audit of the parent company only financial statements*

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of 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 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.



資誠

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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.

Lin Yi-Fan

Yen Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditor's report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.



**GAMANIA DIGITAL ENTERTAINMENT CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEET**  
**DECEMBER 31, 2019 AND 2018**  
 (Expressed in thousands of New Taiwan Dollars)

Account	Notes	December 31, 2019		December 31, 2018	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
110	Cash and cash equivalents	911	4	95,500	5
113	Accounts receivable, net	213,108	9	280,108	6
118	Accounts receivable - related parties	400,381	4	254,101	5
120	Other receivables	47,418	1	37,280	0
121	Other receivables - related parties	25,532	0	115,863	2
122	Current income tax assets	66	-	11,436	0
1303	Inventory	967	0	1,000	0
140	Prepayments	113,472	1	170,566	3
1333	<b>Total current assets</b>	<b>1,100,557</b>	<b>10</b>	<b>1,201,589</b>	<b>10</b>
<b>Non-current assets</b>					
131	Financial assets at fair value through other comprehensive income - non-current	120,468	2	393,602	7
155	Investments accounted for under equity method	2,215,429	11	2,342,288	12
160	Property, plant and equipment	2,981,053	17	2,987,218	18
175	Right-of-use assets	44,401	0	81,250	1
180	Intangible assets	888,911	11	224,910	3
188	Deferred tax assets	152,373	2	101,307	1
190	Other non-current assets	14,006	0	10,463	0
1333	<b>Total non-current assets</b>	<b>6,423,607</b>	<b>80</b>	<b>7,947,223</b>	<b>81</b>
1333	<b>Total assets</b>	<b>7,219,164</b>	<b>100</b>	<b>8,396,908</b>	<b>100</b>

(Continued)



**GAMANATHEATRA ENTERTAINMENT CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEET**  
**DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan Dollars)

	Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
1100	Short-term borrowings	6(13)	\$ 102,511	2	\$ 631,000	9
1130	Current contract liabilities	6(20)	221,827	5	128,638	2
1150	Notes payable		2,211	0	1,217	0
1170	Accounts payable		221,025	5	270,606	4
1180	Accounts payable - related parties	7	55,327	1	75,205	1
1200	Other payables	6(14)	364,241	14	552,797	8
1210	Other payables - related parties	7	102,558	2	100,868	1
1220	Contract revenue receivables		96,324	1	93,747	1
1280	Contractor liabilities		17,378	0	22,279	0
1290	Other current liabilities	6(10)(16)	164,675	2	163,280	2
1325	<b>Total current liabilities</b>		<u>2,118,738</u>	<u>26</u>	<u>1,981,678</u>	<u>28</u>
<b>Non-current liabilities</b>						
1540	Long-term borrowings	6(10)	60,000	1	240,000	4
1590	Lease liabilities - non-current		26,244	0	18,667	0
1600	Other non-current liabilities	6(6)(17)	10,888	0	8,272	0
1555	<b>Total non-current liabilities</b>		<u>107,132</u>	<u>2</u>	<u>302,639</u>	<u>4</u>
1585	<b>Total liabilities</b>		<u>2,225,870</u>	<u>28</u>	<u>2,284,317</u>	<u>32</u>
<b>Equity</b>						
Share capital		6(19)				
3110	Common stock		1,754,998	24	1,754,998	24
Capital surplus		6(20)				
3700	Capital surplus		1,252,441	18	1,207,349	18
Retained earnings		6(21)				
3310	Legal reserve		284,387	4	175,947	4
3320	Special reserve		171,676	2	100,140	4
3350	Unappropriated retained earnings		1,982,362	28	1,401,948	20
Other equity items		6(20)				
3400	Other equity items		(151,304)	(2)	(171,676)	(2)
3355	<b>Total equity</b>		<u>4,084,688</u>	<u>88</u>	<u>4,711,000</u>	<u>88</u>
Right of use contract liabilities and unexpired contract event license		6(1)				
Deferred income taxes after the balance sheet date		1(1)				
1525	<b>Total liabilities and equity</b>		<u>\$ 2,225,870</u>	<u>100</u>	<u>\$ 4,711,000</u>	<u>100</u>

This accompanying notes are an integral part of these parent company only financial statements.

**AMEREN ENERGY SERVICES, INC.**  
**PARENT COMPANY ONLY STATEMENTS OF CONSOLIDATED FINANCIAL POSITION**  
**CLASSIFIED INFORMATION, 31 DECEMBER 2012**  
 (Expressed in thousands of dollars unless otherwise indicated)

Code	Item	Type	The total number of					
			2012			2011		
			AMOUNT	%	AMOUNT	%		
1000	Operating income	6000 and T	\$ 7,433,350	100	\$ 7,111,374	100		
1000	Operating costs	6000 and T	(2,833,382)	(38)	(2,807,061)	(39)		
1000	Operating expenses	6000 and T	(2,833,382)	(38)	(2,807,061)	(39)		
2000	Selling expenses		222,219	3	220,731	3		
3000	General and administrative expenses		789,215	11	797,061	11		
4000	Research and development expenses		(277,006)	(4)	(271,764)	(4)		
5000	Provision of expected credit loss - equipment		18	0	6,728	0		
6000	Total operating expenses		(2,887,976)	(39)	(2,835,328)	(39)		
6000	Operating income		(2,887,976)	(39)	(2,835,328)	(39)		
7000	Non-operating income and expenses							
7100	Interest income	6000	4,275	0	11,761	0		
7200	Other income	6000 and T	76,024	1	80,148	1		
7300	Other gains and losses	6000	(8,737)	0	(6,064)	0		
7400	Finance costs	6000	(4,736)	0	(5,054)	0		
7500	Share of loss of associates and joint ventures accounted for under equity method		(30,222)	0	(30,023)	0		
7600	Total non-operating income and expenses		(13,396)	0	(49,232)	0		
7600	Profit before income tax		(2,005,617)	(27)	(1,199,677)	(17)		
7600	Income tax expense	6000	(107,312)	(2)	(201,965)	(3)		
8000	Profit for the year		\$ (2,112,929)	(28)	\$ (401,642)	(6)		
<b>Other comprehensive income</b>								
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>								
8110	Actual loss on defined benefit plan liabilities less than amounts in equity instruments measured at fair value through other comprehensive income	6000	2,000	0	2,041	0		
8120	Share of other comprehensive income of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss		(4,301)	0	(6,391)	0		
8130	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6000	(2,872)	0	(7,169)	0		
8140	Other comprehensive (loss) income that will not be reclassified to profit or loss		(5,173)	0	(11,500)	0		
8140	Components of other comprehensive income that will be reclassified to profit or loss							
8210	Foreign currency translation adjustment of foreign operations	6000	(8,009)	0	(11,931)	0		
8220	Share of other comprehensive loss of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss		4,070	0	6,384	0		
8230	Income tax related to components of other comprehensive loss that will be reclassified to profit or loss	6000	4,331	0	—	0		
8240	Other comprehensive loss that will be reclassified to profit or loss		(3,608)	0	(5,547)	0		
8240	Other comprehensive loss for the year		(117,226)	2	(10,200)	0		
8240	Total comprehensive income for the year		\$ (2,230,155)	(30)	\$ (411,842)	(6)		
9000	Earnings per share in dollars							
9100	Basic earnings per share	6000		1.02		1.10		
9200	Diluted earnings per share	6000		0.94		1.01		

The accompanying notes are an integral part of these financial statements.

**MANAGEMENT ACCOUNTING CO., LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31.03.2019**  
**(All figures in thousands of Euro, unless stated)**

	Legal Reserve				Reserve Reserve			Other Equity Items			Total Equity
	2018	2017	2016	2015	2018	2017	2016	2018	2017	2016	
<b>2018</b>											
Balance at January 1, 2018	\$ 1,711,000	\$ 1,666,000	\$ 1,700,000	\$ 1,700,000	\$ -	\$ -	\$ 1,289,000	\$ 11,000	\$ 110,000	\$ 1,000,000	\$ 4,716,000
Profit for the year							101,000				101,000
Other comprehensive income (loss) for the year							7,700	11,000	10,000		18,700
Final comprehensive income (loss) for the year							108,700	22,000	20,000		141,700
Appropriation and distribution of 2018 retained earnings											
Legal reserve					175,000		175,000				
Special reserve						100,000	100,000				
Other equity items							21,000				
Transfer to equity of income tax and other reserves provided for under equity method							(11,000)				
Income tax reserves (provisions) and other equity method adjustments reported in statement of financial position							30,000				
Share-based payment					60,000		60,000				60,000
Transfer of treasury stock to employees					60,000		60,000		70,000		70,000
Dividend of 2018 earnings in equity instruments designated as FVOCI (only through other comprehensive income)											
Balance at December 31, 2018	\$ 1,711,000	\$ 1,666,000	\$ 1,700,000	\$ 1,700,000	\$ 235,000	\$ 100,000	\$ 1,401,000	\$ 22,000	\$ 130,000	\$ 1,000,000	\$ 4,716,000
<b>2017</b>											
Balance at January 1, 2017	\$ 1,711,000	\$ 1,666,000	\$ 1,666,000	\$ 1,666,000	\$ 1,000,000	\$ 100,000	\$ 1,001,000	\$ 11,000	\$ 100,000	\$ -	\$ 4,716,000
Profit for the year							101,000				101,000
Other comprehensive income (loss) for the year							7,700	11,000	10,000		18,700
Final comprehensive income (loss) for the year							108,700	22,000	20,000		141,700
Appropriation and distribution of 2017 retained earnings											
Legal reserve					160,000		160,000				
Special reserve						100,000	100,000				
Other equity items							21,000				
Transfer to equity of income tax and other reserves provided for under equity method							(11,000)				
Income tax reserves (provisions) and other equity method adjustments reported in statement of financial position							30,000				
Share-based payment					60,000		60,000				60,000
Transfer of treasury stock to employees					60,000		60,000		70,000		70,000
Dividend of 2017 earnings in equity instruments designated as FVOCI (only through other comprehensive income)											
Balance at December 31, 2017	\$ 1,711,000	\$ 1,666,000	\$ 1,700,000	\$ 1,700,000	\$ 235,000	\$ 100,000	\$ 1,401,000	\$ 22,000	\$ 130,000	\$ 1,000,000	\$ 4,716,000

**GAMANIA DIGITAL ENTERTAINMENT CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before tax	\$ 1,040,011	\$ 1,149,855
Adjustments:		
Adjustments to reconcile profit (loss):		
Reversal of expected credit impairment loss	13(2)	4,538
Share-based payments	6(18)	59,011
Gain on financial assets at fair value through profit or loss	6(26)	962
Share of loss of associates accounted for under equity method	7	194,975
Loss on disposal of investments	6(26)	169
Loss (gain) on disposal of property, plant and equipment	6(26)	885
Depreciation	4(7)(0)(28)	198,021
Amortization	6(19)(38)	111,521
Impairment loss on non-financial assets	6(17)	66,825
Interest income	6(24)	11,591
Dividend income	6(25)	2,436
Interest expense	6(27)	12,575
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss		201,052
Accounts receivable	32,250	102,448
Accounts receivable - related parties	12,326	36,358
Other receivables	25,092	11,584
Other receivables - related parties	90,331	81,310
Inventories	1,497	2,195
Prepayments	36,111	58,386
Other non-current assets	626	
Changes in operating liabilities:		
Contract liabilities	245,138	290,827
Notes payable	26	1,155
Accounts payable	45,581	117,660
Accounts payable - related parties	20	13,372
Other payables	3,430	128,019
Other payables - related parties	5,541	41,070
Other current liabilities	826	1,077
Other non-current liabilities	595	603
Cash inflow generated from operations	2,388,699	1,575,268
Interest received	2,370	11,591
Dividends received	37,495	88,693
Interest paid	8,729	12,575
Interest tax paid	120,825	624,670
Net cash flows from operating activities	2,339,014	885,907

(Continued)

**GAMMA DIGITAL ENTERTAINMENT CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars)

	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	(\$ 75,375)
Proceeds from liquidation of financial assets at fair value through other comprehensive income	2,331	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	289,116	-
Acquisition of investments accounted for under equity method	( 163,000)	( 694,572)
Proceeds from liquidation of investments accounted for under equity method	9,796	-
Acquisition of property, plant and equipment	( 101,409)	( 83,179)
Proceeds from disposal of property, plant and equipment	-	4,762
Acquisition of intangible assets	( 980,273)	( 140,846)
Increase (decrease) in refundable deposits	3,623	510
Decrease in other financial assets	-	84,336
Net cash flows used in investing activities	( 105,796)	( 818,145)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	( 507,007)	650,000
Payment of long-term debt	( 160,000)	560,000
Decrease in guarantee deposit received	-	6
Payments of lease liabilities	( 13,516)	( 13,004)
Purchase of treasury shares	( 91,000)	-
Treasury shares purchased by employees	91,455	64,583
Cash dividends paid	( 543,000)	( 1,071,222)
Net cash flows used in financing activities	( 1,265,007)	( 933,651)
Net increase (decrease) in cash and cash equivalents	129,111	( 920,689)
Cash and cash equivalents at beginning of year	355,595	1,316,684
Cash and cash equivalents at end of year	\$ 484,706	\$ 395,995

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

**GAMANIA DIGITAL ENTERTAINMENT CO., LTD.**  
**NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

**1. HISTORY AND ORGANISATION**

Gamania Digital Entertainment Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company is primarily engaged in software services of on-line game and sales of related merchandises.

**2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION**

The parent company only financial statements were authorised for issuance by the Board of Directors on March 22, 2021.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

**(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")**

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretation and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, "Disclosure initiative-definition of material"	January 1, 2020
Amendments to IFRS 3, "Definition of a business"	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, "Interest rate benchmark reform"	January 1, 2020
Amendment to IFRS 16, "Covid-19-related rent concessions"	January 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

**(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company**

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform—Phase 2'	January 1, 2021

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

**(3) IFRSs issued by IASB but not yet endorsed by the FSC**

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**(1) Compliance statement**

The parent company only financial statements were prepared in accordance with 'Regulations



## Governing the Preparation of Financial Reports by Securities Issuers’.

### (2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

### (3) Foreign currency translation

Items included in the parent company only financial statements of each of the Company are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

#### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are



presented in the statement of comprehensive income within "other gains and losses".

#### **II. Translation of foreign operations**

- (a) The operating results and financial position of all the Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operations.

#### **(4) Classification of current and non-current items**

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;

- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Accounts receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For accounts receivable that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has not retained control of the financial asset.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. The original costs are the cost to obtain the assets. Cost is determined using the weighted-average method. The item-by-item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(11) Investments accounted for under the equity method – subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised profit (loss) arising from the transactions between the Company and subsidiaries have been offset. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, including any other unsecured receivables, the Company continues to recognise losses in proportion to its ownership.
- D. If changes in shareholdings in subsidiaries do not result to loss of control (transaction with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. The difference between the adjustment in non-controlling interest and fair value of consideration paid or received is recognised in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or

losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred statutory constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest.
- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- L. Pursuant to the "Rules Governing the Preparation of Financial Statements by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

## (12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are evaluated, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	3-55 years
Machinery and equipment	2-6 years
Office equipment	2-4 years
Leasehold asset	1-6 years
Other equipment	2-4 years

## (13) Intangible assets

- A. Software  
Costs of software are stated at cost and amortised under the straight-line basis over the estimated useful life of 1-5 years.
- B. Licence fees  
Licence fees for operating online game software are stated at cost and amortised based on the period of the contract or reversed in proportion of operating revenue after the online games are launched. Licence fees are amortised over their estimated useful lives of 2-5 years.
- C. Other intangible assets  
Other intangible assets with a finite useful life, including license applied in games and unamortised charges, are stated at cost and amortised under straight-line basis over their estimated useful life of 3 years.



(14) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(15) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost and the cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets in accordance with IAS 36 'Impairment of assets' where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(17) Borrowings

It refers to long and short-term loans borrowed from banks. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost;

any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Short-term notes and accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises

expense when it can no longer withdraw an offer of termination benefits or it recognises related restructuring costs, whichever is earlier. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

**D. Employees' compensation and directors' and supervisors' remuneration**

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolve amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

**(21) Employee share-based payment**

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

**(22) Income tax**

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively



erected by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.

#### (23) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

#### (24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities, stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

#### (25) Revenue recognition

##### A. Online and mobile games revenue

- (a) The Company is engaged in online games and mobile phone games and sales of peripheral products of the games. Sales are recognised when control of the products has transferred, that is, the customer has control of the product and obtained most residual benefit, and there is no unfulfilled obligation that could affect the customer acceptance of the products.
- (b) Revenue is measured at the fair value of the consideration received or receivable taking into account business tax, returns, rebates and discounts for the sale of goods based on the contract

price.

- (c) The Company recognises the collections of payments for game stored-value card purchases or value added by players as contract liabilities, and amortises those amounts as revenue over the expected users' relationship period or the estimated delivery period of the virtual items, when they are actually used.
- (d) The Company recognises accounts receivable when the control of product has been transferred and has the right to collect price without condition. The accounts receivable has usually a short-term period and does not contain significant financial component. However, for online games and mobile phone games, the Company collects the price in advance upon sale, and recognises the contract liability.

#### B. Royalty income

The Company entered into a contract with a customer to grant a licence of agency to the customer. Given the licence is distinct from other promised goods or services in the contract, the Company recognises the revenue from licensing when the licence is transferred to a customer either at a point in time or over time based on the nature of the licence granted. The nature of the Company's promise in granting a licence is a promise to provide a right to access the Company's intellectual property if the Company undertakes activities that significantly affect the agency to which the customer has rights, the customer is affected by the Company's activities and those activities do not result in the transfer of a good or a service to the customer as they occur. The royalties are recognised as revenue on a straight-line basis throughout the licensing period. In case the abovementioned conditions are not met, the nature of the Company's promise in granting a licence is a promise to provide a right to use the Company's agency and therefore the revenue is recognised when transferring the licence to a customer at a point in time. Some contracts require a sales-based royalty in exchange for a licence of agency. The Company recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

#### C. Sales of services

The Company provides customer, administrative and marketing services, which are recognised overtime based on the obligations against the substantial contents specified in the related contracts. The sales of services is based on the price stated in the contract. When the contract consideration includes variable consideration, the Group recognises the minimum amount that is highly likely to not reverse in the future period.

### 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets

and liabilities within the next financial year, and the related information is addressed below:

**(1) Critical judgments in applying the Company's accounting policies**

**Revenue recognition on a net/gross basis**

The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Company is a principal) or to arrange for the other party to provide those goods or services (i.e. the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Company recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Company recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Company controls the good or service before it is provided to a customer include the following:

- A. The Company is primarily responsible for the provision of goods or services;
- B. The Company assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer;
- C. The Company has discretion in establishing prices for the goods or services.

**(2) Critical accounting estimates and assumptions**

**A. Revenue recognition**

The Company recognises the collections of payments for game stored-value card purchases or value-added by players as contract liabilities, and amortises those amounts as revenue over the expected users' relationship periods or the estimated delivery period of the virtual items, when they are actually used. The Company estimates the deferred amount and delivery period based on operating history and other known factors. Given that the Company has extensive list of virtual items spread across thousands of users and the estimation of delivery period for virtual items may be complex, the Company assesses the reasonableness of the estimation periodically. Please refer to Note 6(23) for more information.

**B. Impairment assessment of licence fees**

The impairment assessment of licence fees depends on the Company's subjective judgement. The recoverable amount is determined based on estimated online game revenue arising from expected game points used by players and budget expenditures.

**C. Impairment assessment of premium on investments accounted for under equity method**

The Company assesses premium on investments accounted for under equity method annually. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the

investor, and analyses the reasonableness of related assumptions. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

**D. Realisability of license fees payment obligations**

Assessment of the realisability of license fees payment obligations involves subjective judgement of management, with respect to assumptions on the estimation of game point. Any changes in economic circumstances, industrial environment and estimates due to the change of Group strategy might affect the realisability of this payment obligation.

**6. DETAILS OF SIGNIFICANT ACCOUNTS**

**(1) Cash and cash equivalents**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 636	\$ 513
Demand deposits	479,070	184,983
Cash equivalents - time deposits	5,000	170,099
	<u>\$ 484,706</u>	<u>\$ 355,595</u>

A. The Company deals with a variety of financial institutions all with high credit quality to dispose credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others as collateral.

**(2) Accounts receivable**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts receivable	\$ 217,942	\$ 250,193
Less: Loss allowance	( 3)	-
	<u>217,939</u>	<u>250,193</u>
Overdue receivables (shown as other non-current assets)	98,239	98,245
Less: Loss allowance	( 98,239)	( 98,245)
	<u>-</u>	<u>-</u>
	<u>\$ 217,939</u>	<u>\$ 250,193</u>

A. The aging analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 217,942	\$ 250,193

The above aging analysis was based on past due date.

B. As at December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables and overdue receivables from contracts with customers amounted to \$316,181, \$348,438 and \$450,882, respectively.

C. The Company does not hold any collateral. Further, the Company has no accounts receivable pledged to others as collateral.

D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$217,939 and \$250,193, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(3) Inventories

	<u>December 31, 2020</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	\$ 3,394	(\$ 2,427)	\$ 967
	<u>December 31, 2019</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	\$ 4,591	(\$ 2,127)	\$ 2,464

Expenses and losses incurred on inventories for the year:

	<u>Years ended December 31,</u>	
	2020	2019
Cost of goods sold	\$ 1,153	\$ 759
Loss on (gain on reversal of) decline in market value (Note)	300	(14)
	<u>\$ 1,453</u>	<u>\$ 745</u>

Note: The Company reversed allowance for obsolescence because some inventories with allowance for obsolescence had been sold during the year ended December 31, 2019.

(4) Prepayments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments to suppliers	\$ 97,510	\$ 151,137
Prepaid expenses	16,291	19,095
Others	652	332
	<u>\$ 114,453</u>	<u>\$ 170,564</u>

(5) Financial assets at fair value through other comprehensive income

Items	December 31, 2020	December 31, 2019
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Unlisted, non-OTC and non-emerging stocks	478,026	560,867
	556,402	579,243
Valuation adjustment	(433,953)	(115,416)
	\$ 120,449	\$ 463,827

- A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$120,449 and \$463,827 as at December 31, 2020 and 2019, respectively.
- B. In the third quarter of 2020, in line with the Company's business development and resource allocation plan, the Company sold its 15% equity interest in NC Taiwan Co., Ltd. at fair value in the amount of \$294,116 which resulted in a cumulative gain on disposal of \$271,275. Due to the dissolution of Hagame International Co., Ltd. in the third quarter of 2019 and the completion of liquidation in the third quarter of 2020, the amount remitted back was \$2,331 and the cumulative loss on disposal was \$9,407.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2020	2019
Change of fair value recognised as other comprehensive loss	(\$ 46,931)	(\$ 16,539)
Cumulative gain (loss) reclassified to retained earnings due to derecognition	\$ 273,606	(\$ 36,000)
Dividend income recognised in profit or loss held at end of the year	\$ -	\$ 2,436

- C. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.



## (6) Investments accounted for under the equity method

## A. List of long-term investments

Name of associates and subsidiaries	December 31, 2020		December 31, 2019	
	Ownership percentage	Balance	Ownership percentage	Balance
<b>Subsidiaries:</b>				
Gamania Holdings Ltd. (GHI)	100.00	\$ 763,645	100.00	\$ 684,707
Gamania Asia Investment Co., Ltd. (Gamania Asia)	100.00	140,420	100.00	187,052
Foundation Digital Entertainment Co., Ltd. (Foundation)	100.00	( 363)	100.00	( 380)
Jollyboy Digital Technology Co., Ltd. (Jollyboy)	96.37	51,337	95.10	48,149
Two Tigers Co., Ltd. (Two Tigers)	51.00	6,273	51.00	6,290
Gash Point Co., Ltd. (Gash Point)	90.00	301,926	90.00	243,433
Indiland Co., Ltd. (Indiland)	100.00	95	100.00	131
Ants' Power Co., Ltd. (Ants' Power)	100.00	57,540	100.00	68,561
Webackers Co., Ltd. (Webackers)	93.38	270	93.38	381
Coture New Media Co., Ltd. (Coture New Media)	93.08	6,732	93.08	12,843
MadSugar Digital Technology Co., Ltd. (MadSugar)	51.00	3,122	51.00	3,286
Coco Digital Technology Co., Ltd. (Coco) (Note 1)	-	-	100.00	9,795
GAMA PAY Co., Ltd. (GAMA PAY)	67.86	212,934	67.86	295,565
Circo Inc. (Circo)	99.84	11,340	99.69	21,312
Beat Go! Co., Ltd. (Beat Go!)	100.00	6,619	100.00	3,748
NOWnews Network Co., Ltd. (NOWnews)	78.41	264,369	77.79	271,114
Digicentre Company Limited (Digicentre)	67.48	347,737	67.48	348,989
<b>Associates:</b>				
Chuang Meng Shu Ji Co., Ltd. (Chuang Meng Shu Ji) (Note 2)	33.65	31,595	19.35	10,241
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	38.00	536	38.00	640

Name of associates and subsidiaries	December 31, 2020		December 31, 2019	
	Ownership percentage	Balance	Ownership percentage	Balance
Walkmedia Co., Ltd. (Walkmedia)	30.00	19,425	30.00	26,431
		<u>2,225,563</u>		<u>2,242,288</u>
Classified as other non-current liabilities		363		380
		<u>\$ 2,225,926</u>		<u>\$ 2,242,668</u>

Note 1: As of December 31, 2020, Coon was still under liquidation while the capital had been remitted back.

Note 2: The Company maintains significant influence over the company as the Company holds one seat in the Board of Directors and participates in making strategic decisions.

#### B. Subsidiaries

(a) For the subsidiaries' information, please refer to Note 4(3) of the Company's 2020 consolidated financial statements.

(b) The Company intends to continually support Foundation. The carrying amounts of investments in these companies amounted to (\$363) and (\$380) as of December 31, 2020 and 2019, respectively. Thus, the amounts were reclassified to other liabilities (shown as 'other non-current liabilities').

#### C. Associates

As of December 31, 2020 and 2019, the carrying amount of the Company's individually immaterial associates amounted to \$51,556 and \$37,312, respectively. The Company's share of the operating results are summarised below:

	Years ended December 31,	
	2020	2019
Loss for the year	(\$ 10,772)	(\$ 7,466)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(\$ 10,772)</u>	<u>(\$ 7,466)</u>

D. Among investees accounted for under equity method for the year ended December 31, 2020, NOWnews, Digicentre and the indirect subsidiaries and associates, Gamania Digital Entertainment (HK.) Co., Ltd., Gash Point (Hong Kong) Company limited, Achieve Made International Ltd., HaPod Digital Technology Co., Ltd., Gungho Gamania Co., Ltd., and Seaway Digital Technology Co., Ltd. were accounted for based on their financial statements audited by its appointed auditors.

E. Among investees accounted for under equity method for the year ended December 31, 2019, NOWnews, Digicentre and the indirect subsidiaries and associates, Gamania Digital Entertainment (HK.) Co., Ltd., Gash Point (Hong Kong) Company Limited, Achieve Made



International Ltd. and HaPod Original Technology Co., Ltd., were accounted for based on their financial statements audited by its appointed auditors.

- F. The related comprehensive income based on the financial statements audited by other auditors amounted to \$89,185 and \$100,973 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, the balance of these investments totalled \$1,379,771 and \$1,228,483, respectively.

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2020</u>								
Cost	\$ 2,140,661	\$ 468,763	\$ 190,811	\$ 35,959	\$ 28,128	\$ 59,356	\$ 166	\$ 2,901,848
Accumulated depreciation	-	( 91,125)	( 87,844)	( 20,619)	( 14,572)	( 22,487)	-	( 236,636)
	<u>\$ 2,140,661</u>	<u>\$ 377,642</u>	<u>\$ 102,967</u>	<u>\$ 15,340</u>	<u>\$ 11,556</u>	<u>\$ 16,869</u>	<u>\$ 166</u>	<u>\$ 2,665,210</u>
<u>2020</u>								
Opening net book amount as at January 1	\$ 2,140,661	\$ 377,642	\$ 102,967	\$ 15,340	\$ 11,556	\$ 16,869	\$ 166	\$ 2,665,210
Additions	-	8,636	59,175	9,320	2,528	809	29,723	101,191
Disposals	-	-	( 1)	-	-	-	( 1)	( 1)
Transfer	-	166	-	1,053	1,521	18,252	( 20,904)	-
Depreciation charge	-	( 32,661)	( 46,581)	( 9,782)	( 5,847)	( 10,430)	-	( 105,307)
Closing net book amount as at December 31	<u>\$ 2,140,661</u>	<u>\$ 353,782</u>	<u>\$ 106,560</u>	<u>\$ 15,940</u>	<u>\$ 9,760</u>	<u>\$ 25,494</u>	<u>\$ 8,895</u>	<u>\$ 2,661,093</u>
<u>At December 31, 2020</u>								
Cost	\$ 2,140,661	\$ 476,044	\$ 219,747	\$ 42,808	\$ 28,719	\$ 57,208	\$ 8,895	\$ 2,974,076
Accumulated depreciation	-	( 122,261)	( 113,187)	( 26,868)	( 18,955)	( 31,714)	-	( 312,983)
	<u>\$ 2,140,661</u>	<u>\$ 353,782</u>	<u>\$ 106,560</u>	<u>\$ 15,940</u>	<u>\$ 9,760</u>	<u>\$ 25,494</u>	<u>\$ 8,895</u>	<u>\$ 2,661,093</u>

	Land	Buildings	Machinery	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<b>At January 1, 2019</b>								
Cost	\$ 2,140,661	\$ 452,086	\$ 192,075	\$ 36,053	\$ 21,004	\$ 20,157	\$ 7,290	\$ 2,872,286
Accumulated depreciation	-	( 60,080)	( 93,740)	( 14,375)	( 8,473)	( 14,120)	-	( 190,788)
	<u>\$ 2,140,661</u>	<u>\$ 392,006</u>	<u>\$ 98,335</u>	<u>\$ 15,680</u>	<u>\$ 12,531</u>	<u>\$ 14,997</u>	<u>\$ 7,290</u>	<u>\$ 2,681,500</u>
<b>2019</b>								
Opening net book amount as at January 1	\$ 2,140,661	\$ 392,006	\$ 98,335	\$ 15,680	\$ 12,531	\$ 14,997	\$ 7,290	\$ 2,681,500
Additions	-	10,419	47,487	7,495	1,228	10,608	7,290	80,527
Disposals	-	-	( 3,841)	( 36)	-	-	-	( 3,877)
Transfer	-	10,414	-	-	-	-	( 10,414)	-
Reclassifications	-	( 3,800)	-	-	3,800	-	-	-
Depreciation charge	-	( 31,397)	( 39,014)	( 7,790)	( 6,063)	( 8,736)	-	( 92,900)
Closing net book amount as at December 31	<u>\$ 2,140,661</u>	<u>\$ 377,642</u>	<u>\$ 102,967</u>	<u>\$ 15,349</u>	<u>\$ 11,556</u>	<u>\$ 16,869</u>	<u>\$ 166</u>	<u>\$ 2,665,210</u>
<b>At December 31, 2019</b>								
Cost	\$ 2,140,661	\$ 468,755	\$ 190,811	\$ 35,959	\$ 26,128	\$ 39,356	\$ 166	\$ 2,901,846
Accumulated depreciation	-	( 91,123)	( 87,844)	( 20,610)	( 14,572)	( 22,487)	-	( 236,636)
	<u>\$ 2,140,661</u>	<u>\$ 377,642</u>	<u>\$ 102,967</u>	<u>\$ 15,349</u>	<u>\$ 11,556</u>	<u>\$ 16,869</u>	<u>\$ 166</u>	<u>\$ 2,665,210</u>

- A. The Company's property, plant and equipment are mainly owner-occupied.
- B. No borrowing cost was capitalised as part of property, plant and equipment.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements - lessee

- A. The Company leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 1 to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise building and multifunction printers. For the years ended December 31, 2020 and 2019, payments of lease commitments for short-term leases amounted to \$2,015 and \$1,954, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Book value</u>	<u>Book value</u>
Buildings	\$ 40,237	\$ 30,348
Land improvements	3,063	-
Transportation equipment (Business vehicles)	191	902
	<u>\$ 43,491</u>	<u>\$ 31,250</u>

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 11,649	\$ 10,835
Land improvements	1,131	-
Transportation equipment (Business vehicles)	711	2,246
	<u>\$ 13,491</u>	<u>\$ 13,081</u>

- D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$25,732 and \$1,776, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 186	\$ 372
Expense on short-term lease contracts	\$ 2,015	\$ 1,954

- F. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$15,717 and 15,230, respectively.

(9) Leasing arrangements-lesser

- A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased

assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. Gain arising from operating lease agreements for the years ended December 31, 2020 and 2019 is as follows:

	Years ended December 31,	
	2020	2019
Rent income	\$ 43,249	\$ 50,178

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2020	December 31, 2019
2020	\$ -	\$ 43,732
2021	38,367	39,943
2022	3,925	4,058
2023	3,925	4,071
2024	327	339
	<u>\$ 46,544</u>	<u>\$ 92,143</u>

(10) Intangible assets

	License fees	Software	Other intangible asset	Total
<u>At January 1, 2020</u>				
Cost	\$ 303,152	\$ 41,818	\$ 3,640	\$ 348,610
Accumulated amortisation	( 129,720)	( 22,542)	( 2,298)	( 154,560)
Accumulated impairment	( 35,140)	-	-	( 35,140)
	<u>\$ 138,292</u>	<u>\$ 19,276</u>	<u>\$ 1,342</u>	<u>\$ 158,910</u>
<u>2020</u>				
Opening net book amount as at January 1	\$ 138,292	\$ 19,276	\$ 1,342	\$ 158,910
Additions	1,325,546	36,523	21,184	1,383,253
Amortisation charge	( 687,367)	( 34,490)	( 594)	( 722,451)
Impairment loss	( 10,119)	-	-	( 10,119)
Reclassifications (Note)	-	-	( 682)	( 682)
Closing net book amount as at December 31	<u>\$ 766,352</u>	<u>\$ 21,309</u>	<u>\$ 21,250</u>	<u>\$ 808,911</u>
<u>At December 31, 2020</u>				
Cost	\$ 1,484,120	\$ 41,635	\$ 21,660	\$ 1,547,415
Accumulated amortisation	( 672,509)	( 20,326)	( 410)	( 693,245)
Accumulated impairment	( 45,259)	-	-	( 45,259)
	<u>\$ 766,352</u>	<u>\$ 21,309</u>	<u>\$ 21,250</u>	<u>\$ 808,911</u>

Note: It was reclassified to other non-current assets.

	Licence fees	Software	Other intangible asset	Total
<u>At January 1, 2019</u>				
Cost	\$ 208,914	\$ 33,677	\$ 3,285	\$ 245,876
Accumulated amortisation	( 108,713)	( 19,664)	( 1,659)	( 130,036)
Accumulated impairment	( 35,140)	-	-	( 35,140)
	<u>\$ 65,061</u>	<u>\$ 14,013</u>	<u>\$ 1,626</u>	<u>\$ 80,700</u>
<u>2019</u>				
Opening net book amount as at January 1	\$ 65,061	\$ 14,013	\$ 1,626	\$ 80,700
Additions	151,990	35,625	2,116	189,731
Amortisation charge	( 78,759)	( 30,362)	( 2,400)	( 111,521)
Closing net book amount as at December 31	<u>\$ 138,292</u>	<u>\$ 19,276</u>	<u>\$ 1,342</u>	<u>\$ 158,910</u>
<u>At December 31, 2019</u>				
Cost	\$ 303,152	\$ 41,818	\$ 3,640	\$ 348,610
Accumulated amortisation	( 129,720)	( 22,542)	( 2,298)	( 154,560)
Accumulated impairment	( 35,140)	-	-	( 35,140)
	<u>\$ 138,292</u>	<u>\$ 19,276</u>	<u>\$ 1,342</u>	<u>\$ 158,910</u>

The details of amortisation are as follows:

	Years ended December 31,	
	2020	2019
Operating costs	\$ 688,072	\$ 79,396
Selling expenses	10,476	16,940
General and administrative expenses	21,539	14,833
Research and development expenses	2,364	352
	<u>\$ 722,451</u>	<u>\$ 111,521</u>

(11) Other non-current assets

	December 31, 2020	December 31, 2019
Overdue accounts receivable	\$ 98,239	\$ 98,245
Less: Allowance for doubtful accounts	( 98,239)	( 98,245)
Refundable deposits	11,930	15,563
Others	1,514	-
	<u>\$ 13,444</u>	<u>\$ 15,563</u>

(12) Impairment of non-financial assets

The Company recognised impairment loss of \$10,119 and \$46,825 for the years ended December 31, 2020 and 2019, respectively. Details are as follows:

	Years ended December 31,	
	2020	2019
	Recognised in profit or loss	Recognised in profit or loss
Impairment loss—license fees	\$ 10,119	\$ -
Impairment loss—Investments accounted for under equity method	-	46,825
	<u>\$ 10,119</u>	<u>\$ 46,825</u>

- A. The Company recognised impairment loss on the license fees in the second quarter of 2020 as the recoverable amount of the present value of future cash flows of license fees is less than the carrying amount.
- B. The Company assessed recoverable amount of investments accounted for under equity method, subsidiaries, NOWnews and Digicentre. The Company test impairment by comparing recoverable amount with carry amount, which think the overall book value of the investments including Goodwill as a single asset.

The Company used value-in-use calculated by external appraiser to be the recoverable amount. The Company recognised an impairment loss on investments accounted for under equity method at December 31, 2019, because the value-in use was lower than the carrying amount. While the value-in use was higher than the carrying amount at December 31, 2020, no impairment loss was occurred. The main assumptions used in calculating value in use are set out below:

	December 31, 2020	December 31, 2019
Growth rate	3.2%–4.3%	2.2%–4.3%
Discount rate	13.9%–14.6%	13.6%–13.8%

In addition, for the premium on investment accounted for using equity method, the recoverable amount was calculated using value-in-use. No impairment loss was occurred due to the recoverable amount is higher than its carrying amount. The adopted value-in-use took into consideration operating profit margin, growth rate and discount rate.

Management determined budgeted operating profit margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

(13) Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bank borrowings		
Secured borrowings	\$ 102,533	\$ 650,000
Credit line	\$ 3,106,161	\$ 2,030,000
Interest rate	0.90%	1.10%

(14) Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Payable on equipment and intangible assets (Note)	\$ 474,668	\$ 68,415
Employees' compensation payable	137,872	155,510
Salary and annual bonus payable	99,597	90,027
Payable for advertising	74,863	59,279
Commission payable	50,808	20,295
Payable on value-added tax and tax collection	28,475	75,336
Directors' remuneration payable	24,155	26,678
Payable for labor and health insurance fees	11,109	10,052
Others	32,794	27,197
	<u>\$ 934,341</u>	<u>\$ 532,799</u>

Note: The payment conditions and obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. The Company recognised the license fees and payable on intangible assets after assessing that the payment obligation is highly realisable.

(15) Other current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Long-term borrowings, current portion	\$ 160,000	\$ 160,000
Other current liabilities	4,076	3,200
	<u>\$ 164,076</u>	<u>\$ 163,200</u>



(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2020
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 – March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly in 28 installments	1.13%–1.70%	Land, Buildings and structure	\$ 240,000
Less: Current portion				€ 160,000
				\$ 80,000

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2019
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 – March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly in 28 installments	1.40%–1.70%	Land and Buildings and structure	\$ 400,000
Less: Current portion				€ 160,000
				\$ 240,000

(17) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the

aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.

(b) The pension costs under the defined benefit pension plan of the Company for the years ended December 31, 2020 and 2019 were \$687 and \$662, respectively.

(c) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 77,575)	(\$ 67,103)
Fair value of plan assets	<u>67,106</u>	<u>63,977</u>
Net defined benefit liability (shown as Other non-current liabilities)	<u>(\$ 10,469)</u>	<u>(\$ 3,126)</u>

(d) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit (liability) asset</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 67,103)	\$ 63,977	(\$ 3,126)
Current service cost	( 662)	-	( 662)
Interest (expense) income	( 537)	512	( 25)
	<u>( 68,302)</u>	<u>64,489</u>	<u>( 3,813)</u>
Remeasurements:			
Return on plan assets	-	2,126	2,126
Change in financial assumptions	( 3,795)	-	( 3,795)
Experience adjustments	( 6,271)	-	( 6,271)
	<u>( 10,066)</u>	<u>2,126</u>	<u>( 7,940)</u>
Pension fund contribution	-	1,284	1,284
Paid pension	793	( 793)	-
Balance at December 31	<u>(\$ 77,575)</u>	<u>\$ 67,106</u>	<u>(\$ 10,469)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<u>Year ended December 31, 2019</u>			
Balance at January 1	(\$ 61,465)	\$ 59,982	(\$ 1,483)
Current service cost	( 646)	-	( 646)
Interest (expense) income	( 676)	660	( 16)
	<u>( 62,787)</u>	<u>60,642</u>	<u>( 2,145)</u>
Remeasurements:			
Return on plan assets	-	2,069	2,069
Change in financial assumptions	( 2,636)	-	( 2,636)
Experience adjustments	( 1,680)	-	( 1,680)
	<u>( 4,316)</u>	<u>2,069</u>	<u>( 2,247)</u>
Pension fund contribution	-	1,266	1,266
Balance at December 31	(\$ 67,103)	\$ 63,977	(\$ 3,126)

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.) With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2020	2019
Discount rate	0.40%	0.80%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory for the years ended December 31, 2020 and 2019.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 2,399)	\$ 2,495	\$ 2,221	\$ 2,152
December 31, 2019				
Effect on present value of defined benefit obligation	(\$ 2,206)	\$ 2,300	\$ 2,066	(\$ 1,998)

The sensitivity analysis above was based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to \$1,299.

#### B. Defined contribution plan

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2020 and 2019 were \$18,366 and \$15,411, respectively.

#### (18) Share-based payment

- A. For the years ended December 31, 2020 and 2019, the Company's share-based payment arrangements was as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
9 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries (Note 1)	2019.5.29	2,049	NA	Vested immediately
10 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries (Note 1)	2019.5.29	183	NA	Vested immediately
12 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries (Note 2)	2020.6.29	2,241	NA	Vested immediately

Note 1: For the 9<sup>th</sup> and 10<sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries, the periods of actual payment and transfer were from July 9, 2019 to July 19, 2019 and from August 1, 2019 to August 7, 2019, respectively.

Note 2: For the 12<sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries, the period of actual payment and transfer were from August 6, 2020 to August 10, 2020, and from September 2, 2020 to September 4, 2020, respectively.

B: The fair value of treasury stock transferred to employees on June 29, 2020 and May 29, 2019 is measured using the Black-Scholes pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
9 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	\$ 28.96	31.18%	0.14 year	0.59%	\$ 38.66
10 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries	2019.5.29	28.64	31.18%	0.14 year	0.59%	38.98
12 <sup>th</sup> treasury stock transferred to employees of the Company and subsidiaries	2020.6.29	40.81	36.00%	0.12 year	0.34%	29.41

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

C. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2020	2019
Equity-settled	\$ 49,966	\$ 59,011

D. The Company transferred the treasury shares to employees of the subsidiaries and the capital surplus caused by share-based payment were \$13,897 and \$27,292 for the years ended December 31, 2020 and 2019, respectively.

(19) Common stock

A. As of December 31, 2020, the Company's authorized capital was \$2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was \$1,754,936 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	2020	2019
At January 1	175,494	173,262
Treasury shares purchased	(2,241)	-
Treasury stock transferred to employees	2,241	2,232
At December 31	175,494	175,494

C. Treasury shares

(a) The Company has no treasury shares because they were all transferred to employees as of December 31, 2020 and 2019.

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within three year are to be retired.

(20) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of



par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

- B. When it is resolved by the shareholders at their shareholders' meeting, legal reserve and whole or part of capital reserve arising from the following items can be used to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit:

- (a) Paid-in capital in excess of par value on issuance of common stocks; and
- (b) Donations.

(21) Unappropriated retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and appropriate or reverse for special reserve as required by the operating needs of the Company or regulations when necessary. The remainder, if any, to be retained or to be appropriated shall be proposed by the Board of Directors and to be resolved by the stockholders at the stockholders' meeting.
- B. The Company's dividend policy adopts conservatism principle, with consideration of the Company's profit, financial structure and future development plans. At least 10% of the Company's distributable earnings as of the end of the period shall be appropriated as cash dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. On May 29, 2019, the shareholders during their meeting resolved the 2018 appropriations of retained earnings as follows:

	Year ended December 31, 2018	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 175,997	\$ -
Special reserve appropriated	199,195	-
Cash dividends distributed to shareholders	1,074,222	6.2
	<u>\$ 1,449,414</u>	<u>\$ 6.2</u>

F. On June 17, 2020, the shareholders during their meeting resolved the 2019 appropriations of retained earnings as follows:

	Year ended December 31, 2019	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 88,790	\$ -
Reversal of special reserve	( 27,219)	-
Cash dividends distributed to shareholders	544,030	3.1
	<u>\$ 605,601</u>	<u>\$ 3.1</u>

G. On March 22, 2021, the shareholders during their meeting resolved the 2020 appropriations of retained earnings as follows:

	Year ended December 31, 2020	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 113,664	\$ -
Reversal of special reserve	379,928	-
Cash dividends distributed to shareholders	791,974	4.0
	<u>\$ 1,195,566</u>	<u>\$ 4.0</u>

H. Information about the appropriations approved by the Board of Directors and resolved by the shareholders and appropriations of employees' compensation and directors' and supervisors' remuneration will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

I. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(28).



(22) Other equity items

	2020		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 73,174)	(\$ 98,802)	(\$ 171,976)
Revaluation - company	-	(46,931)	(46,931)
Revaluation - subsidiaries	-	24,597	24,597
Revaluation transferred to retained earnings - Company	-	273,006	273,006
Currency translation differences:			
- Company	(30,619)	-	(30,619)
- Subsidiaries	(4,175)	-	(4,175)
At December 31	(\$ 107,968)	(\$ 443,936)	(\$ 551,904)

	2019		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 33,488)	(\$ 145,707)	(\$ 199,195)
Revaluation - company	-	(16,539)	(16,539)
Revaluation - subsidiaries	-	27,444	27,444
Revaluation transferred to retained earnings - Company	-	36,000	36,000
Currency translation differences:			
- Company	(14,501)	-	(14,501)
- Subsidiaries	(5,185)	-	(5,185)
At December 31	(\$ 73,174)	(\$ 98,802)	(\$ 171,976)

(23) Operating revenue

	Years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 7,423,592	\$ 7,011,514

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of game, goods and services over time and at a point in time in the following major types:

Year ended December 31, 2020	Online and mobile games revenue	Service revenue	Other operating revenue	Total
Revenue from external customer contracts	\$ 7,201,498	\$ 140,173	\$ 81,921	\$ 7,423,592
Timing of revenue recognition				
At a point in time	\$ 6,948,938	\$ -	\$ 81,921	\$ 7,030,859
Over time	252,560	140,173	-	392,733
	\$ 7,201,498	\$ 140,173	\$ 81,921	\$ 7,423,592
Year ended December 31, 2019	Online and mobile games revenue	Service revenue	Other operating revenue	Total
Revenue from external customer contracts	\$ 6,850,323	\$ 106,410	\$ 54,781	\$ 7,011,514
Timing of revenue recognition				
At a point in time	\$ 6,606,630	\$ -	\$ 54,781	\$ 6,661,411
Over time	243,693	106,410	-	350,103
	\$ 6,850,323	\$ 106,410	\$ 54,781	\$ 7,011,514

B. Contract liabilities

(a) The Company recognised contract liabilities related to the contract revenue from sales amounting to \$373,877, \$128,639 and \$419,466 as of December 31, 2020 and 2019, and January 1, 2019, respectively. The Company's contract liabilities are mainly deferred revenue from points stored but unused or unconsumed in the online game or mobile game, and are amortised as revenue over the period of the services or the estimated useful period of the virtual items when they are actually used.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from games	\$ 128,639	\$ 419,466

(24) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 2,370	\$ 13,591

(25) Other income

	Years ended December 31,	
	2020	2019
Rental revenue	\$ 43,249	\$ 50,178
Dividend income	-	2,436
Other income	27,675	11,532
	\$ 70,924	\$ 64,146

(26) Other gains and losses

	Years ended December 31,	
	2020	2019
Net gain on financial assets and liabilities at fair value through profit or loss	\$ -	\$ 902
Net currency exchange (loss) gain	( 1,256)	10,560
(Loss) gain on disposal of property, plant and equipment	( 1)	885
Impairment loss on non-financial asset	( 10,119)	( 46,825)
Loss on disposal of investment	-	( 160)
Others	( 6,859)	( 11,448)
	\$ 18,235	\$ 46,086

(27) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 8,543	\$ (2,303)
Lease liability	186	272
	\$ 8,729	\$ 12,575

(28) Employee benefits, depreciation and amortisation expense

	Years ended December 31,	
	2020	2019
Employee benefit expense		
Wages and salaries	\$ 505,973	\$ 504,582
Directors' remuneration	25,654	24,373
Share-based payment	49,966	59,011
Labor and health insurance fees	33,052	27,260
Pension costs	19,053	16,073
Other personnel expenses	21,170	20,191
	<u>\$ 654,868</u>	<u>\$ 651,490</u>
Depreciation on property, plant and equipment (including right-of-use assets)	\$ 118,798	\$ 106,021
Amortisation expense	<u>\$ 722,451</u>	<u>\$ 111,521</u>

A. According to the Articles of Incorporation of the Company, the profit before tax before deduction of employees' compensation and directors' remuneration of the Company, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 10%-15% for employees' compensation and shall not be higher than 2% for directors' remuneration. However, when there is still accumulated losses of the Company, it shall reserve the compensation amount in advance.

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$118,052 and \$130,665, respectively, while directors' and supervisors' remuneration was accrued at \$23,610 and \$26,133, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2020, the employees' compensation and directors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2020 amounted to \$118,052 and \$23,000, respectively, as resolved at the meeting of Board of Directors. The employees' compensation for 2020 as resolved by the Board of Directors was in agreement with those amounts recognised in the 2020 financial statements, and the difference of \$610 for directors' remuneration between the amounts resolved at the Board meeting and the amounts recognised in the 2020 financial statements had been adjusted in the profit or loss for 2021.

Employees' compensation and directors' and supervisors' remuneration for 2019 amounted to \$130,665 and \$26,000, respectively, as resolved at the meeting of the Board of Directors. The difference of \$133 between the amounts resolved at the Board meeting and the amounts recognised in the 2019 financial statements had been adjusted in the profit or loss for 2020.

C. Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors and stockholders will be posted on the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2020	2019
Current tax:		
Current tax on profit for the year	\$ 203,762	\$ 221,939
Tax on undistributed earnings	10,804	33,800
Prior year income tax over estimation	( 5,994)	( 10,130)
Total current tax	<u>208,572</u>	<u>245,609</u>
Deferred tax:		
Origination and reversal of temporary differences	( 41,057)	16,351
Total deferred tax	<u>( 41,057)</u>	<u>16,351</u>
Income tax expense	<u>\$ 167,515</u>	<u>\$ 261,960</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2020	2019
Remeasurement of defined benefit obligation	(\$ 1,588)	(\$ 449)
Currency translation differences	( 9,331)	-
	<u>(\$ 10,919)</u>	<u>(\$ 449)</u>

The reconciliation between accounting income and income tax expense:

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 208,002	\$ 229,971
Effect from items disallowed by tax regulation	37,425	68,322
Tax exempt income by tax regulation	( 68,111)	( 49,809)
Overseas investment income not recognised as deferred tax liabilities	( 14,611)	( 10,134)
Prior year income tax over estimation	( 5,994)	( 10,130)
Tax on undistributed earnings	10,804	33,800
Income tax expense	<u>\$ 167,515</u>	<u>\$ 261,960</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Allowance for inventory obsolescence	\$ 427	\$ 60	\$ -	\$ 487
Impairment loss on intangible assets	5,628	1,309	-	6,937
Impairment loss on financial assets	1,971	-	-	1,971
Investment loss accounted for under equity method	84,332	(7,528)	-	76,804
Compensation for unused leave	5,968	-	-	5,968
Deferred revenue	3,783	(1,173)	-	2,610
Pension	625	(119)	1,588	2,094
Unrealised exchange loss	343	68	-	411
Royalty payable	-	48,440	-	48,440
Currency translation differences	-	-	9,331	9,331
	<u>\$ 100,397</u>	<u>\$ 41,057</u>	<u>\$ 10,919</u>	<u>\$ 152,373</u>

	Year ended December 31, 2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Allowance for sales returns	\$ 107	\$ 107	\$ -	\$ -
Allowance for inventory obsolescence	430	71	-	427
Impairment loss on intangible assets	7,028	1,400	-	5,628
Impairment loss on financial assets	1,971	-	-	1,971
Investment loss accounted for under equity method	88,863	4,511	-	84,352
Compensation for unused leave	3,908	-	-	3,908
Deferred revenue	2,635	548	-	3,183
Pension	297	121	449	625
Royalty payable	11,000	11,000	-	-
Unrealised exchange loss	-	243	-	243
	<u>\$ 110,299</u>	<u>\$ 16,351</u>	<u>\$ 449</u>	<u>\$ 110,397</u>

D. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Deductible temporary differences	\$ 55,943	\$ 70,556

The deductible temporary differences arise when the Company does not plan to dispose subsidiaries in the foreseeable future. Thus, the part of investment loss on overseas subsidiaries was not recognised as deferred tax assets.

F. As of December 31, 2020, the Company's income tax returns through 2018 have been assessed and approved by the Tax Authorities.

(30) Earnings per share

	<u>Year ended December 31, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the company	\$ 872,496	174,474	\$ 5.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the company	\$ 872,496	-	-
Assumed conversion of all dilutive potential ordinary shares	-	2,156	-
Profit attributable to ordinary shareholders of the company plus assumed conversion of all dilutive potential ordinary shares	\$ 872,496	176,630	\$ 4.94



	Year ended December 31, 2010		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the company	\$ 887,895	174,203	\$ 5.10
<b>Diluted earnings per share</b>			
Profit attributable to ordinary shareholders of the company	\$ 887,895		
Assumed conversion of all dilutive potential ordinary shares			
Employee's compensation (Note)		2,630	
Profit attributable to ordinary shareholders of the company plus assumed conversion of all dilutive potential ordinary shares	\$ 887,895	176,833	\$ 5.02

Note: Effective January 1, 2008, as employees' compensation could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock compensation issuance in the weighted-average number of common shares outstanding during the reporting period, taking into account the dilutive effects of stock compensation on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting period that include the shares of employees' stock compensation for the appropriation of prior year earnings, which have already been resolved at the shareholders' meeting held in the reporting period. Since capitalisation of employees' compensation no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalised), the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.

(31) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2020	2019
Acquisition of property, plant and equipment	\$ 101,191	\$ 80,527
Add: Opening balance of other payables-related parties	113	15,564
Add: Opening balance of other payables	23,330	10,531
Less: Ending balance of other payables-related parties	( 2,815)	( 113)
Less: Ending balance of other payables	( 20,410)	( 23,330)
Cash paid during the year	<u>\$ 101,409</u>	<u>\$ 83,179</u>

	Years ended December 31,	
	2020	2019
Purchase of intangible assets	\$ 1,383,253	\$ 189,731
Add: Opening balance of other payables	45,085	2,393
Add: Opening balance of other payables-related parties	6,193	-
Less: Ending balance of other payables	( 454,258)	( 45,085)
Less: Ending balance of other payables-related parties	-	( 6,193)
Cash paid during the year	<u>\$ 980,273</u>	<u>\$ 140,846</u>

	Years ended December 31,	
	2020	2019
Acquisition of investment accounted for under equity method	\$ 163,990	\$ 502,653
Add: Opening balance of investment payable	-	101,859
Cash paid during the year	<u>\$ 163,990</u>	<u>\$ 604,512</u>

(32) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2020 and 2019 are as follows:

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities—gross
January 1, 2020	\$ 650,000	\$ 400,000	\$ 31,326	\$ 1,081,326
Changes in cash flow from financing activities	( 547,467)	( 160,000)	( 13,516)	( 720,983)
Changes in other non-cash items	-	-	25,732	25,732
December 31, 2020	<u>\$ 102,533</u>	<u>\$ 240,000</u>	<u>\$ 43,542</u>	<u>\$ 386,075</u>

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2019	\$ -	\$ 960,000	\$ 42,554	\$ 1,002,554
Changes in cash flow from financing activities	650,000	( 560,000)	( 13,004)	76,996
Changes in other non-cash items				
Increase in right-of-use assets	-	-	1,776	1,776
December 31, 2019	\$ 650,000	\$ 400,000	\$ 31,326	\$ 1,081,326

Note: Including long-term loans due within one year or one business cycle.

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

As the Company's shares are widely held, the Company has no ultimate parent company and ultimate controlling party.

### (2) Names of related parties and relationship with the Company

Names of related parties	Relationship with the Company
Gamania Digital Entertainment (H.K.) Co., Ltd.	Subsidiary
Gamania International Holdings Ltd.	"
Gash Point (Hong Kong) Company Ltd. (Gash Point (Hong Kong))	"
Gash Point (Japan) Co., Ltd.	"
Gash Point (Korea) Co., Ltd.	"
Gash Point Co., Ltd. (Gash Point)	"
Joyabee Entertainment Co., Ltd.	"
Fundation Digital Entertainment Co., Ltd.	"
Gamania Asia Investment Co., Ltd. (Gamania Asia)	"
Jollybay Digital Technology Co., Ltd. (Jollybay)	"
Two Tigers Co. Ltd.	"
Indiland Co., Ltd.	"
Hapid Digital Technology Co., Ltd. (Hapid)	"
Coco Digital Technology Co., Ltd. (Coco)	"
Circo, Inc. (Circo)	"
Arts' Power Co., Ltd. (Arts' Power)	"
Coture New Media Co., Ltd. (Coture New Media)	"
Conctier Comarketing Co., Ltd. (Conctier)	"
GAMA PAY Co., Ltd. (GAMA PAY)	"
MadSugr Digital Technology Co., Ltd.	"
Achieve Made International Ltd.	"
Jollywiz Digital Technology Co., Ltd. (Jollywiz)	"
Jollywiz Digital Business Co., Ltd.	"

Names of related parties	Relationship with the Company
Gamania Digital Entertainment (Beijing) Co., Ltd.	Subsidiary
Bean Go! Co., Ltd. (Bean Go!)	•
We Backers Co., Ltd. (We Backers)	•
Hyperg Smart Security Technology Pte. Ltd.	•
Bjolly Co., Ltd.	•
Digicentre Company Limited (Digicentre)	•
NOWnews Network Co., Ltd. (NOWnews)	•
Aotter Inc.	Associate
Chuang Meng Shi Ji Co., Ltd.	•
Pri-one Commercial Production Co., Ltd.	•
GungHo Gamania Co., Limited	•
Jsdway Digital Technology Co., Ltd.	•
Walkmedia Co., Ltd. (Walkmedia)	•
Machi Pictures Co., Ltd. (Machi Pictures) (Note 1)	•
Store Marais Co., Ltd. (Marais) (Note 2)	•
Polysh Co., Ltd. (Note 2)	•
Gamania Cheer Up Foundation	Other related party
Wansin International Co., Ltd.	•

Note 1: The liquidation of Machi Pictures was completed in July 2019.

Note 2: On March 1, 2020, Marais merged with Polysh through a stock swap at a ratio of 1:1 with the shareholders who previously owned Polysh. Marais was the surviving company and Polysh was the dissolved company after the merger. The related party transactions of Marais have disclosed from March 1, 2020.

**(7) Significant transactions and balances with related parties**

**A. Sales-service revenue**

	Years ended December 31,	
	2020	2019
Subsidiaries	\$ 71,929	\$ 68,510
Associates	46,754	36,841
Other related parties	1,095	962
	<u>\$ 119,778</u>	<u>\$ 106,313</u>

The above pertains to collections from subsidiaries and associates for customer services and administrative services. The terms and prices of services were negotiated based on different factors. There is no similar transaction to compare with. The collection terms were similar with third parties.

B. Other operating revenue (including royalty revenue and revenue from selling merchandise)

	Years ended December 31,	
	2020	2019
Subsidiaries	\$ 79,857	\$ 52,640
Other related parties	502	46
	<u>\$ 80,359</u>	<u>\$ 52,686</u>

The above represents on-line game royalty collected from the subsidiaries and the revenue from merchandise sold to subsidiaries and associates. Except for the price of merchandise revenue which is similar with third parties, others have no similar transactions to compare with.

C. Operating costs

	Years ended December 31,	
	2020	2019
Subsidiaries	\$ 579,669	\$ 400,002

The above represents service cost and cost of private network and IDC paid to subsidiaries, and the terms are in accordance with mutual agreements.

D. Operating expense (shown in selling expenses and general and administrative expenses)

	Years ended December 31,	
	2020	2019
Subsidiaries		
Content	\$ 195,898	\$ 181,967
Others	175,067	111,321
Associates	21,727	11,257
Other related parties	20,009	29,300
	<u>\$ 412,701</u>	<u>\$ 333,845</u>

The above represents payments to subsidiaries and associates for advertisement, internet bandwidth service, customer service and donation to other related parties, and the terms are in accordance with mutual agreements.

E. Donation (shown in general and administrative expense)

	Years ended December 31,	
	2020	2019
Other related parties		
Gimantia Cheer Up Foundation	\$ 15,500	\$ 29,300

The Company made donations in support of projects for caring and empowering the youth which had been approved by the Board of Directors.

F. Rental revenue (shown in other income)

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries		
Cash Point	\$ 9,335	\$ 9,805
Antir Power	5,500	8,035
Others	26,954	30,849
Associates	23	23
Other related parties	313	321
	<u>\$ 42,125</u>	<u>\$ 49,033</u>

Rent revenue is earned from the lease of warehouse and office to subsidiaries and associates. The amounts of rent are in accordance with mutual agreements. Payments for office rentals are collected in advance in the form of monthly postdated checks for one year or monthly in the form of telegraphic transfer, while payments for warehouse rentals are collected monthly in the form of checks. The receivables will offset with payable quarterly. The warehouse lease contract is from June 6, 2016 to December 31, 2020, while the office lease contract is from May 1, 2015 to December 31, 2024.

G. Accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
Cash Point	\$ 255,872	\$ 359,995
Others	38,634	24,379
Associates	6,233	-
Other related parties	179	240
	<u>300,918</u>	<u>384,614</u>
Allowance for doubtful accounts	( 37)	( 30,423)
	<u>\$ 300,881</u>	<u>\$ 354,191</u>

Accounts receivable are mainly revenue of online game points, online game royalty revenue and customer services.

H. Other receivables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
HaPod	\$ 254	\$ 36,327
Cash Point	5,443	27,733
Cash point (Hong Kong)	2,778	16,151
Others	14,557	14,489
Associates	2,435	1,097
Other related parties	65	66
	<u>\$ 25,532</u>	<u>\$ 115,863</u>

Other receivables arise mainly from payments on behalf of related parties and so on.

I. Account payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 33,327	\$ 33,307

Accounts payable are payables for IDC service fee, channel and royalty.

J. Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 157,443	\$ 149,926
Associates	5,351	3,846
Other related parties	144	7,116
	<u>\$ 162,938</u>	<u>\$ 160,888</u>

Other payables consist of purchases of the subsidiaries' products which are sold to customers through the Company's distributors, expenses paid by related parties on behalf of the Company and payable to subsidiaries for advertising, internet service fees and purchase of equipment.

K. Property transactions

(a) Acquisition of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries	\$ 41,680	\$ 10,622
Other related parties	490	-
	<u>\$ 42,170</u>	<u>\$ 10,622</u>

As of December 31, 2020 and 2019, the unpaid amount was \$2,815 and \$113, respectively.

(b) Disposal of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries	\$ -	\$ 4,762

As of December 31, 2020 and 2019, proceeds from disposal of property, plant and equipment have all been received.

(c) Acquisition of intangible assets

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries	\$ -	\$ 15,214

As of December 31, 2020 and 2019, the unpaid amount was \$0 and \$6,193, respectively.

## (d) Acquisition of financial assets

		Year ended December 31, 2020		
		No. of shares (shares in thousands)	Object	Consideration
Subsidiaries	Investments accounted for under equity method	4,000	JollyDay	\$ 50,000
	•	5,300	NOVnews	52,990
	•	3,000	Circo	30,000
	•	400	Beam Go!	4,000
	Associates	2,700	Cruang Merg She Ji Co., Ltd.	27,000
				<u>\$ 163,990</u>

		Year ended December 31, 2019		
		No. of shares (shares in thousands)	Object	Consideration
Subsidiaries	Investments accounted for under equity method	1,300	Gumana Asia	\$ 13,000
	•	5,300	JollyDay	53,000
	•	700	Webackers	7,000
	•	1,000	Cotaro New Media	10,000
	•	4,042	NOVnews	40,424
	•	20,000	GAMA PAY	220,229
	•	3,000	Circo	30,000
	•	9,000	Beam Go!	90,000
	Associates	3,000	Walkormedia	30,000
				<u>\$ 502,653</u>

## (e) Disposal of financial assets

		Year ended December 31, 2020		
		No. of shares (shares in thousands)	Object	Proceeds
Subsidiaries	Investments accounted for under equity	922 (Note)	Coco	\$ 9,796
		Year ended December 31, 2019		
		No. of shares (shares in thousands)	Object	Proceeds
Associates	Investments accounted for under equity	2,000 (Note 2)	Machi Pictures	\$ -



Note 1: As of December 31, 2020, Coco was still under liquidation while the capital had been remitted back.

Note 2: The liquidation of Machi Pictures was completed in July 2019.

#### L. Commitment

The endorsement/guarantee amounts provided by the Company through credit guarantee and letters of credit for subsidiaries' borrowings are as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Maximum outstanding endorsement/guarantee amount during the year	Endorsement/guarantee amount at the end of year	Maximum outstanding endorsement/guarantee amount during the year	Endorsement/guarantee amount at the end of year
Subsidiaries				
HaPod	\$ -	\$ -	\$ 157,050	\$ -
Jollyviz	-	-	30,000	-
Jollybuy	30,000	30,000	-	-
	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 187,050</u>	<u>\$ -</u>

#### (4) Key management compensation

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 116,147	\$ 123,988
Post-employment benefits	324	324
Share-based payments	31,796	38,261
	<u>\$ 148,267</u>	<u>\$ 162,573</u>

#### 8. PLIDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged assets	Book value		Pledge purpose
	December 31, 2020	December 31, 2019	
Property, plant and equipment			
Land	\$ 2,140,661	\$ 2,140,661	Short-term and long-term loans / Credit lines
Buildings	225,182	230,188	Short-term and long-term loans / Credit lines
	<u>\$ 2,365,843</u>	<u>\$ 2,370,849</u>	

#### 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

##### (1) Contingencies

None.

(2) Commitments

The Company contracted the use of cable lines, T1 and T3, with rental charges based on utilization. In addition, the Company contracted with several on-line game vendors and will pay royalty based on actual usage.

10. SIGNIFICANT DISASTER LOSS

None

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 6(21) G. appropriation of retained earnings.

12. OTHERS

(1) Capital risk management

The Company's principal objectives when managing capital are to maintain an integrity credit rating and a good capital structure to support operating and maximum stockholders' equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 120,449	\$ 463,827
<u>Financial assets at amortised cost</u>		
Cash and cash equivalents	\$ 484,706	\$ 355,595
Accounts receivable (including related parties)	518,820	604,384
Other receivables (including related parties)	70,948	138,247
Guarantee deposits paid	11,950	15,563
	<u>\$ 1,086,404</u>	<u>\$ 1,111,789</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 102,533	\$ 650,000
Notes payable	1,211	1,237
Accounts payable (including related parties)	258,352	303,913
Other payable (including related parties)	1,697,279	693,683
Long-term borrowings (including current portion)	240,000	400,000
Guarantee deposits received	65	60
	<u>\$ 1,699,441</u>	<u>\$ 2,048,892</u>
Lease liability	\$ 43,542	\$ 31,326

B. Financial risk management policies

The Company's activities expose it to a variety of financial risks, including market risk.

(including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management program considers the effect of economic environment, competition and market value risk. The Company attains to the best risk position, holds appropriate liquidity position and centers on management of all the market risks. To reach the objective of risk management, the Company's hedged activities are focused on the market value risk and the cash flow risk.

C Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. Each of the entities in the Company operates in different countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company set the natural hedging as principle. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,967	28.480	\$ 226,900
HKD:NTD	8,754	3.673	32,153
RMB:NTD	1,010	4.377	4,421
<u>Non-monetary items</u>			
USD:NTD	26,813	28.480	263,645
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	47,032	28.480	1,339,471
HKD:NTD	9,842	3.673	36,150

(Foreign currency: Functional currency)	December 31, 2019		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<b>Financial assets</b>			
<u>Monetary items</u>			
USD:NTD	\$ 11,515	29.980	\$ 345,220
HKD:NTD	8,147	3.849	31,358
RMB:NTD	1,028	4.305	4,426
<u>Non-monetary items</u>			
USD:NTD	22,839	29.980	684,707
<b>Financial liabilities</b>			
<u>Monetary items</u>			
USD:NTD	10,411	29.980	312,122
EUR:NTD	300	33.590	10,077

iv. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to (\$1,256) and \$10,560, respectively. Analysis of foreign currency market risk arising from significant foreign exchange rate fluctuations is as follows:

(Foreign currency: Functional currency)	Year ended December 31, 2020		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<b>Financial assets</b>			
USD:NTD	1%	\$ 2,269	\$ -
HKD:NTD	1%	322	-
RMB:NTD	1%	44	-
<b>Financial liabilities</b>			
<u>Monetary items</u>			
USD:NTD	1%	13,395	-

(Foreign currency; Functional currency)	Year ended December 31, 2019		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 3,452	\$ -
HKD:NTD	1%	314	-
RMB:NTD	1%	44	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	3,121	-
EUR:USD	1%	101	-

#### Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. However, the Company has set stop-loss amounts for those assets, therefore, no material market risk is expected. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant for the years ended December 31, 2020 and 2019, other comprehensive income classified as equity investment at fair value through other comprehensive income would have increased/decreased by \$1,205 and \$4,638, respectively.

#### Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from borrowings issued at variable rates and expose the Company to cash flow interest rate risk. The interest rate for short-term borrowings of the Company are mainly floating rate and for long-term borrowings are fixed and variable rates. During the years ended December 31, 2020 and 2019, the Company's borrowings at variable rate were denominated in NTD.
- ii. At December 31, 2020 and 2019, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, after-tax profit for the years ended December 31, 2020 and 2019 would have been \$14 and \$73 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the

clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on accounting and administrator segment ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk mainly arose from cash and cash equivalents and receivables generated from operating activity. Only banks and financial institutions with optimal credit ratings are accepted.
- iii. The Company adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. When the payment is past due 30 days based on the contract terms, there is a significant increase in credit risk on financial assets since initial recognition.
- iv. In line with credit risk management procedure, the default occurs when the Company expects that payment cannot be collected and reclassified as overdue receivables.
- v. The Company classifies customer's accounts receivable and contract assets in accordance with product types. The Company applies the simplified approach using the provision matrix to estimate expected credit loss.
- vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2020, the Company had no written-off financial assets that are still under recourse procedures.
- vii. The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	December 31, 2020		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.01%	\$ 515,352	\$ 34
Up to 30 days	0%	1,814	-
31 to 60 days	0%	284	-
61 to 90 days	0%	226	-
91 to 120 days	0%	258	-
Over 121 days	0.65%	920	6
		<u>\$ 518,860</u>	<u>\$ 40</u>

	December 31, 2019		
	Expected loss rate	Total book value	Loss allowance
Not past due	0%	\$ 526,854	\$ 19
Up to 30 days	0.01%	72,223	5
31 to 60 days	0%	1,460	-
61 to 90 days	0%	549	-
91 to 120 days	0%	1,141	-
Over 121 days	93.31-100%	32,580	30,199
		<u>\$ 634,807</u>	<u>\$ 30,423</u>

Note: The above does not include overdue receivables. All the overdue receivables had been recognised with loss allowance.

viii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable (including overdue receivables) are as follows:

	2020	2019
	Accounts receivable	Accounts receivable
At January 1	\$ 128,668	\$ 133,206
Reversal of impairment loss	( 18)	( 4,538)
Write-off	( 30,371)	-
At December 31	<u>\$ 98,279</u>	<u>\$ 128,668</u>

Reversal of losses for the years ended December 31, 2020 and 2019, which was recognised as reversal of expected credit loss arising from customers' contracts amounted to \$18 and \$4,538, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating units of the Company and aggregated by the capital management department. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs.
- ii. The table below is the Company's non-derivative financial liabilities which is presented based on the remaining period at the balance sheet date to the contract maturity date and undiscounted maturity amount based on the maturity date.



Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 102,533	\$ -	\$ -
Notes payable	1,211	-	-
Accounts payable	225,025	-	-
Accounts payable - related parties	33,327	-	-
Other payables	934,341	-	-
Other payables - related parties	162,938	-	-
Lease liabilities	17,813	17,150	9,310
Long-term borrowings (including current portion)	162,520	80,420	-

December 31, 2019	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 650,000	\$ -	\$ -
Notes payable	1,257	-	-
Accounts payable	270,606	-	-
Accounts payable - related parties	33,307	-	-
Other payables	532,795	-	-
Other payables - related parties	160,888	-	-
Lease liabilities	12,550	15,759	3,352
Long-term borrowings (including current portion)	164,760	242,940	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed, OTC and emerging stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in listed and OTC stocks of private placement is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value:

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid,



notes payable, accounts payable (including related parties) and other payables (including related parties), lease liabilities and guarantee deposits received approximate to their fair values.

- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets measured at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 46,209</u>	<u>\$ -</u>	<u>\$ 74,240</u>	<u>\$ 120,449</u>
<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets measured at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 74,893</u>	<u>\$ -</u>	<u>\$ 388,934</u>	<u>\$ 463,827</u>

- D. The methods and assumptions the Company used to measure fair value are as follows:

- (a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed (OTC) and emerging shares</u>
Market quoted price	<u>Closing price</u>

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to (stated) fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- (c) For highly complex financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable in market, and the Company must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Notes 12(3) II and I.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	Equity securities	
	2020	2019
At January 1	\$ 388,934	\$ 401,991
Losses recognised in other comprehensive income	( 20,578)	( 13,057)
Disposal during the year	( 294,116)	-
At December 31	\$ 74,240	\$ 388,934

G. Treasury department segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non- OTC shares	\$ 72,340	Market comparable companies	Enterprise value to operating income ratio multiple	31.58-42.05 (35.87)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non- OTC shares	\$ 388,934	Market comparable companies	Price to book ratio multiple	1.88 (1.88)	The higher the multiple, the higher the fair value
			Enterprise value to operating income ratio multiple	20.85-37.00 (35.89)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

1. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the affect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2020					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$	- \$	- \$	387 (\$)	(387)
	Discount for lack of marketability	±1%		-	-	742 (\$)	(742)

		December 31, 2019					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Price to book ratio	±1%	\$	- \$	- \$	113 (\$)	(113)
	Enterprise value to operating income ratio multiple	±1%		-	-	3,507 (\$)	(3,507)
	Discount for lack of marketability	±1%		-	-	3,880 (\$)	(3,880)

#### 1A SUPPLEMENTAL DISCLOSURES

The disclosure information of certain investments was audited by the investee companies' auditors.

##### (1) Significant transactions information

A. Loan to others: None

- D. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$100 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$100 million or 20% of paid-in capital or more: None.
- G. Purchases or sales from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third party, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. OPERATING SEGMENT INFORMATION

Disclosure is not required.

Illinois State Government - 2014  
 Financial Performance Report  
 Fiscal Year 2014

Department of 000  
 Budget to Actual Ratio

(10)

Fund	Fund Account	Department	Budget		Actual		Variance	Percent	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent
			Approved	Actual	Approved	Actual										
1	00000000000000000000	00000000000000000000	1000000000000000000000	1000000000000000000000	1000000000000000000000	1000000000000000000000	100.00	1000000000000000000000	1000000000000000000000	0	0.00	1000000000000000000000	1000000000000000000000	0	0.00	
2	00000000000000000000	00000000000000000000	1000000000000000000000	1000000000000000000000	1000000000000000000000	1000000000000000000000	100.00	1000000000000000000000	1000000000000000000000	0	0.00	1000000000000000000000	1000000000000000000000	0	0.00	
3	00000000000000000000	00000000000000000000	1000000000000000000000	1000000000000000000000	1000000000000000000000	1000000000000000000000	100.00	1000000000000000000000	1000000000000000000000	0	0.00	1000000000000000000000	1000000000000000000000	0	0.00	

Notes: The actual data is derived from the financial performance report of the department. The budget data is derived from the budget of the department. The variance is the difference between the actual and budget data. The percent is the ratio of the actual to the budget data. The budget is the amount of money that the department is authorized to spend. The actual is the amount of money that the department has actually spent. The variance is the difference between the actual and budget data. The percent is the ratio of the actual to the budget data.

General Capital Expenditure (G.C.E.)

Analysis of work of development of fixed assets of the year (not including subsidiaries, associated and joint ventures)

December 31, 2010

Expressed in thousands of U.S.  
dollar unless otherwise indicated

Table 1

Company/Entity	Type of real estate interests (Note 1)	Date acquired and the nature of business	General Capital Expenditure	Year Ended December 31, 2010			
				Number of acres (in thousands)	Book value	Percentage	Market value (Note 1)
The Company	SPV Government Inc. (40%)	None	Financial assets of the year through other comprehensive income - recognized	4,007	\$ 26,841	7.0%	\$ 26,841
The Company	Metropolitan International (V.I.) (40%)	None	Financial assets of the year through other comprehensive income - recognized	1,770	18,750	7.0%	18,750
The Company	180 FWH Co. LLC (40%)	None	Financial assets of the year through other comprehensive income - recognized	3,000	3,791	9.0%	3,791
The Company	FL Investment Methods (L.L.C.) (40%)	None	Financial assets of the year through other comprehensive income - recognized	1,200	90,200	9.0%	90,200
General Investment Co. LLC	180 FWH Co. LLC (40%)	None	Financial assets of the year through other comprehensive income - recognized	300	14,504	9.0%	14,504
General Investment Co. LLC	180 FWH Co. LLC (40%)	None	Financial assets of the year through other comprehensive income - recognized	400	-	1.0%	-
General Investment Co. LLC	Metropac Metro Limited (40%)	None	Financial assets of the year through other comprehensive income - recognized	100	21,870	1.0%	21,870
General Investment Co. LLC	FL Investment Methods (L.L.C.) (40%)	None	Financial assets of the year through other comprehensive income - recognized	11,201	20,770	9.0%	20,770

Note 1: Market value is defined in the table refer to stock, bond, commodity and other related derivatives recorded with in the scope of FASB's "Financial Instruments".

Note 2: G.C.E. is the amount after adjusted of the value cost deducted by accumulated impairment for the available-for-sale securities recorded in fair value (FV) in the acquisition year or amortized cost deducted by accumulated impairment for the available-for-sale securities recorded in fair value.

Oceano Group Development Co., Ltd.  
 Statement of assets and liabilities at the reporting period-end in accordance with IFRS Accounting  
 Standards (in thousands of US dollars)

Expressed in thousands of US dollars  
 Subject to external audit

Entity Name	Country	Reporting unit (in thousands)	Particulars	Statement of assets and liabilities (in thousands of US dollars)								
				Assets			Liabilities			Equity		
				2023	2022	2021	2023	2022	2021	2023	2022	2021
Oceano Group Co., Ltd.	China	Parent company	Shareholders' equity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Oceano Development Co., Ltd.	China	Subsidiary	Shareholders' equity	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Oceano Group (China) Limited	China	Subsidiary	Shareholders' equity	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Oceano Group Co., Ltd.	China	Parent company	Shareholders' equity	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000

Note: The above financial information is based on the financial statements and other information provided by the reporting units in accordance with IFRS Accounting Standards (in thousands of US dollars).



**Table 1**  
**Revenue from content partner: a contract of 200 million of 20% of equity**  
**December 31, 2020**

Reported to Company of 100  
 (Group performance adjusted)

Date of event	Transaction value	Relationship	Revenue of 200 million of 20%		Revenue of 20%		Revenue of 20%	Revenue of 20%	Revenue of 20%	Revenue of 20%
			Revenue of 200 million of 20%	Revenue of 20%	Revenue of 20%	Revenue of 20%				
The Company	200 million of 20%	Company	0	200,000,000	200,000,000	0	0	0	0	0

Note 1: The revenue from content partner is reported to the Company of 100 million of 20% of equity.  
 Note 2: Revenue from content partner is reported to the Company of 100 million of 20% of equity.

Gigamon Digital Communications (S) Ltd  
 Acquisition of company transactions during the reporting year  
 Year ended December 31, 2023

Table 1

Expressed in thousands of HKD  
 (Except as otherwise indicated)

Number (Line 1)	Company name	Company	Exchange(s) (Line 2)	Transaction			Percentage of total speaking turnover or Additions (Line 3)
				Company type/sector	Amount	Transaction value	
1	DK Connect	Gigamon Digital Infrastructure (SI) Co., Ltd.	1	Business services	1,900	100%	0.07
2	DK Connect	Gigamon Digital Infrastructure (SI) Co., Ltd.	1	Business services	70,447	100%	0.26
3	DK Connect	Gigamon Digital Infrastructure (SI) Co., Ltd.	1	Business services	14,411	100%	0.05
4	DK Connect	Shui Sun Co., Ltd.	1	Business services	22,870	100%	0.08
5	DK Connect	Shui Sun Co., Ltd.	1	Operating services	11,874	100%	0.04
6	DK Connect	Shui Sun (SI) Co., Ltd.	1	Business services	17,216	100%	0.06
7	DK Connect	HK Digital Technology Co., Limited	1	Business services	19,021	100%	0.07
8	Gigamon Digital Communications (HK) Co., Ltd.	DK Connect	2	Business services	74,423	100%	0.28
9	Gigamon Digital Communications (HK) Co., Ltd.	HK Digital Technology Co., Ltd.	1	Business services	22,871	100%	0.08
10	Gigamon Digital Communications (HK) Co., Ltd.	Shui Sun Co., Ltd.	1	Business services	21,756	100%	0.08
11	Gigamon Digital Communications (HK) Co., Ltd.	Shui Sun (SI) Co., Ltd.	1	Business services	17,226	100%	0.06
12	Specialized Investment of Company Limited	Gigamon Digital Infrastructure (SI) Co., Ltd.	1	Business services	18,811	100%	0.07
13	Shui Sun Co., Ltd.	DK Connect	2	Business services	19,021	100%	0.07

Greece Digital Development Co. Ltd  
 Significant inter-company transactions during the reporting period  
 (For ended December 31, 2020)

Table 7

Expressed in thousands of EUR  
 (Except in where is indicated)

Code/ Risk Co	Company name	Company	Partnership (Share %)	Transactions			Percentage of total operating revenues or costs/loss (Share %)
				Debit/Badge amount	Service	Transaction nature	
1	Bank Post Co. Ltd	The Company	0	Services received	8	344.1	0.28
2	Bank Post Co. Ltd	Gen. Post Co. Ltd	0	Utilities receivable	12,267	344.1	3.13
3	Bank Post Co. Ltd	Gen. Post Co. Ltd	0	Subsidiary receivable	16,000	344.1	3.10
4	Bank Post Co. Ltd	Gen. Post (HD) Co. Ltd	0	Services received	11,000	344.1	3.12
5	Bank Post Co. Ltd	The Company	0	Operating revenue	111,240	344.1	1.01
6	Bank Post Co. Ltd	The Company	0	Utilities receivable	27,288	344.1	3.30
7	Bank Post Co. Ltd	ANALYTICAL TECHNOLOGY CO. LTD	7	Operating revenue	18,117	344.1	3.24
8	Bank Post Co. Ltd	Gen. Post Co. Ltd	0	Operating revenue	11,107	344.1	3.03
9	Digastros Company Limited	The Company	0	Utilities receivable	12,303	344.1	3.13
10	Digastros Company Limited	The Company	0	Operating revenue	210,180	344.1	2.05
11	Digastros Company Limited	Digastros (HD) Company Limited	1	Utilities receivable	61,866	344.1	3.68
12	Digastros Company Limited	Digastros (HD) Company Limited	1	Operating revenue	92,219	344.1	3.30
13	Digastros Company Limited	Bank Post Co. Ltd	1	Operating revenue	11,859	344.1	3.13
14	Digastros Company Limited	Telecom Services Co. Ltd	7	Operating revenue	17,144	344.1	3.03
15	Digastros Company Limited	COMPAANY Co. Ltd	1	Operating revenue	18,826	344.1	3.18
16	Netol Digital Technology Co. Ltd	Netol Digital Technologies (HK) Co. Ltd	1	Bad debt receivable	48,781	344.1	3.23
17	Netol (S) Marketing Co. Ltd	The Company	0	Utilities receivable	16,374	344.1 and 1	3.48
18	Netol (S) Marketing Co. Ltd	The Company	0	Subsidiary receivable	181,808	344.1 and 1	3.88

Gamma Digital Government Co. Ltd.  
 Half Year (interim) financial results for reporting period  
 Year ended November 30, 2020

Table 7

Exposure to Financial Risk  
 (Group as a whole in million)

Sample Order ID	Contract name	Counterparty	Exposure (CAD \$)	Description			Percentage of total spending on services (CAD \$) / (CAD \$)	
				Class of financial instrument	Amount	Transaction terms		
1	Hispac (East Street) Technology Pte., Ltd.	Hispac (East Street) Technology Pte., Ltd.	5	Accounts receivable	4	10,296	100%	0.12
1	Hispac (East Street) Technology Pte., Ltd.	Hispac (East Street) Technology Pte., Ltd.	7	Accounts receivable		22,249	100%	0.21

Note 1: The samples listed in the table below are in respect of non-financial transactions as follows:

- (i) Factor company 1-6;
- (ii) The subsidiaries are included in order starting from 1.

Note 2: Substantive between associated company and subsidiary is considered to be following three categories: (i) in the nature of ordinary course business; (ii) transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction. (iii) transactions between the related parties of one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.

- (1) Factor company in substance;
- (2) Substantive to parent company;
- (3) Substantive to subsidiary;

Note 3: Regarding percentage of transaction amount, percentage of total spending covers all total orders, it is required to report the percentage of transaction in each listed transaction for financial risk exposure and based on the reported financial results for interim or for period in consolidated total spending business the amount of total orders.

Note 4: There is no available transaction to compare with. It will follow the agreed price and business terms.

Note 5: The documents related to order ID 101-100 for the transaction amount.

**General Financial Statements (F-10)**  
**Statement of assets and liabilities (continued) as of December 31, 2022**  
**Year ended December 31, 2022**

Approved by Directors of TFCB  
 2023年12月31日核准

Original in English and Chinese      Signed by the Directors of TFCB

Category	Name of company	Location	Description of assets	Balance at		Carrying amount	Increase	Additions	Decrease (disposal)		Balance
				December 31, 2021	December 31, 2022				In the period	Outside the period	
Other Assets	General Building Co., Ltd.	China (Mainland)	Advance received	\$ 1,188,001	\$ 1,188,001	\$ 2,778,217	1,590,216	\$ 75,000	\$ 1,863,217	\$ 1,938,217	
Other Assets	China Long Distance Co., Ltd.	China	Prepaid amount	19,126	22,710	12,965,000	12,945,874	1,000,000	(12,789,174)	11,756,700	
Other Assets	National Light Electronics Co., Ltd.	China	Prepaid amount	10,000	10,000	10,222	10,000	-	-	222	
Other Assets	China Digital Tech Co., Ltd.	China	Supply of electronic information service	68,600	68,600	14,000,000	13,931,400	1,000,000	(12,931,400)	10,000	
Other Assets	Beijing Jinyang Internet	China	Software service	80,027	80,027	6,000,000	5,919,973	80,027	(80,027)	5,919,973	
Other Assets	Tai Yuan Co., Ltd.	China	Prepaid amount	1,000	1,000	10,000	9,999	1,000	(1,000)	9,999	
Other Assets	Shan Hai Co., Ltd.	China	Software service	68,600	68,600	1,200,000	1,131,400	68,600	(68,600)	1,131,400	
Other Assets	Yuhua Co., Ltd.	China	IT maintenance	10,000	10,000	5,000	10,000	10,000	(10,000)	10,000	
Other Assets	Shi Ping Co., Ltd.	China	Prepaid amount	10,000	10,000	1,000,000	990,000	10,000	(10,000)	990,000	
Other Assets	China Ming He Co., Ltd.	China	Various rights	17,000	16,000	1,080,711	1,063,711	17,000	(17,000)	1,063,711	
Other Assets	Yuhua Co., Ltd.	China	Consulting	10,000	10,000	37,000	37,000	10,000	(10,000)	37,000	
Other Assets	China Sea State Co., Ltd.	China	Traveling fee (airfare) and ground receiving service	100,000	100,000	1,100,000	999,999	100,000	(100,000)	999,999	
Other Assets	Shanghai Jiaqi Technology Co., Ltd.	China	Software service	10,000	10,000	1,000,000	990,000	10,000	(10,000)	990,000	
Other Assets	ITRMVTECH Co., Ltd.	China	IT fee (airfare)	10,000	10,000	1,100,000	990,000	10,000	(10,000)	990,000	
Other Assets	China Internet Publishing Co., Ltd.	China	Software service	-	10,000	-	10,000	-	-	10,000	
Other Assets	China Internet Publishing Co., Ltd.	China	Traveling fee (airfare) and ground receiving service	10,000	10,000	1,000,000	990,000	10,000	(10,000)	990,000	
Other Assets	Yuhua Co., Ltd.	China	Consulting	10,000	10,000	10,000	10,000	10,000	(10,000)	10,000	
Other Assets	China	China	Software service	10,000	10,000	1,000,000	990,000	10,000	(10,000)	990,000	

General Agreement Co., Ltd.  
 (Incorporated in the Republic of China) (Incorporated in the United States)  
 100, No. 1, Sec. 1, Roosevelt Rd., Taipei, Taiwan, R.O.C.

Report to Shareholders  
 Change of Shareholders

Annual Report for 2016 (106) | Financials as of December 31, 2016

Amount in US\$

Amount in US\$ (in thousands)

Amount in US\$ (in thousands)

Amount in US\$ (in thousands)

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**Global Infrastructure Partners (U.S.) Ltd.**  
**Statement of assets, liabilities and equity components of financial statements**  
**The quarter ended 31, 2023**

Expressed in thousands of USD  
(Unaudited unless otherwise indicated)

		(Amount in thousands of USD)		(Amount in \$)				(Amount in \$)		(Amount in \$)	
				December 31, 2023		December 31, 2022				December 31, 2023	
Company	Name of company	Location	Type of assets	December 31, 2023	December 31, 2022	Carrying amount	Percentage	Book value	In the portfolio	Assets recognized by us	
										Company	Partners
Global Infrastructure Partners (U.S.) Ltd.	Global Infrastructure Partners (U.S.) Ltd.	Global	Investment in equity	1,000,000	1,000,000	1,000,000	100%	1,000,000	1,000,000	-	-
Global Infrastructure Partners (U.S.) Ltd.	Global Infrastructure Partners (U.S.) Ltd.	Global	Investment in equity	(1,000,000)	(1,000,000)	(1,000,000)	100%	(1,000,000)	(1,000,000)	-	-
Global Infrastructure Partners (U.S.) Ltd.	Global Infrastructure Partners (U.S.) Ltd.	Global	Investment in equity	1,000,000	1,000,000	1,000,000	100%	1,000,000	1,000,000	-	-

(1) Global Infrastructure Partners (U.S.) Ltd. is a limited liability company organized under the laws of the United States of America.  
(2) Global Infrastructure Partners (U.S.) Ltd. is a subsidiary of Global Infrastructure Partners (U.S.) Ltd.  
(3) Global Infrastructure Partners (U.S.) Ltd. is a subsidiary of Global Infrastructure Partners (U.S.) Ltd.  
(4) Global Infrastructure Partners (U.S.) Ltd. is a subsidiary of Global Infrastructure Partners (U.S.) Ltd.



**Energy Efficiency Measures (EEM)**  
**Summary of Estimated & Approved Costs**  
 (in \$1000) (in \$)

(Excludes Measure #10)  
 (Excludes Measure #10)

Measure #/Measure Title	Description	Estimated Cost (\$)	Approved Cost (\$)	Approved Cost (\$)		Approved Cost (\$)		Approved Cost (\$)		Approved Cost (\$)		Total (\$)
				Approved Cost (\$)	Approved Cost (\$)	Approved Cost (\$)	Approved Cost (\$)	Approved Cost (\$)	Approved Cost (\$)			
Measure #1/Measure Title	Estimated Cost (\$)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Measure #2/Measure Title	Estimated Cost (\$)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Measure #3/Measure Title	Estimated Cost (\$)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Measure #4/Measure Title	Estimated Cost (\$)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Measure #5/Measure Title	Estimated Cost (\$)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

- 1. The utility is supplying a service or product in the following:
  - (1) Distribution to the end user
  - (2) Delivery to the end user (including transportation & installation)
  - (3) Other
- 2. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 3. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 4. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 5. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 6. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 7. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 8. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 9. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.
- 10. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.

Measure #/Measure Title	Approved Cost (\$)		Approved Cost (\$)	
	Approved Cost (\$)	Approved Cost (\$)	Approved Cost (\$)	Approved Cost (\$)
Measure #1/Measure Title	100,000	100,000	100,000	100,000
Measure #2/Measure Title	200,000	200,000	200,000	200,000
Measure #3/Measure Title	300,000	300,000	300,000	300,000
Measure #4/Measure Title	400,000	400,000	400,000	400,000
Measure #5/Measure Title	500,000	500,000	500,000	500,000

1. The estimated cost of the service or product is based on the most recent approved EEM project cost data. The utility is not required to provide a breakdown of the estimated cost of the service or product into its components.

University of North Carolina System  
 Annual Financial Statements  
 December 31, 2022

Table 4

Name of Major Donor/Donor	Class	Amount of Contribution	Unrestricted
John B. Stone		\$1,041,100	\$1,041,100
Trinity Educational Center, LLC		\$1,000,000	\$1,000,000
Dr. Fredrick G. Lee, Distinguished Professor		\$1,000,000	\$1,000,000
David M. Hester (Class of 1966)		\$1,000,000	\$1,000,000

Note 1: The major donor/recipient relationship was formed in the late 1980s for the purpose of supporting research and teaching in the area of professional ethics. It was formed and has since been operated as a separate entity. It is a 501(c)(3) organization. The major donor/recipient relationship was formed in the late 1980s for the purpose of supporting research and teaching in the area of professional ethics. It was formed and has since been operated as a separate entity. It is a 501(c)(3) organization. The major donor/recipient relationship was formed in the late 1980s for the purpose of supporting research and teaching in the area of professional ethics. It was formed and has since been operated as a separate entity. It is a 501(c)(3) organization.

**VI. Impacts of Latest Financial Difficulties Encountered by the Company and Any of Its Affiliates on the Company's Financing Standing, if Any, in the Past Year Up to the Date the Annual Report Was Printed:** None.

**VII. Discussion and Analysis of Financial Standing and Financial Performance and Risks**

**I. Financial Standing**

Unit: NTD thousand

Item \ Year	2020	2019	Difference		Variation Analysis (Note 1)
			Value	Ratio (%)	
Current assets	4,382,635	4,559,088	(176,453)	(3.87)	
Real estate, plants, and equipment	2,845,436	2,857,123	(11,687)	(0.41)	
Intangible assets	1,411,663	842,551	569,112	67.55	(Note 2)
Other assets	665,161	1,001,123	(335,962)	(33.56)	(Note 3)
Total assets	9,304,895	9,259,885	45,010	0.49	
Current liabilities	3,579,602	3,606,079	(26,477)	(0.73)	
Non-current liabilities	213,562	356,413	(142,851)	(40.08)	(Note 4)
Total liabilities	3,793,164	3,962,492	(169,328)	(4.27)	
Capital stock	1,754,936	1,754,936	-	-	
Additional paid-in capital	1,352,471	1,291,593	60,878	4.71	
Retained earnings	2,429,145	1,836,538	592,607	32.27	(Note 5)
Other equities	(551,904)	(171,976)	(379,928)	220.92	(Note 6)
Non-controlling interests	527,083	586,302	(59,219)	(10.10)	
Total equity	5,511,731	5,297,393	214,338	4.05	

(Note 1) When the increase or decrease has reached 20% and the value involved has reached NTD 10,000,000.00, it shall be analyzed and explained.

(Note 2) Increase in intangible assets was mainly the result of the increase in dealership.

(Note 3) Decrease in other assets was mainly the result of the disposal of financial assets measured by the fair value through other comprehensive profits or losses.

(Note 4) Decrease in non-current liabilities was mainly the result of repayment of long-term borrowings.

(Note 5) Increase in retained earnings was mainly the result of the increase in the net profit of 2020.

(Note 6) Increase in other equities was mainly the result of the adjusted valuation of financial assets measured by the fair value through other comprehensive profits.

## II. Financial Performance

### (I) Financial Performance Comparative Analysis Table

Unit: NTD thousand

Item	Year	2020	2019	Increased (Decreased) Value	Change ratio (%)
Operating income		10,443,042	9,681,345	761,697	7.87
Operating Cost		(6,474,304)	(5,588,187)	(886,117)	15.86
Operating gross profit		3,968,738	4,093,158	(124,420)	(3.04)
Operating expense		(2,831,323)	(2,833,124)	1,801	(0.06)
Operating loss or profit		1,137,415	1,260,034	(122,619)	(9.73)
Non-operating income and expenditure		(71,868)	(81,627)	9,759	(11.96)
Pre-tax net profit (loss)		1,065,547	1,178,407	(112,860)	(9.58)
(Expenditure) Profit from Income Tax		(283,227)	(313,789)	30,562	(9.74)
Net profit of current term		782,320	864,618	(82,298)	(9.52)
Other combined profits and losses		(109,948)	(7,811)	(102,137)	1,307.60
Sum of combined profits (losses) for the current term		672,372	856,807	(184,435)	(21.53)
Net profit attributable to the owner of the parent company		872,496	887,895	(15,399)	(1.73)
Net profit attributable to non-controlling interests		(90,176)	(23,277)	(66,899)	287.41
The sum of comprehensive income attributable to the owner of the parent company		759,822	877,316	(117,494)	(13.39)
Total combined profits or losses attributable to non-controlling interests		(87,450)	(20,509)	(66,941)	326.40

Note 1: Information on the analysis of decreases or increases in the past two years (when the operating gross profit has changed by over 20%, the differential analysis table shall also be produced; when the changes are less than 20%, analysis may be waived):

1. The increase in other comprehensive losses was mainly the result of the increase in the unrealized losses of financial assets measured at fair value through other comprehensive profits or losses

Note 2: Reason for the change to the main scope of operation: There were no major changes to the Company's scope of operation and hence no analysis is intended.

Note 3: Expected sales in the coming year and the rationale and major influential factors for the expected sales of the Company to keep growing or declining:

2. The operating income of the Company includes the income from gaming software (online games, mobile service) and that from physical sales. Due to the fact that the Company did not prepare the financial forecast, there are not statistics of the sales.
3. Possible impacts on the future financial operations of the Company and the countermeasures: The Company will continue to add gaming software and the payment service to its scope of operation for a growth in the operational scale and to fulfill the profitability goal.

(II) Analysis table of changes in operating gross profit: The operating gross profit did not change much so no analysis is intended.

### III. Cash Flow

Unit: NTD thousand

Balance of cash at start of term	Net cash flows from operating activities throughout the year	Net cash flows associated with investments and capital raising throughout the year	Remaining (Shortage in) cash	Remedies in case of cash shortage	
				Investment plan	Wealth management plan
\$2,202,733	\$2,333,945	(\$2,139,077)	\$2,397,601	-	-

1. Analysis of change in cash flows of the year:

- (1) Operating activities: the net cash inflows from normal operating activities.
- (2) Investment and fund-raising activities: the net cash outflows meant for acquiring intangible assets, distributing cash dividends, and repayment of borrowings.

2. Remedies for shortage in cash and liquidity analysis:

- (1) This did not happen.
- (2) Liquidity analysis: The ratio of current assets to current liabilities was 122.43 %; the liquidity was optimal.

Item	Year	December 31, 2020	December 31, 2019	Ratio of increase/decrease (%)
Cash flow ratio (%)		65.20	24.30	40.90
Cash flow adequacy ratio (%)		30.31	59.79	70.52
Cash re-investment ratio (%)		49.78	6.39	43.39

Information on decreases/increases:

- a. Cash flow ratio was the result of the increase in cash in-flows from operating activities for the current term.
- b. Cash flow adequacy ratio was the result of the increase in cash in-flows from operating activities for the current term.
- c. Cash re-investment ratio was the result of the increase in cash in-flows from operating activities for the current term.

3. Analysis of cash liquidity for the coming year:

Balance of cash at start of term	Net cash flows from operating activities throughout the year	Net cash flows associated with investments and capital raising throughout the year	Remaining (Shortage in) cash	Remedies in case of cash shortage	
				Investment plan	Wealth management plan
\$2,397,601	\$2,200,000	(\$1,620,000)	\$2,977,601	-	-

- (1) Analysis of change in cash flows of the year:
  - a Operating activities: the net cash inflows from normal operating activities.
  - b Investment activities: the net cash out-flows for long-term investments and for acquiring assets.
- (2) Remedies for shortage in cash and liquidity analysis: This did not happen.

**IV. Impacts of Latest Major Capital Expenditure on Financial  
Operation:** None.

## V. Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year

Reinvestment Analysis Table

Description Item (Note 1)	Investment amount (Note 2)	Policy	Main reasons for profits or losses	Improvement Plan	Investment Plan for the coming year
Gamania Digital Entertainment (Beijing) Co., Ltd.	USD 35.3 million	Global deployment	The operation is yet to reach a profitable scale.	Operations are supported at the minimum cost.	Depending on the the operation.
Gamania Digital Entertainment (H.K.) Co., Ltd.	HKD 25.5 million	Global deployment	The operational performance is optimal.	Continue to introduce new products and maximize the revenue and profitability.	Depending on the the operation.
FUNdation DIGITAL ENTERTAINMENT Co. Ltd.	NTD 220 million	Diversified deployment	The operation is yet to reach a profitable scale.	Operations are supported at the minimum cost.	Depending on the the operation.
Jollybuy Digital Technology Co. Ltd.	NTD 480 million	Diversified deployment	The operation is yet to reach a profitable scale.	Continue to optimize operations and maximize revenue	Depending on the the operation.
Joymabee Entertainment Company Limited	USD 3.95 million	Diversified deployment	The operation is yet to reach a profitable scale.	Continue to optimize operations and maximize revenue	Depending on the the operation.
TWO TIGERS CO., LTD.	NTD 6.269 million	Diversified deployment	It is yet to reach a profitable scale.	Continue to promote the animation business.	Depending on the the operation.
Gash Point Co., Ltd.	NTD 169 million	Diversified deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
Gash Point (HK) Company Limited	HKD 750 thousand	Global deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
Gash Point Korea Co., Ltd.	NTD 11.662 million	Global deployment	It is yet to reach a profitable scale.	Continue to maximize revenue and profitability	Depending on the the operation.
Gash Point (Japan) Co., Ltd.	JPY 140 million	Global deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
Indiland Co., Ltd.	NTD 40 million	Diversified deployment	It is yet to reach a profitable scale.	Continue to optimize operations.	Depending on the the operation.
CIIRCO, INC.	NTD 199.4 million	Diversified deployment	It is yet to reach a profitable scale.	Continue to optimize operations.	Depending on the the operation.
ANTS' POWER CO., LTD.	NTD 10,000,000.00	Diversified deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
MADSUGR DIGITAL TECHNOLOGY CO., LTD.	NTD 45.9 million	Diversified deployment	It is yet to reach a profitable scale.	Operations are supported at the minimum cost.	Depending on the the operation.
GAMA PAY CO., LTD.	NTD 719.229 million	Diversified deployment	It is yet to reach a profitable scale.	Continue to maximize revenue and profitability	Depending on the the operation.
CONETTER COMARKETING CO., LTD.	NTD 29.25 million	Diversified deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
Achieve Made	USD 6.953 million	Diversified	It is yet to reach a	Operations are	Depending on



International (BVI)		deployment	profitable scale.	supported at the minimum cost.	the the operation.
COTURE NEW MEDIA CO., LTD.	NTD 203.5 million	Diversified deployment	It is yet to reach a profitable scale.	Continue to maximize revenue and profitability	Depending on the the operation.
WEBACKERS CO., LTD.	NTD 51.04 million	Diversified deployment	It is yet to reach a profitable scale.	Operations are supported at the minimum cost.	Depending on the the operation.
BEANGO CO., LTD.	NTD 214 million	Diversified deployment	It is yet to reach a profitable scale.	Operations are supported at the minimum cost.	Depending on the the operation.
HaPod Digital Technology Co. Ltd.	USD 2.2 million	Diversified deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
DIGICENTRE COMPANY LIMITED	NTD 302.637 million	Diversified deployment	The operational performance is optimal.	Continue to maximize revenue and profitability	Depending on the the operation.
CHINA POST	NTD 1 thousand	Diversified deployment	It is yet to reach a profitable scale.	Operations are supported at the minimum cost.	Depending on the the operation.
NOWNEWS NETWORK CO., LTD.	NTD 431.281 million	Diversified deployment	It is yet to reach a profitable scale.	Continue to maximize revenue and profitability	Depending on the the operation.

(Note 1): This table only shows reinvestments with actual operations and does not include holding companies that are invested in.

(Note 2): The cumulative investment value as of December 31, 2020, including direct and indirect investments.

## **VI. Analysis and Evaluation of Risk Matters in the Past Year up to the Date the Annual Report was Printed:**

### **(I) Impacts of Changes in Interest Rate, Exchange Rate, and Inflation on the Company's Profits or Losses and Countermeasures in the Future:**

#### **1. Impacts of changes in interest rate on the Company's profits or losses and countermeasures in the future :**

The Central Bank reduced the interest rate for deposits and loans recently. Due to the fact that interest income and expenditure do not account for a large ratio in the operating profit and pre-tax net profit of the Company, however, changes in interest rate do not impact the Company much. As the Company expands its operating scale, the demand for funds from banks will be increased. In light of this, the Finance Unit of the Company evaluates interests rates at respective banks periodically and keep in close contact with banks in order to get preferred interest rates for borrowings and to reduce the impacts of changes in interest rate on the Company to a minimum.

#### **2. Impacts of changes in exchange rate on the Company's profits or losses and countermeasures in the future:**

As far as foreign currency assets are concerned, the Financial Unit of the Company stays in close contact with the foreign exchange department of each corresponding bank and pays attention to international finance at all times in order to keep track of the latest changes in exchange rate. Since loss or profit from exchange does not account for a large ratio in the operating profit or pre-tax net profit of the Company, changes in exchange rate do not have material impacts on the loss or profit of the Company.

#### **3. Impacts of inflation on the Company's profits or losses and countermeasures in the future:**

Current inflation has lead to an increase in expenses on respective daily consumables. Entertainment-related spending, nevertheless, is a necessity in life. Meanwhile, the Company has not suffered significant impacts from inflation in terms of profit or loss according to prior experiences. As such, inflation has limited impacts on the Company's loss or profit.

### **(II) Policy on engaging in high-risk and high-leverage investments, lending of funds to others, endorsement and guarantee, and transactions of derivatives, main profit or loss factors, and countermeasures in the**

future:

1. The Group has had its Operating Procedure for Lending of Funds and Endorsement/Guarantee and Regulations Governing the Acquisition and Disposal of Assets, among others, approved through its shareholders' meeting to govern applicable operations.
2. The Group is not engaged in high-risk and high-leverage investments or transactions where lending of funds to others and derivatives are involved.

**(III) Future research and development plans and R&D expenses expected to be devoted**

In order to keep its competitive advantages in the future, it is expected that a research and development budget of around NTD 570 million will be devoted in 2021. In order to keep investing in the development of mobile games and mobile life Apps and also to answer to the maturing environment for opening up the third-party payment market to related cloud services now, the development of cross-platform transaction-related technologies and electronic payment systems between mobile games and online platforms will be significantly increased in the future.

**(IV) Impacts of important domestic and international policies and regulatory changes on the Company's financial performance and response measures:**

Currently, respective financial operations of the Group have been handled in compliance with regulatory requirements. In addition, there are exclusive legal, financial, and accounting units inside the Group that have carefully evaluated respective laws and regulations and planned countermeasures in order to be compliant with regulatory requirements and to reduce their impacts on the financial operations of the Group. The financial operations of the Group had not suffered major negative impacts as a result of major changes to policies and laws domestically and internationally as of the date the Annual Report was printed.

**(V) Impacts of technological and industrial changes on the Company's financial operations and countermeasures:**

1. Impacts of technological and industrial changes on the Company's financial operations and countermeasures

Given the increasing popularity of network broadband and technology products, the constant breakthroughs in network communication

technologies, and the constantly changing technological trends, Gamania makes comprehensive deployment in the hope to become a fully web-based flagship group that, with its robust gaming capabilities to comprehensive mobile life applications, takes on challenges and opportunities brought about by technological changes to satisfy the needs of customers.

## 2. Corporate information security risk and countermeasures

Corporate information security risks include not only external cyber attacks but also insufficient internal awareness and knowledge, viral threats that lead to abnormal or disrupted operations of systems, data alteration and damage; all of them are operational risk factors. Therefore, to ensure information security, besides defining that the information security policy shall be the highest guiding principle based on which applicable information security management organizations, regulations, and operating procedures shall be established, the Company has leaders to hold the management to call for the information security meeting periodically on a yearly basis where existing information security practice is reflected upon and the improvement plan is prepared. Information on possible risks facing the Company in its operation and the countermeasures are provided below.

### (1) Insufficient awareness about information security among employees

Since the data, information, and systems processed by employees directly concern the Company's operation, any carelessness can be subject to downloading or infection of malware to undermine the internal information security of the Company. Besides listing the online information security training that is prepared by the Company as a required course to take, related news on the Internet that has to do with information security is collected on a daily basis and information on the release of internal announcement on information security and implementation of drills is provided from time to time regarding information security attacks that pose relatively high risks at present and the safety protection to reinforce employee awareness about information security.

### (2) Viral threat

Computer viruses can come from websites visited, emails containing malware, or mobile storage devices, downloading of malware, etc. In light of this, the Company builds multi-level protection and testing, comprehensively installs the international well-known anti-virus system, and imposes centralized monitoring and protection in order to reduce risks of infections or attacks by malware.

### (3) Cyber attack

Internet hackers impact corporate operations the most directly. Therefore, besides imposing necessary preventive measures, such as separating important network segments and access control, firewalls, intrusion detection and blocking attacks, websites that offer external connections go through vulnerability and penetration testing periodically/from time to time. In addition, there are application protection and information security vulnerability reporting mechanism and repairing. All are meant to reduce loopholes and chances of attacks to a minimum. In addition, for malicious cyber attacks, related infringing behaviors and their impacts will be compiled and penalties will be imposed as required by law.

#### (4) Operational disruption

Necessary local/remote backup and recovery drills are organized for important operational services and data of the Company. In case of unavoidable damage to the main operating system or database or operational disruption, operation may be reinstated at different location within the specified timeframe.

#### (5) Protection of personal data

The Company cleaned up the date of members collected in the early several years ago and has required that the principle of minimal operation be applied in the collection of related data and that handling and protective measures be enforced for each segment in compliance with Personal Data Protection Act at respective operating units. Information security is ensured through the masking of confidential and sensitive data, field/database encryption, and the access control and warning mechanisms and ISO and PCI certifications are obtained. The legitimacy and rigidity at each node of the process are authenticated through audits.

### (VI) Impacts of changes in the corporate image on the management of corporate risks and the countermeasures:

The Gamania Group has been maintaining robust operational performance over the long term, consolidating its core values, perfecting corporate governance, and devoted to seeking maximum benefits for its shareholders and its employees. Its corporate image has been good in the nation. The Company continues with its belief in “exploring infinite possibilities of delight”. Based on the games it creates to help people stay away from depression and remain ambitious and hopeful that are full of creativity to move the players, it has contributed to the long-term developments of the industry. Not only the

international corporate image that has been boosted, improved competitive advantages of gaming contents from Taiwan internationally are also a goal.

The Group has its own brand center, customer service, global corporate marketing, investor relations, employee relations, risk management, internal control, and the Gamania Cheer Up Foundation to come together so that the Company can reach new heights on the basis of a good corporate image while at the same time having respective counter measures in place to eradicate and to keep any possible crisis under control.

(VII) Expected benefits and possible risks of mergers and acquisitions and the countermeasures: Not applicable.

(VIII) Expected benefits and possible risks of the expansion of plants and the countermeasures: Not applicable.

(IX) Risks associated with focused purchases or sales and the countermeasures:

For major sources of purchases and destinations of sales, refer to the descriptions provided in the preceding section. They reflect the characteristics of the gaming industry and phased operational strategies. In the future, goals of the Group will be adequately diversified reflective of the industrial growth pattern to decentralize the sources of purchases and destinations of sales and to hopefully maintain balanced and robust operational achievements.

(X) Impacts and risks of transfer or exchange of stock options in large quantities by directors, supervisors, or heavyweight shareholders holding more than 10% of all shares on the Company and the countermeasures: None.

(XI) Impacts and risks of the change in the management on the Company, risks, and countermeasures: Not Applicable.

(XII) Lawsuits and non-lawsuit events. Major lawsuits and non-lawsuits or administrative disputes with a finalized verdict or ongoing proceedings that involve the Company, the Company's directors, supervisors, president, actual person in charge, and shareholders holding more than 10% of all shares, and the associated companies shall be listed. If the

results are likely to have significant impacts on shareholders' equity or prices of securities, the facts, target value, and start date of the lawsuit, main clients involved, and handling status as of the date of the Annual Report was printed shall be disclosed: None.

(XIII) Other important risks and response measures: None

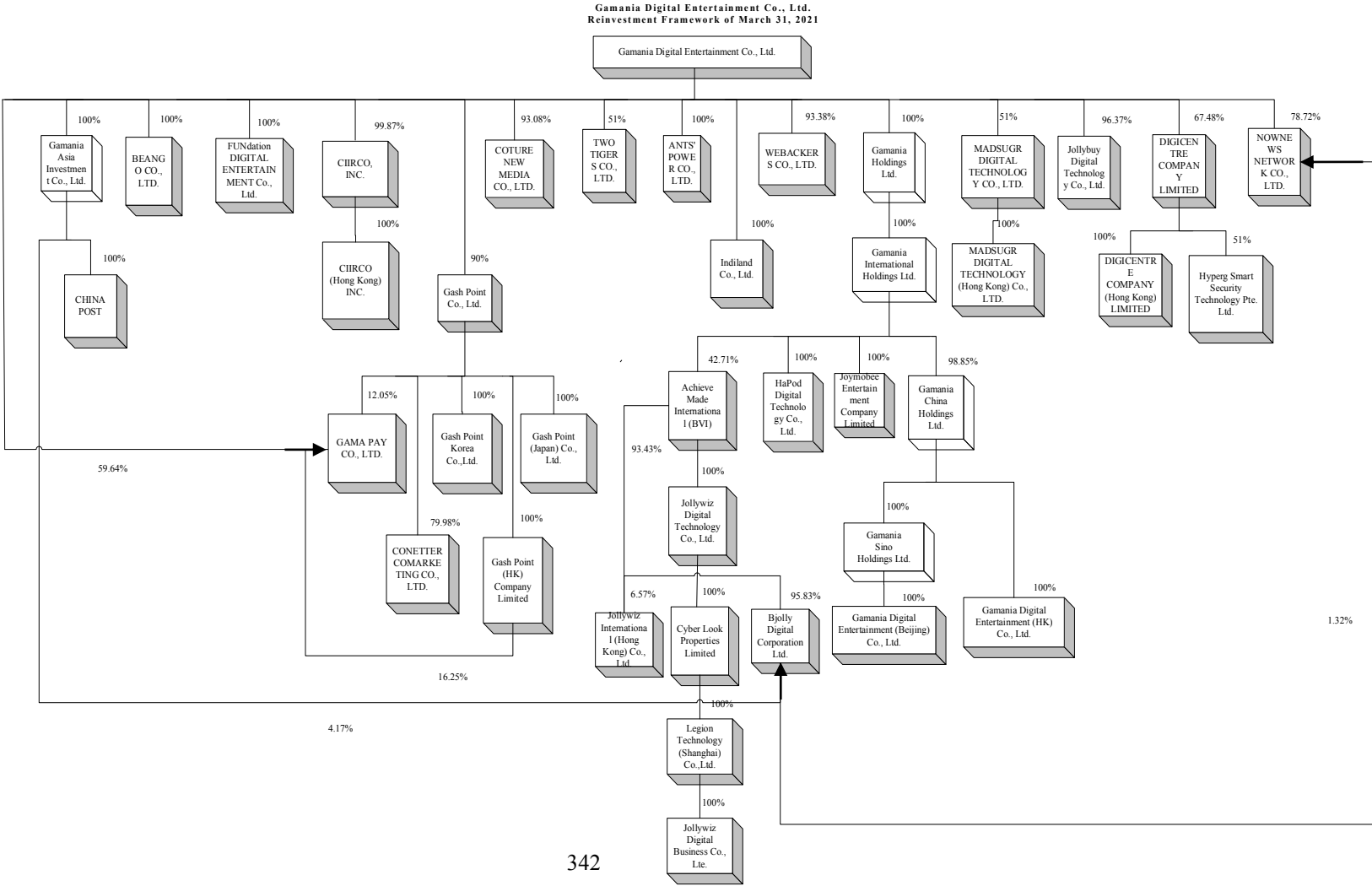
**VII. Other important matters:** None.

# VIII. Special Notes

## I. Information of Affiliates

### (I) Consolidated Business Report of Affiliated Enterprises

#### 1. Organizational Chart of Affiliates





## 2. Profile of respective affiliates

March 31, 2021

Name of affiliate	Date established	Address	Paid-in capital size	Main scope of operation or production
Gamania Holdings Ltd.	2001.04.13	4th Floor, Harbour Place, 103 South Church Street, George Town, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands.	USD 46.278 million	Reinvestment, shares held
Gamania International Holdings Ltd.	2001.04.13	4th Floor, Harbour Place, 103 South Church Street, George Town, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands.	USD 77.281 million	Reinvestment, shares held
Gamania China Holdings Ltd.	2001.04.13	P.O. Box 30592SMB, Cayside, 2nd Floor, Harbour Drive, Grand Cayman, Cayman Islands, BWI.	USD 40.889 million	Reinvestment, shares held
Gamania Digital Entertainment (HK) Co., Ltd.	2000.06.28	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	HKD 25.5 million	Information software service and distribution
Gamania Sino Holdings Ltd.	2001.09.18	4th Floor, Grand Cayman Capital Tower 1, British Cayman Islands	USD 39.52 million	Reinvestment, shares held
Gamania Digital Entertainment (Beijing) Co., Ltd.	2002.07.02	Room 612, Block A, Jiahua Building, No. 9 Shangdi Third Street, Haidian District, Beijing	USD 35.3 million	Software development and distribution
Gamania Asia Investment Co., Ltd.	2004.06.07	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 189 million	General investment
FUNDation DIGITAL ENTERTAINMENT Co. Ltd.	2007.01.24	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 3.165 million	Magazine and journal publishing
Jollybuy Digital Technology Co. Ltd.	2009.02.25	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 193 million	Electronic information supply
TWO TIGERS CO., LTD.	2010.12.09	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 12.292 million	Animation production
Joymabee Entertainment Company Limited	2010.08.04	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	HKD 30.702 million	Game software design and R&D

Gash Point Co., Ltd.	2011.02.11	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 150 million	Information software and electronic information supply
Gash Point (HK) Company Limited	2010.12.09	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	HKD 750 thousand	Information software and electronic information supply
Gash Point Korea Co., Ltd.	2001.11.16	SEOUL, KANG-NAM GU, BONGUNSARO 84 GIL 8, 503	KRW 691.340 million	Information software and electronic information supply
Gash Point (Japan) Co., Ltd.	2013.09.10	Tri-Seven Roppongi 8F,7-7-7 Roppongi, Minato-KU, Tokyo 106-0032 JAPAN	JPY 98 million	Information software and electronic information supply
Indiland Co., Ltd.	2012.05.10	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 500 thousand	IP product licensing
CIIRCO, INC.	2013.05.20	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 70 million	Information software service and distribution
CIIRCO (HK) Company Limited	2017.05.17	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	USD 1.75 million	Information software service and distribution
ANTS' POWER CO., LTD.	2013.12.17	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 10 million	Customer service
COTURE NEW MEDIA CO., LTD.	2014.12.24	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 14.125 million	TV program production and general advertising
Madsugr Digital Technology Co., Ltd.	2014.12.31	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 90 million	Information software service and electronic information supply
GAMA PAY CO., LTD.	2014.11.06	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 800 million	Third-party payment
CONETTER COMARKETING CO., LTD.	2014.11.18	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 32.82 million	Information software service and electronic information supply
WEBACKERS CO., LTD.	2014.09.15	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 4 million	Fund-raising platform
Jollywiz Digital Business Co., Ltd.	2010.03.24	Unit 01.02.06, 19th Floor, No. 500 Yan'an West Road, Changning District, Shanghai	CNY 5 million	Electronic information supply

Legion Technology (Shanghai) Co., Ltd.	2008.12.05	Room 3212.3213, No. 325 Tianyaoqiao Road, Shanghai	USD 3.95 million	Electronic information supply
Cyber Look Properties Limited	2008.02.01	British Virgin Islands, Totra Province, Road Town, Blake Avenue, Haibi Building, P.O. Box Number 116	USD 4.9 million	Reinvestment, shares held
Jollywiz Digital Technology Co. Ltd.	2006.11.30	3F-3, No. 88, Ruihu Street, Neihu District, Taipei City	NTD 255.28 million	Electronic information supply
Achieve Made International (BVI)	2006.09.01	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	USD 176 thousand	Reinvestment, shares held
Jollywiz International (HK) Co., Limited	2015.06.19	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	USD 5.119 million	Electronic information supply
HaPod Digital Technology Co. Ltd.	2015.07.09	Room 302B, 3rd Floor, One Victoria Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	USD 2.2 million	Information software service and distribution
BEANGO CO., LTD.	2016.03.25	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 4 million	Communication software
CHINA POST	1982.12.28	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 5 million	Newspaper publishing
DIGICENTRE COMPANY LIMITED	2009.02.24	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 239.2 million	Information software service
Digicentre (HK) Company Limited	2017.04.05	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	HKD 300 thousand	Information software service
Hyperg Smart Security Technology Pte. Ltd.	2019.04.01	3 Temasek Avenue #18-22 Centennial Tower Singapore (039190)	USD 1.961 million	Information software service
NOWNEWS NETWORK CO., LTD.	2006.06.08	3F, No. 160, Ruihu Street, Neihu District, Taipei City	NTD 430.85 million	TV program production and general advertising
Bjolly Digital Corporation Ltd.	2017.09.21	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 10.909 million	Electronic information supply

3. Data of common shareholders inferred to have control or to be in a subordinate relationship: None.

4. Profile of directors, supervisors, and general managers of individual affiliates:

March 31, 2021

Unit: Thousand shares

Name of affiliate	Position	Name or Representative	Shares held		Remarks
			Number of shares	Holding ratio	
Gamania Holdings Ltd.	Chairman	Liu, Po-Yuan	-	-	
Gamania International Holdings Ltd.	Chairman	GH Representative: Liu, Po-Yuan (Note 1)	-	-	
Gamania China Holdings Ltd.	Chairman	GIH Representative: Liu, Po-Yuan (Note 2)	-	-	
Gamania Digital Entertainment (Hong Kong) Co., Ltd	Chairman	Liu, Po-Yuan	-	-	
	Director	Su, Hsin-Hung	-	-	
	Director	Chang, Ya-Ling	-	-	
	Director	Wang, Da-Wei	-	-	
Gamania Sino Holdings Ltd.	Chairman	Liu, Po-Yuan	-	-	
Gamania Digital Entertainment (Beijing) Co., Ltd.	Director	Liu, Po-Yuan	-	-	
	Supervisor	Su, Hsin-Hung	-	-	
Gamania Asia Investment Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	18,900	100.00%	
FUNDation DIGITAL ENTERTAINMENT Co. Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	317	100.00%	
Jollybuy Digital Technology Co. Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	18,600	96.37%	
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Shih, Kai-Wen	18,600	96.37%	
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	18,600	96.37%	
	Supervisor	Su, Hsin-Hung			
Gash Point Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	13,500	90.00%	

Gash Point (Japan) Co., Ltd.	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	13,500	90.00%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	13,500	90.00%
	Supervisor	Wu, Chang-Hung	13	0.09%
	Chairman	Liu, Po-Yuan	-	-
	Director	Liang, Wei-Chi	-	-
	Director	Chen, Chin-Hua	-	-
	Director	Su, Hsin-Hung	-	-
Gash Point (HK) Company Limited	Director	Wang, Chi-Huang	-	-
	Director	Liu, Po-Yuan	-	-
	Director	Wang, Chi-Huang	-	-
Gash Point Korea Co., Ltd.	Director	Su, Hsin-Hung	-	-
	Chairman	Liu, Po-Yuan	-	-
	Director	Wang, Chi-Huang	-	-
TWO TIGERS CO., LTD.	Supervisor	Su, Hsin-Hung	-	-
	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	627	51.00%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: HSIEH Chunwei	627	51.00%
	Director	SOFA STUDIO, LTD. Representative: Kuo, Shou-Cheng	602	49.00%
	Director	SOFA STUDIO, LTD. Representative: Liu, Hsin-Yi	602	49.00%
Joymobee Entertainment Company Limited	Supervisor	Su, Hsin-Hung	-	-
	Chairman	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
Indiland Co., Ltd.	Director	Chang, Ya-Ling	-	-
	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	50	100%
CIIRCO, INC.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	6,991	99.87%

CIIRCO (HK) Company Limited	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	6,991	99.87%
	Director	Unfilled	-	-
	Supervisor	Su, Hsin-Hung	-	-
	Director	Liu, Po-Yuan	-	-
ANTS' POWER CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	1,000	100%
COTURE NEW MEDIA CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	1,315	93.08%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	1,315	93.08%
	Director	Unfilled	-	-
	Supervisor	Su, Hsin-Hung	-	-
MADSUGR DIGITAL TECHNOLOGY CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	4,590	51%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Chang, Chih-Hung	4,590	51%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	4,590	51%
	Supervisor	Su, Hsin-Hung	-	-
GAMA PAY CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	47,714	59.64%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	47,714	59.64%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	47,714	59.64%

CONETTER COMARKETING CO., LTD.	Director	Gash Point Co., Ltd. Representative: Liang, Wei-Chi	9,643	12.05%
	Director	E.SUN VENTURE CAPITAL CO., LTD. Representative: Liu, Mei-Ling	3,214	4.02%
	Director	Taiwan FamilyMart Co., Ltd. Representative: Wu, Sheng-Fu	3,214	4.02%
	Director	TAIWAN SECOM CO., LTD. Representative: Lin, Chien-Han	3,214	4.02%
	Supervisor	Wu, Chang-Hung	-	-
	Chairman	Gash Point Co., Ltd. Representative: Liu, Po-Yuan	2,625	79.98%
	Director	Gash Point Co., Ltd. Representative: Wang, Chi-Huang	2,625	79.98%
	Director	JSDWAY DIGITAL TECHNOLOGY CO., LTD. Representative: Huang, Chun-Jen	657	20.02%
	Supervisor	Su, Hsin-Hung	-	-
	WEBACKERS CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	374
Director		Gamania Digital Entertainment Co., Ltd. Representative: Chen Wei-Kuang	374	93.38%
Director		Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	374	93.38%
Supervisor		Su, Hsin-Hung	-	-
Jollywiz Digital Business Co., Ltd.	Director	Shih, Kai-Wen	-	-
Legion Technology (Shanghai) Co., Ltd.	Director	Shih, Kai-Wen	-	-
Cyber Look Properties Limited	Director	Shih, Kai-Wen	-	-
Jollywiz Digital Technology Co. Ltd.	Chairman	ACHIEVE MADE INTERNATIONAL LIMITED Representative: Liu, Po-Yuan	25,528	100%

Achieve Made International (BVI)	Director	ACHIEVE MADE INTERNATIONAL LIMITED Representative: Shih, Kai-Wen	25,528	100%
	Director	ACHIEVE MADE INTERNATIONAL LIMITED Representative: Hung, Meng-Ting	25,528	100%
	Director	ACHIEVE MADE INTERNATIONAL LIMITED Representative: Su, Hsin-Hung	25,528	100%
	Director	ACHIEVE MADE INTERNATIONAL LIMITED Representative: Wang, Chi-Huang	25,528	100%
	Supervisor	ACHIEVE MADE INTERNATIONAL LIMITED Representative: Wu, Chang-Hung	25,528	100%
	Director	Shih, Kai-Wen	-	-
	Director	Hung, Meng-Ting	-	-
	Director	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Wang, Chi-Huang	-	-
Jollywiz International (HK) Co., Limited	Director	Alibaba Taiwan Entrepreneurs Fund I, L.P.	-	-
HaPod Digital Technology Co. Ltd.	Director	Shih, Kai-Wen	-	-
BEANGO CO., LTD.	Director	Liu, Po-Yuan	-	-
CHINA POST	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	400	100%
	Chairman	Gamania Asia Investment Co., Ltd. Representative: Liu, Po-Yuan	500	100%
	Director	Gamania Asia Investment Co., Ltd. Representative: Wang, Chi-Huang	500	100%
	Director	Gamania Asia Investment Co., Ltd. Representative: Su, Hsin-Hung	500	100%



Digicentre (HK) Company Limited	Supervisor	Gamania Asia Investment Co., Ltd. Representative: Wu, Chang-Hung	500	100%
	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	16,016	67.48%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	16,016	67.48%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Ting, Wei-Ming	16,016	67.48%
	Director	MERCURIES DATA SYSTEMS LTD. Representative: Chen, Wen-Chu	6,864	28.70%
	Director	MERCURIES DATA SYSTEMS LTD. Representative: Chung, Cheng-Ping	6,864	28.70%
	Supervisor	Su, Hsin-Hung	-	-
DIGICENTRE (HK) COMPANY LIMITED Hyperg Smart Security Technology Pte. Ltd.	Supervisor	Chen, Hsiang-Chung	-	-
	Director	Liu, Po-Yuan	-	-
	Chairman	Ting, Wei-Ming	-	-
	Director	Wan, You-Shan	-	-
	Director	Su, Hsin-Hung	-	-
NOWNEWS NETWORK CO., LTD.	Director	KELVIN KOH KWANG MIN	-	-
	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Huang, Chun-Jen	33,917	78.72%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	33,917	78.72%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Wang, Chi-Huang	33,917	78.72%
	Director	TAYA Venture Capital Representative: Chang, Chih-Hung	800	1.86%

	Director	Sinyi Realty Inc. Representative: Chou, Chuang-Yun	4,064	9.43%	
	Supervisor	Wu, Chang-Hung	-	-	

Note 1: GH stands for Gamania Holdings Ltd.

Note 2: GIH stands for Gamania International Holdings Ltd.

5. The scope of operation of the Company's affiliates as a whole is:

The Company's operation centers a robust game cornerstone that is extended to the mobile life platform, combining diversified solutions within the Group, namely games, payment, e-commerce, media, and digital commerce for a brand new "Gamania" and to realize the vision of a wonderful digital life.

6. Correlation in the scope of operation among respective affiliates:

Gamania continues to work with international well-known heavyweight gaming service provider. It introduces games that have been yearned for. Through the robust localized cultural operation capability, it precisely keeps track of the needs of players in order to enhance their loyalty and stickiness, which not only successfully leads its gaming products to become legendary but also makes optimal durability possible for the products. In addition, the Gamania Group has its reach covering solutions for e-commerce, payment, media, and digital commerce. Beanfun! was officially introduced in 2019 in a proactive effort to deploy a fully web-based corporate ecosystem.

## 7. Operational overview of respective affiliates

December 31, 2020 Unit: NTD thousands

Name of affiliate	Paid-in capital size	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Loss or profit of current term (After-tax)	Earnings per share (\$) (After-tax)
Gamania Digital Entertainment (H.K.) Co.	93,662	483,630	193,913	289,717	977,886	286,582	233,894	9
Gash Point Korea Co., Ltd.	18,251	20,437	625	19,812	5,949	3,548	3,563	26
Gamania Holdings Ltd.	1,318,006	774,575	0	774,575	0	(175)	106,312	2
Gamania International Holdings Ltd.	2,200,967	774,250	0	774,250	0	(173)	106,487	1
Gamania China Holdings Ltd.	1,164,515	299,272	44	299,228	0	(203)	231,723	6
Gamania Digital Entertainment (Beijing) Co., Ltd.	1,005,344	14,686	31,776	(17,090)	246	(15,463)	(2,281)	0
Gamania Sino Holdings Ltd.	1,125,530	(368)	44	(412)	0	(250)	(2,531)	0
Gamania Asia Investment Co., Ltd.	189,000	122,992	470	122,522	0	(4,793)	(16,738)	(1)
FUNdation DIGITAL ENTERTAINMENT Co. Ltd.	3,165	252	614	(362)	0	(38)	17	0
Jollybuy Digital Technology Co. Ltd.	193,000	83,018	29,540	53,478	9,160	(48,157)	(47,994)	(2)
Joymabee Entertainment Company Limited	112,768	10,839	3,842	6,997	25,187	(176)	16	0
TWO TIGERS CO., LTD.	12,292	12,307	3	12,304	0	(73)	(30)	0
Gash Point Co., Ltd.	150,000	1,390,493	1,035,552	354,491	646,217	99,849	90,977	6
Gash Point (HK) Company Limited	2,755	469,807	315,879	153,928	122,778	23,189	28,047	37
Indiland Co., Ltd.	500	197	102	95	0	(36)	(36)	(1)
COCO DIGITAL TECHNOLOGY CO., LTD.	0	0	0	0	0	0	1	0
CIIRCO, INC.	60,000	19,288	8,671	10,617	14	(31,680)	(40,314)	(7)
Gash Point (Japan) Co., Ltd.	27,077	44,140	14,434	29,706	26,306	1,333	970	1,617
ANTS' POWER CO., LTD.	10,000	114,273	56,732	57,541	215,992	29,350	24,029	24.03
WEBACKERS CO., LTD.	4,000	1,157	869	288	0	(129)	(119)	0
GAMA PAY CO., LTD.	600,000	402,293	88,508	313,785	1,727	(125,226)	(123,675)	(2)
CONETTER COMARKETING CO., LTD.	32,820	132,180	75,084	57,096	503,213	2,536	954	0
MADSUGR DIGITAL TECHNOLOGY CO., LTD.	90,000	6,717	595	6,122	0	(180)	(322)	0
COTURE NEW MEDIA CO., LTD.	14,125	7,850	617	7,233	7,572	(6,830)	(7,157)	(5)
Achieve Made International Ltd.	5,002	515,648	360	515,288	0	(1,535)	(123,691)	(7)
Jollywiz Digital Technology Co. Ltd.	255,280	635,409	228,262	407,147	656,588	8,526	(90,674)	(4)
Cyber Look Properties Limited	139,552	909	0	909	0	(67)	(69,541)	(14)
Legion Technology (Shanghai) Co., Ltd.	112,496	203,231	111,339	91,892	250,611	19,882	(72,646)	(18)
Jollywiz Digital Business Co., Ltd.	21,885	1,311,478	1,058,908	252,570	1,034,836	4,804	(71,535)	(14)
Jollywiz International (HK) Co., Limited	145,793	30,789	228	30,561	13,856	(20,915)	(39,291)	(1)
HaPod Digital Technology Co. Ltd.	62,656	69,557	41,629	27,928	145,617	1,097	1,909	1
BEANGO CO., LTD.	4,000	6,673	54	6,619	4	(1,169)	(1,129)	(3)
CIIRCO (HK) Company Limited	49,840	5,303	567	4,736	0	(8,616)	(8,615)	(5)
Bjolly Digital Corporation Ltd.	10,909	30,480	33,707	(3,227)	38,532	(3,418)	(4,058)	(4)
CHINA POST	5,000	252	1,708	(1,456)	0	(7)	(7)	0
NOWNEWS NETWORK CO., LTD.	390,850	114,407	58,521	55,886	148,873	(56,938)	(58,250)	(1)
Digicentre Company Limited	239,200	512,801	206,615	306,186	653,035	26,379	28,168	1
Digicentre (Hk) Company Limited	1,102	98,064	72,890	25,174	313,786	20,459	15,717	52
Hyperg Smart Security Technology Pte.Ltd.	55,843	61,760	13,681	48,079	24,069	(5,821)	(8,167)	(4)

(II) Consolidated Financial Statement of Affiliates: Refer to Page 133.

(III) Affiliation Report: The Company is not an affiliate of another company and hence it is not applicable.

**II. Private placement securities in the past year up to the date the Annual Report was printed:** None.

**III. Holding or disposal of the Company's shares by its subsidiaries in the past year up to the date the Annual Report was printed:**  
None.

**IV. Other matters requiring supplementary information:** None.

**IX. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities Exchange Act in the most recent year and up to the date the Annual Report was printed:** None.