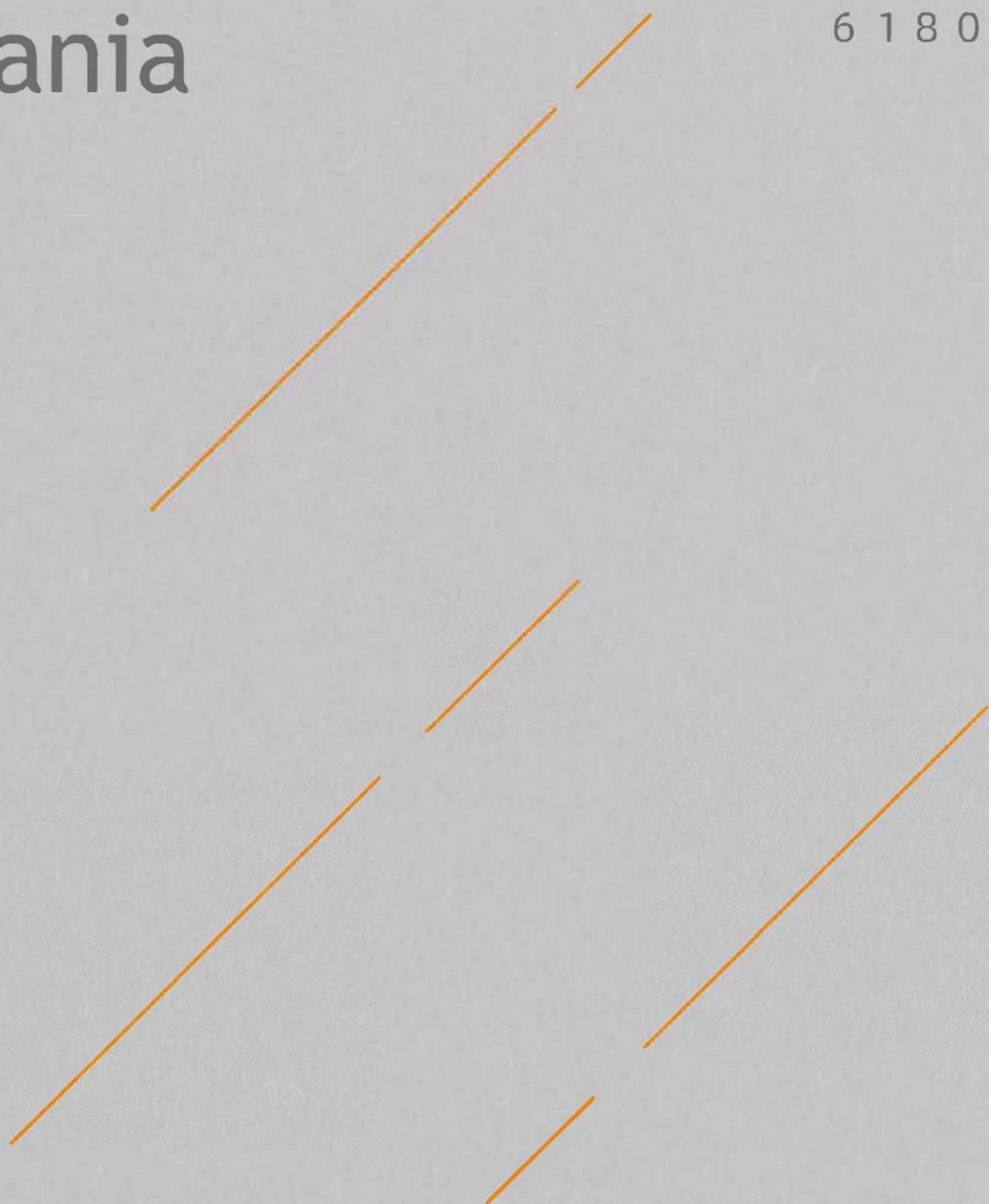


gamania

Annual Report
2023



One. Spokesperson

Spokesperson: Su, Hsin-Hung
Title: Chief Financial Officer of the Group
Telephone: (02) 2658-8866 extension 1020
Email: spokesman@gamania.com

Deputy Spokesperson: Hsieh, Hsiang-Yi
Title: Director
Telephone: (02) 2658-8866 extension 1013
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. Participation and stock transfer agent

Name: KGI Securities Co. Ltd. Registrar Department
Address: 5F, No. 2, Chongqing South Road Section 1, Taipei City
Website: <http://www.kgieworld.com.tw>
Telephone: (02)2389-2999

Four. CPA(s) for the Latest Financial Statement

CPA name: Yan Yu-Fang, Lin Yung-Chi
Name of Firm: PwC Taiwan
Address: 27F., No. 333, Sec. 1, Keelung Rd., 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 Contents

One. Report to Shareholders.....	1
Two. Company Profile	4
I. Established Date.....	4
II. Company History	4
Three. Corporate Governance Report	11
I. Organizational System:.....	11
II. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches	13
III. Remuneration paid to directors, supervisors, general managers and deputy general managers in the most recent year	24
IV. Status of Corporate Governance	29
V. Information on CPA Fees.....	66
VI. Information on Replacement of CPAs.....	66
VII. Any of the Company's chairperson, general manager, or managers responsible for financial or accounting affairs being employed by the auditors' firm or any of its affiliated company in the last year, including their names, job titles, and whereabouts of the accounting firm during the term of office or its affiliates: None.	69
VIII.Changes in the transfer and pledge of equity among directors, supervisors, managers and shareholders with a shareholding of more than 10% in the most recent year and up to the publication date of the annual report.	69
IX. Information of relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship.	70
X. Number of Shares Held by the Company, Its Directors, Supervisors, Managers, and Enterprises Controlled Directly or Indirectly by the Company in the Same Reinvested Enterprise, and Consolidated Calculation of Comprehensive Shareholding Percentage	71
Four. Fund-raising.....	72
I. Capital and Shares	72
II. Corporate Bonds: None.	79
III. Preferred Stock: None.....	79
IV. Global Depositary Receipt: None.....	79
V. Employee Share Subscription Warrant: None.....	79
VI. Issuance of restricted stock awards (RSA): None.	79
VII. Issuance of New Shares for M&A or Acceptance of Shares of Other Companies: None.	79
VIII.Implementation of Capital Utilization Plan: None.	79
Five. Operational Overview	80
I. Scope of Operation:	80
II. Market and Production/Distribution Overview:.....	94

III. Employees.....	101
IV. Information on Environmental Protection Expenditure	101
V. Labor-Management Relations	101
VI. Cybersecurity Management	105
VII. Important Contracts.....	112
Six. Financial Overview.....	113
I. Condensed Balance Sheet and Comprehensive Income Statement of the Past Five Years and Audit Opinions from the CPAs	113
II. Financial Analysis of the past Five Years	117
III. Supervisor or Audit Committee's review report on the 2023 annual financial reports	120
IV. Financial Statements of 2023	121
V. Parent company only financial statements of the Company for 2023 audited and certified by CPAs	222
VI. Impact of 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 publication Date of the Annual Report: None.	307
Seven. Discussion and Analysis of Financial Standing and Financial Performance and Risks	307
I. Financial Standing	307
II. Financial Performance	308
III. Cash Flow	309
IV. Impact of Major Capital Expenditure in the Past Year on Finance and Business: None.....	309
V. Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year	309
VI. Analysis and Evaluation of Risk Matters in the Past Year up to the Date the Annual Report was Printed:	310
VII. Other important matters: None.....	315
Eight. Special Notes	316
I. Information of Affiliates	316
II. Private placement securities in the past year up to the date the Annual Report was printed: None.....	324
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.	324
IV. Other matters requiring supplementary information: None.....	324
Nine. Matters with important impacts on shareholders' equity or prices of securities as indicated in subparagraph 2, paragraph 3, Article 36 of the Securities Exchange Act in the most recent year and up to the publication date of the annual report: None.	324

One. Report to Shareholders

Dear shareholders, ladies and gentlemen:

Gamania Group's 2023 consolidated operating revenue was NTD 9.79 billion, operating gross profit was NTD 3.79 billion, and operating profit was NTD 640 million; under review, the annual revenue and profit scale decreased, mainly due to small sales and no new product introductions. However, through offline special events and localized operations, we have driven a significant increase in active players. Additionally, under continuous cultivation of the digital entertainment landscape, our diversified business revenue has steadily grown. The Company's net profit after tax reached NTD 580 million, and EPS was NTD 3.28.

In the face of the challenges of the macro environment, Gamania Group has never stopped, and realized the business goal of a pan-entertainment ecosystem through multi-faceted business strategies. Looking back to 2023, the annual revisions, new classes, and large-scale events of many key games have consolidated player activity. Among them, "Lineage M" was revamped for the 6th anniversary, allowing cross-country battles between Taiwan and South Korea for the first time; for the 18th anniversary, "MapleStory" opened up new topics through diverse cross-borders, and also entered Taipei Music Center to create large-scale parties to reward players and attract thousands of people to participate. 10,000 people have fun online and announced the biggest revision of the past years. In addition, limited-edition events for the 14th anniversary of "Elsword" and "Mabinogi" gathering players to interact through Vtuber and the community all drove the growth of monthly average active users.

Continuously pursuing the key growth momentum of diversified business layout, Gamania Group's services in payment, e-commerce, IP, information security and other fields are closely connected and advancing hand in hand. In addition to optimizing the cash flow service, GASH also targets the new generation of IP fans economy to effectively increase the contribution of digital collectors. Gamania Payment focuses on the pan-entertainment channel, expands the payment scenarios such as ACGN and amusement park, and creates an interesting payment experience. E-commerce leisure shopping has mainly focused on ACGN categories, which has led to an 80% increase in customers for several years. Discover richer original IP through "bfcreators" program, Gamania Group assists over 100 creators in the matching of promotional resources, and is developing towards cooperation with brokers; about

2,000 online manga titles have been accumulated on the literature and manga star platforms so far and received 6 million views. In addition, to embrace the digital wave, Digicentre showed the capabilities of its information security technology, actively participated in cloud and information security conferences, and provided customized solutions to enterprises, which drove the annual growth of its commerce business by 1.5%.

Looking forward to 2024, we expect the classic game "MapleStory" to create a new growth curve through the largest revision in the past years, and to boost the revenue momentum side by side with the new distributor's product "Wars of Prussia" to be launched in Taiwan, Hong Kong and Macau. GASH has also introduced a new "super-store instant deposit" function that allows users to more safely store services at the four major hyper-commercial channels, and develop new types of digital products to enrich the collection experience. In terms of IP, the cartoon star collaborated with PILI puppet show and the Chinese astrologer Tang Qiyang to cooperate with each other to expand new user forms. As the demand for information security and cloud-based information security of global enterprises continues to rise, Digicentre is expanding its customers in diversified industries and in response to the net zero carbon emissions issue. The ESG Intelligence Center uses digital tools to assist enterprises to quickly introduce net zero emissions management to increase business development.

Gamania Group will continue to focus on "Data, AI, Globalization" and embrace the new wave of the high-tech era. Thank you for your continued trust and guidance towards Gamania Group. We will adhere to our commitment to sustainable development and move forward with solid operating capabilities to share the Company's operating results with all shareholders.

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. 2023 Business plan Implementation results

Please refer to the following table for operating revenue, operating gross profit, net profit before tax and net profit after tax in 2023.

Unit: NTD 1,000

Item	2023
Operating income	9,790,860
Operating gross profit	3,794,800
Operating profit	639,695
Pre-tax net profit	687,621
Net profit attributable to the owner of the parent company	575,188

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

Due to the wide variety of operating revenues, the measurement units are different and the Company has not prepared financial forecasts, so there is no statistical value of the expected sales volume.

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. However, systemic impacts and risks such as the external environment, international trade disputes, and regional conflicts have impacted global economic growth and increased uncertainty in the business environment. As an online enterprise, the core game consumers are the main body and various business entities are connected to drive the Company's growth momentum.

(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, sales, 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

Chief Accountant: Su, Hsin-Hung

Two. Company Profile

I. Established on June 12, 1995

II. 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. Information of Affiliates” on Page 316.
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.
 - 2001
 - Released the self-made product “CONVENIENT STORE 2”.
 - “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” was awarded the Animation Prototype Award at the 2003 International Class Content Prototype Awards.
 - 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 of 2008.
 - Brokered and released in Taiwan 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.
- 2010
 - 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" for the global iOS platform.
- 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".
 - 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 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 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. In total," it was downloaded more than 600 thousand times.
- 2014
 - Brokered and released the popular scifi 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.
- 2015
 - Established "Gash Point Pay" to secure third-party payment opportunities.
 - 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”.
- Introduced the mobile-end dual platform game “Lineage Eternal Life”.
 - 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 O2O physical store payment service and joined hands with Taiwan Taxi, E.SUN VENTURE CAPITAL CO.,LTD., TAIWAN SECOM CO., LTD., and FamilyMart, among others to jointly expand the scope of application for the payment service and to deploy comprehensively on the electronic payment market.
 - Jollywiz established “JSTaiwan” to enter the China e-commerce platform Tmall Global with quality historical store products.
 - 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 “CSO2 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.
 - “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 Neihu and turned over a new leaf as a comprehensive web-based enterprise.
 - Introduced the real-time communication software “BeanGo!” which meets the three communication requirements of intuition, dating and events, and redefines the networking model of the new generation to provide the most interesting and 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.
 - 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”, 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.
 - COTURE introduced Boy’s Love drama “Dark Blue And Moonlight”; the innovative theme triggered heated discussions online and it was viewed 15 million times.
 - 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.
 - 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.
 - 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.
- 2019
- The first Corporate Social Responsibility Report of Gamania won the Golden Award in the "Corporate Sustainability Report Awards" of the 12th Taiwan Corporate Sustainability Awards.
 - Listed in Cheers Magazine's "Top 100 Companies for the Young Generation" for the 14th year and ranked 23rd, the best-ever in history.
 - The Group's kindergarten "Young Gamania Garden" won the public space category of the 12th "Taiwan Interior Design Award" in 2019, demonstrating a new height of corporate welfare.
 - 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" Theme Ticket Exhibition to encourage the young generation to be brave for their dreams.
 - Obtained exclusive dealership for Taiwan, Hong Kong, and Macao for the end-games "Lineage REMASTERED" and "Dragon Nest" and mobile games "World of Dragon Nest", "SinTales", and "Komori Life" and deployed the market for mild to severe diversified players to maximize the game player base.
 - Entertainment e-business company "JollyBuy" was online, targeting ACG (Anime, Comics and Games) populations, with PiLi Puppet Show, Kadokawa, Tong Li and Beast Kingdom participating. Meanwhile, multiple social shopping services and the painless store platform were launched to provide complete 2C and 2B e-commerce services.
 - 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
- To celebrate its 25th anniversary, Gamania Group held an online exhibition "Stuck and Unstuck" and released the 25th anniversary film "Come Out Together".
 - 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 13th 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 "2020 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 15th year

- and also the only enterprise selected from the industry of Taiwan.
- One of the finalists for the second Annual Enterprises Protection Award.
 - 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.
 - For the first time, the Group hosted two interactive live shows, "Gamania Online Carnival," which integrated the gaming, payment, e-commerce, and daily entrance beanfun! resources of Gamania Group.
 - 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 exclusive dealership of the Traditional Chinese version (for Taiwan, Hong Kong and Macao) of the brand-new pinball RPG mobile game World Flipper co-developed between leading Japanese game developer Cygames and our subsidiary Citail. We also partnered with leading South Korean game developer Kakao Games to jointly operate the "The Legendary Moonlight Sculptor", a IP game adapted from a famous fantasy novel.
 - In response to the surge in demand for remote work in 2020, Digicentre has focused on the "Amazing Thor Smart Security Office" solution that allows for rapid setup, backup, and information security. At the same time, it has collaborated with Israel-based security company Reblaze to develop a robot for traffic identification. Network security risk assessments such as big data analysis and threat intelligence continuous monitoring from outside the enterprise have become a new type of solution.
- 2021
- The video "Dare to Challenge" for the celebration of the Group's 25th anniversary won the affirmation of the Brands and Communication Design category of the Red Dot Design Award in 2021.
 - Rated the top 6~20% among TPEX-listed companies at the 7th Corporate Governance Evaluation.
 - Won the Bronze Award at the 3rd Annual Enterprise Environmental Protection Award (AEEPA), the highest honor for environmental protection in Taiwan.
 - Nominated for the "Top 100 Most Admired Companies of the Next Generation" by Cheers Magazine for 16 consecutive years, and is the only game developer on the list.
 - Gamania Care Foundation held the "Summer School" in 2021 to transform the physical lectures to online for the first time, with the theme of "Adventure Unlocked", and actively break the time, space and qualification restrictions.
 - The 2021 Gamania Winter Carnival was held in collaboration with Syntrend Creative Park, the center of ACG, to create an event for gamers through online merge offline (OMO). The livestream reached a record 16,000 people and the total number of people exceeded 1 million.
 - The 2021 Gamania Summer Carnival combined the ACG, music, and novel domains for the first time to broadcast different pan-entertainment contents over G Studio, Gamania's own 3D virtual studio, for 5 consecutive days. Besides attracting gamers and audiences from different social groups, the event created over 5 million views and a reach of nearly 1.7 million persons in total, creating a new record for the event.
 - One of the main products of Gamania Group "MapleStory" has reached new heights. The team is aiming to expand the user base by rejuvenating the brand. In 2021, the brand will be further improved to become a "PC game trendsetter" and continue to stack up the user confidence index which reached a record high in terms of revenue in a single month, a single quarter, and a year since listing.
 - The brand-new pinball RPG mobile game "World Flipper" co-developed between leading Japanese game developer Cygames and our subsidiary Citail, and "World of Dragon Nest", a classic IP from Eyedentity Games of South Korea, both of which are represented by Gamania, started service in Taiwan, Hong Kong and Macao.
 - Gamania Group established the brand-new Literature Star and Comics Star platforms to enter the electronic (digital) literature and comics markets, turning beanfun! into the unique platform app that offers electronic literature and comics contents in Taiwan. The Group also integrated game, e-commerce and payment services to complete the deployment for media production, OMO exhibition, and domestic and overseas channels to build an unprecedented content IP ecosystem for Taiwan's original works, create diversified touchpoints and commercialization mechanisms for works, and accelerate value creation for Taiwan's original contents.
- 2022
- Gamania Group received a total score of 2.4 in the 2022 ESG evaluation of the international evaluation agency FTSE Russell (the highest FTSE Russell evaluation score is 5 points).
 - Gamania Group received a total score of 16.7 in the 2022 ESG evaluation of Sustainalytics, an international evaluation organization (the lower the Sustainalytics score, the better), and was rated as a Low Risk company.

- Gamania Group received a total score of 50.73 points in the 2021 ESG disclosure score of Bloomberg, an international financial information company (the higher the Bloomberg ESG disclosure score, the better).
- Gamania Group was rated top 6~20% among TPEX-listed companies at the 8th Corporate Governance Evaluation.
- Gamania Group won the Bronze Award for two consecutive years at the 4th Annual Enterprise Environmental Protection Award (AEEPA), the highest honor for environmental protection in Taiwan.
- Gamania Group has completed greenhouse gas inventory and inspection, ahead of the regulatory authorities' time limit and requirements, and is actively implementing the goals of net zero carbon emissions and climate and environmental issues.
- In 2022, the Gamania Cheer Up Foundation launched a new initiative called "GoNext" to continue supporting two young people with a big dream: Taiwan mountaineer Lui, Chung-Han successfully climbed the world's third highest peak Kanchenjunga without oxygen, and Taiwan football teenager Yuan, Yung-Cheng made his debut in the European Football League. The Group officially launched the "Shore to Top" project, leading Gamania Summer School students to hike 50 kilometers to challenge the National Greenway in the mountains and seas; at the end of the year, we also invited top marathon runners to jointly complete the preliminary study of the "Shore to Top" super marathon track, advocating the spirit of fearlessness and adventure.
- The Group's curated brand "2022 Gamania Carnival Summer Call" launched a new brand identity, injected the elements of original entertainment film and television IP "Atomic Youth" for the first time, with the Group's services and online activities organized by beanfun!
- beanfun! under Gamania Group! launched a new service "Fun Market" to create a legitimate authorized IP digital collectible platform, and also provided B2B and C2C digital commodity trading platforms for collectibles, game props, virtual goods and other treasures.
- The talent show "Atomic Youth" jointly produced by Gamania Group and Wildfire Entertainment was officially aired, and integrated with the Group's diverse digital capacity, such as the launch of the Atomic Youth digital collection "Atomic Energy Box" by Music Point GASH through cross-border cooperation to deeply integrate typical entertainment film and television content with digital services, and create a new digital entertainment model.
- One of the key products under Gamania Group, "MapleStory" has created a new high in operation. The team continues to strengthen the brand's youthfulness management to expand its user base, and collaborated with well-known idol groups both domestically and internationally in 2022.
- The Group obtained the exclusive dealership in Taiwan, Hong Kong and Macau of "Tree of Savior: Mobile Remake" of South Korean gaming giant IMC Games developed by Kim Seung kyu, the father of "RO".
- GASH, a subsidiary of Gamania Group, officially launched the "Blockchain BaaS (Blockchain as a Service) one-stop integration service" to provide partners with technical support and consulting services in aspects of production contracts, casting websites and community integration marketing.
- Gamania Group, in collaboration with Taipei Pop Music Center, integrated music and digital technology and jointly released the "Chang, Yu-Sheng Special Exhibition Digital Collection" for the "Fly Me to the Moon & Back" special exhibition, and introduced a new music element to the Group's pan-entertainment landscape.
- 2023 ▪ Gamania Group supports the development of domestic culture and creativity, and "Comic Star" promotes the diversified development of original IP. "Marry My Dead Body" was authorized as a prequel to the platform's first film adaptation of the manga work; "The Devil Fish" of the well-known domestic film "The Little Girl in Red" series was authorized to adapt the manga under authorization to help excellent IP expand the readership and provide a diverse digital viewing experience for the audience and fans.
- Gamania Group announced that it will jointly invest in the full-service entertainment company "TPOP Entertainment" with senior media producer Chan Jen-Hsiung of the Cultural Content Planning Institute, jointly promote the development of Taiwan's film, television, audio and entertainment industry and strive to create an internationally competitive music trend, and magnify the value and commercialization momentum of IP.
- The 2023 Gamania Spring Carnival will introduce diversified online and offline entertainment experiences, bring together all of our classic games, and launch "NPC Video Game Market" online to reward players. "Gamania Carnival Show" was held in Kaohsiung as a two-day event and attracted nearly 30,000 people.
- The mobile phone information security protection system "appGuard" developed by the Company's HyperG subsidiary has obtained EAL2 certification of Common Criteria (Common Criteria for Security Assessment, hereinafter referred to as CC certification), an international IT product security certification. It is the first time that Gamania Group has obtained this certification for app security products; the "appGuard" cooperation customers

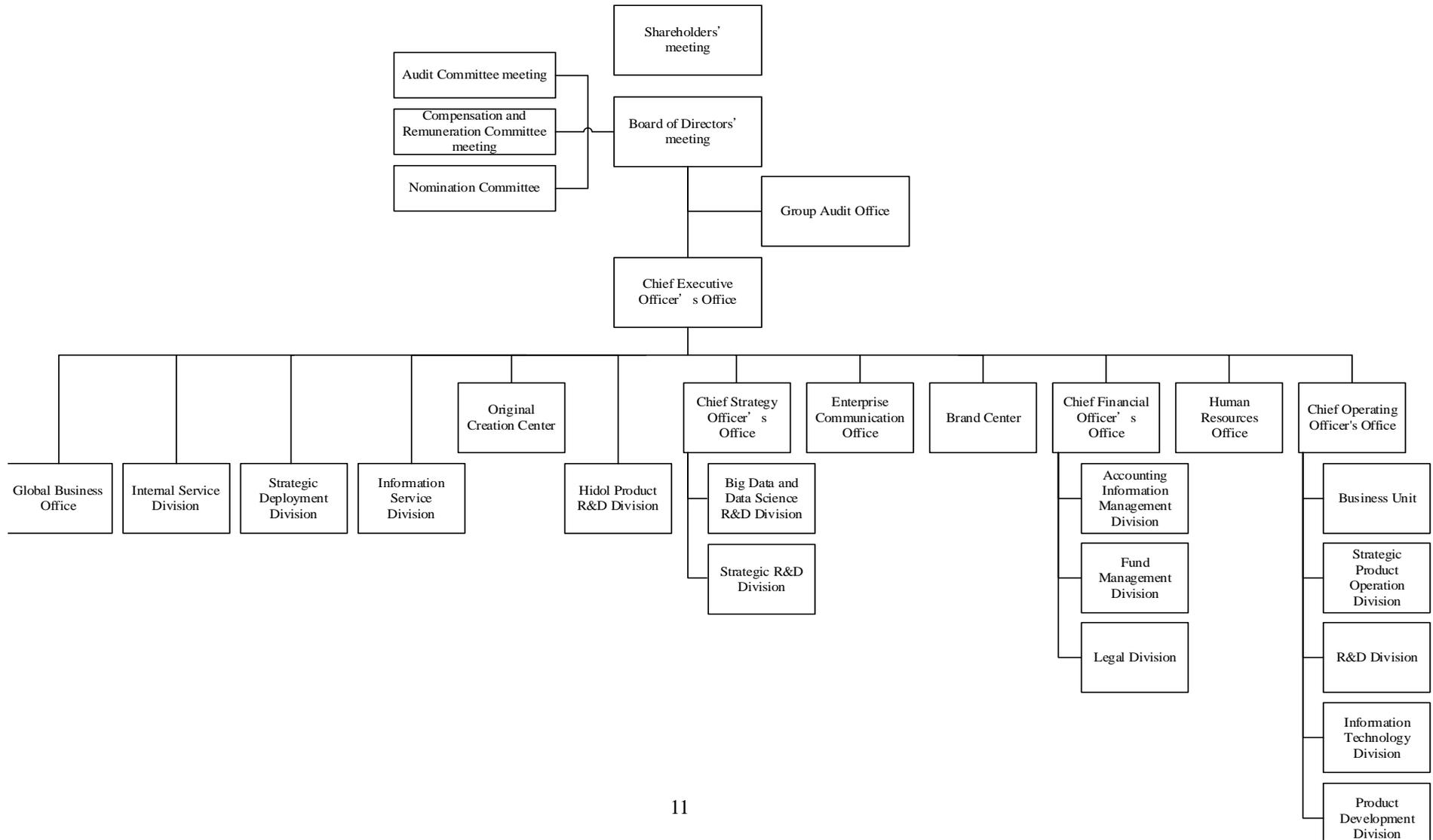
cover various fields such as games, retail, and payment, and the domestic financial industry accounts for more than 50% of the market.

- The Taiwanese play "Convenience Store 1999", an adaptation of "The Pocket Edition of the Convenience Store", officially started filming. The Taiwanese play "Convenience Store 1999" was funded by Gamania Group, produced by SELF PICK and Coture New Media, and invited Hong Kong star Shawn Yue and well-known movie star Lee Lee-Zen to perform on the same stage to create a transcendental of moving science-fiction stories.
- beanfun! will increase support for domestic excellent entertainment content and provide diverse and interesting online and offline applications and experiences; as the official and sole support platform for the well-known domestic female group "Future Girls", combining the key function of the platform "Show Together" and entering into the digital fan economy; "See What You Listen" was planned to be stationed in the large-scale offline music event "Fireball Festival". The two-day event attracted more than 10,000 people, effectively turning music fans into graphic novel readers, and the derived reading rate reached 35%.
- The 2023 Gamania Spring Carnival made its first appearance at Taipei Manga Expo, combining classic characters from its popular games "MapleStory", "Elsword", "Mabinogi" to create three major exhibition areas to interact with players, and also integrated its digital services "Pan-entertainment IP" exhibition area was also created to showcase the innovative strength of original IP.
- NOWnews integrates AI and big data technologies into audiovisual news applications, and launched the hyper-realistic AI anchor "Ni Zhen" to broadcast news 24 hours a day, aiming at the fast pace of modern life and the young generation's high familiarity with audiovisual content.
- "MapleStory" started its sixth online and offline activities in July, with nearly 700,000 people participating, creating a phenomenal momentum, and organize "NEW AGE 2023 MapleStory party and beyond", the first game brand stationed in Taipei Music Center to create a musical feast.
- "Lineage M" is undergoing a 6th anniversary revision. The first Taiwan/South Korea dungeon "Temple of the Void" will be available for a limited time. Taiwan, Hong Kong, and Macau servers are now available for players to compete for rewards together.
- In the 2023 ESG evaluation conducted by international evaluation institution, S&P Global, Gamania Group achieved a total score of 46 points and a PR value of 96, ranking among the top 4 in the industry in the world (S&P Global has a maximum evaluation score of 100 points).
- Gamania Group continues to refine its ESG practices and strives for greater international visibility. In the 2023 ESG evaluation conducted by the international evaluation agency FTSE Russell, Gamania Group achieved a total score of 2.9 (the highest FTSE Russell evaluation score is 5 points).
- Rated in the top 6% - 20% of all TPEX-listed companies in the 9th Corporate Governance Appraisal in 2022.
- Gamania Group's employee restaurant "Gama Island" was recognized by the 3rd Green Dining Guide "Corporate Green Food First Award" and became a member of the "Green Food Declaration" campaign promoted by the Green Dining Guide, and continues to take care of employee health and environmental friendliness as our goals to implement sustainable corporate development.
- In 2023, Gamania Care Foundation will continue to promote "Go Next" spirit and host the "Gamania Coast to Top Ultra Marathon" test event, inviting Taiwanese elite runners and high-profile runners to establish risk management and supply plans, and aim to obtain international competition certification and build an adventure track that competes with the rest of the world; Gamania Adventure Academy led youths on a 100-kilometer hike to challenge the mountains, seas, and natural lakes of a national-level greenway; the Dream Project continued to support mountaineer Lu Zhong-Han in reaching the summit K2 without oxygen; football teenager Yuan Yung-Cheng transferred to CF Fuenlabrada and participated in the promotion of football in rural areas during the return to Taiwan; established the first U12 community club basketball team in Hualien, "Hualien Gamania Monkeys", to supplement the lack of local sports education resources and rooted in the spirit of adventure, and encourage youths and children to believe in themselves and dream boldly.

Three. 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.
Group 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.
Chief Financial Officer's Office	Optimizes the corporate financial structure, draws up corporate financial strategies, schedules corporate funds, determines investment direction, manages risks, processes accounts, and produces and analyzes financial and accounting statements and reports. The Legal Division is responsible for reviewing contracts and compliance. The Sustainable Planning Office is responsible for the implementation of corporate sustainable development affairs and enhancing the value of sustainable development.
Chief Strategy Officer's Office	Promotes horizontal integration of subsidiaries and develops big data application within the group. Guides focus projects between subsidiaries or the group and other companies and review project business strategies and monitors various group data for the reference of judging business strategies.
Human Resources Office	Plans and implements recruitment, educational trainings, compensation and welfare, and employee relations throughout the Group.
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.
Enterprise Communication 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.
Original Creation Center	Responsible for product content creation and related commercial cooperation within the Group.
Strategic Deployment Division	Takes charge of related operational affairs between the Group and outside parties as part of strategic collaboration.
Hidol Product R&D Division	Planning and function development of Hidol app products.
Information Service Division	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.
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. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

(I) Directors

April 22, 2024

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
			Age				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 51-60	June 20, 2023	Three years	April 1, 1995	19,372,202	11.04	17,491,305	9.97	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	-	June 20, 2023	Three years	June 8, 2017	15,101,000	8.6	15,186,000	8.65	0	0	0	0	-	-	None			None
	R.O.C.	Representative Hsiao, Cheng-Hao	Male 41-50				0	0	0	0	0	0	0	0	0	0	Chairman of Wanin International Co., Ltd. and President Ling Tung University	Chairman and President of Wanin International		
Director	R.O.C.	Lin, Hsien-Ming	Male 71-80	June 20, 2023	Three years	June 17, 2020	0	0	0	0	0	0	0	0	President of Acer Incorporated Bachelor of Electronic Computer and Control Engineering, National Chiao Tung University	Chairman and CSO of Wistron Corporation Chairman of Wistron Digital Technology Holding Company Independent Director of Elan Microelectronics Corporation	None			None
Independent Director	R.O.C.	Lin, Ruei-Yi	Male 51-60	June 20, 2023	Three years	June 8, 2017	0	0	0	0	0	0	0	0	President of SHUNG YE TRADING CO., LTD. George Washington University Master of Management	Independent Director of Bora Pharmaceuticals Co., Ltd. Director of Shun Yi Investment Co., Ltd. Director of Shung Ye Trading Co., Ltd. Director of Lien Chen Automotive Co., Ltd. Director of Yue Ye Motors Corporation Director of Yue Ye Motors Corporation Director of Golden Stout Industry Co., Ltd. Director of An De Shun Enterprise Co., Ltd. Chairman of Startrii 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
			Age				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 51-60	June 20, 2023	Three years	June 17, 2020	0	0	0	0	0	0	0	0	Chairperson of Bai Chuan International Investment Co., Ltd. Chairman Master of University of Southern California	Chairman of Bai Chuan International Investment Co., Ltd. Director of Bora Pharmaceuticals Independent Director of Mercuries Data Systems Ltd.	None			None
Independent Director	R.O.C.	Sheng, Bao-Si	Male 51-60	June 20, 2023	Three years	June 8, 2017	0	0	0	0	0	0	0	0	Chairman of Bora Pharmaceuticals and Consumer Health Inc. and President Economics, University of California, Berkeley Bachelor's Degree	Chairman and President of Bora Pharmaceuticals and Consumer Health Inc. Chairman of Baolei Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chairman of United Chemical & Pharmaceutical Co., Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Director of Rui Bao Xing Investment Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bao En International Co., Ltd. Chairman, Impax Laboratories (Taiwan), Inc. Chairman of Bora Biotech Ltd. Chairman of Synpac-Kingdom Pharmaceutical Co., Ltd. Chairman of Bora Biotech Ltd. Chairman of Bora Pharmaceuticals Chairperson of Bora Health Inc. Chairman of SunWay Biotech Co., Ltd. Independent Director of BIONET CORP. Independent director of Advanced Power Electronics Corp. Director of Wellpool 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
			Age				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.	Hou, Chia-Qi	Female	June 20, 2023	Three years	June 20, 2023	0	0	0	0	0	0	0	0	Chairman of Hanshin Shopping Plaza Co., Ltd. Chairman of Ascent Development Co., Ltd. Master/PhD, Department of Bioengineering, Stanford University	Chairperson of Chiga International Co., Ltd. Chairman of Zhuo Jia Industry Co., Ltd. Chairman of Hanshin Asset Management Co., Ltd. Chairman of Hsueh Yung Co., Ltd. Chairman of Hanyang Global Co., Ltd. Chairman of Hanshin Shopping Plaza Co., Ltd. Chairman of Hanshin Department Store Co., Ltd. Chairman of Ourgame International Asset Management Co., Ltd. Chairman of Chong Shen Development Co., Ltd. Chairman of Aquas Sports Culture Co., Ltd. Chairman of HCW Investment Co., Ltd. Director of Grand Hi-Lai Hotel Co., Ltd. Director of Kaohsiung Arena Development Corporation Director of Ji Yang Construction Development Co., Ltd. Director of Hanshin Investment Co., Ltd. Director of Kuo Yang Construction Co., Ltd. Director of Epoch International Trade Division Co., Ltd. Director of Verisik Inc.	None			None

Note 1: Chief Executive Officer of Gamania Digital Entertainment Co., Ltd.; Chairman of Hong Kong-based Gamania Digital Entertainment Co., Ltd.; Chairman of Beijing Gamania Digital Entertainment Co., Ltd.; Chairman (corporate representative) of VieFor Co., Ltd.; Director (corporate representative) of Taiwan E-Sports League Co., Ltd.; Chairman (corporate representative) of Digicentre Co., Ltd.; Chairman (corporate representative) of Jollybuy Digital Technology Co., Ltd.; Chairman of Two Tigers Co., Ltd. (corporate representative); Chairman of Gash Point (Japan) Co., Ltd.; Chairman of Gash Point (Hong Kong) Company Limited.; Chairman (corporate representative) of Gash Point (Korea) Co., Ltd.; Chairman (corporate representative) of Indiland Co., Ltd.; Chairman (corporate representative) of Ants' Power Co., Ltd.; Director (corporate representative) of First Order Advertisement Production Co., Ltd.; Chairman (corporate representative) of Coture New Media Co., Ltd.; Chairman of Joymobee Entertainment Company Limited; Chairman of Gamania Holdings Ltd.; Chairman (corporate representative) of Gamania International Holdings Ltd.; Chairman (corporate representative) of Gamania China Holdings Ltd.; Chairman of Gamania Sino Holdings Ltd.; Chairman (corporate representative) of Gash Point Co., Ltd.; Chairman (corporate representative) of Gamania Investment Co., Ltd.; Chairman of the New Taipei City Private Game Gamania Care Social Welfare Charity Foundation; Director (corporate representative) of Wanin International Co., Ltd.; Chairman (corporate representative) of Gama Pay Co., Ltd.; Chairman (corporate representative) of Conetter Comarketing Co., Ltd.; Chairman (corporate representative) of Webackers Co., Ltd.; Director of Xiang Sheng Investment Co., Ltd.; Chairman of Hapod Digital Technology Co., Ltd.; Chairman (corporate representative) of Jollywiz Digital Technology Co., Ltd.; Director of Achieve Made International (BVI); Director of Gungho Gamania Co., Limited; Chairman (corporate representative) of Douqu Digital Co., Ltd.; Chairman (corporate representative) of Ciirco Inc.; Chairman (corporate representative) of China Post Co., Ltd.; Director (corporate representative) of Marais Home Furnishings Selection Co., Ltd.; Chairman of Digicentre (HK) Company Limited; Director (corporate representative) of Dream Entertainment Productions Co., Ltd.; Supervisor (corporate representative) of Watching I.P. Holding Inc.; Supervisor of Newbloom Venture Co., Ltd.; Chairman (corporate representative) of Bjolly Digital Corporation Ltd.; Chairman (corporate representative) of Nownews Network Co., Ltd.; Director (corporate representative) of BaseTech Co., Ltd.; Director (corporate representative) of Union Splendid Management Co., Ltd.; Supervisor of Le Tao Le Co., Ltd.; Director (corporate representative) of Pili International Multimedia Co., Ltd.; Chairman (corporate representative) of Walkermedia 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 broad perspective, trend insights and flexible strategic approaches which are famous in the industry, so as to create maximum value for the Company and give back to shareholders.
- (II) To enhance corporate governance, the Company has taken the following measures:
 1. The Company has established functional committees and selected outstanding professionals in different fields to be independent directors and members to strengthen the Board's operation.
 2. The Company's independent directors participate in the Remuneration Committee, Audit Committee, Nomination Committee and internal meetings to strengthen corporate governance.
 3. Each year, the Company plans at least two sessions of continuing study for Board members to strengthen board competency.

4. In 2019, the Board approved the establishment of the Corporate Social Responsibility Committee and voluntarily prepared the Corporate Social Responsibility Report to strengthen corporate governance.
5. Only the Chairman and President are the same person in the Company. No other directors are also employees of the Company.

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	20.40%
	Li, Yu-Chi	9.96%
	Yu Xin Investment Co., Ltd.	8.18%
	Fantasy Technology Co., Ltd.	5.55%
	Joydevelopcy., Ltd.	2.43%
	Pu Yi Enterprise Co., Ltd.	1.52%
	Xun Yeh Investment Co., Ltd.	0.88%
	Te Kao Investment Co., Ltd.	0.82%
	Cheng Yuo Investment Co., Ltd.	0.75%

Major Shareholders Whose Major Shareholders are Legal Entities

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
Huang Xin Investment Co., Ltd.	Hsiao, Cheng-Hao	62.82%
	Li, Yu-Chi	33.34%
	Hsiao Yu-Ching	1.92%
	Hsiao Hui-Yu	1.92%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
Yu Xin Investment Co., Ltd.	Li, Yu-Chi	100%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
FANTASY TECHNOLOGY	Yu Xin Investment Co., Ltd.	39%

CO., LTD.	During Int'l Investment Inc.	30%
	Hsiao, Cheng-Hao	29%
	Li, Yu-Chi	2%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
JOY DEVELOP CO., LTD.	Memory Global Investment Inc.	99.99%
	Wang-Chun-Ming	0.01%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
Pu Yi Enterprise Co., Ltd.	Hsiao Yu-Ching	48.33%
	Hsiao Hui-Yu	48.33%
	Hsiao, Cheng-Hao	3.34%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
Xun Yeh Investment Co., Ltd.	Chang Hsieh-Tsung	100%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
Te Kao Investment Co., Ltd.	Huang Xin Investment Co., Ltd.	99%
	Hsiao, Cheng-Hao	1%

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
Cheng Yuo Investment Co., Ltd.	Huang Xin Investment Co., Ltd.	99%
	Hsiao, Cheng-Hao	1%

1. Disclosure of directors' professional qualifications and independence of independent directors

Disclosure of the expertise of directors and independence of independent directors

Position	Name	Expertise and Experience													Fulfillment of Independence (Note)												Number of other public offering companies serving as independent directors
		Industry Experience							Professional Competence						1	2	3	4	5	6	7	8	9	10	11	12	
		Cultural & Creative	Information Technology	Finance	Biotechnology	Automotive	Retail sales of department stores	International Business	Research and development	Finance	Investment	Law	M&A	Risk Management													
Chairman	Liu, Po-Yuan	•	•					•	•				•	•	•	•	•	•	•	•	•	•	•	0			
Director	Hsiao, Cheng-Hao, Representative of Wanin International	•	•					•	•				•	•	•	•	•	•	•	•	•	•	•	0			
Director	Lin, Hsien-Ming		•					•	•		•		•	•	•	•	•	•	•	•	•	•	•	1			
Independent Director	Lin, Ruei-Yi					•		•		•			•	•	•	•	•	•	•	•	•	•	•	1			
Independent Director	Sheng, Bao-Si	•			•			•		•			•	•	•	•	•	•	•	•	•	•	•	2			
Independent Director	Chen, Kuan-Pai			•				•		•			•	•	•	•	•	•	•	•	•	•	•	1			
Independent Director	Hou, Chia-Qi	•					•	•					•	•	•	•	•	•	•	•	•	•	•	0			

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 Paragraph 1 or 2 of Article 27 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, general manager, 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.

2. Board Diversity and Independence

(1) Board diversity

- The current Board of Directors consists of 7 directors, including 4 independent directors.
 - Proportion of independent directors: 4/7
 - 1/7 of the directors is also an employee
 - Female directors make up 1/7 of the board composition
- The board diversity policy stipulated in the Company's "Corporate Governance Best Practice Principles" is to recruit outstanding entrepreneurs and professionals with rich experience in finance, operation and experience in various industries to formulate appropriate diversity policy, including but not limited to the following two major standards:
 - Basic conditions and values: gender, age, nationality, ethnicity, seniority and culture, etc.
 - Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional ability and industry experience, etc.
- The specific management objectives of the Company's diversification policy and the achievement are as follows:
 - A majority of independent directors was achieved
 - Agree to add one female director
 - Achieved that no independent director has served for more than 3 terms
 - Achieved that a director concurrently serving as a managerial officer does not exceed one-third of the board seats

Position	Name	Gender	Nationality	Also an employee of the Company	Age					Seniority as an independent director		
					31-40	41-50	51-60	61-70	71-80	Fewer than 3 years	3-9 years	Over 9 years
Chairman	Liu, Po-Yuan	Male	R.O.C.	•			•					
Director	Hsiao, Cheng-Hao, Representative of Wanin International	Male	R.O.C.			•						
Director	Lin, Hsien-Ming	Male	R.O.C.						•			
Independent Director	Lin, Ruei-Yi	Male	R.O.C.			•					•	
Independent Director	Sheng, Bao-Si	Male	R.O.C.			•					•	
Independent Director	Chen, Kuan-Pai	Male	R.O.C.			•					•	
Independent Director	Hou, Chia-Qi	Female	R.O.C.		•						•	

(2) Board Independence

- The current Board of Directors has a total of seven directors, including four independent directors, and independent directors have more than half of the board seats.
- None of the conditions as stated in Article 26-3, paragraphs 3 and 4, Securities and Exchange Act is found on the current Board, and no director is the spouse or kindred of the second tier of others.

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

April 22, 2024 (Unit: Shares)

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	17,491,305	9.97	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			None
Chief Financial Officer	R.O.C.	Su, Hsin-Hung	Male	May 13, 2002	880,533	0.50	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	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 the Board of Directors of Gamania Digital Entertainment Co., Ltd.; Chairman of Hong Kong-based Gamania Digital Entertainment Co., Ltd.; Chairman of Beijing Gamania Digital Entertainment Co., Ltd.; Chairman (corporate representative) of VieFor Co., Ltd.; Director (corporate representative) of Taiwan E-Sports League Co., Ltd.; Chairman (corporate representative) of Digicentre Co., Ltd.; Chairman (corporate representative) of Jollybuy Digital Technology Co., Ltd.; Chairman of Two Tigers Co., Ltd. (corporate representative); Chairman of Gash Point (Japan) Co., Ltd.; Chairman, Gash Point (Hong Kong) Company Limited.; Chairman of Gash Point (Korea) Co., Ltd.; Chairman (corporate representative) of Indiland Co., Ltd.; Chairman (corporate representative) of Ants' Power Co., Ltd.; Chairman (corporate representative) of First Order Advertisement Production Co., Ltd.; Chairman (corporate representative) of Coture New Media Co., Ltd.; Chairman of Joymobee Entertainment Company Limited; Chairman of Gamania Holdings Ltd.; Chairman (corporate representative) of Gamania International Holdings Ltd.; Chairman (corporate representative) of Gamania China Holdings Ltd.; Chairman of Gamania Sino Holdings Ltd.; Chairman (corporate representative) of Gash Point Co., Ltd.; Chairman (corporate representative) of Gamania Investment Co., Ltd.; Chairman of the New Taipei City Private Game Gamania Care Social Welfare Charity Foundation; Director (corporate representative) of Wanin International Co., Ltd.; Chairman (corporate representative) of Gama Pay Co., Ltd.; Chairman (corporate representative) of Conetter Comarketing Co., Ltd.; Chairman (corporate representative) of Webackers Co., Ltd.; Director of Xiang Sheng Investment Co., Ltd.; Chairman of Hapod Digital Technology Co., Ltd.; Chairman (corporate representative) of Jollywiz Digital Technology Co., Ltd.; Director of Achieve Made International (BVI); Director of Gungho Gamania Co., Limited; and Chairman (corporate representative) of Douqu Digital Co., Ltd.; Chairman (corporate representative) of Ciirco Inc.; Chairman (corporate representative) of China Post Co., Ltd.; Director (corporate representative) of Marais Home Furnishings Selection Co., Ltd.; Chairman of Digicentre (HK) Company Limited; Director (corporate representative) of Dream Entertainment Productions Co., Ltd.; Supervisor (corporate representative) of Watching I.P. Holding Inc.; Supervisor of Newbloom Venture Co., Ltd.; Chairman (corporate representative) of Bjolly Digital Corporation Ltd.; Chairman (corporate representative) of Nownews Network Co., Ltd.; Director (corporate representative) of BaseTech Co., Ltd.; Director (corporate representative) of Union Splendid Management Co., Ltd.; Supervisor of Le Tao Le Co., Ltd.; Director (corporate representative) of Pili International Multimedia Co., Ltd.; Chairman (corporate representative) of Walkermedia Co., Ltd.

Note 2: Director of Hong Kong Gamania Digital Entertainment Co., Ltd.; Supervisor of Beijing Gamania Digital Entertainment Co., Ltd.; Director of Achieve Made International (BVI); Director (corporate representative) of Guohe Digital Technology Co., Ltd.; Director of New Taipei City Jubilee Care Social Welfare Charity Foundation; Director of Joymobee Entertainment Company Limited; Supervisor of Two Tigers Co., Ltd.; Supervisor of Gash Point Co., Ltd.; Director of Gash Point (Japan) Co., Ltd.; Director of Gash Point (Hong Kong) Company Limited.; Supervisor of Webackers Co., Ltd.; Supervisor of Gash Point (Korea); Director (corporate representative) of JSDWAY Digital Technology Co., Ltd.; Supervisor of Webackers Co., Ltd.; Supervisor of Coture New Media Co., Ltd.; Director (corporate representative) of Gama Pay Co., Ltd.; Supervisor of Conetter Comarketing Co., Ltd.; Director (corporate representative) of Jollywiz Digital Technology Co., Ltd.; Director (corporate representative) of Nownews Network Co., Ltd.; Director (corporate representative) of Gungho Gamania Co., Limited; Director (corporate representative) of Hyperg Smart Security Technology Pte. Ltd.; Supervisor of Walkermedia Co., Ltd.; Supervisor of Ciirco, Inc.

(3) If the chairman of the Board of Directors is the same person as the general manager or the person of equivalent post (the highest level manager), or a spouse or relative within the first degree of kinship, the reason, reasonableness, necessity, and response measures shall be explained

Gamania is operated in a rapidly changing industry. With a macroscopic view, vision, and agility, Chairperson Liu, Po-Yuan sees through the industry's future and takes up the president post concurrently to enhance operational efficiency and decision-making in order to maximize value and benefit shareholders.

Our specific measures for strengthening corporate governance 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. The Company established the ESG Committee in 2019 with the approval of the Board of Directors, and voluntarily prepared the Sustainability Report (formerly known as the Corporate Social Responsibility Report) to strengthen 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, general managers and deputy general managers in the most recent year

(I) Remuneration for general and independent directors

Unit: NTD thousand; 1,000 shares

Position	Name	Remuneration for directors								The sum of A, B, C and D and as a percentage of net income %		Related remuneration to those who are also employees								The sum of A, B, C, D, E, F, and G as a percentage of net income %		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)						
		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		The Company	All companies included in the financial statement			
Chairman	Liu, Po-Yuan	0	0	0	0	10,880	10,880	60	60	10,940	10,940	8,910	8,910	0	0	101,040	0	0	0	120,890	120,890	0
Director	Representative of Wanin International: Hsiao, Cheng-Hao	0	0	0	0	5,440	5,440	10	10	5,450	5,450	0	0	0	0	0	0	0	0	5,450	5,450	0
Director	Lin, Hsien-Ming	0	0	0	0	5,440	5,440	60	60	5,500	5,500	0	0	0	0	0	0	0	0	5,500	5,500	0
Independent Director	Sheng, Bao-Si	1,800	1,800	0	0	2,500	2,500	50	50	4,350	4,350	0	0	0	0	0	0	0	0	4,350	4,350	0
Independent Director	Lin, Ruei-Yi	1,800	1,800	0	0	2,500	2,500	60	60	4,360	4,360	0	0	0	0	0	0	0	0	4,360	4,360	0
Independent Director	Chen, Kuan-Pai	1,800	1,800	0	0	2,500	2,500	50	50	4,350	4,350	0	0	0	0	0	0	0	0	4,350	4,350	0
Independent Director	Hou, Chia-Qi	955	955	0	0	0	0	40	40	995	995	0	0	0	0	0	0	0	0	995	995	0
Director (Note 1)	Representative of Cloud Copious Investmetn Limited.: Chen, Shih-Ying	0	0	0	0	5,440	5,440	30	30	5,440	5,440	0	0	0	0	0	0	0	0	5,440	5,440	0

Note 1: The director was discharged after the shareholders' meeting re-election on June 20, 2023.

(II) Remuneration for supervisors: The Company has no supervisors.

(III) Remuneration for President and Vice Presidents

Unit: NTD 1,000

Position	Name	Salary (A)		Pension (B) (Note 1)		Bonuses and allowances (C)		Reward for Employees (D)				The sum of A, B, C, and D as a percentage of net income after tax (%)		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														None
Vice President	Su, Hsin-Hung	14,173	14,173	108	108	0	0	106,575	0	106,575	0	21.01%	21.01%		

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

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)		
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	Su, Hsin-Hung	Su, Hsin-Hung
\$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	Liu, Po-Yuan	Liu, Po-Yuan
Total	2	2

(IV) Names of managers allocated to employees' remuneration and the distribution:

The estimated remuneration to employees for 2023 is as follows

Unit: NTD 1,000

Position	Name	Value in stock	Value in cash	Total	Ratio of sum to after-tax net profit (%)
President	Liu, Po-Yuan	0	47,327	47,327	8.29
Vice President	Su, Hsin-Hung				
Assistant Vice President	Chien, Chih-Hao				
Assistant Vice President	Wu, Chang-Hung				

(V) A listed company has experienced after-tax losses in its parent company only financial statements for the most recent three years, or where the result of its corporate governance evaluation in the most recent year was at the last notch, or, in the most recent year and up to the printing date of the annual reports, has changed transactions method, suspended trading, delisting, or those who have been approved by the Corporate Governance Evaluation Committee and should not be evaluated, and the remuneration of the top five executives with the highest remuneration should be disclosed separately: None.

(VI) The total amount of remuneration paid to the Company's directors, supervisors, general manager, and deputy general managers in the last two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax in the parent company only or individual financial statements, with an explanation of the remuneration payment policies, standards and components, the procedure for determining remuneration, and their relations to operating performance and future risks

1. The compensation structure for the directors and supervisors 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. Variable items are comprehensively considered based on the Company's financial indicators, including revenue, profit and profit

growth rate, as well as non-financial indicators such as individual performance, operational efficiency, contribution and future potential. 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 the proportion in the after-tax net profit of the total amount of rewards paid to the directors, supervisors, the president, and vice president(s) of the company by the company and all companies listed in the consolidated financial statement in the last two years

Position	The Company		All companies included in the financial statement	
	2022	2023	2022	2023
Reward for President and Vice Presidents	13.85%	25.36%	13.85%	25.36%

IV. Status of Corporate Governance

(I) Operational Status of the Board of Directors:

During the most recent year and as of the date of publication of the annual report, the Board of Directors held 7 meetings, and the directors' attendance was as follows

Position	Name	Actual output (list) Number of seats	Attendance through proxy	Actual attendance (seated) (%)	Remarks
Chairman	Liu, Po-Yuan	7	0	100	None
Director	Wanin International Representative: Hsiao, Cheng-Hao	1	5	14	
Director	Lin, Hsien-Ming	6	1	86	
Independent Director	Sheng, Bao-Si	6	1	86	
Independent Director	Lin, Ruei-Yi	6	1	86	
Independent Director	Chen, Kuan-Pai	5	2	71	
Independent Director	Hou, Chia-Qi	5	0	100	
Director	Cloud Copious Investment Limited. Representative: Alex Chen	3	0	100	The director was discharged after the shareholders' meeting re-election on June 20, 2023

Other details to be documented:

- I. Does the operation of the Board of Directors have (I) matters listed in Article 14-3 of the Securities Exchange Act? (II) Other than the aforementioned matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements in place: None.
- II. Recusal of directors upon conflicts of interest in proposals being discussed:
 - (I) In accordance with Article 15 of the Board of Directors' meeting rules of the Company; if a director has an interest in himself/herself or the legal person he/she represents, he/she shall state the important part of the interest in the current board meeting, and if it is detrimental to the interest of the Company shall not participate in the discussion and voting of the Board of Directors, and shall recuse themselves during the discussion and voting of directors, and shall not exercise voting rights on behalf of other directors.
 - (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 9, 2023	Liu, Po-Yuan	The Remuneration Committee recommended the remuneration of directors and managers in 2023	Director and Manager	Excused and did not take part in discussions and voting
May 10, 2023		2022 distribution of remuneration to directors, managers and employees		
March 6, 2024		The Remuneration Committee recommended the remuneration of directors and managers in 2024		

- III. Information about the evaluation cycle, duration, scope and approach, and content of the evaluation of Board self (or peer) evaluation:

1. The Company's "Measures for Evaluating the Performance of the Board of Directors" has been approved by the board meeting. As is required, the performance evaluation for the Board of Directors shall be completed before the end of the year, and the performance evaluation results shall be filed before the end of the first quarter of the coming year, and submitted to the board meeting for reporting.
2. The Company has completed the evaluation of the operation of the Board of Directors from January 1, 2023 to December 31, 2023, including the self-evaluation questionnaire survey of 7 directors (including 4 independent directors, CFO's office, the internal resource office and audit office)
3. The result of the Board of Directors' performance evaluation for 2023 was "Excellent".

4. The results of the performance evaluation will be used as a reference for individual directors' remuneration and nomination for re-election.

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) Every year the Company's board meeting amends and approves the "Rules of Procedure for Board Meetings" to effectively build a board governance mechanism and optimize the supervision function.
- (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 meeting.

(II) Implementation of Board Evaluations:

Internal evaluation

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Highlights of evaluation
Every year	From January 1, 2023 to December 31, 2023	Board of Directors' meeting	Internal assessment of the Board of Directors	<ul style="list-style-type: none"> (1) Involvement in corporate operations (2) The Board's decision-making quality (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	<ul style="list-style-type: none"> (1) Mastering of the goals and mission of the Company (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

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

1. Status of operations of the Audit Committee

During the most recent year and as of the publication date of this annual report, the Audit Committee has held 6 meetings, with the attendance of independent directors as follows

Position	Name	Actual attendance (seated) frequency	Attendance through proxy	Actual seated rate (%)	Remarks
Independent director (convener)	Sheng, Bao-Si	5	1	83	None
Independent Director	Lin, Ruei-Yi	5	1	83	None
Independent Director	Chen, Kuan-Pai	5	1	83	None
Independent Director	Hou, Chia-Qi	4	0	100	Newly elected on June 20, 2023
<p>Other details to be documented:</p> <p>I. Dissenting opinion, qualified opinion, or material recommendation of the independent directors of the Audit Committee: None.</p> <p>II. Conditions as stated in Article 14-5 of the Securities and Exchange Act: Please detail four.</p> <p>III. Other than the abovementioned, matters unapproved by the Audit Committee but passed by over two thirds of all directors: None.</p> <p>IV. The Audit Committee meeting was held on March 9, 2023, May 10, 2023, June 20, 2023, August 7, 2023, November 6, 2023, and March 6, 2024 for the following reasons:</p> <p>Proposal: The Company's internal control system from January 1, 2022 to December 31, 2022 was approved and the Company's internal control statement was issued based on the results of the self-assessment.</p> <p>Proposal: The Company's 2022 financial statements.</p> <p>Proposal: Approval of the Company's 2022 earnings distribution scheme.</p> <p>Proposal: Approval of change of the Company's certifying CPAs.</p> <p>Proposal: Approval of the key tasks of the Audit Committee for 2023.</p> <p>Proposal: Approval of the independence assessment of certifying CPAs and their accounting firm for 2023.</p> <p>Proposal: The approval of the Company's 2023 CPAs, their firm and its affiliates and alliance firms to provide non-certification services to the Company and its subsidiaries.</p> <p>Proposal: Passed the Company's 2023 first quarter consolidated financial statements.</p> <p>Proposal: Approval of the amendment to the Company's internal control system and Rules for Implementation of Internal Audit.</p> <p>Proposal: Election of the convener and chairperson of the 2nd Audit Committee.</p> <p>Proposal: Passed the Company's 2023 second quarter consolidated financial statements.</p> <p>Proposal: Passed the Company's 2023 third quarter consolidated financial statements.</p> <p>Proposal: Approval of the provision of endorsements and guarantees for subsidiaries.</p> <p>Proposal: Approval of the Company's internal control system from January 1 to December 31, 2023, and the issuance of a statement of internal control based on the results of the self-assessment.</p> <p>Proposal: Approval of the Company's 2023 final accounts.</p> <p>Proposal: Passed the Company's 2023 earnings appropriation.</p> <p>Proposal: Approved the evaluation on the independence of the Company's 2023 CPAs and the affiliated CPA firm.</p> <p>Proposal: Approved the proposal for the Company's 2024 CPAs, their firms and affiliates and alliance firms to provide non-certification services to the Company and its subsidiaries.</p> <p>Proposal: Passed the 2024 Audit Committee's annual work focus.</p> <p>Proposal: Establishment of "Group's tax policy".</p> <ul style="list-style-type: none"> ● The above matters were all approved by the Committee. <p>V. Recusal of Independent Directors from Proposals Due to Conflicts of Interest</p> <p>VI. Communication between independent directors and internal audit officers:</p> <p>(I) Each month the internal audit unit submits an audit report to independent directors for review, and communicates and discusses with them immediately on any question about the report. Each year the internal audit unit also holds the corporate governance meeting to communicate with independent directors and CPAs. After the Audit Committee is established, the audit unit reports to independent directors at the Audit Committee meeting based on the needs of specific proposals.</p>					

	(II) Independent directors and the internal audit unit usually communicate with each another by email, phone, or face-to-face discussion as necessary.
--	--

2. The communication between independent directors and the chief internal auditor is good; a summary is as follows:

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
March 9, 2023	Corporate governance meeting	<ol style="list-style-type: none"> 1. The chief internal auditor reported and communicated the performance of internal audits and internal control operation in 2022. 2. The chief internal auditor reported and communicated the internal audits planned for 2023. 	None
March 9, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Reporting of audit operations carried out. 2. Report on the Statement of Internal Control System for 2022. 	None
May 10, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Reporting of audit operations carried out. 2. Amendment to the Company's "Internal Control System" and "Rules for Implementation of Internal Audit." 	None
August 7, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Reporting of audit operations carried out. 2. Reporting of the Audit Plan for 2023. 3. Amendment to the Company's "Internal Control System" and "Rules for Implementation of Internal Audit." 	None
November 6, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Report on the implementation of internal audits. 2. The Company's 2024 annual audit plan. 	None
March 6, 2024	Corporate governance meeting	<ol style="list-style-type: none"> 1. The chief internal auditor reported and communicated the performance of internal audits and internal control operation in 2023. 2. The chief internal auditor reported and communicated the internal audits planned for 2024. 	None
March 6, 2024	Audit Committee meeting	<ol style="list-style-type: none"> 1. Reporting of audit operations carried out. 2. Report on the Statement of Internal Control System for 2023. 	None

3. Communication between independent directors and CPAs:

- (1) At the quarterly Audit Committee meetings, the CPAs communicated the results of the quarterly financial statement audits or reviews and other matters required by other relevant laws and regulations.
- (2) Independent directors and CPAs usually communicate with each another by email, phone, or face-to-face discussion as necessary.
- (3) Communication between independent directors and CPAs is good; a summary is as follows:

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
March 9, 2023	Corporate governance meeting	<ol style="list-style-type: none"> 1. CPAs fully communicated the audit results and key audit items of the 2022 financial statements. 2. In response to the non-assurance service provisions in the International Code of Ethics for Accountants. 	None
March 9, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Gave a presentation on the status for "independently preparing financial statements." 2. Tracking of the Company's quarterly unqualified financial report progress. 3. CPAs' explanation of the 2022 consolidated financial statements. 4. Proposal: Change of the Company's certifying CPAs. 5. Discussion and communication on the key tasks of the Audit Committee for 2023. 6. Discussion on the assessment of independence of the certifying CPAs and their accounting firm for 2023. 7. Proposal: Approval of the prior-approved of the Company's certifying CPAs for 2023, and the provision of non-certification services to the Company and its subsidiaries by the CPAs' accounting firm and the firm's affiliates and alliance firms. 	None
May 10, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Description on the Company's 2023 first quarter consolidated financial statements. 	None
August 7, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Description on the Company's 2023 second quarter consolidated financial statements. 	None
November 6, 2023	Audit Committee meeting	<ol style="list-style-type: none"> 1. Description on the Company's 2023 third quarter consolidated financial statements. 2. Endorsement/guarantee provided by the Company to the subsidiary. 	
March 6, 2024	Corporate governance meeting	<ol style="list-style-type: none"> 1. CPAs fully communicated the audit results and key audit items of the 2023 financial statements. 2. In response to the non-assurance service provisions in the International Code of Ethics for Accountants. 	None
March 6, 2024	Audit Committee meeting	<ol style="list-style-type: none"> 1. CPAs' explanation of the 2023 consolidated financial statements. 2. Discussion and communication on the key tasks of the Audit Committee for 2024. 3. Discussion on the assessment of independence of the certifying CPAs and their accounting firm for 2024. 4. Proposal: Approval of the prior-approved of the Company's certifying CPAs for 2024, and the provision of non-certification services to the Company and its subsidiaries by the CPAs' accounting firm and the firm's affiliates and alliance firms. 5. Establishment of "Group's Tax Policy". 	None

4. Implementation of the Audit Committee's evaluation

Information on the evaluation cycle and duration, evaluation scope, method and evaluation content of the internal evaluation:

- (1) The Company's "Regulations Governing the Performance Evaluation of the Board of Directors" has been approved by the Board of Directors, including that the performance evaluation of functional committees should be completed before the end of the year, and the performance evaluation results should be reported before the end of first quarter next year and submitted to the Board of Directors for report.
- (2) The Company has completed the evaluation of the operation of the Audit Committee from January 1, 2023 to December 31, 2023, including the self-evaluation questionnaire of 4 independent directors, CFO's office, the internal resource office and audit office.
- (3) The result of the Audit Committee's performance evaluation for 2023 was "Excellent".

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Highlights of evaluation
Every year	From January 1, 2023 to December 31, 2023	Audit Committee meeting	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

5. Supervisors' participation in Board operations: The Company does not have supervisors.

(IV) Corporate Governance Implementation Status and Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the 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 (I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures? (II) 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? (III) Has the company established and implemented risk management and firewall mechanisms with its associated enterprises? (IV) 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
III. Composition and Responsibilities of the Board of Directors (I) Did the company establish and implement a diversity policy and defined management goals? (II) 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? (III) 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?? (IV) Does the company regularly evaluate the independence of	V V V		(I) <ul style="list-style-type: none"> ● The Company has formulated a policy of diversity of board members in the "Corporate Governance Best Practice Principles" to recruit outstanding entrepreneurs from various industries and professionals in finance, operation, and rich experience, and established a Nomination Committee to determine the selection of directors and managers' standards and review process. ● There were a total of 7 directors (including 4 independent directors) in the current board of directors. All independent directors have served for less than 3 terms, and are independent from each other. Character ● All members of the Board of Directors have rich background and expertise in operation management, industry knowledge, and leadership and decision-making ability, and provide the Company with various professional suggestions. ● The specific management objectives of the Company's diversification policy and the achievement are as follows: <ul style="list-style-type: none"> ➢ The current Board of Directors consists of 7 directors, including 4 	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																																																																																		
	Yes	No	Summary																																																																																																			
CPAs?	V		<p>independent directors.</p> <ul style="list-style-type: none"> ➢ Proportion of independent directors: 4/7 ➢ 1/7 of the directors is also an employee ➢ Female directors make up 1/7 of the board composition <p>● The board diversity policy stipulated in the Company's "Corporate Governance Best Practice Principles" is to recruit outstanding entrepreneurs and professionals with rich experience in finance, operation and experience in various industries to formulate appropriate diversity policy, including but not limited to the following two major standards:</p> <ul style="list-style-type: none"> ➢ Basic requirements and values: gender, age, nationality, ethnicity, seniority, and culture ➢ Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional ability, and industry experience <table border="1"> <thead> <tr> <th rowspan="2">Position</th> <th rowspan="2">Name</th> <th colspan="8">Diversified professionalism</th> </tr> <tr> <th>Making judgment about operations</th> <th>Accounting and financial analyses</th> <th>Operational management</th> <th>Crisis management</th> <th>Industrial knowledge</th> <th>International 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> <td>●</td> </tr> <tr> <td>Director</td> <td>Hsiao, Cheng-Hao, Representative of Wanin International</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Director</td> <td>Lin, Hsien-Ming</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Independent Director</td> <td>Lin, Ruei-Yi</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Independent Director</td> <td>Sheng, Bao-Si</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Independent Director</td> <td>Chen, Kuan-Pai</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Independent Director</td> <td>Hou, Chia-Qi</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Director (Note 1)</td> <td>Representative of CLOUD COPIOUS INVESTMENT LIMITED.: Alex Chen</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> </tbody> </table> <p>Note 1: The director was discharged on June 20, 2023 (II) On March 7, 2019, the Board of Directors approved the establishment of a</p>	Position	Name	Diversified professionalism								Making judgment about operations	Accounting and financial analyses	Operational management	Crisis management	Industrial knowledge	International market views	Leadership	Decision-making	Chairman	Liu, Po-Yuan	●	●	●	●	●	●	●	●	Director	Hsiao, Cheng-Hao, Representative of Wanin International	●	●	●	●	●	●	●	●	Director	Lin, Hsien-Ming	●	●	●	●	●	●	●	●	Independent Director	Lin, Ruei-Yi	●	●	●	●	●	●	●	●	Independent Director	Sheng, Bao-Si	●	●	●	●	●	●	●	●	Independent Director	Chen, Kuan-Pai	●	●	●	●	●	●	●	●	Independent Director	Hou, Chia-Qi	●	●	●	●	●	●	●	●	Director (Note 1)	Representative of CLOUD COPIOUS INVESTMENT LIMITED.: Alex Chen	●	●	●	●	●	●	●	●	
Position	Name	Diversified professionalism																																																																																																				
		Making judgment about operations	Accounting and financial analyses	Operational management	Crisis management	Industrial knowledge	International market views	Leadership	Decision-making																																																																																													
Chairman	Liu, Po-Yuan	●	●	●	●	●	●	●	●																																																																																													
Director	Hsiao, Cheng-Hao, Representative of Wanin International	●	●	●	●	●	●	●	●																																																																																													
Director	Lin, Hsien-Ming	●	●	●	●	●	●	●	●																																																																																													
Independent Director	Lin, Ruei-Yi	●	●	●	●	●	●	●	●																																																																																													
Independent Director	Sheng, Bao-Si	●	●	●	●	●	●	●	●																																																																																													
Independent Director	Chen, Kuan-Pai	●	●	●	●	●	●	●	●																																																																																													
Independent Director	Hou, Chia-Qi	●	●	●	●	●	●	●	●																																																																																													
Director (Note 1)	Representative of CLOUD COPIOUS INVESTMENT LIMITED.: Alex Chen	●	●	●	●	●	●	●	●																																																																																													

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>voluntary functional committee (Corporate Social Responsibility Committee), which is now named ESG Committee. On December 24, 2020, the Board of Directors approved the establishment of a voluntary functional committee (Nomination Committee).</p> <p>(III) The Company has established the performance evaluation measures and methods for the Board of Directors, and the evaluation is regularly submitted to the Board of Directors every year, as a reference for remuneration and nomination for renewal.</p> <p>(IV) The Company regularly evaluates the independence of CPAs and submits the report to the Audit Committee and the Board of Directors for resolutions.</p>	
IV. Does the listed company appoint competent and appropriate corporate governance personnel, and appoint a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in compliance laws, handling matters related to the Board of Directors and shareholders' meetings in accordance with the law, and preparing minutes of the Board of Directors 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
V. Does the Company create channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and appropriately respond to important corporate social concerns of stakeholders responsibility issues?	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 Company's agent for stock affairs is KGI Securities.	No difference
VII. Disclosure of Information				
(I) Has the company established a corporate website to disclose information regarding its financial, business and corporate governance status?	V		The Company has set up its corporate website and disclose the information as required.	No difference
(II) 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	V		We have set up a corporate website in Chinese and English versions, designated responsible personnel gather and disclose information about the Company, enforced the spokesperson system, and posted investor conference on the corporate website.	

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) 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	We have published and reported the annual financial statements and the financial statements for Q1, Q2, and Q3, and the status of monthly operations by the required deadline.	
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> <ul style="list-style-type: none"> ● Directors of the Company unfaithfully recused themselves from proposals having a conflict of interest with them. ● We have established the Rules of Procedure for Meetings of Shareholders and implemented them unfaithfully. ● We have established the Rules of Procedure for Meetings of Board of Directors and implemented them unfaithfully. ● We have purchased liability insurance for directors, and the meeting of shareholders has approved the inclusion of the liability insurance for supervisors in the Articles of Incorporation and report to the Board after the insurance's renewal or change. ● Except for absences due to unexpected or important work-related affairs, all directors participated in the supervision and discussion of the related proposals throughout each board meeting. 	No difference

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																																																																						
	Yes	No	Summary																																																																																							
			<p>● Continuing education of the Company's directors in 2023:</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Name</th> <th>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>May 10, 2023</td> <td>Securities and Futures Institute</td> <td>How do directors and supervisors supervise the Company's corporate risk management and crisis management</td> <td>3</td> </tr> <tr> <td>November 6, 2023</td> <td></td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td rowspan="4">Director</td> <td rowspan="4">Lin, Hsien-Ming</td> <td>May 10, 2023</td> <td>Securities and Futures Institute</td> <td>How do directors and supervisors supervise the Company's corporate risk management and crisis management</td> <td>3</td> </tr> <tr> <td>September 22, 2023</td> <td>Taiwan Corporate Governance Association</td> <td>The Key to Improving the Effectiveness of the Board of Directors</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td>Key Global Trends and Cases for Winning ESG in the Future</td> <td>3</td> </tr> <tr> <td>November 6, 2023</td> <td>Securities and Futures Institute</td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Lin, Ruei-Yi</td> <td>August 7, 2023</td> <td>Taiwan Corporate Governance Association</td> <td>Seminar on Family Wealth Inheritance Practice</td> <td>3</td> </tr> <tr> <td>November 6, 2023</td> <td>Securities and Futures Institute</td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td rowspan="3">Independent Director</td> <td rowspan="3">Sheng, Bao-Si</td> <td>March 27, 2023</td> <td>Chinese National Association of Industry and Commerce</td> <td>Corporate Resilience - Taiwan's Competitiveness</td> <td>3</td> </tr> <tr> <td>May 10, 2023</td> <td>Securities and Futures Institute</td> <td>How do directors and supervisors supervise the Company's corporate risk management and crisis management</td> <td>3</td> </tr> <tr> <td>November 6, 2023</td> <td></td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Chen, Kuan-Pai</td> <td>May 10, 2023</td> <td>Securities and Futures Institute</td> <td>How do directors and supervisors supervise the Company's corporate risk management and crisis management</td> <td>3</td> </tr> <tr> <td>November 6, 2023</td> <td></td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td rowspan="4">Independent Director</td> <td rowspan="4">Hou, Chia-Qi</td> <td>August 7, 2023</td> <td>Taiwan Corporate Management and Sustainable Development Association</td> <td>Shortcomings or operational crises identified from the financial statements</td> <td>3</td> </tr> <tr> <td>November 6, 2023</td> <td></td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td>November 23, 2023</td> <td>Securities and Futures Institute</td> <td>Corporate Governance Trends and Corporate Sustainability</td> <td>3</td> </tr> <tr> <td>December 19, 2023</td> <td></td> <td>Post-merger integration discussion and establishment of management mechanism</td> <td>3</td> </tr> </tbody> </table>	Position	Name	Date	Organizer	Course title	Hours involved	Chairman	Liu, Po-Yuan	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3	November 6, 2023		2030/2050 Green Industrial Revolution	3	Director	Lin, Hsien-Ming	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3	September 22, 2023	Taiwan Corporate Governance Association	The Key to Improving the Effectiveness of the Board of Directors	3			Key Global Trends and Cases for Winning ESG in the Future	3	November 6, 2023	Securities and Futures Institute	2030/2050 Green Industrial Revolution	3	Independent Director	Lin, Ruei-Yi	August 7, 2023	Taiwan Corporate Governance Association	Seminar on Family Wealth Inheritance Practice	3	November 6, 2023	Securities and Futures Institute	2030/2050 Green Industrial Revolution	3	Independent Director	Sheng, Bao-Si	March 27, 2023	Chinese National Association of Industry and Commerce	Corporate Resilience - Taiwan's Competitiveness	3	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3	November 6, 2023		2030/2050 Green Industrial Revolution	3	Independent Director	Chen, Kuan-Pai	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3	November 6, 2023		2030/2050 Green Industrial Revolution	3	Independent Director	Hou, Chia-Qi	August 7, 2023	Taiwan Corporate Management and Sustainable Development Association	Shortcomings or operational crises identified from the financial statements	3	November 6, 2023		2030/2050 Green Industrial Revolution	3	November 23, 2023	Securities and Futures Institute	Corporate Governance Trends and Corporate Sustainability	3	December 19, 2023		Post-merger integration discussion and establishment of management mechanism	3	
Position	Name	Date	Organizer	Course title	Hours involved																																																																																					
Chairman	Liu, Po-Yuan	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3																																																																																					
		November 6, 2023		2030/2050 Green Industrial Revolution	3																																																																																					
Director	Lin, Hsien-Ming	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3																																																																																					
		September 22, 2023	Taiwan Corporate Governance Association	The Key to Improving the Effectiveness of the Board of Directors	3																																																																																					
				Key Global Trends and Cases for Winning ESG in the Future	3																																																																																					
		November 6, 2023	Securities and Futures Institute	2030/2050 Green Industrial Revolution	3																																																																																					
Independent Director	Lin, Ruei-Yi	August 7, 2023	Taiwan Corporate Governance Association	Seminar on Family Wealth Inheritance Practice	3																																																																																					
		November 6, 2023	Securities and Futures Institute	2030/2050 Green Industrial Revolution	3																																																																																					
Independent Director	Sheng, Bao-Si	March 27, 2023	Chinese National Association of Industry and Commerce	Corporate Resilience - Taiwan's Competitiveness	3																																																																																					
		May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3																																																																																					
		November 6, 2023		2030/2050 Green Industrial Revolution	3																																																																																					
Independent Director	Chen, Kuan-Pai	May 10, 2023	Securities and Futures Institute	How do directors and supervisors supervise the Company's corporate risk management and crisis management	3																																																																																					
		November 6, 2023		2030/2050 Green Industrial Revolution	3																																																																																					
Independent Director	Hou, Chia-Qi	August 7, 2023	Taiwan Corporate Management and Sustainable Development Association	Shortcomings or operational crises identified from the financial statements	3																																																																																					
		November 6, 2023		2030/2050 Green Industrial Revolution	3																																																																																					
		November 23, 2023	Securities and Futures Institute	Corporate Governance Trends and Corporate Sustainability	3																																																																																					
		December 19, 2023		Post-merger integration discussion and establishment of management mechanism	3																																																																																					
IX. Status of improvement on the Corporate Governance Evaluation results in the most recent year: Through continual improvement corporate governance, the Company is rated top 6-20% among TPEX-listed companies in the 8th Corporate Governance Evaluation.																																																																																										

- (V) If the Company has established a Remuneration Committee, its composition and operation shall be disclosed

The Company has established the Remuneration Committee on December 12, 2011. According to the committee charter, the committee shall have 4 members, who shall be appointed by the resolution of the Board of Directors, and one of them shall be the convener. The duties of the committee include: 1. Establish and periodically review the policy, system, standard, and structure of the performance evaluation, salary, and reward of directors and officers. 2. Periodically evaluate and determine the salary and reward of directors and officers and submit the recommendations to the Board for discussion.

1. Expertise and experience of members of the Remuneration Committee

March 31, 2024

Status	Qualification		Expertise and Experience	Fulfillment of Independence	Number of other public offering companies with membership in their Compensation and Remuneration Committee
	Name				
Independent Director	Lin, Ruei-Yi		All members are independent directors. For their qualifications, experience and independence status, please refer to "Disclosure of Information on the Expertise of Directors and Independence of Independent Directors" of the annual report.		1
Independent Director	Sheng, Bao-Si			1	
Independent Director	Chen, Kuan-Pai			1	
Independent Director	Hou, Chia-Qi			0	

2. Operational Status of the Compensation and Remuneration Committee

- (1) The Company's Compensation and Remuneration Committee has 4 members in total.
- (2) The term of office of the current members: June 20, 2023 to June 19, 2026. In the most recent year and as of the date of publication of the annual report, the Remuneration Committee met 4 times. The attendance of the members and the matters discussed are as follows

Position	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person (%)	Remarks
Independent Director (Convener)	Chen, Kuan-Pai	2	2	50	None
Independent Director	Sheng, Bao-Si	4	0	100	None
Independent Director	Lin, Ruei-Yi	3	1	75	None
Independent Director	Hou, Chia-Qi	2	0	100	Inaugurated on June 20, 2023

Other details to be documented:

I. The Remuneration Committee convened on March 9, 2023, May 10, 2023, July 12, 2023, and March 6, 2024. The proposals are as follows:

- (1) Passed the Company's 2022 and 2023 remuneration distributions to employees and directors.
- (2) Approval for the breakdown of the Company's remuneration to directors and managers in 2022.
- (3) Election of the convener and chairman of the 5th "Remuneration Committee".

- All proposals mentioned above were approved by the Committee.

II. Advice of the Remuneration Committee rejected or revised by the Board: None.

III. Resolutions of the Remuneration Committee with objections or reservations by members with records or statements in writing: None.

3. Implementation of the evaluation by the Remuneration Committee

Information on the evaluation cycle and duration, evaluation scope, method and evaluation content of the internal evaluation:

- (1) The Company's "Regulations Governing the Performance Evaluation of the Board of Directors" has been approved by the Board of Directors, including that the performance evaluation of functional committees should be completed before the end of the year, and the performance evaluation results should be reported before the end of first quarter next year and submitted to the Board of Directors for report.
- (2) The Company has completed the evaluation of the operation of the Remuneration Committee from January 1, 2023 to December 31, 2023, including the self-evaluation survey of 4 independent directors, CFO's office, the internal resource office and audit office.
- (3) The result of the performance evaluation of the Remuneration Committee in 2023 was "Excellent".

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Highlights of evaluation
Every year	From January 1, 2023 to December 31, 2023	Compensation and Remuneration Committee meeting	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

(VI) Composition, duties, and operations of the Nomination Committee

We established the Nomination Committee on December 24, 2020. According to the committee charter, the committee shall be composed of the chairman and at least three directors, one of whom shall be the convener, and a majority of the committee members shall be independent directors. The duties of the committee include: 1. Establish and periodically review the number and qualifications of directors and senior officers. 2. Recommend eligible candidates for the Company's (also important subsidiaries) directors and senior officers, review by law the candidates recommended by shareholders or the Board in advance, and submit the review results and the reference list of candidates to the Board.

1. Professional qualifications and experience of members of the Nomination Committee

March 31, 2024

Status	Conditions		Expertise and Experience	Fulfillment of Independence
	Name			
Director (Convener)	Liu, Po-Yuan		Committee members are all directors and independent directors of the Company. For qualifications, experience, and independence, please refer to "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" of the annual report.	
Independent Director	Lin, Ruei-Yi			
Independent Director	Sheng, Bao-Si			
Independent Director	Chen, Kuan-Pai			
Independent Director	Hou, Chia-Qi			

2. Status of operations of the Nomination Committee

(1) The Company's Nomination Committee consists of 5 members.

(2) The term of office of the current members: June 20, 2023 to June 19, 2026. In the most recent year and as of the date of publication of the annual report, the Nomination Committee has held 4 meetings, and the attendance of members and matters discussed are as follows:

Position	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person (%)	Remarks
Director (Convener)	Liu, Po-Yuan	3	0	100	None
Independent Director	Lin, Ruei-Yi	2	1	67	None
Independent Director	Sheng, Bao-Si	2	1	67	None
Independent Director	Chen, Kuan-Pai	2	1	67	None
Independent Director	Hou, Chia-Qi	2	0	100	Inaugurated on June 20, 2023

Other details to be documented:
I. The Nomination Committee meeting was held on May 10, 2023, June 20, 2023, and July 12, 2023. The proposals are as follows:
(1) General manager's qualification review of the subsidiary "Gamania Payment Co., Ltd."
(2) The nomination and qualification review of candidates for directors (including independent directors).
(3) Election of the convener and chairman of the second "Nomination Committee".
(4) Recommending the members of the 5th "Remuneration Committee".
● The above matters were all approved by the Committee.
II. Advice of the Nomination Committee rejected or revised by the Board: None.
III. Resolutions of the Nomination Committee with objections or reservations by members with records or statements in writing: None.

3. Implementation of the Nomination Committee's evaluation

Information on the evaluation cycle and duration, evaluation scope, method and evaluation content of the internal evaluation:

(1) The Company's "Regulations Governing the Performance Evaluation of the Board of Directors" has been approved by the Board of Directors,

including that the performance evaluation of functional committees should be completed before the end of the year, and the performance evaluation results should be reported before the end of first quarter next year and submitted to the Board of Directors for report.

- (2) The Company has completed the evaluation of the operation of the Nomination Committee from January 1, 2023 to December 31, 2023, including the self-evaluation questionnaire of 4 independent directors, CFO's office, the internal resource office and audit office.
- (3) The result of the performance evaluation of the Nomination Committee in 2023 was "Excellent".

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Highlights of evaluation
Every year	From January 1, 2023 to December 31, 2023	Nomination 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

(VII) Implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for Public Companies and the reasons

Items to be promoted	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for Public Companies
	Yes	No	Summary	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the Board of Directors to handle the situation, and how is the supervision of the Board of Directors?	V		<p>1. Governance framework for promoting sustainable development In order to strengthen and promote the concept of corporate social responsibility and sustainable operation, the Board of Directors approved the establishment of "Corporate Social Responsibility Management Committee" on March 7, 2019. In 2021, "ESG Committee" was renamed and established as "Sustainable Planning Office". "ESG Committee" is chaired by the Chairman, convened by the Chief Financial Officer, and senior executives are assigned to coordinate the management of each ESG task force.</p> <p>2. Board authorization and supervision:</p> <p>(1) On November 12, 2021, the Board of Directors approved the establishment of "Sustainability Planning Office" under the "ESG Committee" to promote sustainable development strategies and strengthen operational efficiency, responsible for promoting and integrating ESG task forces, and the ESG Committee shall be convened at least once per quarter. (A total of five meetings were convened in 2023).</p> <p>(2) The "ESG Task Team" consists of unit managers from the Chief Financial Officer's Office, Chief Strategy Office, Corporate Communication Office, Human Resources Office, Gamania Care Foundation, and Administrative Service Department, to implement the corresponding ESG tasks.</p> <p>(3) The Office of Sustainability Planning reports the status of ESG implementation to the board meeting at least once a year. (August 7, 2023 and November 6, 2023), and submitted various projects to the Board of Directors from time to time.</p> <p>(4) The Board of Directors fully authorizes and guides the sustainable development strategies and implementation proposed by "ESG Committee", including ESG sustainable</p>	No difference

Items to be promoted	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for Public Companies
	Yes	No	Summary	
			strategy blueprint, preparation of ESG sustainability reports (GRI, TCFD, etc.), carbon inspection and verification, carbon reduction plan, and regularly reviews the operation and results.	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to Company's operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	V		<p>1. Boundaries of risk assessment The boundary of the risk assessment considers financial materiality and industry relevance, covering the Company and subsidiaries listed in CH.1 of the 2023 ESG report, with a focus on operations in Taiwan. The sum of revenues covers 100% of the consolidated total revenues.</p> <p>2. The ESG task team will propose strategies and action plans to the ESG Committee and the Board of Directors in accordance with the Company's sustainable development strategy, industry characteristics, international sustainability issues and other aspects regarding risk assessment strategies and standards for relevant major issues.</p>	No difference
III. Environmental Issues (I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	V		The Company attaches great importance to environmental protection issues. In addition to the establishment and implementation of green procurement and energy management, the Company has completed and inspected its greenhouse gas emissions in 2023, and conducts inventory checks and inspections every year.	No difference
(II) Does the company make efforts to enhance energy efficiency and use recycled materials to reduce environmental impacts and burdens?	V		We are in an industry that does not produce hazardous waste or air pollution. However, as the construction and operation of data centers need to consume a high volume of electricity, we have built the energy monitoring and management system at the headquarters building. The system is composed of three interconnected aspects: design, operation, and improvement and analysis of energy conservation. In 2023, which was the Group's first year of green electricity, the conversion of green electricity to the headquarter building accounted for almost 40% of the original power consumption.	No difference
(III) Does the company assess the present and future potential risks and opportunities of climate change and take the relevant countermeasures?	V		The Company has evaluated the potential risks and opportunities of climate change at present and in the future. This year, the Company passed Net Zero Declaration, the topics of carbon	No difference

Items to be promoted	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for Public Companies
	Yes	No	Summary	
			reduction of computer rooms are submitted to the Board of Directors by the ESG Committee, and the energy usage and equipment renewal status are inspected regularly.	
(IV) Did the company produce statistics on the GHG emissions, water consumption, and the total weight of waste in the last two years, and establish policies to reduce GHG emissions and water consumption or other waste management policies?	V		The Company has completed carbon inventory and inspection, and disclosed the greenhouse gas emission, water consumption and total weight of waste in the past two years and related management procedures.	No difference
IV. Social Issues (I) Has the company developed related management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?	V		The Company complies with 17 "Sustainable Development Goals" (SDGs) of the United Nations, the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights" and "International Labor Organization of the United Nations", and internationally recognized human rights standards. It also declares human rights commitments, formulates relevant regulations, and conducts education and training.	No difference
(II) Did the company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflect its operational performance or achievements in the employee's remuneration?	V		We have established the relevant employee welfare measures and reflect our operational performance or achievements in the employee's remuneration.	No difference
(III) Does the Company provide employees with a safe and healthy work environment as well as periodic safety and health education?	V		<ol style="list-style-type: none"> 1. For employee safety, the Group has formulated Safe Work Code of Conduct, monitoring the operating environment every six months, and organizing occupational safety education and training. 2. For employee health, the Company has established a gymnasium and hired professional coaches to offer daily courses and training such as: gymnastics, aerobics, and circuit training for employees to arrange. 3. The Company goes beyond regulations to organize annual employee health checkups and quarterly on-site health visits; currently, work desks have been changed to elevating desks and posture-adjusting chairs to relieve employees' musculoskeletal symptoms, and create a healthy workplace environment. 	No difference

Items to be promoted	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for Public Companies
	Yes	No	Summary	
			<p>4. The Company has been awarded Sports Enterprise Certification Mark by the Sports Administration, Ministry of Education for eight consecutive years (2016 to present).</p> <p>5. The number of occupational disasters in 2023 was 2 (2 persons in total), and there were no fire incidents occurred this year. Subsequently, the Company assisted employees in applying for occupational injury benefits, and reminded them to pay attention on how to prevent occupational injuries and follow-up reporting procedures through occupational disaster education.</p>	
(IV) Has the Company established an effective training program that helps employees develop skills over the course of their career?	V		<p>We provide a well-equipped learning environment and a well-planned education and training framework covering orientation training for new employees, professional development training, and hierarchical training (Gamanian). Every year we organize talks and irregular seminars (Gamania Classroom, Gamania Content) supported with e-learning (Gamania Resource) to implement education and training. We also fund employees to take external training courses. The number of employee training courses in 2023 was 272, of which 391 were organized by the Company, with a total of 7,062 participants and 13,339 training hours. Total training expenses for the year amounted to \$3,423,217.</p>	No difference
(V) Does the company handle customer health and safety, customer privacy, marketing and labeling issues relating to products and services in compliance with the relevant laws and regulations and international standards, and has it established policies and grievance procedures to protect the rights and interests of consumers or customers?	V		<p>1. We have established and implemented mechanisms and processes relevant to our services based on the nature of business of individual products in accordance with the legal requirements and international standards, in order to ensure protection for the rights and interests of consumers or customers.</p> <p>2. Our customer service center also offers 24x7 services round the year. In response to different product needs, we have also arranged various service channels (telephone lines, a message board on the official website, instant messengers, and a smart chatbot).</p>	No difference
(VI) Does the Company define supplier management policies and require that suppliers follow applicable regulations in issues such as environmental	V		<p>The Company's Administrative Service Department is responsible for the promotion and execution of related matters, and has formulated a supplier management policy, including the signing of</p>	No difference

Items to be promoted	Implementation status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for Public Companies
	Yes	No	Summary	
protection, occupational safety and health, or human rights of workers and how are they implemented?			supplier's corporate social responsibility, annual supplier audit, etc.	
V. Did the company prepare and publish reports such as the sustainability report in accordance with the internationally accepted reporting standards or guidelines to disclose the company's non-financial information? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?	V		1. The Company compiles the report according to GRI Standards, obtains confirmation from a third-party verification unit, and sets up a corporate sustainable development section on the Company's website to simultaneously disclose the relevant information of the report on the Market Observation Post System. 2. Assurance of the report: 2023 Annual Report, KPMG Taiwan	No difference
VI. If the company has established its own Sustainable Development Best Practice Principles with reference to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please state the differences in the operation from its best practice principles: No difference.				
VII. Other important information that helps understand the promotion of sustainable development: (I) The Company cares about industrial safety, environmental protection, safety, and health and has respective units to promote and enforce them. (II) The Company has created many job opportunities and has been selected as one of the "Top 100 Companies to Desire for New Generation". The Company has also established an employee welfare committee, implemented a pension system, organized employee training courses, organized employee trips, employee group insurance, arranged regular health examinations. We value harmonious labor relations. (III) The Company's Welfare Committee has actively participated in and called on employees to take part in various charity sales and charity events all year round to help relevant social welfare groups. (IV) The Company established the "Gamania Social Welfare Charity Foundation" in April 2007 to continue caring for young people, encourage young people to dream, and implement various public welfare projects. (V) The Company supports the development of domestic culture, such as supporting domestic original arts with cultural and creative investment, and driving the IP industry.				

Implementation of climate-related information

Item	Implementation status											
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	In response to climate change issues, Gamania has established a "TCFD Working Group", jointly managed by the "Environmental Symbiosis Team" and "ESG Sustainability Planning Office". The Director of the Administrative Services Department is responsible for managing and promoting environmental projects such as greenhouse gas inventory and carbon reduction actions, with regular reports to the Sustainable Development Committee and the Board of Directors. The board is fully empowered and provides guidance on climate-related issues, including net-zero declarations, carbon reduction targets, and strategic planning.											
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance (short, medium, and long-term).	<p>Climate change financial impact analysis (risk)</p> <p>Through the climate risk identification process, a matrix is drawn based on the product of "potential impact severity" and "potential vulnerability", with results categorized into low, medium, and high-risk levels. The results of Gamania's 2023 assessment indicate that all climate-related risks are classified as medium to low-level, with the top three risks identified as key risk issues. The potential impact and financial impact of the relevant risks, responsive measures and management plans are as follows:</p> <table border="1" data-bbox="728 839 2056 1417"> <thead> <tr> <th data-bbox="728 839 875 938">Risk issues</th> <th data-bbox="880 839 1180 938">Impact description</th> <th data-bbox="1184 839 1377 938">Potential financial impact</th> <th data-bbox="1382 839 2056 938">Response measures/management plans</th> </tr> </thead> <tbody> <tr> <td data-bbox="728 941 875 1417"> Market risk Increase in the price of energy and raw materials (long-term) </td> <td data-bbox="880 941 1180 1417"> To meet the requirements of NZE scenario, which calls for a threefold increase in renewable energy capacity and a fourfold increase in energy efficiency, energy prices may rise significantly to reflect their true costs. Due to climate risks, the fluctuation in prices of energy, crude oil, and raw materials in Gamania's value chain may lead to increased procurement expenses, server room maintenance, and other operating costs </td> <td data-bbox="1184 941 1377 1417"> Change in energy costs, operating costs, and increase in expenses </td> <td data-bbox="1382 941 2056 1417"> 1. Establishment of building intelligent monitoring system: Gamania's headquarters building is equipped with an energy monitoring management system that digitizes the monitoring, analysis, and calculation of building energy consumption, including air conditioning, lighting, water dispensers, office machines, light sensors, and air quality. This system allows for the setting of constant temperatures, scheduled lighting, timed device operations, and sleep modes, thereby achieving energy savings and air quality management. 2. Energy conservation measures: With the goal of improving energy efficiency and prioritizing environmental conservation and energy savings, the building has been re-planned, repaired, and staff have been continuously educated to raise awareness of energy conservation (1) Turn off the lights in office at any time. Some public areas are equipped with light sensors to turn off the lights during off-hours. </td> </tr> </tbody> </table>				Risk issues	Impact description	Potential financial impact	Response measures/management plans	Market risk Increase in the price of energy and raw materials (long-term)	To meet the requirements of NZE scenario, which calls for a threefold increase in renewable energy capacity and a fourfold increase in energy efficiency, energy prices may rise significantly to reflect their true costs. Due to climate risks, the fluctuation in prices of energy, crude oil, and raw materials in Gamania's value chain may lead to increased procurement expenses, server room maintenance, and other operating costs	Change in energy costs, operating costs, and increase in expenses	1. Establishment of building intelligent monitoring system: Gamania's headquarters building is equipped with an energy monitoring management system that digitizes the monitoring, analysis, and calculation of building energy consumption, including air conditioning, lighting, water dispensers, office machines, light sensors, and air quality. This system allows for the setting of constant temperatures, scheduled lighting, timed device operations, and sleep modes, thereby achieving energy savings and air quality management. 2. Energy conservation measures: With the goal of improving energy efficiency and prioritizing environmental conservation and energy savings, the building has been re-planned, repaired, and staff have been continuously educated to raise awareness of energy conservation (1) Turn off the lights in office at any time. Some public areas are equipped with light sensors to turn off the lights during off-hours.
Risk issues	Impact description	Potential financial impact	Response measures/management plans									
Market risk Increase in the price of energy and raw materials (long-term)	To meet the requirements of NZE scenario, which calls for a threefold increase in renewable energy capacity and a fourfold increase in energy efficiency, energy prices may rise significantly to reflect their true costs. Due to climate risks, the fluctuation in prices of energy, crude oil, and raw materials in Gamania's value chain may lead to increased procurement expenses, server room maintenance, and other operating costs	Change in energy costs, operating costs, and increase in expenses	1. Establishment of building intelligent monitoring system: Gamania's headquarters building is equipped with an energy monitoring management system that digitizes the monitoring, analysis, and calculation of building energy consumption, including air conditioning, lighting, water dispensers, office machines, light sensors, and air quality. This system allows for the setting of constant temperatures, scheduled lighting, timed device operations, and sleep modes, thereby achieving energy savings and air quality management. 2. Energy conservation measures: With the goal of improving energy efficiency and prioritizing environmental conservation and energy savings, the building has been re-planned, repaired, and staff have been continuously educated to raise awareness of energy conservation (1) Turn off the lights in office at any time. Some public areas are equipped with light sensors to turn off the lights during off-hours.									

Item	Implementation status			
				<p>(2) Replace old and energy-intensive air-conditioning equipment, and regularly clean and maintain them to improve operational efficiency.</p> <p>(3) Replace old lamps with high-efficiency LED lights to save electricity. In 2023, the office fully replaced its lighting system with LEDs, totaling 1,671 LED lights.</p> <p>(4) Sunshade designs reduce indoor exposure to sunlight, which enhance cooling efficiency.</p> <p>3. Achievements and goals: Per capita electricity consumption in 2023 decreased by 1,686 kWh/year compared to 2022, or a 17% reduction, far exceeding the annual target of 1% per capita electricity reduction (base year of 2022).</p>
	<p>Immediate risk Extreme weather - drought (long-term)</p>	<p>According to TCCIP estimates, applying the IPCC SSP 5-8.5 scenario to Taiwan shows an increase in the frequency of extreme weather events. If drought leads to water supply interruptions or water shortages causing water price to increase, the following risks may arise:</p> <ul style="list-style-type: none"> •Water supply interruptions due to drought can lead to operational disruptions or increased operating costs for Gamaia or its value chain •Data center cooling water supply interruptions, increased frequency of equipment maintenance, or even equipment damage, leading to higher operating costs 	<p>Operational interruptions, supply chain disruptions, increased operating costs due to equipment maintenance, energy usage, or decreased production capacity</p>	<p>1. Improve the ability to resist natural disasters: Strengthen the building structure and add contingency measures in response to disasters to maintain the effectiveness of BCM. Gamaia's IT systems and equipment are all equipped with business continuity plans, which are regularly reviewed and tested.</p> <p>2. Improve water resource efficiency and avoid water waste: Gamaia has completed the replacement of sensor faucets in washbasins, continues to promote water conservation, and plans more comprehensive water resource management policies to reduce water usage.</p> <p>3. Energy conservation measures Same as the description of market risk.</p> <p>4. Supply chain resilience Gamaia has established a supplier management policy, evaluates and selects suitable partners according to the policy while actively promoting sustainable development with suppliers to jointly reduce environmental impact. In the future, climate risk issues will gradually be incorporated to identify high climate risk suppliers for strengthened management and guidance, and enhance the climate resilience of Gamaia's supply chain.</p>
	<p>Long-term risks Average rise in temperature (long-term)</p>	<p>Based on TCCIP's estimates and applying the IPCC AR6 warming scenarios of 1.5°C to 4°C in Taiwan, it is expected that sea levels around Taiwan's coastal areas will rise by 0.5 to</p>		

Item	Implementation status										
		<p>1.2 meters, accompanied by an increase in the duration of drought seasons and extreme high temperatures. This will have the following impacts on Gamania:</p> <ul style="list-style-type: none"> •The physical condition of employees has a negative impact, resulting in a decrease in work efficiency or an increase in turnover rate, and higher labor costs for Gamania •Due to more frequent use of air conditioning in server rooms, there will be increased electricity consumption, leading to energy shortages and posing risks to all business developments. This will also drive Gamania to incur higher costs to transform its overall business strategy 									
	<p>Climate change financial impact analysis (opportunity)</p> <p>In 2023, Gamania considered its industry characteristics and industry benchmarks, and established a list of climate-related opportunities. The TCFD team evaluated and confirmed that these opportunities align with Gamania's business philosophy and strategic direction. The team identified potential climate opportunities and business prospects under the low-carbon transition trend, including resource efficiency, products and services, and green procurement/supply chains. We have further formulated internal strategies and goals, and our management and action plans are described in the following table:</p>										
	<table border="1"> <thead> <tr> <th data-bbox="716 1289 994 1353">Opportunity issues</th> <th data-bbox="994 1289 1317 1353">Internal strategies and goals</th> <th data-bbox="1317 1289 1532 1353">Potential financial impact</th> <th data-bbox="1532 1289 2060 1353">Management and action plans</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1353 994 1414"> Resource efficiency In response to climate </td> <td data-bbox="994 1353 1317 1414"> Gamania actively promotes digital transformation, the use of </td> <td data-bbox="1317 1353 1532 1414"> Decrease in operating costs </td> <td data-bbox="1532 1353 2060 1414"> (1) The headquarters building is equipped with an intelligent energy monitoring and management system </td> </tr> </tbody> </table>	Opportunity issues	Internal strategies and goals	Potential financial impact	Management and action plans	Resource efficiency In response to climate	Gamania actively promotes digital transformation, the use of	Decrease in operating costs	(1) The headquarters building is equipped with an intelligent energy monitoring and management system		
Opportunity issues	Internal strategies and goals	Potential financial impact	Management and action plans								
Resource efficiency In response to climate	Gamania actively promotes digital transformation, the use of	Decrease in operating costs	(1) The headquarters building is equipped with an intelligent energy monitoring and management system								

Item	Implementation status			
	<p>change, Gamania has introduced or developed new technologies and equipment applicable to renewable energy use, resource efficiency, and green buildings, aiming to reduce operating costs or enhance resilience to climate risks</p>	<p>renewable energy, and environmentally friendly low-carbon materials. The Company continues to educate employees on water conservation, energy savings, and waste reduction, planning more comprehensive water resource and waste management policies to minimize resource consumption and implement the Group's environmental symbiosis philosophy</p>		<p>to digitally monitor and analyze the building's energy consumption to save power and manage air quality</p> <p>(2) The office lighting system was replaced with LED in 2023. Sensor lights were installed in some areas and patrol inspection has been strengthened during off-hours</p> <p>(3) Initiatives for paperless operations and cloud compression, such as utilizing cloud storage, replacing traditional whiteboards with digital meetings, sticky notes, and other alternatives are being pushed forward</p> <p>(4) Production of environmental awareness videos to raise employees' awareness of energy conservation</p>
	<p>Products and services In response to the green trend and changes in consumer behavior, develop and innovate our own services to achieve opportunities to expand into new business areas and new markets</p>	<p>Gamania leverages digital network technologies and incorporates AI and big data to innovate products and services, effectively integrating group synergies, increasing operational efficiency, enhancing service experiences, gaining consumer approval, and providing digital business solutions that integrate cloud data centers, cybersecurity services, and mobile security</p>	<p>Innovate low-carbon services, enter new markets, and increase revenue</p>	<p>(1) In response to the major enterprises' active cloud transformation in 2023 to reduce the carbon emissions generated by server rooms, the Company's cloud-related service revenue has also grown on a yearly basis</p> <p>(2) Digicentre WeMB 3D digital avatar visualization platform integrates cloud, information security, energy and environmental control systems to effectively assist corporate transformation. Cumulative sales of nearly NTD 40 million in the past two years, with more than 10 key clients having adopted the product</p> <p>(3) Product manager shares the latest market information and trends in the strategy meeting, and formulates the next stage of product service and sales strategy</p>
	<p>Green procurement/supply chain The Company prioritizes the procurement of environmentally certified products (low pollution, recyclable, resource-saving, or green building materials),</p>	<p>Gamania has established a supplier management policy, working together with suppliers to promote sustainable development and jointly reduce environmental impacts. The Company actively pushes for green procurement, selecting cloud service providers with strong ESG performance, and</p>	<p>Reduce operating costs, supply chain reliability, and improve reputation</p>	<p>(1) Priority was given to purchasing desktop and laptop computers with eco-labels, totaling over NTD 10.8 million</p> <p>(2) In 2023, Gamania headquarters building replaced old lamps by purchasing high-efficiency and energy-saving LED lights. The purchase amount was NTD 10.83 million.</p> <p>(3) Green procurement centralized by the headquarters amounted to NTD 21.79 million, the Company continuously receives "112 Buying Power Service</p>

Item	Implementation status			
	<p>self-declared or green life cycle products with minimal environmental impact from raw material acquisition to disposal. Gamania actively participates in green procurement programs and activities, driving green consumption practices within the industry and among the public</p>	<p>sourcing office supplies like LED bulbs, computer hardware, and paper products that meet environmental regulations, ISO certifications, and PEFC forest certification</p>		<p>Procurement Award" from the Ministry of Economic Affairs' Small and Medium Enterprise Administration, practices responsible consumption and production, and fosters innovative collaborations between businesses and social innovation organizations</p> <p>(4) Establishment of "Supplier Management Policy" to continue to require independent management of new suppliers and the signing of "Supplier's Corporate Social Responsibility Statement"</p>
<p>3. Describe the financial impacts of extreme climate events and transformation actions.</p>	<p>The Company is actively implementing energy-saving, carbon-reducing, green power procurement, and equipment replacement transformation projects at all operational sites across Taiwan. For details on the financial impact, please refer to the previous sections on the financial impact analysis of climate change (risks) and the financial impact analysis of climate change (opportunities).</p>			
<p>4. Describe how the process of climate risk identification, assessment and management is integrated into the overall risk management system.</p>	<p>After establishing a list of climate risks and opportunities, relevant departments identified and assessed risks and opportunities across Gamania's value chain. By referencing common practices in risk management, each risk's impact severity and vulnerability were evaluated and prioritized for significant risk hazards. These were then integrated into the Group's risk management system to ensure timely preparation and implementation of various contingency measures. However, according to business assessment, climate risk is considered a low-risk matter, and the Company voluntarily manages and discloses it in accordance with the TCFD framework.</p>			
<p>5. If a scenario analysis is used to evaluate the resilience of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts shall be explained.</p>	<p>When assessing and ranking climate risks, the Company incorporates Net Zero Emissions (NZE) scenario published by the International Energy Agency (IEA) and the RCP2.6 and RCP8.5 scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC) to discuss the risks and opportunities of Gamania under different climate scenarios.</p>			
<p>6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, the indicators and targets used to identify and manage</p>	<p>In 2023, the Company announced "Net Zero Declaration"; Gamania Group is committed to achieve net zero carbon emission by 2050, and has also formulated a transformation plan (please refer to Question 2 above) and set relevant indicators to track it.</p> <ol style="list-style-type: none"> 1. Absolute reduction of greenhouse gases from the base year. 2. The Group's renewable energy procurement ratio. 			

Item	Implementation status
physical and transformation risks.	3. The proportion of renewable energy in the server room.
7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	The Company does not use internal carbon pricing as a planning tool for the time being.
8. If climate-related targets are set, the Company should specify the activities covered, the scope of greenhouse gas emissions, planning timeline, and progress achieved each year. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related goals, the source and quantity of carbon reductions or RECs used should be explained.	The Company has made a "Net Zero Declaration" and set a carbon reduction target by 2050: Achieving Scope 1 and Scope 2 carbon neutrality by 2030, and net zero carbon emission by 2050. The Company actively introduces solar energy procurement and plans to increase the use of renewable energy on a yearly basis. When renewable energy technology matures in the future, the goal is to purchase 100% renewable energy, such as geothermal and hydrogen energy. In March 2023, Gamania headquarters building has begun to procure solar green power, and the number of purchased green power certificates has accumulated to 901.
9. Greenhouse gas inventory and assurance, as well as reduction targets, strategies and concrete action plans (please fill in 1-1 and 1-2 separately).	

1-1 The Company's greenhouse gas inventory in the last two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emission volume (metric tons CO2e), intensity (metric tons CO2e/NTD million), and data coverage for the most recent two years.				
With a capital of less than NTD 5 billion, the Company voluntarily conducts an early audit and assurance of the parent company and its Taiwan operations.				
	2022		2023	
	Total emissions (metric tons CO2e)	Intensity (metric tons CO2e/NTD million)	Total emissions (metric tons CO2e)	Intensity (metric tons CO2e/NTD million)
Scope 1	45.882	0.004	193.463	0.020
Scope 2	5,267.656	0.463	4,559.764	0.466
Scope 3	3,541.213	0.311	3,789.482	0.387
Total	8,854.751	0.778	8,542.709	0.873

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last two years up to the date of publication of the annual report, including the scope of assurance, assurance institutions, assurance criteria, and assurance opinion.		
	2022	2023
Scope of assurance	Gamania Digital Entertainment and its subsidiaries in Taiwan	Gamania Digital Entertainment and its subsidiaries in Taiwan
Assurance institutions	Det Norske Veritas (DNV)	Det Norske Veritas (DNV)
Assurance criteria	ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019	ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019
Assurance opinion	The verification is conducted for Scope 1 and 2 emissions at a reasonable assurance level, although the assurance level is determined based on evidence gathered during the process. Other indirect greenhouse gas emissions in various categories are verified according to an agreed-upon procedure (AUP).	The verification is conducted for Scope 1 and 2 emissions at a reasonable assurance level, although the assurance level is determined based on evidence gathered during the process. Other indirect greenhouse gas emissions in various categories are verified according to an agreed-upon procedure (AUP).

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

The Company states the base year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress towards the reduction targets.
<p>·Carbon reduction goals of Gamania Group: By 2030, the Company aims to reduce carbon emissions by 78% for Scope 1 and Scope 2 compared to 2022 (base year), and achieves carbon neutrality for Scope 1 and Scope 2, with a target of net-zero carbon emissions by 2050.</p> <p>·The detailed action plans are as follows:</p> <ol style="list-style-type: none"> (1) Turn off the lights in office at any time. Some public areas are equipped with light sensors to turn off the lights during off-hours. (2) The Company implements smart air conditioning controls in offices to manage air conditioning time, conserve electricity, and avoid waste (maintaining a temperature of 25-26°C). (3) Replace old and energy-intensive air-conditioning equipment, and regularly clean and maintain them to improve operational efficiency. (4) Replace old lamps with high-efficiency LED lights to save electricity. (5) Sunshade designs reduce indoor exposure to sunlight, which enhance cooling efficiency. (6) A smart monitoring system is installed in buildings to monitor air conditioning, lighting, water dispensers, office machines, sensor lights, and air quality. The system can set constant temperatures, schedule light turn-off, schedule power on/off, and activate sleep mode at set times, thereby achieving energy savings and managing air quality. (7) In 2023, the Gamania headquarters building used about 21% of solar green power, and the cumulative number of purchased green power certificates was 901.

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

Evaluation 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 meeting, 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 senior 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) Does the Company have the operational procedures, behavior guidelines, punishment and complaint systems clearly defined in the program to prevent unethical conduct and the implementation, and the program is regularly reviewed and amended?</p>	V		<p>(I) The Company has formulated the regulations and policies related to ethical corporate management, which have been approved by the Board of Directors; the Board of Directors and the management adhere to the principle of ethical corporate management to maximize shareholders' equity.</p> <p>(II) 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>(III) 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>	No difference
<p>II. Consolidation of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the ethical corporate management records of parties it does business with, and has it stipulated ethical conduct clauses in business contracts with them?</p> <p>(II) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and</p>	V		<p>(I) 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.</p> <p>(II) The Company has established a dedicated unit under the Board of Directors, the Chief, to take charge of the</p>	No difference

Evaluation item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>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)?</p> <p>(III) Has the Company established policies to prevent against conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly?</p> <p>(IV) 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?</p> <p>(V) Does the Company hold internal and external training on ethical corporate management regularly?</p>	V		<p>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.</p> <p>(III) 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.</p> <p>(IV) 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.</p> <p>(V) The Company holds internal and external educational trainings on ethical corporate management periodically.</p>	
<p>III. Whistle-blowing System of the Company</p> <p>(I) Has the company established substantial reporting and incentive systems to provide convenient reporting channels and assign appropriate personnel to 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		<p>The Company has established the Operational 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>	No difference
<p>IV.Reinforced Information Disclosure</p> <p>(I) Has the company disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS?</p>	V		<p>The Company has disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS.</p>	No difference
<p>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.</p>				
<p>VI. Other important information that helps understand the implementation of ethical corporate management of the company: None.</p>				

(IX) Corporate Governance Best Practice Principles and related regulations: Please refer to the Company's website and the Market Observation Post System.

(X) Other information material to the understanding of the Company's corporate governance practices

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. Voluntary 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
Director (Convener)	Liu, Po-Yuan	•	•	•	•	•	•	•	•
Independent Director	Lin, Ruei-Yi	•	•	•	•	•	•	•	•
Independent Director	Sheng, Bao-Si	•	•	•	•	•	•	•	•
Independent Director	Chen, Kuan-Pai	•	•	•	•	•	•	•	•
Independent Director	Hou, Chia-Qi	•	•	•	•	•	•	•	•

(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) Business implementation in 2023: Please refer to "Composition, Responsibilities and Operations of the Nomination Committee" of the annual report.

2. Appointment of Corporate Governance Officer

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) Business implementation in 2023
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
Frequency	1	6	5	3

- (3) Continuing education of corporate governance officers

- In accordance with paragraph 2, Article 24 of the “Key Points for the Setup of the Board of Directors”: First-time chief corporate governance officers (CCGO) shall complete 18 hours of continuing study within one year after taking office, and 12 hours of continuing study is required in subsequent years.
- The corporate governance officer has completed 12 hours of training in 2023.

Date	Training agency	Description	Hours involved
October 19, 2023	Securities and Futures Institute	How do senior executives supervise the Company's enterprise risk management and crisis management	3 hours
November 6, 2023	Securities and Futures Institute	2030/2050 Green Industrial Revolution	3 hours
December 12, 2023	Accounting Research and Development Foundation	The latest "ESG sustainability" and "self-preparation of financial statements" related policy development and internal control management practices	6 hours

(XI) Implementation of the internal control system

1. Declaration on Internal Control:

Date: March 6, 2024

The Company states the following with respect to its 2023 internal control system based on the results of a self-assessment:

- 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. Based on the aforementioned evaluation results, the Company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31, 2023, including the design and implementation of a reliable, timely, transparent and compliant internal control system with relevant regulations and applicable laws and regulations, are effective and can reasonably ensure the achievement of the above objectives.
- 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 statement was approved by the Company's Board of Directors on March 6, 2024. Among the 6 directors present, 0 had objections and the remainder all agreed with the content of this statement and declare here.

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.

(XII) 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 in the most recent year up to the date the annual report was printed, that may have significant impacts on the shareholder equity or prices of securities; list the penalties imposed, major deficiencies and improvements already made: None.

(XIII) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report

1. Important resolutions of the 2023 annual shareholders' meeting

Date of meeting	Summary of important proposals	Implementation status
June 20, 2023	Recognition of 2022 financial statements	The proposal was approved in the shareholders' meeting.
	Recognition of 2022 earnings appropriation	This proposal was approved by the shareholders' meeting, and the distribution of cash dividends was completed on August 18, 2023
	Election for 7 seats of the 11th Board of Directors	The list of elected representatives is as follows: Director: Liu, Po-yuan, Representatives of Wanin International Co., Ltd.: Hsiao, Cheng-Hao, Lin, Hsien-Ming Independent Directors: Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai, Hou, Chia-Qi Change registration was completed on July 12, 2023
	Release of non-competition restrictions for new directors and their representatives	The proposal was approved in the shareholders' meeting.

2. Important decisions of the Board of Directors

In 2023 and up to the date of printing of this annual report, the summary of important resolutions of the Board of Directors is as follows:

Date	Important decision
March 9, 2023	<ul style="list-style-type: none"> ● Approved the Company's 2022 financial statements. ● Approval for the Company's 2022 distribution of remuneration to employees and directors. ● Approved the Company's 2022 earnings appropriation proposal. ● Approved the 2023 remuneration of directors and managers recommended by the Company's Remuneration Committee. ● Approved the replacement of the Company's CPAs. ● Approved the proposal for the independence evaluation of the Company's CPAs and the subordinate CPA firm of the Company in 2023.

Date	Important decision
	<ul style="list-style-type: none"> ● Approved the Company's internal control system from January 1, 2022 to December 31, 2022, and the issuance of an internal control statement based on the results of the self-assessment. ● Approved the full re-election of directors. ● Approved the lifting of non-competition restrictions for new directors. ● Approved the motion to determine the matters related to the convening of the 2023 general shareholders' meeting of the Company. ● Approved the Company's 2023 budget. ● Approval of donation for the Gamania Cheer Up Foundation. ● Approved the capital increase of subsidiary "Jollybuy Digital Technology Co., Ltd."
May 10, 2023	<ul style="list-style-type: none"> ● Approval of the amendment to the Company's internal control system and Rules for Implementation of Internal Audit. ● Approved the Company's consolidated financial statements for 2023 Q1. ● Approved the proposal for the Company's 2022 directors' remuneration and managerial officers' remuneration. ● Approved the nomination and qualification review of candidates for directors (including independent directors). ● Approved the capital increase of subsidiary "Nownews Network Co., Ltd."
June 20, 2023	<ul style="list-style-type: none"> ● Approval of the appointment of the Company's Chairman ● Approved the establishment of the "Audit Committee". ● Approved the appointment of the Company's second "Nomination Committee" members.
July 12, 2023	<ul style="list-style-type: none"> ● Approved the appointment of the Company's 5th "Remuneration Committee" members. ● Approval of the determination of the Ex-dividend base date for the Company
August 7, 2023	<ul style="list-style-type: none"> ● Approved the Company's consolidated financial statements for 2023 Q2. ● Approved the establishment of the first "Risk Management Committee".
November 6, 2023	<ul style="list-style-type: none"> ● Approved the Company's consolidated financial statements for 2023 Q3. ● Approved the formulation of the Company's 2024 annual audit plan. ● Approved the 2023 "Performance Evaluation of the Board of Directors". ● Approved the motion to amend the Company's "Sustainable Development Committee Charter". ● Approved the motion to amend the Company's "Corporate Social Responsibility Best Practice Principles". ● Approved the amendments to the Company's "Procedures for Transactions with Specific Companies, Group Enterprises and Related Parties". ● Approved the change of "Deputy Spokesperson". ● Approved the establishment of an "Information Security Supervisor."
March 6, 2024	<ul style="list-style-type: none"> ● Approved the Company's 2023 financial statements. ● Approved the motion for the Company's 2023 internal control system statement. ● Approved the proposal for the independence evaluation of the Company's CPAs and the subordinate CPA firm of the Company in 2024. ● Approved the 113 remuneration of directors and managers recommended by the Company's Remuneration Committee. ● Approval for the Company's 2023 distribution of remuneration to employees and directors. ● Approved the Company's 2023 earnings appropriation proposal. ● Approved the motion to determine the matters related to the convening of the 2024 general shareholders' meeting of the Company. ● Approved the amendments to the Company's "Rules of Procedure for Board of Directors

Date	Important decision
	<p>Meetings".</p> <ul style="list-style-type: none"> ● Approved the "Group's tax policy". ● Approved the establishment of the "Group's Advertising Ethics Policy". ● Approved the Company's 2024 budget. ● Approved the motion for the Company to participate in the cash capital increase of Walkermedia Co., Ltd. ● Approval of donation for the Gamania Cheer Up Foundation. ● Approved the capital increase of subsidiary "Jollybuy Digital Technology Co., Ltd.". ● Approved the capital increase of subsidiary "Nownews Network Co., Ltd.". ● Approved the Company's participation in the cash capital increase of "Flourish Wisdom Limited". ● Approved the motion for the Company to acquire the equity of "Gash Point Co., Ltd." from "Conetter Comarketing Co., Ltd.". ● Approved the motion for the Company to acquire the equity of "Gamania Payment Co., Ltd." from "Gash Point Co., Ltd." and "Gash Point (HK) Co., Ltd.".

(XIV) Main contents of different opinions of directors or supervisors that are recorded and stated in writing on important decisions made by the board meetings in the most recent year up to the publication date of the annual report: None.

(XV) 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 most recent year up to the publication date of the annual report: None.

(XVI) Status of the acquisition of certificates and licenses designated by the competent authority by the Company's financial information transparency related personnel

Name of certificate	Number of people
Internal Auditor Certificate	1
Basic Internal Corporate Control Skills Qualification Certificate	2
Trust and Investment Underwriter	1
Shareholder Service Professionalism Qualification Certificate	2
Professional Trust Business Provider Qualification Certificate	1
Certification in Risk Management Assurance (CRMA)	1
Intangible Asset Appraiser - Basic Ability Appraisal	1
ROC CPA	1
US CPA	1
Brokerage Senior Dealer Qualification Certificate	1
Brokerage Dealer Qualification Certificate	2

V. Information on CPA Fees:

Currency: NT\$1,000

Name of Accounting Firm	Name of CPA	Duration of the audit	Audit public expenditure	Non-audit public expenditure	Total	Remarks
PwC Taiwan	Yen, Yu-Fun	January 1, 2023 - December 31, 2023	4,805	750	5,555	Description of non-audit public expenditures: Provide verification and certification services for the direct deduction method of business tax for concurrent business operators.
	Lin Yung-Chi	January 1, 2023 - December 31, 2023				

- (1) Where the audit fees paid during the year of change of accounting firm are less than the audit fees paid in the previous year, the amount of audit fees before and after the change and the reason for the change shall be disclosed: None.
- (2) When the public audit expenditure has decreased by 10% or more compared to the previous year, the amount, percentage and reason shall be disclosed: None.

VI. Information on Replacement of CPAs:

The Company shall disclose the following if it has changed its CPA in the last two years and thereafter

(I) About the former CPA

Date of Replacement	March 9, 2023		
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	Client	CPA	Authorizer
	Status		
	Spontaneous termination of appointment	Lin, Yi-Fan, Yen, Yu-Fun	None
	Does not accept (continue with) appointment	None	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	
		Other	

	None	√
	Description	
Other Matters (Those that should be disclosed as indicated in Items 1-4 to 1-7, Subparagraph 6 of Article 10 of these Guidelines)	None	

(II) About the Succeeding CPA

Name of Accounting Firm	PwC Taiwan
Name of CPA	Yen, Yu-Fung and Lin, Yung-Chi
Date of Authorization	March 9, 2023
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's Audit Committee evaluates the independence and suitability of its subordinate CPAs every year. In addition to requiring CPAs to provide "Declaration of Independence" and "Audit Quality Indicators (AQIs)", the audit is conducted in accordance with the standards in the following table and 13 AQI indicators evaluation. It was confirmed that the CPAs have no other financial interests or business relationship with the Company, and that the CPA's family members do not violate the independence requirements. AQI indicator information is also used to confirm that the CPA and the firm have different experience and the number of training hours is equivalent to the industry average. In addition, we will continue to introduce digital auditing tools in the past three years to improve audit quality. The evaluation results of the most recent year were discussed and approved by the Audit Committee on March 6, 2024, and submitted for the Board of Directors' resolution on March 6, 2024 to evaluate the independence and suitability of the CPAs.

Evaluation item	Evaluation results	Compliance with independence requirement
Do the certifying CPAs have no direct or significant indirect financial interest with the Company?	Yes	Yes
Do the certifying CPAs have no inappropriate relationship with the Company?	Yes	Yes
Do the certifying CPAs not concurrently work as regular employees of the Company or its affiliated enterprises and receive a fixed salary?	Yes	Yes
Have the certifying CPAs not engaged in any financial borrowing or lending with the Company or its affiliated enterprises?	Yes	Yes
Have the certifying CPAs not received any commission related to the Company's business?	Yes	Yes
Do the certifying CPAs not hold any shares in the Company or its affiliated enterprises?	Yes	Yes
Have the certifying CPAs not provided audit services to the Company for seven consecutive years?	Yes	Yes
Do the certifying CPAs have no joint investment or benefit sharing relationship with the Company or its affiliated enterprises?	Yes	Yes
Do the certifying CPAs have not been involved in the management function of making decisions for the Company or related enterprises?	Yes	Yes
Do the certifying CPAs meet the independence requirements of the CPA Professional Ethics Bulletin No. 10, and has the Company obtained the "Declaration of Independence" issued by the certifying CPAs?	Yes	Yes

VII. Any of the Company's chairperson, general manager, or managers responsible for financial or accounting affairs being employed by the auditors' firm or any of its affiliated company in the last year, including their names, job titles, and whereabouts of the accounting firm during the term of office or its affiliates: None.

VIII. Changes in the transfer and pledge of equity among directors, supervisors, managers and shareholders with a shareholding of more than 10% in the most recent year and up to the publication date of the annual report.

Unit: Thousand shares

Position	Name	2023		As of March 31, 2024	
		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	-	-	-	(3,000)
Director	Wanin International Representative: Hsiao, Cheng-Hao	-	-	-	-
Director	Lin, Hsien-Ming	-	-	-	-
Independent Director	Sheng, Bao-Si	-	-	-	-
Independent Director	Lin, Ruei-Yi	-	-	-	-
Independent Director	Chen, Kuan-Pai	-	-	-	-
Independent Director	Hou, Chia-Qi	-	-	-	-
Manager	Su, Hsin-Hung	(80)	-	-	-
Manager	Wu, Chang-Hung	-	-	-	-
Manager	Chien, Chih-Hao	-	-	-	-
Director (Note)	Cloud Copious Investment Limited. Representative: Alex Chen	-	-	-	-

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 in the past year up to the date the Annual Report was printed.

Note: The director was discharged after the re-election on June 20, 2023. The shareholding and pledged rights remained unchanged during the term of office.

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

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 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	17,491,305	9.97%	-	-	-	-	Xiang Sheng Investment Co., Ltd.,	Person in charge	-
Wanin International Co., Ltd.	15,186,000	8.65%	-	-	-	-	-	-	-
Representative: Hsiao, Cheng-Hao	0	0	-	-	-	-	-	-	-
Joy Develop Co., Ltd. Taiwan Branch	14,883,000	8.48%	-	-	-	-	-	-	-
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	17,491,305	9.97%	-	-	-	-	-	-	-
Fubon Life Insurance Co., Ltd.	8,757,000	4.99%	-	-	-	-	-	-	-
Representative: Lin Fu-Hsing	0	0	-	-	-	-	-	-	-
Investment Account of Xingtian Technology Co., Ltd. in the trusteeship of KGI Bank Co., Ltd.	3,852,000	2.19%	-	-	-	-	-	-	-
Account of Polunin Emerging Markets Fund Company in the trusteeship of Citibank	3,380,100	1.93%	-	-	-	-	-	-	-
Union Bank of Taiwan entrusted to hold the investment account of Boju Holdings Co., Ltd.	2,356,000	1.34%	-	-	-	-	-	-	-
Jakedi Emerging Market Small Cap Equity Fund in the trusteeship of HSBC	2,093,000	1.19%	-	-	-	-	-	-	-
JP Morgan Chase Bank is entrusted with the custody of investment account of Advanced Starlight Comprehensive International Stock Index Fund.	1,716,424	0.98%	-	-	-	-	-	-	-

X. Number of Shares Held by the Company, Its Directors, Supervisors, Managers, and Enterprises Controlled Directly or Indirectly by the Company in the Same Reinvested Enterprise, and Consolidated Calculation of Comprehensive Shareholding Percentage

March 31, 2024 (expressed in thousands of 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	Number of shares	Holding ratio
Gamania Holdings Ltd.	20,100	100.00%	-	-	20,100	100.00%
Gamania Digital Entertainment (HK) Co., Ltd.	25,500	100.00%	-	-	25,500	100.00%
VieFor Co., Ltd.	317	100.00%	-	-	317	100.00%
Digicentre Company Limited	16,016	67.48%	-	-	16,016	67.48%
Jollybuy Digital Technology Co., Ltd.	16,168	99.19%	-	-	16,168	99.19%
Two Tigers Co., Ltd.	627	51.00%	-	-	627	51.00%
Gash Point Co., Ltd.	13,500	90.00%	1,047	6.98%	14,547	96.98%
Indiland Co., Ltd.	2,950	100.00%	-	-	2,950	100.00%
DIT	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%
Webackers Co., Ltd.	374	93.38%	-	-	374	93.38%
Nownews Network Co., Ltd.	51,520	82.06%	515	0.82%	52,035	82.88%
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.	44,694	81.26%	8,027	14.60%	52,721	95.86%
Ciirco, Inc.	1,698	99.90%	-	-	1,698	99.90%
Walkermedia Co., Ltd.	3,450	30.00%	8,050	70%	11,500	100.00%
SOFA Studio Co., Ltd.	3,000	42.86%	-	-	3,000	42.86%

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

Four. Fund-raising

I. Capital and Shares

(I) Source of Capital Stock

As of March 31, 2024 Unit: NTD thousand, 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	Other
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		Note 26

						conversion \$3,504	
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 22, 2024; unit: shares

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

(II) Shareholder Structure

April 22, 2024

Shareholder structure	Government agency	Financial institutions	Other corporations	Individuals	Foreign institution and alien	Total
Quantity						
Number of people	0	3	221	44,103	187	44,514
Number of shares held	0	9,687,000	35,020,839	77,528,029	53,257,705	175,493,573
Holding ratio (%)	0	5.52	19.95	44.18	30.35	100

(III) Decentralization of Equity

Distribution of Shares

Denomination of \$10 per share

April 22, 2024

Shareholding classification	Number of shareholders	Number of shares held	Holding ratio (%)
1 to 999	27,935	937,623	0.53
1,000-5,000	14,478	26,551,263	15.13
5,001-10,000	1,182	9,359,908	5.33
10,001-15,000	302	3,857,612	2.20
15,001-20,000	194	3,603,220	2.05
20,001-30,000	131	3,350,097	1.91
30,001-40,000	65	2,350,990	1.34
40,001-50,000	53	2,478,813	1.41
50,001-100,000	76	5,046,953	2.88
100,001-200,000	39	5,598,115	3.19
200,001-400,000	18	4,920,640	2.80
400,001-600,000	10	4,604,419	2.62
600,001-800,000	10	6,996,136	3.99
800,001-1,000,000	5	4,547,193	2.59
Above 1,000,001	16	91,290,591	52.03
Total	44,514	175,493,573	100.00

Preferred stock: None

(IV) List of Major Shareholders

April 22, 2024

Name of major shareholder	Number of shares held (share)	Holding ratio (%)
Liu, Po-Yuan	17,491,305	9.97%
Wanin International Co., Ltd.	15,186,000	8.65%
Joy Develop Co., Ltd. Taiwan Branch	14,883,000	8.48%
Xiangsheng Investment Co., Ltd.	13,600,000	7.75%
Fubon Life Insurance Co., Ltd.	8,757,000	4.99%
Investment Account of Xingtian Technology Co., Ltd. in the trusteeship of KGI Bank Co., Ltd.	3,852,000	2.19%
Account of Polunin Emerging Markets Fund Company in the trusteeship of Citibank	3,380,100	1.93%
Union Bank of Taiwan entrusted to hold the investment account of Boju Holdings Co., Ltd.	2,356,000	1.34%
Jakedi Emerging Market Small Cap Equity Fund in the trusteeship of HSBC	2,093,000	1.19%
JP Morgan Chase Bank is entrusted with the custody of investment account of Advanced Starlight Comprehensive International Stock Index Fund.	1,716,424	0.98%

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

Item		Year		
		2022	2023	As of March 31, 2024
Market value per share	Maximum	73.30	92.60	79.50
	Minimum	51.20	64.30	68.00
	Average	62.85	73.80	73.50
Net value per share	Before distribution	33.35	30.64	33.13
	After distribution	27.55	30.64	33.13
Earnings per share	Weighted average number of shares (thousand shares)	175,494	175,494	175,494
	Earnings per share	7.29	3.28	2.31

Dividend per share	Cash dividend	5.80	3.28	-
	Free share assignment	-	-	-
		-	-	-
	Accumulated unpaid dividend	-	-	-
Analysis of return on investment	Price to earnings ratio	8.62	22.49	31.97
	Price to dividend ratio	10.84	22.49	-
	Cash dividend yield	9.23%	4.45%	-

(VI) Company's dividend policy and implementation status

1. Dividend policy:

In accordance with the Articles of Incorporation, the Company should set aside profit before tax of the current year before deducting the remuneration of employees and the remuneration of directors, and allocates 10%-15% for the remuneration of employees and no more than 2% for the remuneration of the 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:

The method of dividend distribution takes into account factors such as the Company's profitability, financial structure and the Company's future development. At least 10% of the dividends distributed in the current year is set aside as cash dividend. 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.

2. Distribution of dividends intended to be proposed and discussed during the current shareholders' meeting:
The Company's Board of Directors approved the distribution of cash dividend of NTD 3.28 per share on March 6, 2024.
3. Expected major changes to the dividend policy, if any: None.

(VII) 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.

(VIII) Remuneration for employees, directors and supervisors

1. Percentage or range of remuneration for employees, directors and supervisors as stated in the Company's Articles of Incorporation:
 - (1) 10% to 15% for employees' remuneration.
 - (2) Remuneration to directors shall not exceed 2%.
2. The basis for estimating the amount of employees and directors' remuneration, the basis for calculating the number of shares to be distributed as employees' remuneration for the current period, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure.

The amount of directors' remuneration increased by NTD 124,001 from the expenses recognized in 2023, and the amount of employees' remuneration increased by NTD 1,120,006 from the expenses recognized in 2023; the differences will be recognized as 2024 profit or loss.

3. Links to directors' performance evaluation and remuneration:

In accordance with Article 4 of the Company's "Procedures for the Distribution of Remuneration to Directors and Remuneration", the amount of remuneration distributed to all directors shall take into account the authority of each director, the number of meetings attended, the number of training hours, and other performance evaluations; and the Company shall comply with laws and regulations and the adjustment of actual operating conditions. The allocated amount has been reviewed and approved by the Remuneration Committee and the Board of Directors.
4. Approval of distribution of remuneration by the Board of Directors:

On March 6, 2024, the Board of Directors approved the distribution

 - (1) Directors' remuneration: NTD 13,400,000.
 - (2) Amount of remuneration to employees: NTD 67,500,000.
5. The actual amount of the 2022 remuneration distributed to employees and directors in 2023 is the same as the amount approved by the board meeting and the shareholders' meeting.

(IX) Shares repurchased by the Company: None.

II. Corporate Bonds: None.

III. Preferred Stock: None.

IV. Global Depositary Receipt: None.

V. Employee Share Subscription Warrant: None.

VI. Issuance of restricted stock awards (RSA): None.

VII. Issuance of New Shares for M&A or Acceptance of Shares of Other Companies: None.

VIII. Implementation of Capital Utilization Plan: None.

Five. 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) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Scope of operation by the weight

Unit: NTD 1,000

Product	2022		2023	
	Value	%	Value	%
Gaming and point storage income	9,490,862	83%	7,354,534	75%
Labor and other operating income	1,897,159	17%	2,436,326	25%
Total	11,388,021	100%	9,790,860	100%

Source: 2023 consolidated financial statement audited and certified by CPAs.

3. Current Products (Services) of the Company

- (1) Games: The Group's game operations include MapleStory, Lineage Remastered, Elsword, Mabinogi, Counter-Strike, Dragon Nest, KartRider and mobile games such as "Lineage M", "Summons Board," "Moonlight Sculptor" and "World Flipper".
- (2) e-Commerce: The Group's "Jollybuy Digital" is the first of its kind to focus on Anime, Comics, Games and Novels (ACGN) and is devoted to creating

- an entertaining e-commerce platform. Gaming and socializing upgrade the shopping fun. AI data is 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" credit service not only provides services that players pay for, but also provides comprehensive digital entertainment contents with high-quality and powerful functions, allowing digital players around the world to easily play through the GASH digital entertainment platform in unlimited spacious digital entertainment in the world.
 - (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' Power" has years of experience in customer service and a comprehensive customer service mechanism. With a flexible professional organization and layout, as well as social marketing, it achieves the benefits of brand building and product promotion, providing customers with the most immediate logistical support, and "NOW News" is the first and most real-time online news website in Taiwan. It provides diversified and high-quality content and topics, actively integrates new technologies, and launches new applications such as AI anchor news media.
 - (5) **Commerce:** The Group's "Digicentre" is an expert of cloud data and information security, integrating cloud computer room, information security service, and mobile security to create a safe information security environment for millions of players and a great future of cloud data, and technical experience accumulated over the years to provide domestic and foreign customers with customized services and solutions in information security, system integration, and IDC/NOC/SOC.
 - (6) **Mobile platform:** beanfun! is a comprehensive mobile lifestyle platform that integrates games, entertainment points, payment, e-commerce, and IM communication and interaction. Through the reorganization of functional modules and optimization of the underlying logical structure of the big

data project, the user experience is enhanced and the group's service connections are strengthened. It also penetrates into diverse user scenarios to create more fun in life, and creates fan economy application tools for the younger generation to enjoy simple and rich online life, and connect into the internet ecosystem.

4. New products (services) to be developed

The Company continues to work with big international game companies to launch high-quality game content, introduce masterpieces with exquisite and unique content, drive game operations with blockbuster IP, and continue to expand the business of self-owned games based on market orientation and player needs R&D, supplemented by diversified IP incubation to enrich the content platform, improve user experience and strengthen the connection of the Group's services, and to penetrate into diverse user scenarios, the application and R&D of AI in various entertainment scenarios, explore the usage scenarios of the Group's mobile payment and deeply manage user needs. In addition, in recent years, the cloud and information security markets have flourished, and the Group's subsidiary Digicentre has successfully expanded into the Southeast Asian market. Combined with the local demand for smart cities, it has initially established a local operating foundation and created new revenue drivers. In the future, it will continue strengthening research and development and operational capabilities, and deepen its overseas market penetration

(II) Industrial Overview:

1. Current Industry Status and Development

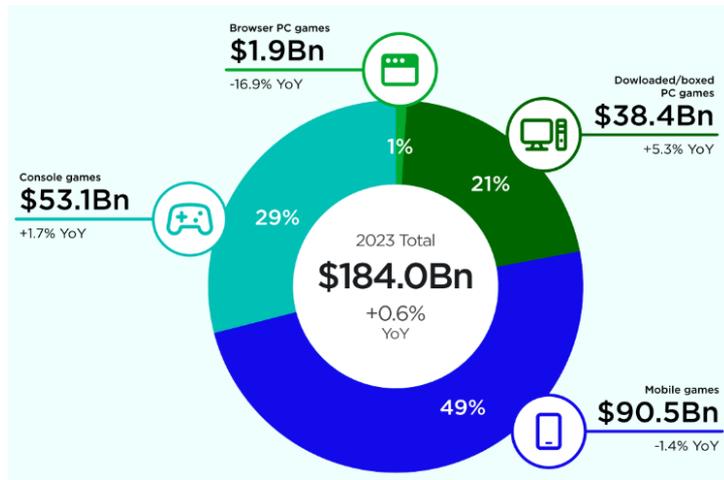
(1) Game market

According to the January 2024 "Global Games Market Report" published by the international market research institution Newzoo, the global overall game market will reach US\$184 billion in 2023, a 0.6% growth compared to 2022; of which, the mobile game market will reach US\$90.5 billion. The largest market, with a slight decline of 1.4% from the previous year, accounting for 49%, mainly due to the tightening of privacy protection measures in the global market for dual-platform games; followed by console games as the second largest market, accounting for 29% with a scale of up to US\$53.1 billion, an annual increase of 1.7%.

According to the statistics of professional mobile game database "data.ai", RPG, strategy and match are the top three types of games

that are most popular with global mobile game players in global mobile game spending.

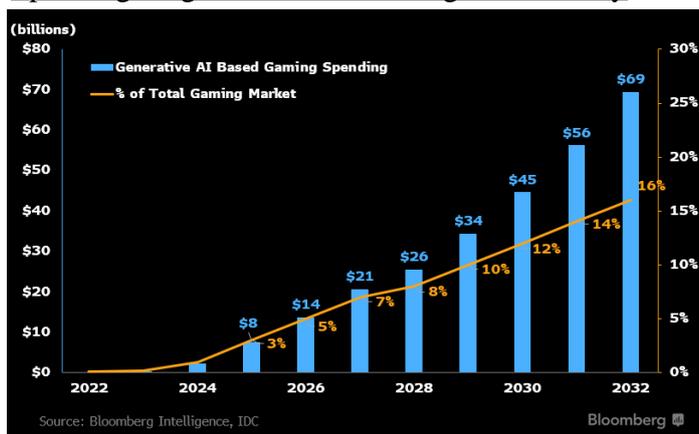
2023 global game market size - by platform



Source: Newzoo (2024)

In recent years, with the explosive growth of artificial intelligence (AI) related technologies and applications, the game industry has become the best application of generative artificial intelligence due to its advantages of real-time and diversified interactive content, high flexibility in the virtual environment, and easy large-scale repetitive training. It brings new risks and threats but also greatly improves development efficiency and reduces costs.

Spending on generative AI in the game industry

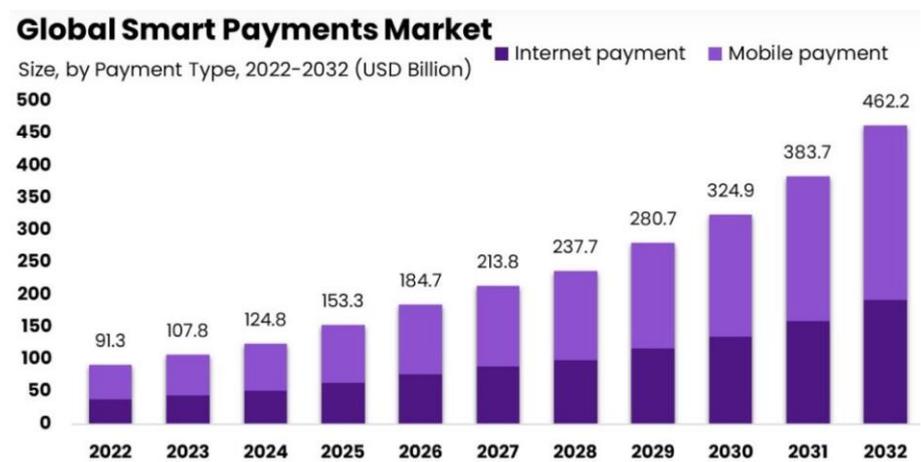


Source: Bloomberg

(2) Payment market

The increasing popularity of internet and mobile devices, coupled with the impact of the pandemic, has accelerated the public's acceptance of and participation in mobile payment, and with the industry's economies of scale gradually taking shape, merchants are gradually increasing their willingness to use mobile payment, and providing consumers with diverse and convenient payment options. According to the forecast of Market.us, a market research company, the global smart mobile payment scale will reach US\$462.2 billion in 2032, with a compound growth rate of 16% in the past decade.

Global digital smart payment market scale



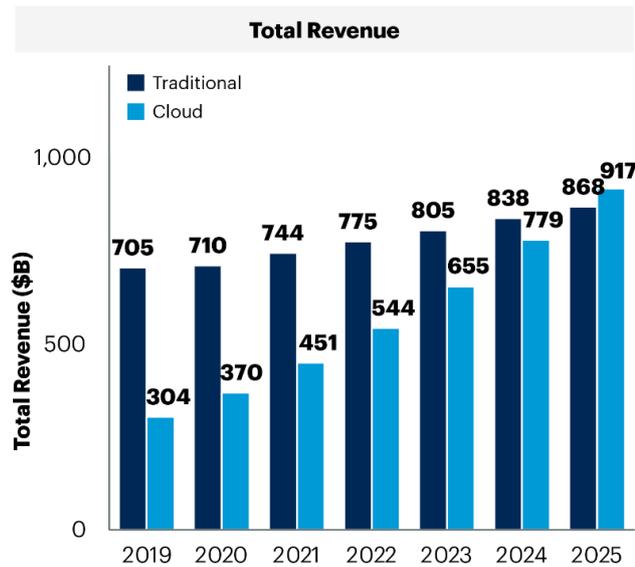
Source: Market.us

(3) Commercial market

Post-pandemic, global enterprises have accelerated their digital transformation and migration to the cloud. With the explosion of artificial intelligence applications, intelligence and security are issues of urgency.

According to the research of the information consulting firm Gartner, the expenditure of enterprises on public cloud will exceed that of traditional IT. In 2025, the expenditure on the cloud will reach US\$917 billion, and the cloud will become an indispensable investment.

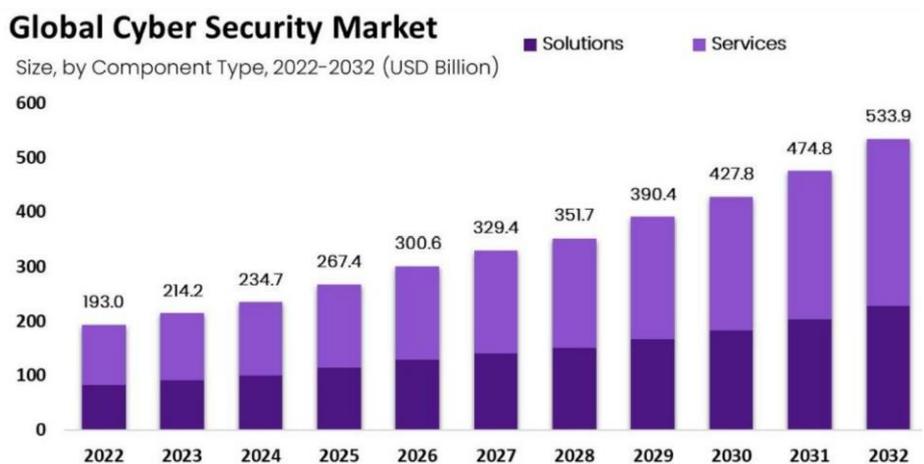
Global cloud computing scale



Source: Gartner

According to Market.us, a market research company, the global information security market is expected to reach approximately US\$533.9 billion by 2032, with a compound annual growth rate of 11% from 2022 to 2032. The annual growth rate will be 15%. In recent years, frequent global cyber attacks, extortion, data leakage, zero-day attacks and other incidents have resulted in huge business losses, pushing up the demand for cyber information security services and talents.

Market scale of the global network information security market



Source: Market.us

2. Correlations of the up-, mid-, and down-stream of the industry

(1) Game market

On the upstream end of the game, it mainly includes game developers,

development tool software vendors, etc., through the processes of programming, art, special effects, and testing, taking into account aspects such as playability, game play, and tiredness, to develop original innovative content, or to adapt existing content and remake to produce game content IP with market potential. At present, games can be played on a variety of platforms, including mobile games, console games, PC games, and cloud games. With the increase in network speed and the popularity of various devices, cross-platform games have gradually become a trend, allowing players to break the geographical restrictions and participate in the game at any time. The midstream and downstream players mainly include distributors, publishers, and operators. The distributors have the right to operate the game in specific regions by paying royalties and sharing the profit. They introduce localized operations, marketing, and customer service in accordance with local conditions to reach out to players in the local market.

(2) Commercial market

In the information security service industry, the upstream mainly includes software and hardware suppliers, specializing in R&D and manufacturing professional information-related products, and pays close attention to the latest network attacks and vulnerability updates in the market in order to develop products that meet the trends and needs, and provide other sales opportunities for agency.

The midstream industry is mainly the distributors, who focus on promoting products to the market, and the sales personnel establish the sales channels; the professional technicians such as the downstream companies provide end customers with professional services such as maintenance and technical support.

3. Various product development trends

(1) Operation of several blockbuster games while taking into account diverse markets

Gamania Group has been cultivating the game market in Taiwan, Hong Kong and Macau for more than 28 years, and has built a strong and one-stop team in operations, marketing, customer service, and advertising. Since the launch of "Lineage" in Taiwan in 2000 by Gamania Group, it has not only ushered in the era of online games in Taiwan, but also released "MapleStory" in 2005 and the free-to-play game became a popular game for all. Games with richer contents and

more comprehensive styles have been launched in recent years, including first-person shooter (FPS), role-playing game (RPG), real-time Strategy (RTS), action game (AG), adventure game (AVG), simulation game (SIM), sports game (SPG), puzzle game (PUZ), casual/education simulation (EDU), and others, and are run for the long run. Although there are many new game businesses in Taiwan, various classic Gamania games never fail. The heavyweight IP 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. The classic PC game "MapleStory" has made great achievements in recent years. The operation team has been aiming to expand the user group by rejuvenating the brand. Since 2020, it has further upgraded the brand to become a "PC game trendsetter". In 2023, we announced that we are about to launch the 6th career change and key event. Therefore, we have launched a series of wonderful warm-up events to drive the number of players back and create a phenomenal hype. In the future, we will continue to demonstrate our robust local operation power to integrate cross-industry resources in order to fulfill the gamer’s demand for new gaming experience.

- (2) Expansion of business opportunities through e-commerce
Jollybuy Digital Technology Co., Ltd., a subsidiary of Gamania Group, is the first entertainment e-commerce platform in Taiwan that focuses on ACGN (ACGN). Through beanfun!’s shopping guide and leveraging Gamania Group’s advantageous membership base, as well as the interactive consumption model that combines e-commerce and games, we will expand into new areas of e-commerce market. MOEA selected JollyBuy Digital to help shops and individuals to run online shops under the Retailers Digital Transformation Stimulus Program by introducing more preferential plans for digital transformation to retailers in order to relieve their pressure in business operations during the pandemic. It introduced Taiwan’s first online mystery box marketing model to bring new business opportunities with brand-new buying experience. In 2023, it continued focusing on the products loved by the ACGN community as the key category, and exclusively promoted virtual and physical consumption through innovative services, driving new customer traffic.

- (3) Expanded mobile payment layout
In order to accelerate the popularity of mobile payment in Taiwan, the government actively proposes related programs. The goal is to increase the penetration rate of mobile payment to 90% by 2025. There has been significant growth in recent years, and it has exceeded 70% in 2021. GAMA PAY, a subsidiary of Gamania Group, is actively expanding cooperation with various consumption channels and implementing O2O payment applications. In recent years, it has expanded its four major supermarket territories to fully put in place, significantly strengthened the spending power of beanfun! ecosystem, and responded to the amendment to Electronic Payment Management Act to allow cross-institution fund transfers, and strives to innovate services to provide members with a convenient and diverse consumption experience; we mastered the new OMO retail business model integrating virtual and physical goods in 2022 and cultivated high-frequency usage scenarios, and actively participated in the government's TWQR program in 2023 to become the first wave in joining the crowd of convenient e-commerce services.
- (4) Accurate control of digital marketing trends
Conetter Comarketing Co., Ltd., a subsidiary of Gamania Group, provides partners with a full range of integrated marketing services. With years of solid foundation in digital media, we can deeply explore the needs of internet users, and use the Group's abundant network resources to share big data analysis, and connected with diversified media to maximize the effect of customer marketing, and successfully helped a variety of online products and services such as games, entertainment, and e-commerce to enter the Taiwan market successfully.
- (5) Information security experts in enterprise cloud services
With the rapid growth of the cloud market after the pandemic, and the development of new technologies, information security protection has become more and more important. Digicentre of Gamania Group provides three major services: cloud, information security, and custody. Its customers cover finance, retail, gaming, and payment. In 2023, the self-developed mobile phone information security protection system "appGuard" was announced to have obtained EAL2 level of Common Criteria (Common Criteria for Security Assessment), an international IT product security certification of over 50%, and actively expands into the Southeast Asian market.

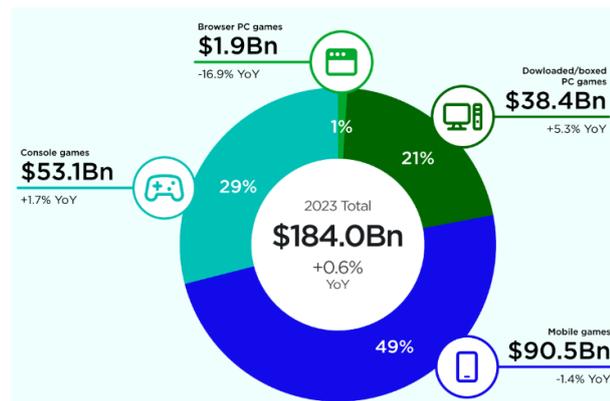
- (6) Comprehensive development of pan-entertainment services
Committed to building the entrance platform of beanfun!
pan-entertainment ecosystem, combining the two-star platforms of
"Comic Star" and "Literature Star" to extend to the fields of content
creation, such as film, television, art, and other fields, cultivate
original talents and strengthen content, and actively expand
cross-industry cooperation to diversify application scenarios. The
main social function "SHOW Together" is to deepen the entertainment
police of the young generation, introduce a large number of new users,
and increase user activity.

4. Product competition situation

(1) Game market

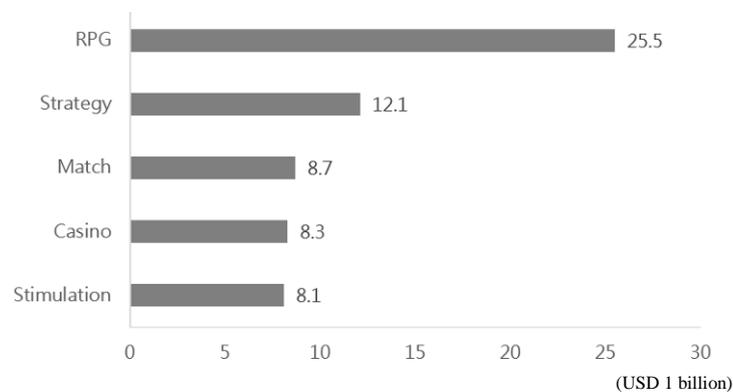
With the evolution of software and hardware technology, the habit of players using computers or websites to play games in the past has changed. At present, global players mainly use "mobile phones" to play games, with 49% of global players being accustomed to or frequently using mobile devices to play games. It is also the fastest growing type of gaming platform, mainly due to the popularity of the internet and the fact that almost everyone owning a phone or other mobile device, making mobile games a convenient and fast access gaming channel, and also a frequently used gaming platform for mild players. The most popular mobile game genre among global players in 2023 is "Role Playing Games" (RPG), with a global consumption amount (IAP) of USD25.5 billion, followed by "Strategy" and "Match"; "Console", the second most popular gaming platform which accounts for 29%, is usually the platform preferred by moderate or heavy players, and can carry more refined and smooth game settings.

2023 global game market size - by platform



Source: Newzoo (2024)

Scale of in-app spending (IAP) on top-selling mobile games worldwide in 2023



Source: data. ai (2023); compilation by the Company

(2) Payment market

Mobile payment is becoming increasingly popular; currently in Taiwan, induction payment, third-party payment and electronic payment are the most common methods, mainly differentiated by regulatory authorities and the scope of business undertaken.

Category	Third-party payment	e-Payment
Regulatory authorities	Ministry of Economic Affairs	Financial Supervisory Commission
Scope of business	Agency collection and payment	Agency collection and payment, transfer, storage, withdrawal, etc

Source: Compiled by the Company

In recent years, the government has gradually relaxed and adjusted relevant laws and regulations and promoted related measures in response to this change in payment habits. For example, in 2020, the amendment to the "Electronic Payment Institutions Management Act" was passed for the third reading, which integrates telepay and electronic invoice that open up the inter-institutional exchange of cash flow to create more room and opportunities for industry players to promote healthy market development and competition, and create a more comprehensive consumption environment; also, Financial Information Service Co., Ltd. has launched "Taiwan digital payment platform (TWQR)" system that integrates domestic electronic payment services to create multi-win applications for consumers, merchants, and e-commerce operators.

(3) Commercial market

In the global cloud market, the cloud services of the three major manufacturers are the main players. In the fourth quarter of 2023 as an example, according to the statistics of the data company Statista, the market share of Amazon Web Services was 31%, which is the largest cloud industry. It is the early leader in the cloud infrastructure market, followed by Microsoft's Azure with 24% market share, and then Google's cloud service.

(III) Technical and Research and Development Overview:

1. R&D expenses in the most recent year and up to the date of publication of the annual report

Item \ Year	2023	Q1 2024
R&D expenses	NTD 653,204 thousand	NTD 179,190 thousand

R&D expenses as % of operating revenue	6.67%	5.38%
--	-------	-------

2. Technologies or products successfully developed in the most recent year and up to the date of publication of the annual report

The Company's current R&D strategy is still based on the Group's vision of "strengthening the Group's IP ecosystem and continuing to grow the all-round entertainment ecosystem".

Diversified applications, innovation and influence:

- "fun bazaar" builds a digital collectible platform with authorized IP.
- "One-stop Integration Service of Blockchain BaaS"
- IP is applied in multiple scenarios, including the licensing of the movie IP "Marry My Dead Body" and the translation of the "Atom Boyz" manga.
Continue to invest in the enrichment of proprietary games:
- "Convenience Store Pocket Edition" is a self-made mobile game designed by the Group to simulate the operation of classic IP and expand the experience of combining virtual and physical products.
- Develop self-made mobile games of "CHIBI MARUKO CHAN Cheerful Spirit" and "CHIBI MARUKO CHAN Sleepwalking" to reproduce classic contents and expand diversified game types.

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

1. Short-term business development plan

- (1) Blockbuster IP drives game operations

Launch high-quality game content based on market orientation and player needs, combined with a diversified product segmentation strategy.

- (2) Cultivating the e-commerce market in ACGN field

Jollybuy Digital Technology Co., Ltd., a subsidiary of Gamania Group, continues to strengthen the consumption model of shopping combined with game interaction, develops digital unique differential quotient models, accelerates the big data application of the Group's ecological resources, and realizes real-time personal product recommendation and continues to focus on products loved by ACGN group category, and exclusively promote physical and virtual consumption with innovative services to drive new customer traffic and further add sports activities to beanfun!.

- (3) Scenarios for mobile payment deployment

For Gama Pay's mobile payment service, Gama Pay will be prioritized for consumption by young people and gamers. The Company is actively negotiating with partners from all walks of life, developing service scope and diversity of usage scenarios, deeply exploring high-frequency payment scenarios, and continuously expanding user preferences to strengthen the implementation of beanfun! ecosystem and to create a fast, convenient and secure payment tool.

(4) Capturing the growth markets of cloud and information security
Based on the existing cloud service and multi-industry experience, in response to the market development direction and the support of the deregulation, Digicentre has deployed multi-cloud or cross-cloud services, and continues to deepen the information security-related services in order to become the information security expert of the enterprise cloud service.

(5) To expand beanfun!'s market presence and influence on the mobile lifestyle
The Group launched beanfun! App, a mobile lifestyle platform. The continuous accumulation of energy and member traffic have become a niche for the growth of beanfun!. It also attracts younger generations of users with its key function "SHOW Together", emphasizing the sense of interaction, gaming, community, etc. For entertainment experience, it also helps emerging artists and content IPs to expand the fan base and establish interaction channels to create multi-win business opportunities.

2. Long-term business development plan

Gamania Group continues to develop into a full-ecological network enterprise. In the future, in addition to deepening the diversified layout of its various businesses including games, payment, e-commerce, media, and digital commerce solutions, it will expand and invest resources in the development of its own IP and self-developed games, and introduce new AI technology and technology to facilitate the interconnection and integration of business groups, make good use of data advantages, comprehensive in-depth daily applications, overturn user experience, innovate the Group's energy, exert the Group's synergy, build an all-ecological entertainment network enterprise, and lay the momentum for sustainable growth.

II. Market and Production/Distribution Overview:

(I) Market Analysis

1. Areas of sales (provision) of key products (services)

Unit: NTD 1,000

Item \ Year	2022		2023	
	Value	%	Value	%
Taiwan	9,542,562	84%	8,081,158	83%
Asia and others	1,845,459	16%	1,709,702	17%
Total	11,388,021	100%	9,790,860	100%

Source: 2023 consolidated financial statement audited and certified by CPAs.

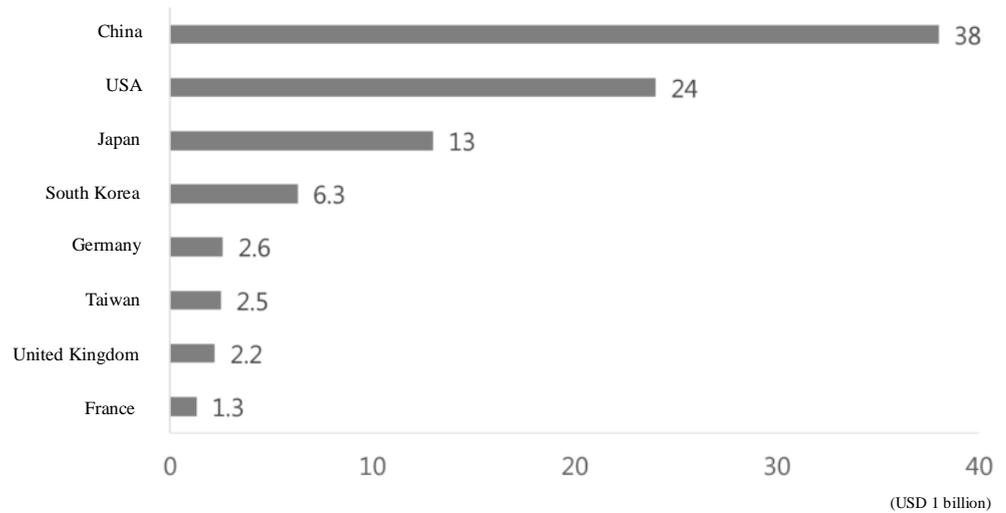
Gamania is a pioneer in the gaming industry of Taiwan. It started the era of online games in 2000 and introduced the first fee collection model featuring free download of the tools in 2005. All have been trend-setting and received well among the consumers. Gamania has also been listed as one of the “Top 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. Market share

(1) Game market

In Taiwan's game market, due to the popularity and speed of the internet, and the current situation of one device per person, mobile games are the most popular platform, accounting for about 60%, next is console games which accounted for 29%, and followed by PC games at 11%. In 2023, Taiwan's mobile game market is estimated to reach US\$2.5 billion, making it the 6th largest mobile game market in the world. Taiwan's average revenue per user (ARPU) is US\$409, which shows the high investment and participation of Taiwanese gamers in the game.

2023 global mobile game market size



Source: data.ai, Statista; compiled by the Company

(2) Payment market

As a result of the deregulation, there are currently a total of 10 specialized branches and 20 concurrently operating branches that provide the general public with a wide range of online and offline payment channels. Under the layout of inclusive finance, several purely online banking operators in the country also offer different banking services. According to the Financial Supervisory Commission's statistics, as of December 2023, a total of 27.13 million people had used electronic payment, and the cumulative transaction amount for the year exceeded NTD 160 million.

(3) Commercial market

According to IDC statistics, the five major cloud service providers in Taiwan have more than 90% market share. Under the vigorous development of Taiwan's cloud industry, the public cloud market is expected to reach USD 2.782 billion in 2025, with a compound annual growth rate of 19% from 2021 to 2025; with the increasing demand for information security, it is estimated that the market scale of Taiwan's information security industry will reach USD 91.5 billion in 2025.

3. Future supply and demand and growth on the market

(1) Game market

In the overall global entertainment market, the game industry has the largest market scale and the fastest growth compared to films, books, and music. It is estimated that the compound growth rate from 2023 to 2027 will reach 8%. In recent years, with the development of

diversified content and entertainment forms, major manufacturers have introduced new concept and the competition is fierce. Multiple types of game content are becoming increasingly popular, which helps to quickly attract traffic and create popularity for the game itself, which is highly attractive to light gamers; at the same time, for moderate to heavy gamers, role-playing, action, and strategy games are still the most popular game types, bringing players an immersive and interactive gaming experience, which is conducive to creating a highly addictive and spending game type.

In addition, with the growing popularity of cross-platform games, play scenarios can be realized anytime and anywhere. Formal developers and operators provide cross-platform games to avoid version or software compatibility issues. This also helps to improve the game information security specifications and create more secure products for players and more interesting gaming experience.

(2) Payment market

As mobile payment becomes more and more popular in Taiwan and has penetrated into the daily life of the public, the number of people and the transaction amount has been increasing year by year. The government has also launched the "TWQR" mechanism to integrate domestic mobile devices. The infrastructure of cash flow contains a large amount of real-time consumption data and trajectories.

Therefore, it is attracting the active participation of enterprises in various industries, hoping to create business opportunities from the huge data; as cross-border payment becomes a new development and cross-border travel resumes after the pandemic, e-wallet is the main method of overseas payment to expand the application scenarios and convenience of digital payment.

(3) Commercial market

According to the latest IDC research report, as of October 2023, 89% of enterprises in Taiwan were using cloud-related services in their workflows. In terms of analysis, cloud service also helps enterprises' development on sustainability issues. Multiple factors are driving the overall increase in cloud-related expenditure of enterprises.

4. Competitive niche and advantageous and disadvantageous factors for future developments and countermeasures

Gamania Group has been cultivating the game market for 28 years and is the leader of the industry's first model. In 2000, its flagship game

"Lineage" ushered in the age of online gaming in Taiwan; in 2005, MapleStory's special marketing techniques have successfully expanded the scope of players and continue to create new records; in 2014, the free server version of the classic evergreen online game "Lineage" was launched, and the number of registered members exceeded one million; the blockbuster IP mobile game "Lineage M" in 2017 According to the data of App Annie, an international research organization, "Lineage M" has been the top-selling mobile game in Taiwan for four consecutive years after its listing. 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.

We also fearlessly started a transformation to expand to the e-payment, e-commerce, media, and digital commerce sectors to actively transform into an internet business with an omni-ecosystem. The transformation includes: teaming up with international game developers to introduce heavyweight new games for gamers to enjoy unique new gaming experience; capturing the business opportunities in entertainment e-commerce through JollyBuy Digital targeted at the ACGN groups to create an interactive shopping model by integrating with games; fully penetrating into the consumption of all parts of the daily life--food, clothing, housing, transportation, education, and entertainment--with GAMA PAY to develop convenient and safe payment services to develop convenient and safe payment services closer to the consumption needs of the digital generation through O2O connection; and demonstrating influence in respective areas through the media business by mining the needs of internet users through CONETTER with rich experience in native digital foundation developed over a dozen years to quickly link up network resources to increase the share of voice for partners. In the future, Gamania Group will focus on AI, big data, and platform development, and continue to start from the game users and connect the four business groups of games, payment, commerce, and others (including e-commerce and media) to each other and gather in beanfun! to develop a comprehensive entertainment ecosystem that can leverage and assist each other to share resources.

(II) Important purposes and production processes of main products

1. Important purposes of main products

The Company mainly provides game operating business services, and also expands into diversified fields such as e-commerce, payment, media and mobile life platform, to create a full range of digital entertainment new life for 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.

Item	2022				2023				Up to the first quarter of 2024			
	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	P01	1,952,497	30.26	None	P01	1,508,060	27.11	None	P01	689,395	45.96	None
2	P04	1,057,242	16.39	None	P04	840,984	15.12	None	P04	229,789	15.32	None
	Other	3,442,726	53.35		Other	3,214,593	57.77		Other	580,767	38.72	
	Net purchases	6,452,465	100.00		Net purchases	5,563,637	100.00		Net purchases	1,499,951	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.

Item	2022				2023				Up to the first quarter of 2024			
	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	1,952,913	17.16	None	S23	1,676,794	17.22	None	S23	420,024	12.38	None
	Other	9,430,026	82.84		Other	8,061,739	82.78		Other	2,972,738	87.62	
	Net sales	11,382,939	100.00		Net sales	9,738,533	100.00		Net sales	3,392,762	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	2023			2022		
	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	2023				2022			
	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		2022	2023	As of March 31, 2024
Number of employees	Manager	182	182	191
	Research and development	160	159	181
	Management and distribution	711	778	740
	Total	1053	1119	1112
Mean age		35.87	36.09	36.16
Mean years in service		5.22	5.12	5.18
Ratio of education distribution	PhD	0.09%	0.18%	0.18%
	Graduate School	17.24%	19.57%	19.24%
	University	66.58%	65.50%	66.64%
	Junior college	9.61%	8.94%	8.54%
	High School and Below	6.48%	5.81%	5.40%

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. Employee group insurance

Group insurance: The Company arranges group insurance for all employees, with the coverage including life insurance, accident and injury insurance, hospitalization and medical care insurance, cancer insurance and medical insurance for accidents.

2. Employee healthcare program:

Employees are entitled to one health checkup at a contract hospital or health check institution.

3. Cafeteria and leisure center:

We have a cafeteria for employees to enjoy food with daily free points, and a free fitness center for employees to exercise round the clock.

4. Employee benefits:

All Gamania employees are entitled to the children's kindergarten and some subsidies, online game points for employee purchases, free parking spaces for cars and motorcycles, company merchandise, unlimited voluntary leave, three days paid travel leave, and paid birthday. Female employees are entitled to eight days of paid maternity leave, 10 weeks of paid maternity leave, and 13 days of paid paternity examination and paternity leave of employees' partners during pregnancy and childbirth. Travel subsidies, employee club subsidies, cash gifts for three major festivals and birthdays, marriage subsidies, funeral subsidies, hospitalization subsidies, childbirth subsidies, emergency relief, household cleaning subsidies, etc.

5. Employee assistance program (EPA):

Free psychological counseling (psychological counseling and finance/medical/legal services) for employees and discounts for psychological counseling for relatives within a third degree of kinship.

(II) Continuing education and training for employees

The Company offers to employees a well-equipped learning environment and a well-planned education and training framework covering orientation training for new employees, professional development training, and hierarchical training (Gamanian). Every year we organize talks and irregular seminars (Gamania Classroom, Gamania Content) supported with e-learning (Gamania Resources) to implement education and training. We also provide subsidies to employees to take external training courses.

In 2023, there were a total of 272 employee training courses, with a total of 391 company-sponsored courses, with a total of 7,062 trainees, a total of 13,339 training hours, and a total annual training expense of NTD 3,423,217.

2023 course content	Number of courses	No. of classes opened per course	Headcount of trainees	Trainee-hours	Expense
Classroom courses	48	127	3,079	10,053.5	1,759,199
Online courses	164	173	3,892	1,815.26	541,000
External training courses	60	91	91	1,470.18	1,123,018
Total	272	391	7,062	13,338.94	3,423,217

(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. Pension contribution:

From July 1, 2005, we established the Pension Contribution Regulations according to the Labor Pension Act for ROC-nationality employees. 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 if:

- (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) The filters of drinking fountains in the office area are replaced quarterly, and water quality testing and water tower cleaning are conducted every six months to maintain the quality of drinking water for employees and promote health.
- (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) Provide comprehensive health examination for all employees every year to check the health of employees.
- (2) Engage full-time nurses to provide health care within the Company.
- (3) A cafeteria and a fitness room are established at the GAMA Island with in-house chefs and fitness coaches to provide employees with total health solutions from diet to exercise.
- (4) On-site physician health service is provided on a quarterly basis, where occupational medical specialists come to the Company to consult with employees on related questions, so that employees can ask questions if they are in doubt about their health.
- (5) Labor Insurance, National Health Insurance, group insurance, and liability insurance are provided. Additionally, travel insurance is arranged for employees on a business trip to provide employees with more bodily and health coverage when they are working 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. Cybersecurity Management

(I) Framework of cybersecurity risk management

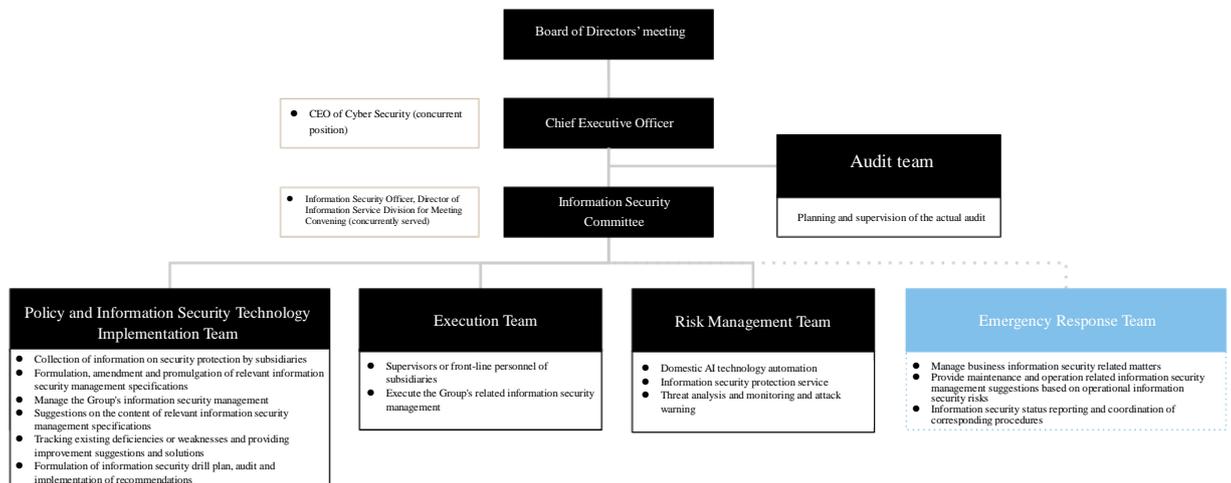
Cyber security management is a continuous process. Operational risks are analyzed and assessed through the organizational management structure. Appropriate protection mechanisms, monitoring measures, and responsive actions are then put in place to ensure that the Company operates with minimum losses and maximum income.

The Company's main requirements for information communication security management:

- The IT security risks faced by the operations are properly managed.
- Encouragement of the Company's management and operation teams to understand the impact of risk exposures.
- Achieve better business flexibility and compliance.
- Provide a rigorous decision-making and planning process.

The "Information Security Committee of the Group" is the highest organization for information and communications security. Based on the Company's

operational goals and strategies, and complying with relevant government laws and regulations, the corresponding information security policies are formulated to carry out information security deployment, reinforcement, and abnormal information monitoring, emergency response, etc., to implement various information security management systems, and review the existing security management implementation through the risk management cycle to ensure the continuity of services and operations; the CEO of the Group serves as the highest supervision, and supervises organization members to implement all information security management. Actions are taken to show the full support for the information security management system. The organizational structure of the committee is as follows. The committee is composed of commissioners designated by various departments, including but not limited to the head and division-level executive-level members. The team assists in providing various information security services.



(II) Cybersecurity policy

As a full-ecosystem network enterprise, the Group complies with government laws and regulations and the requirements of the competent authorities to provide customers with a safe and convenient environment, confirm the confidentiality, completeness and availability of personal and transaction data, and ensure that the security of customer data is processed and used throughout the process.

1. To maintain the continuous operation of core service systems without interruption

Regular or irregular review and evaluation of core services with operational continuity and rapid response mechanisms; establishment of a "network DDoS protection" mechanism that actively analyzes DDoS attack packets,

blocks and cleans attack traffic to mitigate its attack capacity. Avoid server capacity overload or network congestion due to DDoS attacks and ensure continuous service delivery.

2. Prevent hackers, viruses, etc. from intrusion and damage

Ensure that all information security accidents or suspected security weaknesses can be properly investigated and handled; take into account efficiency, quality, and safety in the process from software development to application service operation.

3. Preventing the leakage of sensitive data due to improper or illegal use by people

To ensure that information is not inadvertently disclosed to unauthorized third parties during the process The authentication technology not only encrypts the content of emails/confidential documents, but also integrates internal cross-site service accounts, and applies electronic signature and data encryption functions to prevent human errors, prevent unauthorized improper access, and ensure the protection of information assets.

4. Establish the Group's information security infrastructure and protect the safety of the operating environment

In addition to the necessary network/host defense framework (e.g. VPN, firewall, intrusion detection, anti-virus software, etc.), all operating businesses have also introduced a comprehensive information security mechanism, the "Global Endpoint Threat Analysis and Automatic Alarming System" to monitor network communication security.

The Group's information security policy includes corresponding specifications, procedures, operating rules or procedures, including but not limited to the following, to ensure the systematic operation of information security management.

- Organization and division of responsibility
- Personnel Safety and Education and Training
- Physical security management
- Network and Communication Security Management
- Data backup and media management
- Information Security Operation Management
- Electronic data interchange
- Data access and maintenance
- Information communication system acquisition, development, maintenance and management

- Continuity Management of Information Operations
- Information management outsourcing
- PC management
- Security management of system operation environments
- Development, maintenance, and management of system
- Information security incident handling
- Cloud-based job management

(III) Specific management plans

The management resources or specific implementation for response to risks in cyber security are as follows:

1. Internal and external issues and requirements of interested parties

Through the Group's Information Security Committee, the internal and external issues and the expectations of concerned parties are regularly or irregularly reviewed, including organizational structure, organizational culture, major changes, competent authorities, laws and regulations, standard changes, information security trends, etc. and so on.

2. Risk assessment of information assets

Annually or whenever a significant change occurs, the "Information Security Risk Assessment Model" is used to calculate the VaR for each combination of threats and vulnerabilities based on the consequences of destroying the confidentiality, integrity, and availability of information assets when to identify risks, and to implement corresponding "risk treatment or improvement plans" and residual risk re-evaluation based on the risk level for effective risk management or treatment. Then, appropriate resources will be invested to reduce or transfer the items.

3. System development

Based on the nature and risk of different information operations, business operations are classified, necessary protection measures are set, and various information security management assessments are conducted on a regular basis; security inspections are conducted for information and communication service systems, website or host vulnerability scanning, and penetration testing, which requires the system to execute source code scanning security testing and complete system weakness repairs before the system goes live or when making major changes, to reduce the impact of human or natural factors on corporate operations; also, to understand and evaluate the corporate network environment and system security to verify

the security level and effectiveness of the current information security protection settings.

4. Safety protection

- (1) Establish an automatic alarm mechanism for global endpoint threat analysis (EDR)
Continuously pay attention to new information security technologies, offensive and defensive trends pulse information, update defense or management mechanisms in response to the changes in time and space of information service formats, to effectively reduce and block new types of information security threats and mitigate operational risks.
- (2) Establish a cyber security threat detection and management center (SOC)
Establish the contingency and recovery procedures for abnormal information security incidents, introduce the use of defense and detection mechanisms, and use intelligent information security monitoring to uncover hidden malicious behaviors in the early stage of hacker attacks and hunt down possible threats, in order to quickly respond to information security incidents Isolate and eliminate threats, reduce the scope and extent of impact, and implement strict information and communication security protection management.
- (3) Establishment of privileged account management mechanism
Manages the privileged accounts of personal computers and important equipment in the maintenance and operation environment, and actively protects, isolates, controls, and continuously monitors the privileged accounts of virtual and physical servers, databases, network information security equipment, applications, etc., to reduce the risk of external attacks and internal malicious threats.

5. Privacy and personal information protection

Member data is subject to strict encryption procedures and protection measures. Relevant regulations are required to control the use and analysis of member data, and only authorized personnel may access the relevant data. System data access records are regularly backed up and kept; in addition, any network transmission of personal information is encrypted to ensure that the information is not illegally retrieved by third parties during the transmission process. For the protection of personal data privacy, enterprises shall follow the Group's "Personal Data Protection Policy" and related personal data security maintenance and management plans, and include the knowledge and information items of protection management in the annual information inspection focus and implementation review.

6. Business continuity

There is a disaster recovery plan for the core service system, and disaster recovery drills are carried out on a regular basis to ensure the restoration of the access rights and functional effectiveness of the IT infrastructure; restore to a normal or acceptable operating level of the enterprise, so that the core service system can continue to function and the operation of the enterprise shall not be interrupted.

7. Education and training

(1) Physical and online information security courses

Information security risk-driven education and training allows proactive defenses to precede attacks. Internal information security trainings are also organized to enhance information security awareness and awareness among information and communication management personnel and general colleagues, understand the importance of information security and various possible security risks, and improve Information security awareness among employees, and thereby change their behavior.

(2) Social engineering drills

Simulate hacker attacks and create highly simulated attack emails to send decoy letters to employees to understand the true state of employees' information security awareness and basic defense capabilities in the face of social engineering, phishing, and other behaviors; Employees who have successfully been deceived are given targeted education programs to arouse employees' instinctive responses to threats, adjust information security behaviors, and build the ability to stop, see, and listen.

(3) Information security e-newsletter

Information security e-newsletters are distributed from time to time to supplement the information security awareness propaganda, in order to enhance and strengthen the awareness of information security awareness among employees, and cultivate the habit of security inspections.

8. Supplier management

According to the Group's procurement management policy and other relevant regulations, it is necessary to select and supervise suppliers in an appropriate manner to ensure the security of the upstream and downstream supply chains, have sufficient technical capabilities and organizational measures to fully protect the privacy of personal data, and provide them in

the agreed service terms. It is required not to arbitrarily provide, sell, exchange or rent private and sensitive information to other groups, individuals, private institutions or for other purposes. All supplier evaluation and selection process and weightings are recorded for future reference. Suppliers who do not meet the qualifications will be removed from the qualified supplier list and no further transactions will be conducted.

(IV) Resources for cybersecurity management

1. Information Security Committee

Every half year, the Information Security Committee is chaired by the Group's CEO to comprehensively review the information and communication security management system, and conduct a rolling review of the current management mechanism and protection measures for the operation of the information system and network services, to ensure their normal operation and continuous improvement; at the same time, operational risks, related response plans, and the annual information security project promotion progress review are assessed.

2. Introduction of information security management system ISO/IEC 27001

The certification is valid from November 2, 2023 to October 31, 2025. Meanwhile, subsidiaries of the Group are being promoted to obtain international safety certifications.

3. Information security internal audit

An internal information security self-assessment is conducted on a quarterly basis, not only on Gamania itself, but also on the various information security management measures of the Group's subsidiaries, and the Group's headquarters has formulated an information security management inspection plan, and an on-site inspection is conducted once a year and conduct inspections to ensure the implementation of the Group's information security policy goals and management mechanisms. Potential risks can also be discovered through the inspection and implementation records, and improvement suggestions are proposed in the interview summary report, which can be used as a basis for tracking and corrective implementation in the future.

4. Invest in the information security monitoring mechanism and strengthen the contingency handling capacity

Institutionalize the reporting, classification, grading, processing, and tracking of information security incidents in accordance with the

information security incident handling procedures; promptly report and respond to information security incidents when they occur, and respond within the shortest time possible to ensure at the same time, introduced the mechanism of security monitoring (SOC) and endpoint protection (EDR), and invited the domestic third-party security technology consultant team and security emergency response team to grasp the security alerts and intelligence, strengthen and accelerate detection and response.

(V) **Damage and potential impact caused by material cybersecurity incidents in the most recent year and up to the publication date of annual report, and countermeasures.**

As of the end of 2023, we have implemented information security management. There have been no major cyber attacks or incidents, and no penalties from relevant competent authorities for information security. In addition, the use of personal data by Gamania is limited to specific purposes. No complaints or rulings from regulators were received during the year, and no legal cases or investigations were involved in this regard.

VII. Important Contracts

Up to the date of publication of the annual report, the important contracts of the Company are as follows

Nature of contract	Client	Contract start/end date	Main contents	Restrictions
Software authorization contract Wars of Prasia	Nexon Korea Corporation	Effective on May 2, 2023, renewed automatically	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract Renewal of contract with MapleStory	Nexon Korea Corporation	Effective on July 18, 2022, expired on July 19, 2025	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract Lineage M	NCsoft Corporation	Effective on March 11, 2022, expired on March 11, 2025	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao

Six. Financial Overview

I. Condensed Balance Sheet and Comprehensive Income Statement of the Past Five Years and Audit Opinions from the CPAs: As of the date of publication of the annual report, if there is any recent financial information certified or reviewed by CPAs, it shall also be disclosed.

(I) Condensed Balance Sheet and Income Statement

1. Condensed balance sheet - Consolidated financial report

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years (Note 1)					The current year up to March 31, 2024 Financial Data (Note 1)
		2019	2020	2021	2022	2023 (Note 2)	
Current assets		4,559,088	4,382,635	5,432,401	5,899,492	5,264,091	6,605,544
Real estate, plants, and equipment		2,857,123	2,845,436	2,797,267	2,812,438	2,836,467	2,845,522
Intangible assets		842,551	1,411,663	630,744	1,178,390	1,076,891	975,616
Other assets		1,001,123	665,161	612,103	496,545	644,328	669,426
Total assets		9,259,885	9,304,895	9,472,515	10,386,865	9,821,777	11,096,108
Current liabilities	Before distribution	3,606,079	3,579,602	3,459,294	3,938,168	3,859,584	4,659,036
	After distribution	4,150,109	4,281,576	4,336,762	4,956,031	3,859,584	4,659,036
Non-current liabilities		356,413	213,562	161,168	159,735	175,502	205,697
Total liabilities	Before distribution	3,962,492	3,793,164	3,620,462	4,097,903	4,035,086	4,864,733
	After distribution	4,506,522	4,495,138	4,497,930	5,115,766	4,035,086	4,864,733
Equity attributable to the owner of the parent company		4,711,091	4,984,648	5,408,439	5,852,032	5,377,274	5,814,919
Capital stock		1,754,936	1,754,936	1,754,936	1,754,936	1,754,936	1,754,936
Additional paid-in capital		1,291,593	1,352,471	1,335,163	1,354,763	1,349,316	1,349,501
Retained earnings	Before distribution	1,836,538	2,429,145	2,823,692	3,181,682	2,723,576	2,076,291
	After distribution	1,292,508	1,727,171	1,946,224	2,163,819	2,723,576	2,076,291
Other equities		(171,976)	(551,904)	(505,352)	(439,349)	(450,554)	(416,807)
Treasury stock		0	0	0	0	0	0
Non-controlling interests		586,302	527,083	443,614	436,930	409,417	416,456
Total equity	Before distribution	5,297,393	5,511,731	5,852,053	6,288,962	5,786,691	6,231,375
	After distribution	4,753,363	4,809,757	4,974,585	5,271,099	5,786,691	6,231,375

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

Note 2: The above-mentioned 2023 earnings distribution proposal was resolved by the Board of Directors on March 6, 2024, but has not yet been approved by the shareholders' meeting.

2. Condensed balance sheet - Individual financial report

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years (Note 1)				
		2019	2020	2021	2022	2023 (Note 2)
Current assets		1,291,583	1,190,557	1,808,528	1,723,279	1,068,719
Real estate, plants, and equipment		2,665,210	2,661,093	2,616,968	2,623,580	2,643,458
Intangible assets		158,910	808,911	157,569	733,244	651,310
Other assets		2,853,705	2,555,683	2,676,890	2,450,583	2,478,783
Total assets		6,969,408	7,216,244	7,259,955	7,530,686	6,842,270
Current liabilities	Before distribution	1,995,678	2,114,535	1,796,443	1,643,343	1,427,532
	After distribution	2,539,708	2,816,509	2,673,911	2,661,206	1,427,532
Non-current liabilities		262,639	117,061	55,073	35,311	37,464
Total liabilities	Before distribution	2,258,317	2,231,596	1,851,516	1,678,654	1,464,996
	After distribution	2,802,347	2,933,570	2,728,984	2,696,517	1,464,996
Capital stock		1,754,936	1,754,936	1,754,936	1,754,936	1,754,936
Additional paid-in capital		1,291,593	1,352,471	1,335,163	1,354,763	1,349,316
Reserved Earnings	Before distribution	1,836,538	2,429,145	2,823,692	3,181,682	2,723,576
	After distribution	1,292,508	1,727,171	1,946,224	2,163,819	2,723,576
Other equities		(171,976)	(551,904)	(505,352)	(439,349)	(450,554)
Treasury stock		-	-	-	-	-
Total equity	Before distribution	4,711,091	4,984,648	5,408,439	5,852,032	5,377,274
	After distribution	4,167,061	4,282,674	4,530,971	4,834,169	5,377,274

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

Note 2: The above-mentioned 2023 earnings distribution proposal was resolved by the Board of Directors on March 6, 2024, but has not yet been approved by the shareholders' meeting.

Note 3: The parent company only financial statements for the first quarter of 2024 were not prepared.

3. Statement of comprehensive income - Consolidated financial report

Unit: NTD thousand

Item	Year	Financial Data of the Past Five Years (Note)					Current year up to March 31, 2024
		2019	2020	2021	2022	2023	Financial Data (Note)
Operating income		9,681,345	10,443,042	11,372,477	11,388,021	9,790,860	3,332,223
Operating gross profit		4,093,158	3,968,738	4,757,085	4,865,084	3,794,800	1,434,519
Operating loss or profit		1,260,034	1,137,415	1,734,095	1,758,562	639,695	533,374
Non-operating income and expenditure		(81,627)	(71,868)	(288,999)	(50,114)	47,926	11,802
Pre-tax net profit (loss)		1,178,407	1,065,547	1,445,096	1,708,448	687,621	545,176
Net profit (loss) of the continuing operating department for the current term		864,618	782,320	1,009,115	1,278,107	560,232	405,420
Losses from discontinued units		0	0	0	0	0	0
Net profit (loss) of current term		864,618	782,320	1,009,115	1,278,107	560,232	405,420
Other comprehensive income of current term (after-tax net value)		(7,811)	(109,948)	35,268	72,164	(5,144)	39,079
Sum of combined profits or losses of current term		856,807	672,372	1,044,383	1,350,271	555,088	444,499
Net profit attributable to the owner of the parent company		887,895	872,496	1,106,281	1,279,696	575,188	403,932
Net profit attributable to non-controlling interests		(23,277)	(90,176)	(97,166)	(1,589)	(14,956)	1,488
The sum of comprehensive income attributable to the owner of the parent company		877,316	759,822	1,145,337	1,329,871	562,885	437,679
Total combined profits or losses attributable to non-controlling interests		(20,509)	(87,450)	(100,954)	20,400	(7,797)	6,820
Earnings per share		5.10	5.00	6.30	7.29	3.28	2.31

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

4. Statement of comprehensive income - Individual financial report

Unit: NTD thousand

Item \ Year	Financial Data of the Past Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating income	7,011,514	7,423,592	8,285,403	8,128,585	6,454,662
Operating gross profit	2,803,873	2,613,206	3,324,561	3,203,440	2,459,772
Operating loss or profit	1,325,732	1,024,974	1,651,055	1,414,733	563,703
Non-operating income and expenditure	(175,877)	15,037	(220,399)	112,700	30,860
Pre-tax net profit (loss)	1,149,855	1,040,011	1,430,656	1,527,433	594,563
Net profit (loss) of the continuing operating department for the current term	887,895	872,496	1,106,281	1,279,696	575,188
Losses from discontinued units	-	-	-	-	-
Net profit (loss) of current term	887,895	872,496	1,106,281	1,279,696	575,188
Other comprehensive income of current term (after-tax net value)	(10,579)	(112,674)	39,056	50,175	(12,303)
Sum of combined profits or losses of current term	877,316	759,822	1,145,337	1,329,871	562,885
Earnings per share	5.10	5.00	6.30	7.29	3.28

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

Note 2: The parent company only financial statements of 2024 Q1 were not prepared

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

Year of certification	Name of Accounting Firm	Name of CPA	Audit Opinion
2019	PwC Taiwan	Lin, Yi-Fan, Pan, Hui-Ling	Unqualified opinion plus other matters
2020	PwC Taiwan	Lin, Yi-Fan, Yen, Yu-Fun	Unqualified opinion plus other matters
2021	PwC Taiwan	Lin, Yi-Fan, Yen, Yu-Fun	Unqualified opinion plus other matters
2022	PwC Taiwan	Lin, Yi-Fan, Yen, Yu-Fun	Unqualified opinion plus other matters
2023	PwC Taiwan	Yan Yu-Fang, Lin Yung-Chi	Unqualified opinion plus other matters

II. Financial Analysis of the past Five Years

(I) Financial Analysis - Consolidated Financial Report

Analytical Item (Note *)		Financial Analysis of the Past Five Years					As of March 31, 2024
		2019	2020	2021	2022	2023	
Financial structure (%)	Liability-to-asset ratio	42.79	40.77	38.22	39.45	41.08	43.84
	Long term capital to real estate, plants and equipment Ratio	197.88	201.21	214.97	229.29	210.20	226.22
Solvency (%)	Current ratio	126.43	122.43	157.04	149.80	136.39	141.78
	Quick ratio	108.10	107.10	143.32	138.36	124.50	130.64
	Interest Protection Multiples	6,460.14	8,827.55	21,119.58	31,202.28	12,214.53	48,431.21
Management ability	Receivable turnover ratio (frequency)	9.02	9.84	11.71	12.69	13.22	15.63
	Average collection days	40.46	37.09	31.16	28.76	27.61	23.35
	Inventory turnover ratio (frequency)	6.17	5.80	4.36	2.68	4.09	1.12
	Payable turnover ratio (frequency)	9.39	12.35	12.28	10.97	9.72	10.31
	Average sales days	59.15	62.93	83.71	136.19	89.24	325.38
	Real estate, plants and equipment turnover ratio (times)	3.36	3.66	4.03	4.06	3.46	4.69
	Total asset turnover ratio (frequency)	1.01	1.13	1.21	1.15	0.97	1.27
Profitability	Return on assets (%)	9.22	8.53	10.81	12.92	5.59	15.54
	Return on equity (%)	16.54	14.48	17.76	21.05	9.28	26.99
	Pre-tax net profit to paid-in capital size ratio (%)	67.15	60.72	82.34	97.35	39.18	31.07
	Net profit rate (%)	8.93	7.49	8.87	11.22	5.72	12.17
	Earnings per share (NT\$)	5.10	5.00	6.30	7.29	3.28	2.31
Cash flow	Cash flow ratio (%)	24.30	65.20	74.40	62.74	25.09	18.08
	Cash flow adequacy ratio (%)	59.79	114.66	136.12	137.58	113.70	140.58
	Cash Re-investment ratio (%)	6.39	34.81	29.53	25.48	(0.76)	12.31
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00	1.00
	Financial leverage	1.01	1.01	1.00	1.00	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. Debt service coverage ratio: due to the decrease in pre-tax profit and loss.
2. Inventory turnover (times): due to the increase in cost of goods sold.
3. Average sales days: due to the increase in cost of sales.
4. Return on assets: due to decreased profits.
5. Return on equity: due to decreased profits.
6. Ratio of pre-tax net profit to paid-in capital: due to the decrease in pre-tax profit and loss.
7. Net profit margin: due to decreased profit.
8. Earnings per share: due to decreased profit.
9. Cash flow ratio: due to the decrease in net cash inflow from operating activities.
10. Cash reinvestment ratio: due to the decrease in net cash inflow from operating activities.
11. Cash reinvestment ratio: due to the decrease in net cash inflow from operating activities.

(II) Financial Analysis - Individual Financial Report

Analytical Item (Note *)		Financial Analysis of the Past Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Liability-to-asset ratio	32.40	30.92	25.50	22.29	21.41
	Long term capital to real estate, plants and equipment Ratio	186.62	191.71	208.77	224.40	204.84
Solvency (%)	Current ratio	64.72	56.30	100.67	104.86	74.86
	Quick ratio	56.05	50.85	94.37	97.82	67.42
	Interest Protection Multiples	9,243.98	12,014.43	37,838.22	102,957.44	34,890.11
Management ability	Receivable turnover ratio (frequency)	10.49	12.86	11.91	9.48	9.10
	Average collection days	34.79	28.38	30.64	38.50	40.10
	Inventory turnover ratio (frequency)	0.21	0.36	0.24	0.16	0.10
	Payable turnover ratio (frequency)	11.35	17.03	17.33	14.28	12.45
	Average sales days	1,738.09	1,013.88	1,520.83	2,281.25	3,650.00
	Real estate, plants and equipment turnover ratio (times)	2.62	2.78	3.13	3.10	2.45
	Total asset turnover ratio (frequency)	0.95	1.05	1.14	1.10	0.90
Profitability	Return on assets (%)	12.18	12.40	15.33	17.32	8.02
	Return on equity (%)	18.83	18.00	21.29	22.73	10.24
	Pre-tax net profit to paid-in capital size ratio (%)	65.52	59.26	81.52	87.04	33.88
	Net profit rate (%)	12.66	11.75	13.35	15.74	8.91
	Earnings per share (NT\$)	5.10	5.00	6.30	7.29	3.28
Cash flow	Cash flow ratio (%)	40.10	110.19	108.11	109.05	82.71
	Cash flow adequacy ratio (%)	66.36	110.95	112.31	118.55	81.86
	Cash Re-investment ratio (%)	5.21	36.92	19.61	33.47	2.85
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00
	Financial leverage	1.01	1.01	1.00	1.00	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. Current ratio (%): due to a decrease in cash flow.
2. Quick ratio (%): due to a decrease in cash.
3. Debt service coverage ratio: due to the decrease in pre-tax profit and loss.
4. Inventory turnover: due to the decrease in operating costs.
5. Average days of sales: due to the decrease in operating costs.
6. The turnover rate of property, plant and equipment: due to the decrease in operating revenue.
7. Return on assets (%): due to decreased profits.
8. Return on equity (%): due to decreased profits.
9. EBT to paid-in capital ratio (%): due to decreased profits.
10. Net profit margin (%): due to decreased profit.
11. Earnings per share: due to decreased profit.
12. Cash flow ratio (%): due to the decrease in net cash inflow from operating activities.
13. Cash reinvestment ratio (%): due to the decrease in net cash inflow from operating activities.

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 \times (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 income / (operating income - interest expense).

III. Supervisor or Audit Committee's review report on the 2023 annual financial reports

Audit Committee's Audit Report

The 2023 annual business report and financial statements (including individual and consolidated financial statements) have been prepared by the Board of Directors for proposal. The financial statements have been audited by CPA Yan Yu-Fang and CPA Lin Yung-Chi of PricewaterhouseCoopers Taiwan, and have issued an independent auditor's report. 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:

March 6, 2024

IV. Financial Statements of 2023

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022**

For the convenience of readers and for information purpose only, the auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' review report and financial statements shall prevail.



INDEPENDENT AUDITORS' REPORT

PWCR 23000420

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

Opinion

We have audited the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, 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 material accounting policies.

In our opinion, based on our audits and the audit reports of other auditors (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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 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 5(2) for the critical accounting estimates and assumptions and Note 6(22) for the details of accounting applied on revenue recognition.

Gamania Digital Entertainment Co., Ltd. (the “Company”) and the subsidiary, Gamania Digital Entertainment (H.K.) Co., Ltd., are 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 and the subsidiary, Gamania Digital Entertainment (H.K.) Co., Ltd., recognise receipt of payments for game stored-value card 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 contract liability 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 goodwill

Description

Refer to Notes 4(18) and (19) for accounting policies on goodwill impairment, Notes 6(12) and (14) 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 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:
 - (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. Compared the recoverable value and book value of each cash-generating unit in order to assess the reasonableness of the book value.

Other matter – Reference to the audits of other auditors

As described in Note 4(3), we did not audit the financial statements of certain subsidiaries, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and the information disclosed in Note 13 relative to these investments, is based solely on the audit reports of other auditors. Total assets of the subsidiaries amounted to NT\$2,428,046 thousand and NT\$2,157,183 thousand, constituting 25% and 21% of consolidated total assets as of December 31, 2023 and 2022, respectively, and operating revenue was NT\$2,517,590 thousand and NT\$2,825,788 thousand, constituting 26% and 25% of consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Gamania Digital Entertainment Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Yen, Yu-Fang



Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 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 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 consolidated financial statements and independent auditors' audit 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.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,157,380	32	\$ 3,737,319	36
1136	Financial assets at amortised cost - current	6(7) and 8	88,977	1	148,694	2
1150	Notes receivable, net	6(2)	64	-	11	-
1170	Accounts receivable, net	6(2)	604,477	6	785,366	8
1180	Accounts receivable - related parties, net	7	14,146	-	20,651	-
1200	Other receivables	6(3)	655,171	7	532,957	5
1210	Other receivables - related parties	7	2,312	-	2,571	-
1220	Current income tax assets		172,397	2	24,341	-
130X	Inventories	6(4)	108,991	1	128,927	1
1410	Prepayments	6(5)	349,878	4	321,577	3
1470	Other current assets	8	110,298	1	197,078	2
11XX	Total current assets		<u>5,264,091</u>	<u>54</u>	<u>5,899,492</u>	<u>57</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current		15,000	-	15,000	-
1517	Financial assets at fair value through other comprehensive income - non- current	6(6)	112,874	1	117,581	1
1535	Financial assets at amortised cost - non-current	6(7) and 8	725	-	-	-
1550	Investments accounted for under equity method	6(8)	116,990	1	135,404	1
1600	Property, plant and equipment	6(9) and 8	2,836,467	29	2,812,438	27
1755	Right-of-use assets	6(10)	89,126	1	73,933	1
1780	Intangible assets	6(12)	1,076,891	11	1,178,390	11
1840	Deferred income tax assets	6(28)	96,280	1	96,886	1
1900	Other non-current assets	6(13)	213,333	2	57,741	1
15XX	Total non-current assets		<u>4,557,686</u>	<u>46</u>	<u>4,487,373</u>	<u>43</u>
1XXX	Total assets		<u>\$ 9,821,777</u>	<u>100</u>	<u>\$ 10,386,865</u>	<u>100</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 90,039	1	\$ 91,760	1
2130	Current contract liabilities	6(22)	327,607	3	379,934	4
2170	Accounts payable		613,883	6	615,362	6
2180	Accounts payable - related parties	7	2,486	-	1,572	-
2200	Other payables	6(16)	2,156,071	22	2,217,043	21
2220	Other payables - related parties	7	529,766	6	351,676	3
2230	Current income tax liabilities		22,274	-	158,773	2
2280	Current lease liabilities		33,440	-	26,385	-
2399	Other current liabilities		84,018	1	95,663	1
21XX	Total current liabilities		<u>3,859,584</u>	<u>39</u>	<u>3,938,168</u>	<u>38</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(28)	97,884	1	89,912	1
2580	Lease liabilities - non-current		56,040	1	47,718	-
2600	Other non-current liabilities		21,578	-	22,105	-
25XX	Total non-current liabilities		<u>175,502</u>	<u>2</u>	<u>159,735</u>	<u>1</u>
2XXX	Total liabilities		<u>4,035,086</u>	<u>41</u>	<u>4,097,903</u>	<u>39</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(18)	1,754,936	18	1,754,936	17
Capital surplus						
3200	Capital surplus	6(19)	1,349,316	14	1,354,763	13
Retained earnings						
3310	Legal reserve	6(20)	611,649	6	488,103	5
3320	Special reserve		439,349	4	505,352	5
3350	Unappropriated retained earnings		1,672,578	17	2,188,227	21
Other equity interest						
3400	Other equity interest	6(21)	(450,554)	(4)	(439,349)	(4)
31XX	Equity attributable to owners of the parent		<u>5,377,274</u>	<u>55</u>	<u>5,852,032</u>	<u>57</u>
36XX	Non-controlling interest	4(3)	409,417	4	436,930	4
3XXX	Total equity		<u>5,786,691</u>	<u>59</u>	<u>6,288,962</u>	<u>61</u>
Significant contingent liabilities and unrecorded contract commitments						
9						
Significant events after the balance sheet date						
11						
3X2X	Total liabilities and equity		<u>\$ 9,821,777</u>	<u>100</u>	<u>\$ 10,386,865</u>	<u>100</u>

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

Items	Notes	Years ended December 31,				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 9,790,860	100	\$ 11,388,021	100
5000	Operating costs	6(4) and 7	(5,996,060)	(61)	(6,522,937)	(58)
5950	Gross profit		3,794,800	39	4,865,084	42
	Operating expenses	6(27) and 7				
6100	Selling expenses		(1,293,050)	(13)	(1,358,731)	(12)
6200	General and administrative expenses		(1,197,719)	(12)	(1,260,746)	(11)
6300	Research and development expenses		(653,204)	(7)	(484,778)	(4)
6450	Expected credit impairment loss	12(2)	(11,132)	-	(2,267)	-
6000	Total operating expenses		(3,155,105)	(32)	(3,106,522)	(27)
6900	Operating income		639,695	7	1,758,562	15
	Non-operating income and expenses					
7100	Interest income	6(23)	47,970	-	20,899	-
7010	Other income	6(24)	30,291	-	19,627	-
7020	Other gains and losses	6(25)	(2,544)	-	(54,713)	-
7050	Finance costs	6(26)	(5,676)	-	(5,493)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	(22,115)	-	(30,434)	-
7000	Total non-operating income and expenses		47,926	-	(50,114)	-
7900	Profit before income tax		687,621	7	1,708,448	15
7950	Income tax expense	6(28)	(127,389)	(1)	(430,341)	(4)
8200	Profit for the year		\$ 560,232	6	\$ 1,278,107	11

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

Items	Notes	Years ended December 31,				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income, net						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311						
		(\$	1,372)	-	\$ 10,765	-
8316	6(6)					
		(4,701)	-	(53,330)	-
8320	6(21)					
		(106)	-	(313)	-
8349						
			274	-	(2,153)	-
8310						
		(5,905)	-	(45,031)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361						
			99	-	128,787	1
8399	6(28)					
			662	-	(11,592)	-
8360						
			761	-	117,195	1
8300						
		(\$	5,144)	-	\$ 72,164	1
8500						
		\$	555,088	6	\$ 1,350,271	12
Profit (loss) attributable to:						
8610						
		\$	575,188	6	\$ 1,279,696	11
8620						
		(14,956)	-	(1,589)	-
		\$	560,232	6	\$ 1,278,107	11
Comprehensive income (loss) attributable to:						
8710						
		\$	562,885	6	\$ 1,329,871	12
8720						
		(7,797)	-	20,400	-
		\$	555,088	6	\$ 1,350,271	12
Earnings per share (in dollars)						
9750						
		\$		3.28	\$	7.29
9850						
		\$		3.25	\$	7.17

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent												
	Capital Reserves				Retained Earnings			Other Equity Interest			Total	Non-controlling interest	Total equity
	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
2022													
Balance at January 1, 2022	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 75,487	\$ 378,451	\$ 551,904	\$ 1,893,337	(\$ 131,809)	(\$ 373,543)	\$ 5,408,439	\$ 443,614	\$ 5,852,053	
Profit (loss) for the year	-	-	-	-	-	-	1,279,696	-	-	1,279,696	(1,589)	1,278,107	
Other comprehensive income (loss) for the year	-	-	-	-	-	-	8,612	95,206	(53,643)	50,175	21,989	72,164	
Total comprehensive income (loss)	-	-	-	-	-	-	1,288,308	95,206	(53,643)	1,329,871	20,400	1,350,271	
Appropriations of 2021 retained earnings	6(20)												
Legal reserve	-	-	-	-	109,652	-	(109,652)	-	-	-	-	-	
Reversal of special reserve	-	-	-	-	-	(46,552)	46,552	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(877,468)	-	-	(877,468)	-	(877,468)	
Change in ownership interest in subsidiaries	6(30)	-	-	19,600	-	-	(28,410)	-	-	(8,810)	(8,487)	(17,297)	
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(18,597)	(18,597)	
Disposal of investments in equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	-	(24,440)	-	24,440	-	-	-	
Balance at December 31, 2022	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603)	(\$ 402,746)	\$ 5,852,032	\$ 436,930	\$ 6,288,962	
2023													
Balance at January 1, 2023	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603)	(\$ 402,746)	\$ 5,852,032	\$ 436,930	\$ 6,288,962	
Profit (loss) for the year	-	-	-	-	-	-	575,188	-	-	575,188	(14,956)	560,232	
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,098)	(6,398)	(4,807)	(12,303)	7,159	(5,144)	
Total comprehensive income (loss)	-	-	-	-	-	-	574,090	(6,398)	(4,807)	562,885	(7,797)	555,088	
Appropriations of 2022 retained earnings	6(20)												
Legal reserve	-	-	-	-	123,546	-	(123,546)	-	-	-	-	-	
Special reserve	-	-	-	-	-	(66,003)	66,003	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(1,017,863)	-	-	(1,017,863)	-	(1,017,863)	
Change in ownership interest in subsidiaries	6(30)	-	-	(5,447)	-	-	(14,333)	-	-	(19,780)	18,484	(1,296)	
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(38,200)	(38,200)	
Balance at December 31, 2023	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 89,640	\$ 611,649	\$ 439,349	\$ 1,672,578	(\$ 43,001)	(\$ 407,553)	\$ 5,377,274	\$ 409,417	\$ 5,786,691	

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 687,621	\$ 1,708,448
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)	170,450	161,035
Amortisation	6(12)	476,556	421,196
Expected credit impairment loss	12(2)	11,132	2,267
Interest expense	6(26)	5,676	5,493
Interest income	6(23)	(47,970)	(20,899)
Share of loss of subsidiaries and associates accounted for under equity method	6(8)	22,115	30,434
Loss on disposal of property, plant and equipment	6(25)	1	3
Loss on disposal of investment	6(25)	-	895
Impairment loss on non-financial assets	6(14)	-	93,163
Gain on lease modification	6(25)	(3)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(53)	741
Accounts receivable		173,159	88,154
Accounts receivable - related parties		6,505	(9,310)
Other receivables		(123,543)	(273,871)
Other receivables - related parties		259	(357)
Inventories		19,936	(6,345)
Prepayments		(32,255)	30,449
Other current assets		24,602	45,003
Other non-current assets		4,127	-
Changes in operating liabilities			
Contract liabilities		(52,517)	(5,082)
Accounts payable		(2,373)	51,235
Accounts payable - related parties		914	(5,615)
Other payables		(181,592)	391,293
Other payables - related parties		178,090	193,092
Other current liabilities		(11,927)	899
Other non-current liabilities		(1,117)	63
Cash inflow generated from operations		1,327,793	2,902,384
Interest received		47,970	20,899
Dividends received		831	622
Interest paid		(5,676)	(5,493)
Income tax paid		(402,704)	(447,641)
Net cash provided by operating activities		<u>968,214</u>	<u>2,470,771</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	\$ -	\$ 31,208
Acquisition of financial assets at fair value through profit or loss		-	(15,000)
Decrease (increase) in financial assets at amortised cost		58,992	(31,741)
Decrease in other financial assets		62,178	31,385
Acquisition of investments accounted for under equity method	6(8)	(6,400)	(44,770)
Acquisition of property, plant and equipment	6(31)	(129,791)	(130,990)
Proceeds from disposal of property, plant and equipment		148	287
Decrease (increase) in refundable deposits		2,977	(5,572)
Acquisition of intangible assets	6(31)	(279,476)	(1,056,292)
Increase in other non-current assets		(162,636)	(12,457)
Net cash used in investing activities		(454,008)	(1,233,942)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(33)	(1,706)	(17,726)
Repayment of long-term debt		-	(80,000)
Increase (decrease) in guarantee deposits received		590	(1,740)
Payment of lease liabilities	6(33)	(34,917)	(33,139)
Net cash used in acquiring subsidiaries		(4,366)	-
Cash dividends paid	6(20)	(1,017,863)	(877,468)
Increase in subsidiaries capital from non-controlling interest	6(30)	913	5,323
Cash dividends paid to non-controlling interest		(38,200)	(18,597)
Acquisition of additional equity interest in subsidiaries	6(30)	-	(14,704)
Net cash used in financing activities		(1,095,549)	(1,038,051)
Effect of exchange rate changes on cash and cash equivalents		1,404	119,645
Net (decrease) increase in cash and cash equivalents		(579,939)	318,423
Cash and cash equivalents at beginning of the year		3,737,319	3,418,896
Cash and cash equivalents at end of the year		\$ 3,157,380	\$ 3,737,319

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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 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 6, 2024.

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[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL 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 that came into effect 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 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 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, 2023	December 31, 2022	
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment (HK) Co., Ltd.	Software services	100	100	
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment and holding company	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment and holding company	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Software services	100	100	
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment and holding company	43.28	45.40	Notes 1 and 7
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100	100	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment and holding company	100	100	
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Research and development and sales of software	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Supply of electronic information services	100	100	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment and holding company	100	100	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Supply of electronic information services	100	100	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	95.83	95.83	Note 2
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	0.82	0.94	Notes 3 and 5
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd. (Gamania Asia)	Investment company	100	100	
Gamania Digital Entertainment Co., Ltd.	Ciirco Inc. (Ciirco)	Software services	99.90	99.90	
Gamania Digital Entertainment Co., Ltd.	Foundation Digital Entertainment Co., Ltd. (Foundation)	Publishing of magazines and periodicals	100	100	
Gamania Digital Entertainment Co., Ltd.	JollyBuy Digital Tech. Co., Ltd. (JollyBuy)	Supply of electronic information services	99.00	98.89	Notes 8 and 9
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd. (Two Tigers)	Animation production	51	51	
Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Gash Point)	Information software and supply of electronic information services	90	90	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd. (Ants' Power)	Customer service	100	100	
Gamania Digital Entertainment Co., Ltd.	Indiland Co., Ltd. (Indiland)	Third party payment	100	100	
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd. (We Backers)	Crowd funding	93.38	93.38	
Gamania Digital Entertainment Co., Ltd.	BeanGo! Co., Ltd. (BeanGo!)	Software services	100	100	
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd. (Coture New Media)	Online media production	93.08	93.08	
Gamania Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	81.26	81.26	Note 6
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	82.06	79.44	Notes 3 and 5
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited (Digicentre)	Software services	67.48	67.48	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Gamania Digital Entertainment Co., Ltd.	Walkermmedia Co., Ltd. (Walkermmedia)	Digital media platforms and general advertising services	30	-	Notes 4
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Information software and supply of electronic information services	100	100	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Information software and supply of electronic information services	100	100	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Information software and supply of electronic information services	100	100	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	6.22	6.22	Note 6
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd. (Conetter)	Software services	79.98	79.98	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	8.38	8.38	Note 6
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	4.17	Note 2
NOWnews Network Co., Ltd. (NOWnews)	Walkermmedia Co., Ltd. (Walkermmedia)	Digital media platforms and general advertising services	70	-	Notes 4 and 10
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd. (Hyperg)	Software services	51	51	

Note 1: The equity held by the Group was less than 50%. However, as the Group held half of the seats in the Board of Directors, the investee was included in the consolidated financial statements.

Note 2: 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 3: The Company and its subsidiary, Jollywiz Digital Technology Co., Ltd., held 82.06% and 0.82% equity interest in Nownews, respectively and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 4: The Company and its subsidiary, NOWnews Network Co., Ltd. held a 30% and 70% equity interest in Walkermmedia Co., Ltd., respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 5: On May 9, 2022 and December 23, 2022, the Company participated in the capital increase. The Company acquired 0.47% equity interest in NOWnews. Accordingly, the equity interest in Jollywiz Digital Technology Co., Ltd. decreased to 0.94%. **On June 2, and December 22, 2023, the Company participated in the capital increase. The Company acquired 2.62% equity interest in NOWnews. Accordingly, the equity interest in Jollywiz Digital Technology Co., Ltd. decreased to 0.82%.**

Note 6: On December 28, 2022, the Company participated in the capital increase. The Company acquired 8.52% equity interest in GAMA PAY. Consequently, the equity interest in GAMA PAY of Gash Point Co., Ltd. and Gash Point (Hong Kong) Company Limited on December 31, 2022 decreased to 6.22% and 8.38%, respectively.

Note 7: The subsidiary, AMI, issued ordinary shares without consideration in 2023. Therefore, the share ownership of the Group decreased by 2.12%.

Note 8: The subsidiary, JollyBuy, increased capital by issuing new shares for cash in November 2022. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.12%. The subsidiary, JollyBuy, redeemed treasury in August 2022. Therefore, the share ownership increased by 1.1%.

Note 9: The subsidiary, JollyBuy, increased capital by issuing new shares for cash in January, June and November 2023. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership decreased by 0.11%.

Note 10: On June 30, 2023, the Board of Directors of the subsidiary, NOWnews Network Co., Ltd., resolved to acquire a 70% equity interest in Walkermmedia Co., Ltd.

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, 2023 and 2022, the non-controlling interest amounted to \$409,704 and \$436,930, 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, 2023		December 31, 2022		
		Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 141,054	56.72%	\$ 150,240	54.60%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	127,991	32.52%	129,583	32.52%	

Note: Registered location of AMI is British Virgin Islands.

Balance sheets

	AMI and subsidiaries	
	December 31, 2023	December 31, 2022
Current assets	\$ 323,536	\$ 335,744
Non-current assets	47,581	67,718
Current liabilities	(119,404)	(123,067)
Total net assets	\$ 251,713	\$ 280,395

	Digicentre Company Limited and subsidiaries	
	December 31, 2023	December 31, 2022
Current assets	\$ 441,984	\$ 372,937
Non-current assets	222,323	244,862
Current liabilities	(258,106)	(213,561)
Non-current liabilities	(32,037)	(36,268)
Total net assets	\$ 374,164	\$ 367,970

Statements of comprehensive income

	AMI and subsidiaries	
	Years ended December 31,	
	2023	2022
Revenue	\$ 726,851	\$ 542,983
Loss before income tax	(22,387)	(6,115)
Income tax expense	(4,496)	-
Loss for the year	(26,883)	(6,115)
Other comprehensive loss, net of tax	(877)	(9,743)
Total comprehensive loss for the year	(\$ 27,760)	(\$ 15,858)
Comprehensive loss attributable to non-controlling interest	(\$ 381)	(\$ 11,849)
Dividends paid to non-controlling interest	\$ -	\$ -

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 1,296,428	\$ 1,181,834
Profit before income tax	71,261	56,120
Income tax expense	(21,370)	(20,688)
Profit for the year	49,891	35,432
Other comprehensive income, net of tax	-	3,959
Total comprehensive income for the year	<u>\$ 49,891</u>	<u>\$ 39,391</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 17,971</u>	<u>\$ 14,404</u>
Dividends paid to non-controlling interest	<u>(\$ 11,575)</u>	<u>\$ 5,402</u>

Statements of cash flows

	<u>AMI and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Net cash provided by (used in) operating activities	\$ 18,150	(\$ 10,943)
Net cash provided by investing activities	3,708	7,010
Net cash used in financing activities	(25,328)	(6,477)
Effect of exchange rate changes on cash and cash equivalents	(723)	(16,801)
Decrease in cash and cash equivalents	(4,193)	(27,211)
Cash and cash equivalents, beginning of year	101,662	128,873
Cash and cash equivalents, end of year	<u>\$ 97,469</u>	<u>\$ 101,662</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Net cash provided by operating activities	\$ 108,288	\$ 108,862
Net cash used in investing activities	(23,789)	(26,319)
Net cash used in financing activities	(40,498)	(58,856)
Effect of exchange rate changes on cash and cash equivalents	(55)	6,218
Increase in cash and cash equivalents	43,946	29,905
Cash and cash equivalents, beginning of year	151,119	121,214
Cash and cash equivalents, end of year	<u>\$ 195,065</u>	<u>\$ 151,119</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 profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) 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.

(9) 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.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group 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.

(11) 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.

(12) 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.

(13) 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.

(14) **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 realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(15) **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.

(16) 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	3~51 years
Machinery and equipment	2~8 years
Transportation equipment	5 years
Office equipment	2~8 years
Leasehold improvement	4~5 years
Other equipment	4~8 years

(17) 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.

(18) 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 3~10 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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 difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(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 and does not give rise to equal taxable and deductible temporary differences. 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

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.

(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) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(29) 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(22) 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(14) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 1,762	\$ 2,337
Demand deposits and checking accounts	2,145,958	2,677,247
Cash equivalents - time deposits	<u>1,009,660</u>	<u>1,057,735</u>
	<u>\$ 3,157,380</u>	<u>\$ 3,737,319</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, 2023</u>	<u>December 31, 2022</u>
Notes receivable	<u>\$ 64</u>	<u>\$ 11</u>
Accounts receivable	\$ 613,834	\$ 832,665
Less: Loss allowance	<u>(9,357)</u>	<u>(47,299)</u>
	<u>604,477</u>	<u>785,366</u>
Overdue receivables (shown as other non-current assets)	149,388	114,261
Less: Loss allowance	<u>(149,388)</u>	<u>(114,261)</u>
	<u>\$ 604,477</u>	<u>\$ 785,366</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 577,301	\$ 760,730
Up to 30 days	19,559	19,759
31~60 days	3,014	2,622
61~90 days	3,346	2,914
91~120 days	3,387	169
Over 121 days	7,227	46,471
	<u>\$ 613,834</u>	<u>\$ 832,665</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2023 and 2022, the Group has no notes receivable past due.

C. As at December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$763,286, \$946,937 and \$1,035,832, 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, 2023 and 2022, 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 \$64 and \$11, and accounts receivable was \$604,477 and \$785,366, respectively.

F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other receivables	\$ 660,566	\$ 535,210
Less: Loss allowance	(5,395)	(2,253)
	<u>\$ 655,171</u>	<u>\$ 532,957</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 598,538	\$ 481,424
Up to 30 days	29,541	17,165
31 to 60 days	7,504	5,779
61 to 90 days	7,148	9,165
91 to 120 days	5,748	9,853
Over 121 days	12,087	11,824
	<u>\$ 660,566</u>	<u>\$ 535,210</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, 2023 and 2022, 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 \$655,172 and \$532,957, respectively.

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

(4) Inventories

	December 31, 2023		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 127,223</u>	<u>(\$ 18,232)</u>	<u>\$ 108,991</u>
	December 31, 2022		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 147,349</u>	<u>(\$ 18,422)</u>	<u>\$ 128,927</u>

Expenses and losses incurred on inventories for the year:

	Years ended December 31,	
	2023	2022
Cost of goods sold	\$ 562,582	\$ 384,423
(Gain on reversal of) loss on decline in market value	(190)	1,230
	<u>\$ 562,392</u>	<u>\$ 385,653</u>

(5) Prepayments

	December 31, 2023	December 31, 2022
Prepayments to suppliers	\$ 159,665	\$ 166,891
Prepaid expenses	89,913	81,718
Excess business tax paid	94,902	68,859
Others	5,398	4,109
	<u>\$ 349,878</u>	<u>\$ 321,577</u>

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Emerging stocks	20,546	20,546
Unlisted, non-OTC and non-emerging stocks	425,894	425,894
	524,816	524,816
Valuation adjustment	(411,942)	(407,235)
	\$ 112,874	\$ 117,581

- 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 \$112,874 and \$117,581 as at December 31, 2023 and 2022, respectively.
- B. In 2022, in line with the Group's business development and resource allocation plan, the Group sold its 5.42% equity interest in Microprogram Information Co., Ltd. at fair value in the amount of \$31,208. The cumulative loss on disposal of Microprogram Information Co., Ltd. was \$24,440.
- 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:

	Years ended December 31,	
	2023	2022
Change of fair value recognised in other comprehensive (loss) income	(\$ 4,701)	\$ 53,330
Cumulative loss reclassified to retained earnings due to derecognition	\$ -	(\$ 24,440)

- 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

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposit with maturity of more than three months	\$ 83,977	\$ 148,694
Non-current items:		
Demand deposits	725	-
	\$ 84,702	\$ 148,694

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

	Years ended December 31,	
	2023	2022
Interest income	\$ 937	\$ 745

B. As at December 31, 2023 and 2022, 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 \$84,702 and \$148,694, 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). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(8) Investments accounted for under equity method

	2023	2022
At January 1	\$ 135,404	\$ 121,309
Addition of investments accounted for under equity method	6,400	44,770
Transformation of subsidiary from associate (Note)	(1,791)	-
Share of loss of investments accounted for under equity method	(22,115)	(30,434)
Earnings distribution of investments accounted for under equity method	(831)	(622)
Disposal of investments accounted for using equity method	-	(8)
Changes in other equity items	(106)	(313)
Effects of foreign exchange	29	702
At December 31	<u>\$ 116,990</u>	<u>\$ 135,404</u>

Note: On June 30, 2023, the Group acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The related information on business combination is provided in Note 6(32).

A. List of long-term investments:

Name of associates	December 31, 2023		December 31, 2022	
	Ownership percentage	Balance	Ownership percentage	Balance
Jsdway Digital Technology Co., Ltd. (Jsdway)	37.18	\$ 50,559	37.18	\$ 49,485
Hao-Ji Film Ltd. (Hao-Ji)	42.86	27,082	42.86	30,021
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	33.03	21,356	33.03	22,984
Walkermedia Co., Ltd. (Walkermedia) (Note 3)	30.00	-	30.00	5,105
Aotter Inc. (Aotter)	21.48	(133)	21.48	6,045
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	-	29.54	7,224
Store Marais Co., Ltd. (Marais) (Note 1)	7.69	8,466	7.69	11,192
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	3,509	30.00	3,348
Entron Technology Co., Ltd. (Note 1)	14.16	6,151	-	-
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	-	49.00	-
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 2)	30.00	-	30.00	-
Firedog creative Co., Ltd. (Note 2)	40.00	-	40.00	-
		<u>\$ 116,990</u>		<u>\$ 135,404</u>

Note 1: The Group has significant control as it has obtained majority of the board seats and, accordingly, the investment was accounted for under equity method.

Note 2: All impairment losses derived from equity investments have been recognised based on the Company's assessment.

Note 3: On June 30, 2023, the Group acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The related information on business combination is provided in Note 6(32).

B. As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$116,990 and \$135,404, respectively. The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2023	2022
Loss for the year	(\$ 22,115)	(\$ 30,434)
Other comprehensive loss, net of tax	(106)	(313)
Total comprehensive loss	<u>(\$ 22,221)</u>	<u>(\$ 30,747)</u>

C. There is no price in open market for associates of the Group, therefore, no fair value is applicable.

D. The Group is the single largest shareholder of Jsdway with a 37.18% equity interest. Given that the remaining 62.82% equity interest in Jsdway 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 Jsdway. Accordingly, the Group has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2023</u>									
Cost	\$ 2,246,082	\$ 558,612	\$ 424,299	\$ 1,245	\$ 102,697	\$ 26,301	\$ 53,130	\$ 2,125	\$ 3,414,491
Accumulated depreciation	-	(203,635)	(296,269)	(1,185)	(55,681)	(11,889)	(27,012)	-	(595,671)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 354,977</u>	<u>\$ 121,648</u>	<u>\$ 60</u>	<u>\$ 47,016</u>	<u>\$ 14,412</u>	<u>\$ 26,118</u>	<u>\$ 2,125</u>	<u>\$ 2,812,438</u>
<u>2023</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 354,977	\$ 121,648	\$ 60	\$ 47,016	\$ 14,412	\$ 26,118	\$ 2,125	\$ 2,812,438
Additions	-	29,467	63,949	-	28,915	6,443	5,774	24,538	159,086
Acquired from business combinations	-	-	-	-	436	-	-	-	436
Disposals	-	-	(1)	-	(148)	-	-	-	(149)
Transfers	-	5,176	-	-	-	13,957	145	(19,278)	-
Depreciation charge	-	(42,198)	(56,575)	-	(18,832)	(6,001)	(11,742)	-	(135,348)
Net exchange differences	-	-	14	-	(10)	-	-	-	4
Closing net book amount as at December 31	<u>\$ 2,246,082</u>	<u>\$ 347,422</u>	<u>\$ 129,035</u>	<u>\$ 60</u>	<u>\$ 57,377</u>	<u>\$ 28,811</u>	<u>\$ 20,295</u>	<u>\$ 7,385</u>	<u>\$ 2,836,467</u>
<u>At December 31, 2023</u>									
Cost	\$ 2,246,082	\$ 592,135	\$ 416,181	\$ 1,223	\$ 119,064	\$ 46,471	\$ 49,579	\$ 7,385	\$ 3,478,120
Accumulated depreciation	-	(244,713)	(280,764)	(1,163)	(61,687)	(17,660)	(29,284)	-	(635,271)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 347,422</u>	<u>\$ 129,035</u>	<u>\$ 60</u>	<u>\$ 57,377</u>	<u>\$ 28,811</u>	<u>\$ 20,295</u>	<u>\$ 7,385</u>	<u>\$ 2,836,467</u>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2022</u>									
Cost	\$ 2,246,082	\$ 536,582	\$ 429,755	\$ 1,226	\$ 92,428	\$ 36,134	\$ 44,122	\$ 8,091	\$ 3,394,420
Accumulated depreciation	-	(168,055)	(318,996)	(1,166)	(53,008)	(30,890)	(18,656)	-	(590,771)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 368,527</u>	<u>\$ 104,377</u>	<u>\$ 60</u>	<u>\$ 39,420</u>	<u>\$ 5,244</u>	<u>\$ 25,466</u>	<u>\$ 8,091</u>	<u>\$ 2,797,267</u>
<u>2022</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 368,527	\$ 104,377	\$ 60	\$ 39,420	\$ 5,244	\$ 25,466	\$ 8,091	\$ 2,797,267
Additions	-	9,016	75,111	-	23,147	11,342	9,600	15,768	143,984
Disposals	-	-	-	(290)	-	-	-	(290)	(290)
Transfers	-	15,489	-	-	-	3,352	2,893	(21,734)	-
Depreciation charge	-	(38,055)	(58,156)	(15,286)	(5,528)	(11,841)	-	(128,866)	(128,866)
Net exchange differences	-	-	316	-	25	2	-	-	343
Closing net book amount as at December 31	<u>\$ 2,246,082</u>	<u>\$ 354,977</u>	<u>\$ 121,648</u>	<u>\$ 60</u>	<u>\$ 47,016</u>	<u>\$ 14,412</u>	<u>\$ 26,118</u>	<u>\$ 2,125</u>	<u>\$ 2,812,438</u>
<u>At December 31, 2022</u>									
Cost	\$ 2,246,082	\$ 558,612	\$ 424,299	\$ 1,245	\$ 102,697	\$ 26,301	\$ 53,130	\$ 2,125	\$ 3,414,491
Accumulated depreciation	-	(203,635)	(296,269)	(1,185)	(55,681)	(11,889)	(27,012)	-	(595,671)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 354,977</u>	<u>\$ 121,648</u>	<u>\$ 60</u>	<u>\$ 47,016</u>	<u>\$ 14,412</u>	<u>\$ 26,118</u>	<u>\$ 2,125</u>	<u>\$ 2,812,438</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, parking lot, machinery and business vehicles. Rental contracts are typically made for periods of 1 to 5 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, 2023 and 2022, payments of lease commitments for short-term leases amounted to \$6,258 and \$10,376, respectively.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2023	December 31, 2022
Buildings	\$ 73,982	\$ 55,606
Land improvements	3,113	322
Transportation equipment (Business vehicles)	883	1,903
Machinery	11,148	16,102
	<u>\$ 89,126</u>	<u>\$ 73,933</u>

	Depreciation charge	
	Years ended December 31,	
	2023	2022
Buildings	\$ 27,768	\$ 24,078
Land improvements	1,360	1,288
Transportation equipment (Business vehicles)	1,020	1,848
Machinery	4,954	4,955
	<u>\$ 35,102</u>	<u>\$ 32,169</u>

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$50,247 and \$11,809, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 902	\$ 743
Expense on short-term lease contracts	\$ 6,258	\$ 10,376
Gain on lease modification	\$ 3	\$ -

- F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$42,077 and \$44,258, respectively.

(11) Leasing arrangements - lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 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.

B. Gain arising from operating lease agreements for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,	
	2023	2022
Rent income	\$ 1,390	\$ 1,220

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

	December 31, 2023	December 31, 2022
2023	-	914
2024	914	914
2025	914	914
2026	305	305
	\$ 2,133	\$ 3,047

(12) Intangible assets

	<u>License fees</u>	<u>Software</u>	<u>Other intangible assets</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2023</u>							
Cost	\$ 1,140,099	\$ 98,023	\$ 179,132	\$ 10,090	\$ 197,132	\$ 386,238	\$ 2,010,714
Accumulated amortisation	(363,452)	(45,384)	(50,005)	-	(92,559)	-	(551,400)
Accumulated impairment	(46,631)	-	(85,369)	-	-	(148,924)	(280,924)
	<u>\$ 730,016</u>	<u>\$ 52,639</u>	<u>\$ 43,758</u>	<u>\$ 10,090</u>	<u>\$ 104,573</u>	<u>\$ 237,314</u>	<u>\$ 1,178,390</u>
<u>2023</u>							
Opening net book amount as at January 1	\$ 730,016	\$ 52,639	\$ 43,758	\$ 10,090	\$ 104,573	\$ 237,314	\$ 1,178,390
Additions	308,787	56,262	172	-	-	-	365,221
Acquired from business combinations	-	38	-	-	-	7,744	7,782
Reclassifications (Note)	-	4,286	-	-	-	-	4,286
Amortisation charge	(386,954)	(62,824)	(11,432)	-	(15,346)	-	(476,556)
Net exchange differences	(1,089)	-	(526)	-	-	(617)	(2,232)
Closing net book amount as at December 31	<u>\$ 650,760</u>	<u>\$ 50,401</u>	<u>\$ 31,972</u>	<u>\$ 10,090</u>	<u>\$ 89,227</u>	<u>\$ 244,441</u>	<u>\$ 1,076,891</u>
<u>At December 31, 2023</u>							
Cost	\$ 1,346,939	\$ 106,660	\$ 97,413	\$ 10,090	\$ 198,531	\$ 393,975	\$ 2,153,608
Accumulated amortisation	(651,929)	(56,259)	(64,386)	-	(109,304)	-	(881,878)
Accumulated impairment	(44,250)	-	(1,055)	-	-	(149,534)	(194,839)
	<u>\$ 650,760</u>	<u>\$ 50,401</u>	<u>\$ 31,972</u>	<u>\$ 10,090</u>	<u>\$ 89,227</u>	<u>\$ 244,441</u>	<u>\$ 1,076,891</u>

Note: From prepaid expense transferred to intangible assets.

	<u>License fees</u>	<u>Software</u>	<u>Other intangible assets</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2022</u>							
Cost	\$ 1,617,093	\$ 89,531	\$ 165,930	\$ 10,090	\$ 195,700	\$ 381,572	\$ 2,459,916
Accumulated amortisation	(1,425,861)	(40,438)	(38,264)	-	(72,543)	-	(1,577,106)
Accumulated impairment	(75,870)	-	(29,375)	-	-	(146,821)	(252,066)
	<u>\$ 115,362</u>	<u>\$ 49,093</u>	<u>\$ 98,291</u>	<u>\$ 10,090</u>	<u>\$ 123,157</u>	<u>\$ 234,751</u>	<u>\$ 630,744</u>
<u>2022</u>							
Opening net book amount as at January 1	\$ 115,362	\$ 49,093	\$ 98,291	\$ 10,090	\$ 123,157	\$ 234,751	\$ 630,744
Additions	978,759	65,183	10,504	-	-	-	1,054,446
Amortisation charge	(330,376)	(61,807)	(10,175)	-	(18,838)	-	(421,196)
Impairment loss (Note)	(36,353)	-	(56,810)	-	-	-	(93,163)
Net exchange differences	2,624	170	1,948	-	254	2,563	7,559
Closing net book amount as at December 31	<u>\$ 730,016</u>	<u>\$ 52,639</u>	<u>\$ 43,758</u>	<u>\$ 10,090</u>	<u>\$ 104,573</u>	<u>\$ 237,314</u>	<u>\$ 1,178,390</u>
<u>At December 31, 2022</u>							
Cost	\$ 1,140,099	\$ 98,023	\$ 179,132	\$ 10,090	\$ 197,132	\$ 386,238	\$ 2,010,714
Accumulated amortisation	(363,452)	(45,384)	(50,005)	-	(92,559)	-	(551,400)
Accumulated impairment	(46,631)	-	(85,369)	-	-	(148,924)	(280,924)
	<u>\$ 730,016</u>	<u>\$ 52,639</u>	<u>\$ 43,758</u>	<u>\$ 10,090</u>	<u>\$ 104,573</u>	<u>\$ 237,314</u>	<u>\$ 1,178,390</u>

Note: For impairment loss, refer to Note 6(14).

A. The details of amortisation are as follows:

	Years ended December 31,	
	2023	2022
Operating costs	\$ 396,477	\$ 359,745
Selling expenses	23,172	18,619
General and administrative expenses	33,711	24,772
Research and development expenses	23,196	18,060
	<u>\$ 476,556</u>	<u>\$ 421,196</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, 2023	December 31, 2022
Goodwill:		
NOWnews	\$ 197,055	\$ 197,055
Digicentre	141,149	141,149
AMI	18,914	18,917
GIH	27,438	27,442
Walkermedia (Note)	7,744	-
Others	1,638	1,675
	<u>393,938</u>	<u>386,238</u>
Less: Accumulated impairment	(149,534)	(148,924)
	<u>\$ 244,404</u>	<u>\$ 237,314</u>
Trademark:		
NOWnews	<u>\$ 10,090</u>	<u>\$ 10,090</u>

Note: On June 30, 2023, the Group acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The related information on business combination is provided in Note 6(32).

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. The Group's goodwill acquired in a business combination 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, 2023 and 2022 are as follows:

- (a) 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.
- (b) The Group used value-in-use calculated by external appraiser to be the recoverable amount of subsidiaries, NOWnews and Digicentre, at December 31, 2023 and 2022. As the recoverable amount of NOWnews and Digicentre was higher than the carrying amount at December 31, 2023 and 2022, goodwill was not impaired. The main assumptions used in calculating value-in-use by external appraiser are set out below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Growth rate	2.8%~4.7%	2.4%~6.4%
Discount rate	10.8%~13.3%	14.0%~14.2%

- (c) As of December 31, 2023 and 2022, 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.
- (d) 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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdue receivables	\$ 149,388	\$ 114,261
Less: Loss allowance for overdue receivables	(149,388)	(114,261)
Refundable deposits	43,954	46,931
Prepayments for intangible assets	162,636	-
Others	6,743	10,810
	<u>\$ 213,333</u>	<u>\$ 57,741</u>

(14) Impairment of non-financial assets

The Group recognised impairment loss of \$0 and \$93,163 for the years ended December 31, 2023 and 2022, respectively. Details of such loss are as follows:

	Recognised in profit or loss	
	Years ended December 31,	
	2023	2022
Impairment loss - license fees	\$ -	\$ 36,353
Impairment loss - other intangible assets	-	56,810
	<u>\$ -</u>	<u>\$ 93,163</u>

A. 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).

B. The Group assesses the recoverable amounts of agency rights and other intangible assets annually, based on the expected future economic benefits arising from the use of the points generated from income and expenses and the expected future economic benefits. Due to the recoverable amounts being lower than the carrying amounts, impairment losses are recognized.

(15) Short-term borrowings

	December 31, 2023	December 31, 2022
Bank borrowings		
Secured borrowings	\$ 40,039	\$ 91,760
Unsecured borrowings	50,000	-
	<u>\$ 90,039</u>	<u>\$ 91,760</u>
Credit lines	\$ 3,231,809	\$ 3,827,321
Interest rate range	1.60%~2.82%	1.275%~5.80%

(16) Other payables

	December 31, 2023	December 31, 2022
Store-value received on behalf of others	\$ 864,144	\$ 844,245
Accrued service cost	610,485	521,529
Salary and annual bonus payable	235,459	216,391
Employees' compensation payable	78,653	207,929
Electronic payment received on behalf of others	27,382	109,778
Commission payable	60,305	97,332
Payable on business tax and withholding tax	69,106	89,496
Payable on equipment and intangible assets (Note)	154,537	39,497
Directors' and supervisors' remuneration payable	14,909	36,333
Others	41,091	54,513
	<u>\$ 2,156,071</u>	<u>\$ 2,217,043</u>

Note: The payment obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within three 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 on December 31 2023.

(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 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, 2023 and 2022 were \$949 and \$792, respectively.
- (c) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 71,326)	(\$ 67,757)
Fair value of plan assets	<u>76,200</u>	<u>73,852</u>
Net defined benefit assets/liability (shown as other non-current assets)	<u>\$ 4,874</u>	<u>\$ 6,095</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<u>Year ended December 31, 2023</u>			
Balance at January 1	(\$ 67,757)	\$ 73,852	\$ 6,095
Current service cost	(1,035)	-	(1,035)
Interest (expense) income	(949)	1,035	86
	(69,741)	74,887	5,146
Remeasurements:			
Return on plan assets	-	213	213
Change in financial assumptions	(1,391)	-	(1,391)
Experience adjustments	(194)	-	(194)
	(1,585)	213	(1,372)
Pension fund contribution	-	1,100	1,100
Paid pension	-	-	-
Balance at December 31	(<u>\$ 71,326</u>)	<u>\$ 76,200</u>	<u>\$ 4,874</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<u>Year ended December 31, 2022</u>			
Balance at January 1	(\$ 72,581)	\$ 67,597	(\$ 4,984)
Current service cost	(756)	-	(756)
Interest (expense) income	(508)	472	(36)
	(73,845)	68,069	(5,776)
Remeasurements:			
Return on plan assets	-	5,120	5,120
Change in financial assumptions	5,555	-	5,555
Experience adjustments	90	-	90
	5,645	5,120	10,765
Pension fund contribution	-	1,106	1,106
Paid pension	443	(443)	-
Balance at December 31	(<u>\$ 67,757</u>)	<u>\$ 73,852</u>	<u>\$ 6,095</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 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 authorised 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, 2023 and 2022 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,	
	2023	2022
Discount rate	1.20%	1.40%
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, 2023				
Effect on present value of defined benefit obligation	(\$ 1,734)	\$ 1,792	\$ 1,571	(\$ 1,531)
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 1,849)	\$ 1,918	\$ 1,706	(\$ 1,657)

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 period.

(g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$1,116.

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, 2023 and 2022 were both 16%. Other than the monthly contributions, the Group has no further obligations.
- (c) Gamania Digital Entertainment (H.K.) 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., 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, 2023 and 2022 were \$48,174 and \$42,448, respectively.

(18) Common stock

As of December 31, 2023, the Company’s authorised 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.

(19) 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.

(20) 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 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 Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. On June 16, 2022, the shareholders during their meeting approved the appropriations of 2021 retained earnings as follows:

	Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 109,652	\$ -
Reversal of special reserve	(46,552)	-
Cash dividends distributed to shareholders	877,468	5.0
	<u>\$ 940,568</u>	<u>\$ 5.0</u>

F. On June 20, 2023, the shareholders during its meeting resolved the proposal for the appropriations of 2022 retained earnings as follows:

	Year ended December 31, 2022	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 123,546	\$ -
Reversal of special reserve	(66,003)	-
Cash dividends distributed to shareholders	1,017,863	5.8
	<u>\$ 1,075,406</u>	<u>\$ 5.8</u>

G. On March 6, 2024, the board of directors during its meeting resolved the proposal for the appropriations of 2023 retained earnings as follows:

	Year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 55,976	\$ -
Special reserve appropriated	11,205	-
Cash dividends distributed to shareholders	575,619	3.28
	<u>\$ 642,800</u>	<u>3.28</u>

H. Information about the appropriations approved by the Board of Directors and resolved by the shareholders and appropriations of employees' compensation and directors' 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, refer to Note 6(27).

(21) Other equity

	2023		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 36,603)	(\$ 402,746)	(\$ 439,349)
Revaluation - Group	-	(4,701)	(4,701)
Revaluation - Associates	-	(106)	(106)
Currency translation differences:			
- Group	(6,398)	-	(6,398)
At December 31	<u>(\$ 43,001)</u>	<u>(\$ 407,553)</u>	<u>(\$ 450,554)</u>

	2022		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 131,809)	(\$ 373,543)	(\$ 505,352)
Revaluation - Group	-	(53,330)	(53,330)
Revaluation - Associates	-	(313)	(313)
Revaluation transferred to retained earnings - Group	-	24,440	24,440
Currency translation differences:			
- Group	95,206	-	95,206
At December 31	(\$ 36,603)	(\$ 402,746)	(\$ 439,349)

(22) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	\$ 9,790,860	\$ 11,388,021

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, 2023	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 6,880,562	\$ 1,724,956	\$ 711,370	\$ 473,972	\$ 9,790,860
Timing of revenue recognition					
At a point in time	\$ 6,237,398	\$ 617,841	\$ 711,370	\$ 473,972	\$ 8,040,581
Over time	643,164	1,107,115	-	-	1,750,279
	\$ 6,880,562	\$ 1,724,956	\$ 711,370	\$ 473,972	\$ 9,790,860
Year ended December 31, 2022	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 9,034,803	\$ 1,366,400	\$ 530,759	\$ 456,059	\$ 11,388,021
Timing of revenue recognition					
At a point in time	\$ 8,139,305	\$ 572,348	\$ 530,759	\$ 456,059	\$ 9,698,471
Over time	895,498	794,052	-	-	1,689,550
	\$ 9,034,803	\$ 1,366,400	\$ 530,759	\$ 456,059	\$ 11,388,021

B. Contract liabilities

(a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$327,607, \$379,934 and \$385,016 as of December 31, 2023, December 31, 2022, and January 1, 2022, 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,	
	2023	2022
Revenue from games	\$ 379,934	\$ 385,016

(23) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 47,033	\$ 20,154
Interest income from financial assets at amortised cost	937	745
	<u>\$ 47,970</u>	<u>\$ 20,899</u>

(24) Other income

	Years ended December 31,	
	2023	2022
Rental revenue	\$ 1,390	\$ 1,220
Other income	28,901	18,407
	<u>\$ 30,291</u>	<u>\$ 19,627</u>

(25) Other gains and losses

	Years ended December 31,	
	2023	2022
Loss on disposal of property, plant and equipment	(\$ 1)	(\$ 3)
Loss (gain) on disposal of investments	362	(895)
Foreign exchange gain	5,907	44,462
Gains arising from lease modifications	3	-
Impairment loss	-	(93,163)
Other losses	(8,815)	(5,114)
	<u>(\$ 2,544)</u>	<u>(\$ 54,713)</u>

(26) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 4,774	\$ 4,750
Lease liability	902	743
	<u>\$ 5,676</u>	<u>\$ 5,493</u>

(27) Employee benefit, depreciation and amortisation expense

	Years ended December 31,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 1,103,006	\$ 1,154,589
Directors' remuneration	19,631	40,114
Labor and health insurance fees	94,771	87,724
Pension costs	49,123	43,240
Other personnel expenses	53,671	48,860
	<u>\$ 1,320,202</u>	<u>\$ 1,374,527</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 170,450</u>	<u>\$ 161,035</u>
Amortisation expense	<u>\$ 476,556</u>	<u>\$ 421,196</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, where the Company has accumulated losses, the Company shall first use any profit to cover such losses.

B. (a) For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$66,380 and \$173,572, respectively; while directors' remuneration was accrued at \$13,276 and \$34,714, respectively. The aforementioned amounts were recognised in salary expenses.

(b) For the year ended December 31, 2023, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2023 amounted to \$67,500 and \$13,400 respectively, as resolved at the meeting of the Board of Directors. The difference in employees' compensation and directors' remuneration for 2023 amounting to \$1,120 and \$124, respectively, had been adjusted in the profit or loss for 2024.

(c) Employees' compensation and directors' remuneration for 2022 amounted to \$173,572 and \$34,700, respectively, as resolved at the meeting of the Board of Directors. The difference in employees' compensation and directors' remuneration for 2022 amounting to \$14, respectively, had been adjusted in the profit or loss for 2023.

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.

(28) Income tax

A. Components of income tax expense:

(a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profit for the year	\$ 129,205	\$ 390,233
Tax on undistributed earnings	3,022	7,798
Prior year income tax over estimation	(14,352)	(20,096)
Deferred tax:		
Origination and reversal of temporary differences	9,514	52,406
Income tax expense	\$ 127,389	\$ 430,341

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

	Years ended December 31,	
	2023	2022
Remeasurement of defined benefit obligation	(\$ 274)	\$ 2,153
Currency translation differences	(662)	11,592
	(\$ 936)	\$ 13,745

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

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 137,524	\$ 374,068
Effect from items disallowed by tax regulation	13,532	90,394
Overseas investment income not recognised as deferred tax liabilities	(10,981)	(21,823)
Effect from investment tax credits	(1,356)	-
Prior year income tax over estimation	(14,352)	(20,096)
Tax on unappropriated retained earnings	3,022	7,798
Income tax expense	\$ 127,389	\$ 430,341

Note: The basis for computing the applicable tax rate are the rates applicable in 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, 2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
—Deferred tax assets:				
Provision for bad debts in excess of the allowable limit	\$ 1,859	\$ 1,344	\$ -	\$ 3,203
Allowance for inventory obsolescence	566	28	-	594
Investment loss accounted for under equity method	63,426	(10,105)	-	53,321
Impairment loss on intangible assets	5,838	-	-	5,838
Compensation for unused leave	4,905	-	-	4,905
Book-tax difference on property, plant and equipment from business combination	601	(21)	-	580
Deferred revenue	5,773	(498)	-	5,275
Loss carryforward	5,355	(511)	-	4,844
Royalty payable	3,845	9,069	-	12,914
Financial statements translation differences of foreign operations	3,326	-	662	3,988
Unrealised exchange loss	1,392	(574)	-	818
	<u>\$ 96,886</u>	<u>(\$ 1,268)</u>	<u>\$ 662</u>	<u>\$ 96,280</u>
—Deferred tax liabilities:				
Investment income accounted for under equity method	(\$ 55,918)	(\$ 17,618)	\$ -	(\$ 73,536)
Book-tax difference on intangible assets from business combination	(32,447)	9,418	-	(23,029)
Unrealised exchange gain	(329)	(16)	-	(345)
Pension	(1,218)	(30)	274	(974)
	<u>(\$ 89,912)</u>	<u>(\$ 8,246)</u>	<u>\$ 274</u>	<u>(\$ 97,884)</u>

Year ended December 31, 2022

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
—Deferred tax assets:				
Provision for bad debts in excess of the allowable limit	\$ 3,555	(\$ 1,696)	\$ -	\$ 1,859
Allowance for inventory obsolescence	524	42	-	566
Investment loss accounted for under equity method	78,033	(14,607)	-	63,426
Impairment loss on intangible assets	5,627	211	-	5,838
Compensation for unused leave	4,905	-	-	4,905
Book-tax difference on property, plant and equipment from business combination	622	(21)	-	601
Deferred revenue	6,367	(594)	-	5,773
Pension payable	997	(62)	(935)	-
Loss carryforward	3,902	1,453	-	5,355
Royalty payable	19,069	(15,224)	-	3,845
Financial statements translation differences of foreign operations	14,918	-	(11,592)	3,326
Unrealised exchange loss	1,004	388	-	1,392
	<u>\$ 139,523</u>	<u>(\$ 30,110)</u>	<u>(\$ 12,527)</u>	<u>\$ 96,886</u>
—Deferred tax liabilities:				
Investment income accounted for under equity method	(\$ 36,398)	(\$ 19,520)	\$ -	(\$ 55,918)
Book-tax difference on intangible assets from business combination	(29,816)	(2,631)	-	(32,447)
Unrealised exchange gain	(11)	(318)	-	(329)
Depreciation	(173)	173	-	-
Pension	-	-	(1,218)	(1,218)
	<u>(\$ 66,398)</u>	<u>(\$ 22,296)</u>	<u>(\$ 1,218)</u>	<u>(\$ 89,912)</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, 2023				
Year incurred	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2013~2023	\$ 3,179,300	\$ 2,849,050	\$ 2,849,050	2033

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2012~2022	\$ 3,067,717	\$ 2,784,576	\$ 2,784,576	2032

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

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 117,218	\$ 172,125

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, Digicentre, Gash Point, NOWnews, Bjolly, Two Tigers, Ants' Power, Indiland, Gamania Asia, Ciirco, WeBackers, BeanGo!, Foundation, GAMA PAY, Madsugr, Jollybuy, Jollywiz, The China Post, Walkermedia and Coture New Media	2021
Conetter CoMarketing	2020

(29) Earnings per share

	Year ended December 31, 2023		
	<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 parent	<u>\$ 575,188</u>	<u>175,494</u>	<u>\$ 3.28</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 575,188	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	<u>-</u>	<u>1,261</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 575,188</u>	<u>176,755</u>	<u>\$ 3.25</u>
	Year ended December 31, 2022		
	<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 parent	<u>\$ 1,279,696</u>	<u>175,494</u>	<u>\$ 7.29</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,279,696	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	<u>-</u>	<u>2,990</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,279,696</u>	<u>178,484</u>	<u>\$ 7.17</u>

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.

(30) Transactions with non-controlling interest

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

A. The subsidiary, AMI, issued ordinary shares without consideration for the year ended December 31, 2023. Therefore, the share ownership of the Group decreased by 2.12%. The subsidiaries, JollyBuy and NOWnews, issued new shares for the year ended December 31, 2023. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.11% and 2.57%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>JollyBuy</u>	<u>AMI</u>
	<u>Year ended December 31,</u>	
	<u>2023</u>	<u>2023</u>
Cash	\$ 913	\$ -
Increase in carrying amount of non-controlling interest	(1,260)	(5,228)
Retained earnings - changes in parent's ownership interest in subsidiary	(\$ 126)	\$ -
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 219)	(\$ 5,228)
	<u>NOWnews</u>	
	<u>Year ended</u>	
	<u>December 31, 2023</u>	
Cash	\$ -	
Increase in carrying amount of non-controlling interest	(14,207)	
Retained earnings - changes in parent's ownership interest in subsidiary	(\$ 14,207)	

- B. The liquidation of the subsidiary, MadSugr, was completed in the second quarter of 2023, which resulted in a decrease in the carrying amount of non-controlling interest by \$2,983.
- C. The subsidiaries, JollyBuy, NOWnews and GAMA PAY, increased capital by issuing new shares for cash for the year ended December 31, 2022. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.56%, 0.47% and 8.52%, respectively. The Company acquired all the shares of Gamania Digital Entertainment (HK) Co., Ltd. from the subsidiary, Gamania China Holdings Ltd. The impact of the transaction attributed to owners of parent is as follows:

	<u>Jolly Buy</u>	<u>NOWnews</u>
	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2022</u>
Cash	\$ -	\$ 5,323
Increase in carrying amount of non-controlling interest	(1,256)	(6,726)
Retained earnings - changes in parent's ownership interest in subsidiary	(\$ 934)	(\$ 1,403)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 322)	\$ -
	<u>GIH</u>	<u>GAMA PAY</u>
	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2022</u>
Cash	\$ -	(\$ 13,789)
(Increase) decrease in carrying amount of non-controlling interest	(3,958)	10,263
Retained earnings - changes in parent's ownership interest in subsidiary	(\$ 2,021)	(\$ 3,526)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 1,937)	\$ -
	<u>Gash Point</u>	
	<u>Year ended</u>	
	<u>December 31, 2022</u>	
Cash	\$ -	
Decrease in carrying amount of non-controlling interest	16,160	
Capital surplus - changes in parent's ownership interest in subsidiary	\$ 16,160	

- D. The subsidiary, AMI, redeemed treasury shares without consideration for the three months ended March 31, 2022. Therefore, the share ownership of the Group increased by 1.84%, the carrying amount of non-controlling interest decreased by \$5,158 and capital surplus - changes in parent's

ownership interest in subsidiary increased by \$5,158.

- E. The subsidiary, JollyBuy, redeemed treasury shares with \$915 for the nine months ended September 30, 2022. Therefore, the share ownership of the Group increased by 1.1%, the carrying amount of non-controlling interest decreased by \$1,456 and capital surplus - changes in parent's ownership interest in subsidiary increased by \$541.

(31) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2023	2022
Acquisition of property, plant and equipment	\$ 159,086	\$ 143,984
Add: Opening balance of other payables	35,478	22,484
Less: Ending balance of other payables	(64,773)	(35,478)
Cash paid during the year	<u>\$ 129,791</u>	<u>\$ 130,990</u>

	Years ended December 31,	
	2023	2022
Acquisition of intangible assets	\$ 365,221	\$ 1,054,446
Add: Opening balance of other payables	4,019	5,865
Less: Ending balance of other payables	(89,764)	(4,019)
Cash paid during the year	<u>\$ 279,476</u>	<u>\$ 1,056,292</u>

(32) Business combinations

- A. The Company held a 30% equity interest in WalkerMedia Co., Ltd. and on June 30, 2023, the subsidiary, NOWnews, acquired a 70% equity interest in WalkerMedia for a cash consideration of \$11,152. Consequently, the Group obtained control over WalkerMedia as it held 87% equity interest. WalkerMedia is engaged in creating media content for food tourism.
- B. The following table summarises the consideration paid for WalkerMedia and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	June 30, 2023
Purchase consideration	
Cash	\$ <u>11,152</u>
Fair value of equity interest in WalkerMedia held before the business combination	1,791
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>772</u>
	<u>13,715</u>

	<u>June 30, 2023</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	6,786
Accounts receivable	2,259
Other receivables	1,393
Prepayments	332
Property, plant and equipment	436
Intangible assets	38
Right-of-use assets	60
Other non-current assets	60
Current contract liabilities	(190)
Accounts payable	(894)
Other payables	(3,964)
Other current liabilities	(282)
Lease liabilities	(63)
Total identifiable net assets	<u>5,971</u>
Goodwill	<u>\$ 7,744</u>

C. The operating revenue included in the consolidated statement of comprehensive income since June 30, 2023 contributed by WalkerMedia was \$0. WalkerMedia also contributed profit before income tax of \$0 over the same period. Had WalkerMedia been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$9,802,686 and profit before income tax of \$679,051.

(33) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2023 and 2022 are as follows:

	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities-gross</u>
January 1, 2023	\$ 91,760	\$ 74,103	\$ 165,863
Changes in cash flow from financing activities	(1,706)	(34,917)	(36,623)
Business combinations	-	63	63
Impact of changes in foreign exchange rate	(15)	47	32
Changes in other non-cash items			
Increase in right-of-use assets	-	50,247	50,247
Termination of right-of-use assets	-	(63)	(63)
December 31, 2023	<u>\$ 90,039</u>	<u>\$ 89,480</u>	<u>\$ 179,519</u>

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2022	\$ 100,164	\$ 80,000	\$ 95,667	\$ 275,831
Changes in cash flow from financing activities	(17,726)	(80,000)	(33,139)	(130,865)
Impact of changes in foreign exchange rate	9,322	-	347	9,669
Changes in other non-cash items				
Increase in right-of-use assets	-	-	11,809	11,809
Termination of right-of-use assets	-	-	(581)	(581)
December 31, 2022	<u>\$ 91,760</u>	<u>\$ -</u>	<u>\$ 74,103</u>	<u>\$ 165,863</u>

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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Pri-One Marketing Co., Ltd.	Associate
GungHo Gamania Co., Limited	"
Jsdway Digital Technology Co., Ltd.	"
Aotter Inc.	"
Store Marais Co., Ltd.	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Simsense Technology Sdn. Bhd.	"
Dapili International Marketing Co., Ltd.	"
Mercuries Life Insurance Inc.	"

Note: On June 30, 2023, the subsidiary, NOWnews, acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The disclosures include related party transactions until June 29, 2023.

(3) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2023	2022
Sales of goods:		
Associates	\$ 249	\$ 414
Other related parties	16,178	21,507
	<u>\$ 16,427</u>	<u>\$ 21,921</u>
Sales of services:		
Associates	\$ 7,391	\$ 10,368
Other related parties	185,155	126,512
	<u>\$ 192,546</u>	<u>\$ 136,880</u>

(a) Sales of goods are on-line games revenue generated from game cards sold by associates and sales revenue of server room equipment 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.

(b) 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,	
	2023	2022
Service costs:		
Associates	\$ 15	\$ 15
Other related parties	5,655	2,983
	<u>\$ 5,670</u>	<u>\$ 2,998</u>

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,	
	2023	2022
Associates	\$ 25,338	\$ 18,670
Other related parties	26,076	29,242
	<u>\$ 51,414</u>	<u>\$ 47,912</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,	
	2023	2022
Other related party		
Gamania Cheer Up Foundation	\$ 14,000	\$ 19,000

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

E. Receivables

	December 31, 2023	December 31, 2022
Accounts receivable:		
Associates	\$ 11,430	\$ 17,093
Other related parties	2,716	3,558
	<u>\$ 14,146</u>	<u>\$ 20,651</u>
Other receivables:		
Associates	\$ 2,234	\$ 2,539
Other related parties	78	32
	<u>\$ 2,312</u>	<u>\$ 2,571</u>

(a) Accounts receivable arise mainly from service revenue, advertising revenue and IDC services.

Accounts receivable are not pledged as collateral, not subject to interest and no allowance was provided on such receivables.

(b) Other receivables arise mainly from rent receivable from associates and payments on behalf of others.

F. Payables

	December 31, 2023	December 31, 2022
Accounts payable:		
Associates	\$ 1	\$ 1
Other related parties	2,485	1,571
	<u>\$ 2,486</u>	<u>\$ 1,572</u>
Other payables:		
Associates	\$ 3,806	\$ 5,441
Other related parties	525,960	346,235
	<u>\$ 529,766</u>	<u>\$ 351,676</u>

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

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

(4) Key management compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 77,975	\$ 177,356
Post-employment benefits	108	108
	<u>\$ 78,083</u>	<u>\$ 177,464</u>

8. PLEGGED ASSETS

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

Pledged assets	Book value		Pledge purpose
	December 31, 2023	December 31, 2022	
Other current assets			
Demand deposits	\$ 107,566	\$ 169,744	Trusted electronic payment accounts
Financial assets at amortised cost-current			
Demand deposits	16,011	26,936	Performance bond of on-line game card's standard contracts, performance bond of stickers and guarantee for short-term borrowing facility
Time deposits	32,950	60,234	Guarantee for short-term borrowing facility / credit card merchant and performance of credit card service
Financial assets at amortised cost - non-current			
Demand deposits	725	-	Trusted electronic payment accounts
Property, plant and equipment			
Land	2,246,082	2,246,082	Short-term and long-term loans / Credit lines
Buildings and structures	241,540	247,184	Short-term and long-term / Credit lines
	<u>\$ 2,644,874</u>	<u>\$ 2,750,180</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

On March 6, 2024, the Company's board of directors has approved the following significant events:

- A. Refer to Note 6(20) G for the appropriations of retained earnings.
- B. The Company plans to increase shares issued by the subsidiary, Jollybuy, of up to a maximum of \$60,000 in times.
- C. The Company plans to increase shares issued by the subsidiary, Nownews, of up to a maximum of \$160,000 in times.
- D. In response to adjustments to the Group's reinvestment framework, the Company plans to acquire all the shares of Conetter Comarketing Co., Ltd., consisting of 2,625 thousand shares, from the subsidiary, Gash Point Co., Ltd., for a total consideration of \$67,830.
- E. In response to adjustments to the Group's reinvestment framework, the Company plans to acquire all the shares of GAMA PAY Co. Ltd., consisting of 3,418 thousand shares and 4,608 thousand shares from the subsidiaries, Gash Point Co., Ltd. and Gash Point (Hong Kong) Company Limited, for a total consideration of \$23,586 and \$31,798, respectively.

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, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets designated at fair value through profit or loss	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 112,874	\$ 117,581

	December 31, 2023	December 31, 2022
Financial assets at amortised cost		
Cash and cash equivalents	\$ 3,157,380	\$ 3,737,319
Financial assets at amortised cost	83,977	148,694
Notes receivable	64	11
Accounts receivable (including related parties)	618,623	806,017
Other receivables (including related parties)	657,483	535,528
Other financial assets	112,566	169,744
Guarantee deposits paid	43,954	46,931
	<u>\$ 4,674,047</u>	<u>\$ 5,444,244</u>
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 90,039	\$ 91,760
Accounts payable (including related parties)	616,369	616,934
Other payables (including related parties)	2,685,837	2,568,719
Guarantee deposits received	15,814	15,224
	<u>\$ 3,408,059</u>	<u>\$ 3,292,637</u>
Lease liability	<u>\$ 89,480</u>	<u>\$ 74,103</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, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 6,595	30.705	\$ 202,499
HKD:USD (Note)	47,099	0.128	185,110
RMB:USD (Note)	33,995	0.141	147,178
NTD:USD (Note)	48,004	0.033	48,004
JPY:USD (Note)	58,411	0.007	12,734
EUR:USD (Note)	970	0.904	26,925
USD:HKD (Note)	5,380	7.815	165,194
<u>Non-monetary items</u>			
USD:NTD	11,766	30.705	361,263
KRW:NTD	1,221,083	0.024	29,306
JPY:NTD	127,429	0.217	27,652
HKD:NTD	122,709	3.929	482,123
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,201	30.705	67,582
HKD:USD (Note)	12,587	0.128	49,470
RMB:USD (Note)	14,071	0.141	60,919
USD:HKD (Note)	583	7.815	17,901

(Foreign currency: Functional currency)	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,158	30.710	\$ 434,792
HKD:NTD	8,497	3.938	33,461
HKD:USD (Note)	56,247	0.128	221,100
RMB:USD (Note)	23,382	0.144	103,401
NTD:USD (Note)	57,113	0.033	57,113
USD:HKD (Note)	8,882	7.798	272,753
<u>Non-monetary items</u>			
USD:NTD	9,991	30.710	306,835
KRW:NTD	1,036,960	0.025	25,924
JPY:NTD	118,754	0.232	27,551
HKD:NTD	91,375	3.938	359,835
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	13,730	30.710	421,648
RMB:USD (Note)	19,299	0.144	85,344
USD:HKD (Note)	941	7.798	28,897

Note: Considering the functional currency of certain consolidated entities was not NTD, they should be considered when disclosed.

- iv. 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, 2023 and 2022 amounted to \$5,907 and \$44,462, respectively.

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

Year ended December 31, 2023			
Sensitivity analysis			
(Foreign currency: Functional currency)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 2,025	\$ -
HKD:NTD	1%	1,851	-
RMB:USD (Note)	1%	1,472	-
NTD:USD (Note)	1%	480	-
JPY:USD (Note)	1%	127	-
EUR:USD (Note)	1%	269	-
USD:HKD (Note)	1%	1,652	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	676	-
HKD:USD (Note)	1%	495	-
RMB:USD (Note)	1%	609	-
USD:HKD (Note)	1%	179	-
Year ended December 31, 2022			
Sensitivity analysis			
(Foreign currency: Functional currency)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 4,348	\$ -
HKD:USD (Note)	1%	2,211	-
RMB:USD (Note)	1%	1,034	-
USD:HKD (Note)	1%	2,728	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	4,216	-
RMB:USD (Note)	1%	853	-
USD:HKD (Note)	1%	289	-

Note: Considering the functional currency of certain consolidated entities was not NTD, they 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, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$150, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income or loss for the years ended December 31, 2023 and 2022 would have increased by \$1,129 and \$1,176, 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 rates 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, 2023 and 2022, the Group's borrowings at variable rate were denominated in NTD.
- ii. At December 31, 2023 and 2022, 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, 2023 and 2022 would have been \$38 and \$60 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 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.
- vi. 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, 2023, the Group has no written-off financial assets that are still under recourse procedures.
- vii. 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, 2023, 2022, the provision matrix is as follows:

	Expected loss rate	December 31, 2023	
		Total book value	Loss allowance
Not past due	0.01%~1.87%	\$ 1,175,839	\$ 1,978
Up to 30 days	0.45%~6.87%	49,100	407
31 to 60 days	0.13%~34.34%	10,518	584
61 to 90 days	0.66%~19.36%	10,494	632
91 to 120 days	3.82%~88.99%	9,135	2,698
Over 121 days	1.91%~100%	19,314	8,453
		<u>\$ 1,274,400</u>	<u>\$ 14,752</u>
	Expected loss rate	December 31, 2022	
		Total book value	Loss allowance
Not past due	0.07%~2.10%	\$ 1,242,154	\$ 1,251
Up to 30 days	0.10%~7.89%	36,924	119
31 to 60 days	1.00%~9.20%	8,401	287
61 to 90 days	2.99%~12.28%	12,079	382
91 to 120 days	8.56%~60.44%	10,022	901
Over 121 days	68.36%~100%	58,295	46,612
		<u>\$ 1,367,875</u>	<u>\$ 49,552</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:

	2023		
	Accounts receivable	Other receivables	Total
At January 1	\$ 161,560	\$ 2,253	\$ 163,813
Provision for impairment loss	7,947	3,185	11,132
Write-offs	(10,996)	-	(10,996)
Effect of business combinations	37	-	37
Effect of exchange rate changes	197	(43)	154
At December 31	<u>\$ 158,745</u>	<u>\$ 5,395</u>	<u>\$ 164,140</u>
	2022		
	Accounts receivable	Other receivables	Total
At January 1	\$ 158,957	\$ 1,998	\$ 160,955
Provision for impairment loss	1,273	994	2,267
Write-offs	(68)	(917)	(985)
Effect of exchange rate changes	1,398	178	1,576
At December 31	<u>\$ 161,560</u>	<u>\$ 2,253</u>	<u>\$ 163,813</u>

For the years ended December 31, 2023 and 2022, the provision for impairment loss arising from customers' contracts were \$11,132 and \$2,267, respectively.

(c) Liquidity risk

- i. 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

<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 year(s)</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 90,123	\$ -	\$ -
Accounts payable	613,883	-	-
Accounts payable - related parties	2,486	-	-
Other payables	2,156,071	-	-
Other payables - related parties	529,766	-	-
Lease liabilities	36,041	45,153	10,583

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 year(s)</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 91,760	\$ -	\$ -
Accounts payable	615,362	-	-
Accounts payable - related parties	1,572	-	-
Other payables	2,217,043	-	-
Other payables - related parties	351,676	-	-
Lease liabilities	31,466	44,847	6,745

(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**, 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 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, financial assets at amortised cost, 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), 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, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 55,776	\$ -	\$ 57,098	\$ 112,874
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 60,478	\$ -	\$ 57,103	\$ 117,581

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	Net asset value	Closing price

- (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 at 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, 2023 and 2022, 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, 2023 and 2022:

	Equity securities	
	2023	2022
At January 1	\$ 72,103	\$ 87,917
Acquired during the year	-	15,000
Disposals during the year	-	(31,208)
Loss recognised in other comprehensive income	-	(5,976)
Effects of foreign exchange	(5)	6,370
At December 31	<u>\$ 72,098</u>	<u>\$ 72,103</u>

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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 57,098	Net asset value	Not applicable	Not applicable	Not applicable
TV shows production investing sharing agreement	15,000	Discounted cash flow method	Weighted average cost of capital	12.86% (12.86%)	The higher the weighted average cost of capital, the lower the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 57,103	Net asset value	Not applicable	Not applicable	Not applicable
TV shows production investing sharing agreement	15,000	Discounted cash flow method	Weighted average cost of capital	13.26% (13.26%)	The higher the weighted average cost of capital, the lower the fair value

I. 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, 2023					
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Weighted average cost of capital	±1%	\$ 150	(\$ 150)	\$ -	\$ -

		December 31, 2022					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instruments	Weighted average cost of capital		±1%	\$ 150	(\$ 150)	\$ -	\$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: Refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: 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: 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, 2023 and 2022 is as follows:

Year ended December 31, 2023

	<u>Game</u>	<u>Commerce</u>	<u>Payment</u>	<u>Others</u>	<u>Total</u>	
Revenue from external customers	\$ 6,887,555	\$ 906,796	\$ 477,337	\$ 1,519,172	\$ 9,790,860	
Inter-segment revenue	163,097	389,632	595,692	428,026	1,576,447	Note
Segment operating profit	664,208	67,854	16,274 (	108,641)	639,695	
Segment profit (loss), net of tax	725,474	49,891 (	3,054) (	212,079)	560,232	

Year ended December 31, 2022

	<u>Game</u>	<u>Commerce</u>	<u>Payment</u>	<u>Others</u>	<u>Total</u>	
Revenue from external customers	\$ 9,062,668	\$ 788,418	\$ 418,216	\$ 1,118,719	\$ 11,388,021	
Inter-segment revenue	216,263	393,416	792,109	462,203	1,863,991	Note
Segment operating profit	1,706,729	53,916	39,551 (	41,634)	1,758,562	
Segment profit (loss), net of tax	1,402,364	35,432 (	8,087) (	151,602)	1,278,107	

Note: The transaction had been eliminated in the consolidated financial statements.

(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) Reconciliation information of segment profit (loss)

Details are provided in Note 6(22).

The reportable segments of the Group are based on different companies. The reconciliation with Note 6(22) operating revenue is as follows:

	Year ended December 31, 2023				
	Game	Commerce	Payment	Others	Total
Online and mobile games revenue	\$ 6,880,562	\$ -	\$ -	\$ -	\$ 6,880,562
Service revenue	6,993	906,796	3,365	807,802	1,724,956
Sales revenue	-	-	-	711,370	711,370
Revenue from stored-values	-	-	473,972	-	473,972
	<u>\$ 6,887,555</u>	<u>\$ 906,796</u>	<u>\$ 477,337</u>	<u>\$ 1,519,172</u>	<u>\$ 9,790,860</u>

	Year ended December 31, 2022				
	Game	Commerce	Payment	Others	Total
Online and mobile games revenue	\$ 9,034,803	\$ -	\$ -	\$ -	\$ 9,034,803
Service revenue	27,865	788,418	3,651	587,960	1,407,894
Sales revenue	-	-	-	530,759	530,759
Revenue from stored-values	-	-	414,565	-	414,565
	<u>\$ 9,062,668</u>	<u>\$ 788,418</u>	<u>\$ 418,216</u>	<u>\$ 1,118,719</u>	<u>\$ 11,388,021</u>

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 8,081,158	\$ 3,796,209	\$ 9,542,562	\$ 3,736,715
Asia	1,709,702	126,305	1,845,459	118,937
	<u>\$ 9,790,860</u>	<u>\$ 3,922,514</u>	<u>\$ 11,388,021</u>	<u>\$ 3,855,652</u>

(7) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2023 and 2022.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
 Provision of endorsements and guarantees to others
 Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	HaPod Digital Technology Co., Ltd.	2	\$ 537,727	\$ 71,322	\$ -	\$ -	\$ -	0.00	\$ 5,377,274	Y	N	N	Note 3
0	The Company	JollyBuy Digital Technology Co., Ltd.	2	537,727	30,000	30,000	-	-	0.56	5,377,274	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	4	91,207	26,685	20,802	-	-	9.12	91,207	N	N	Y	Note 4

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The company in which the endorser/guarantor parent company directly and indirectly owns more than 50% of the voting shares.
- (3) The company that directly or indirectly owns more than 50% of the voting shares of the endorser/guarantor parent company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) A joint and several guarantee for the performance of the pre-sale house sales contract between the industry and the consumer protection law.

Note 3: The total amount of the Company's external endorsement guarantee shall not exceed 100% of the net assets of the Company's latest financial statements. The limit of the endorsement guarantee for the same enterprise shall not exceed 10% of the net assets of the Company's latest financial statements, and shall not exceed the paid in capital of the endorsement guarantee company.

Note 4: The limit on total endorsements is 40% of the endorser's/guarantor's net assets, and limit on endorsements to the same party is 40% of the endorser's/guarantor's net assets.

Note 5: Y means provision of endorsements / guarantees by parent company to subsidiary, provision of endorsements / guarantees by subsidiary to parent company or provision of endorsements / guarantees to the party in Mainland China.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

As of December 31, 2023								
Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company	XPEC Entertainment Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	4,907	\$ 26,941	2.68	\$ 26,941	
The Company	Pili International Multimedia Co., Ltd. - stock	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,958	46,502	3.82	46,502	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	420	9,274	1.76	9,274	
Gamania Asia Investment Co., Ltd.	Gokube Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	400	-	1.77	-	
Gamania International Holdings Ltd.	Vantage Metro Limited - stock	None	Financial assets at fair value through other comprehensive income - non-current	192	30,157	2.59	30,157	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, 'Financial Instruments'.

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Purchases or sales of goods from or to related parties in excess of \$100 million or 20% of capital
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Differences in transaction terms compared to							Footnote
				Transaction			third party transactions		Notes/accounts receivable (payable)		
			Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	\$ 299,751	40.75	Note	Note	Note	\$ 13,820	2.33	
Conetter CoMarketing Co., Ltd.	The Company	Parent company	Service revenue	193,770	24.02	Note	Note	Note	47,063	46.21	
Digicentre Company Limited	The Company	Parent company	Sales revenue	283,444	34.15	Note	Note	Note	43,174	29.61	
Coture New Media Co., Ltd.	The Company	Parent company	Service revenue	152,873	99.81	Note	Note	Note	72,016	100.00	
Anis' Power Co., Ltd.	The Company	Parent company	Service revenue	125,512	67.78	Note	Note	Note	25,387	65.25	
Digicentre Company Limited	Digicentre (HK) Company Limited	Subsidiary	Sales revenue	141,513	17.05	Note	Note	Note	23,098	15.84	

Note: The aforementioned purchase term is based on the product types, market competition and other transaction terms. There is no similar transaction to compare with for the transaction price and credit term with related parties.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
 Receivables from related parties in excess of \$100 million or 20% of capital
 Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of December 31, 2023	Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	Footnote
					Amount	Action adopted for overdue accounts				
The Company	Gash Point Co., Ltd.	Subsidiary	\$ 383,360	-	\$ -	-	\$ 266,734	\$ 107	Note 2	

Note 1: The subsequent collections represent collections from the balance sheet date to February 19, 2024.

Note 2: Represents receivables for selling game cards through the subsidiary.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	\$ 40,276	Notes 4 and 5	0.41
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Accounts receivable	13,581	Notes 4 and 5	0.14
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	38,316	Notes 4 and 5	0.39
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	383,360	Note 5	3.90
0	The Company	NOWnews Network Co., Ltd.	1	Sales of services	10,048	Note 5	0.10
0	The Company	Digicentre Company Limited	1	Sales of services	13,443	Note 5	0.14
0	The Company	Ants' Power Co., Ltd.	1	Sales of services	10,434	Note 5	0.11
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	15,180	Note 5	0.15
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	48,850	Note 5	0.50
2	Gash Point Co., Ltd.	The Company	2	Accounts receivable	13,820	Note 5	0.14
2	Gash Point Co., Ltd.	The Company	2	Sales of services	299,751	Note 5	3.06
3	Ants' Power Co., Ltd.	The Company	2	Operating revenue	125,512	Note 5	1.28
3	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	25,387	Note 5	0.26
4	Gash Point (HK) Co., Ltd.	Gash Point Co., Ltd.	3	Other receivables	46,710	Note 5	0.48
5	Digicentre Company Limited	The Company	2	Accounts receivable	43,174	Note 5	0.44
5	Digicentre Company Limited	The Company	2	Operating revenue	283,444	Note 5	2.89
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	23,098	Note 5	0.24
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	141,513	Note 5	1.45
5	Digicentre Company Limited	GAMA PAY Co., Ltd.	3	Operating revenue	34,203	Note 5	0.35
5	Digicentre Company Limited	Gash Point Co., Ltd.	3	Operating revenue	31,716	Note 5	0.32
6	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	47,063	Notes 4 and 5	0.48
6	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	193,770	Notes 4 and 5	1.98
7	Coture New Media Co., Ltd.	The Company	2	Accounts receivable	72,016	Notes 4 and 5	0.73
7	Coture New Media Co., Ltd.	The Company	2	Sales of services	152,873	Notes 4 and 5	1.56

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
8	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	\$ 14,247	Note 5	0.15
8	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	27,666	Note 5	0.28
9	Digicentre (HK) Company Limited	Digicentre Company Limited	3	Sales of services	22,627	Note 5	0.23

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories ; fill in the number of category each case belongs to (if 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; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: There is no similar transaction to compare with. It will follow the agreed price and transaction terms.

Note 5: The disclosure standard reaches above \$10,000 for the transaction amount.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 1,521,029	\$ 1,521,029	20,100,000	100.00	\$ 59,422	\$ 25,935	(\$ 19,048)	
The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	211,051	211,051	25,500,000	100.00	482,123	124,488	124,488	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	93,448	(11,350)	(11,350)	
The Company	Fundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	(20)	(20)	
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	690,000	620,000	13,167,568	99.00	38,139	(95,269)	(93,696)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	368,759	55,270	34,476	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	5,955	58	29	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	393,057	151,889	136,701	
The Company	Indiland Co., Ltd.	Taiwan	Third-party payment	69,000	69,000	2,950,000	100.00	6,718	(8,615)	(8,615)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	78,963	35,993	35,993	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	21,356	(5,230)	(1,628)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	206	(4)	(4)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	2,689	(4,349)	(4,047)	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	1,103,018	1,103,018	44,694,406	81.26	308,196	(150,168)	(122,145)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	615,342	535,342	51,519,527	82.06	146,816	(106,711)	(99,714)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,713	8	8	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	229,400	1,698,234	99.90	22,087	111	111	
The Company	Hao-Ji film Ltd.	Taiwan	TV shows production	30,000	30,000	3,000,000	42.86	27,082	(5,549)	(2,939)	
The Company	Walkermedia Co., Ltd.	Taiwan	Newspaper and magazine publishing	34,500	30,000	3,450,000	30.00	3,845	(19,200)	(5,760)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
The Company	Entron Technology Co., Ltd.	Taiwan	Development of system platform	\$ 6,400	\$ -	400,000	14.16	\$ 6,151	(\$ 1,756)	(\$ 249)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Retail Sale No Storeformat	10,000	10,000	230,769	7.69	8,466	(38,980)	(2,642)	
NOWnews Network Co., Ltd.	Walkermedia Co., Ltd.	Taiwan	Newspaper and magazine publishing	21,652	-	8,050,000	70.00	15,943	(19,200)	(5,709)	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,180	1,180	300,000	100.00	40,572	1,944	1,944	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	30,705	30,705	1,000,000	51.00	9,736	(10,976)	(5,598)	
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	Sales and research and development of software	1,500	1,500	150,000	30.00	3,509	3,215	963	
Gamania Asia Investment Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	55,125	55,125	5,250,000	37.18	50,559	2,944	1,094	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	63,702	63,702	2,067,867	29.54	-	(46,039)	(7,223)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	1	(8)	(8)	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	19	(28)	(1)	
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	(133)	(28,764)	(6,178)	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	13,988	13,988	750,000	100.00	301,841	80,909	72,821	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	30,408	30,408	600	100.00	27,652	1,944	1,750	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Sales and research and development of software	11,662	11,662	138,268	100.00	29,306	4,155	3,739	
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd.	Taiwan	Information software and supply of electronic information services	29,250	29,250	2,625,000	79.98	67,834	22,555	16,235	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	\$ 150,000	\$ 150,000	4,972,098	6.22	\$ 23,590	(\$ 150,168)	(\$ 8,364)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	130,000	6,703,125	8.38	31,778	(150,168)	(11,354)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	1,444,843	1,444,843	50,400,000	100.00	138,070	25,663	25,663	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	811,895	811,895	33,497,476	98.85	3,327	(2,098)	(2,074)	
Gamania International Holdings Ltd.	Joymobe Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	121,285	121,285	30,701,775	100.00	2,161	(2,992)	(2,992)	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,744	9,744	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	213,479	213,479	7,383,711	43.28	92,430	(26,882)	(11,635)	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	67,551	67,551	2,200,000	100.00	5,237	42,429	42,429	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	263,295	263,295	343	49.00	-	(2,117)	-	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	656,410	656,410	26,145,712	100.00	98,686	(26,394)	(11,423)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	183	(28)	(12)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	150,455	150,455	4,900,000	100.00	14,954	(19,537)	(8,456)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	31,969	31,969	39,600,000	100.00	3,762	28	12	
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	0.82	9,686	(106,711)	(408)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,213,462	1,213,462	39,520,000	100.00	(2,911)	(1,877)	(1,855)	

Note : Initial investment amount is translated to NTD at the spot rate at the period end.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,083,887	2	\$ 794,338	\$ -	\$ -	\$ 794,338	(\$ 1,526)	98.85	(\$ 1,508)	(\$ 4,205)	\$ -	Notes 3 and 4
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	121,285	2	121,285	-	-	121,285	19,607	43.28	8,486	14,652	-	Notes 3 and 6
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	21,635	2	-	-	-	-	2,003	43.28	867	(6,859)	-	Notes 3 and 6

Note 1: The methods for engaging in investment in Mainland China include the following:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland China through companies registered in a third region.
- (3) Other methods.

Note 2: The accumulated remittance as of January 1, 2023, remitted or collected this period, accumulated as of December 31, 2023 was translated into New Taiwan dollars at the average exchange rate of NTD30.705 to US\$1 and NTD4.327 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company for the year ended December 31, 2023 was recognised based on their financial statements for the corresponding period, which were audited by R.O.C. parent company's CPA.

Note 4: It was invested through Gamania Sino Holdings Ltd invested.

Note 5: It was invested through Gamania Holdings Ltd. invested.

Note 6: It was invested through Cyber Look Properties Limited invested.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Jollywiz Digital Technology Co., Ltd.	121,285	121,285	136,810

Note: The total investment amount approved by the Investment Commission, MOEA, was USD41,812 thousand based on 30.705 spot exchange rate at December 31, 2023.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	Number of shares held	Ownership (%)
Liu Po Yuan		17,491,305	9.96%
Wanwin International Co., Ltd.		15,186,000	8.65%
Joy Develop Co., Ltd. Taiwan Branch		14,883,000	8.48%
Shiang Sheng Investment Ltd.		13,600,000	7.74%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed represents the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and the trust assets which can be allocated. For the information of reported share equity of insider, please refer to Market Observation Post System.

**V. Parent company only financial statements of the Company for
2023 audited and certified by CPAs**

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD.**

**PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.



INDEPENDENT AUDITORS' REPORT

PWCR 23000419

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

Opinion

We have audited the accompanying parent company only balance sheets of Gamania Digital Entertainment Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, 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 material 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 the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the 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 Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Given that the financial performance of Gamania Digital Entertainment (H.K.) Co., Ltd., a subsidiary directly held by the Company accounted for using the equity method, has been assessed to have a

significant impact on the Company's parent company only financial statements, we consider the estimation of recognition of the subsidiary's online and mobile games revenue and contract liability as a key audit matter.

Estimation 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(20) for the details of accounting applied on revenue recognition.

The Company and the subsidiary, Gamania Digital Entertainment (H.K.) Co., Ltd., are 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 and the subsidiary, Gamania Digital Entertainment (H.K.) Co., Ltd., recognise receipt of payments for game stored-value card 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. 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 contract liability 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(13) and 4(17) for accounting policy on impairment assessment of investments accounted for under equity method, Notes 6(6) and 6(12) 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, 2023, the investments of Gamania Digital Entertainment Co., Ltd. in NOWnews 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 calculated 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 return on similar assets in the market.

D. Compared the recoverable value and book value of each cash-generating unit in order to assess the reasonableness of the book value.

Other matter – Scope of the Audit

As described in Note 6(6), we did not audit the financial statements of certain investments accounted for under the equity method and the related information disclosed in Note 13, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. For the years ended December 31, 2023 and 2022, the comprehensive income amounted to NT\$126,454 thousand and NT\$63,104 thousand, respectively, and the balance of investments accounted for under equity method amounted to NT\$1,283,292 thousand and NT\$1,075,658 thousand as of December 31, 2023 and 2022, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Yen, Yu-Fang



Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2024

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 auditors' 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.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 222,927	3	\$ 648,935	9
1136	Current financial assets at amortised cost		5,000	-	57,204	1
1170	Accounts receivable, net	6(2)	147,785	2	158,314	2
1180	Accounts receivable - related parties	7	427,767	6	683,256	9
1200	Other receivables		38,590	1	37,860	-
1210	Other receivables - related parties	7	18,789	-	21,905	-
1220	Current income tax assets		101,570	2	-	-
130X	Inventories	6(3)	54	-	590	-
1410	Prepayments	6(4)	106,207	2	115,215	2
1470	Other current assets		30	-	-	-
11XX	Total current assets		<u>1,068,719</u>	<u>16</u>	<u>1,723,279</u>	<u>23</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss		15,000	-	15,000	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	73,443	1	80,981	1
1550	Investments accounted for under equity method	6(6)	2,072,725	30	2,198,012	29
1600	Property, plant and equipment	6(7), 7 and 8	2,643,458	39	2,623,580	35
1755	Right-of-use assets	6(8)	56,247	1	50,698	1
1780	Intangible assets	6(10) and 7	651,310	9	733,244	10
1840	Deferred income tax assets	6(26)	83,870	1	84,936	1
1900	Other non-current assets	6(11)	177,498	3	20,956	-
15XX	Total non-current assets		<u>5,773,551</u>	<u>84</u>	<u>5,807,407</u>	<u>77</u>
1XXX	Total assets		<u>\$ 6,842,270</u>	<u>100</u>	<u>\$ 7,530,686</u>	<u>100</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 50,000	1	\$ -	-
2130	Current contract liabilities	6(20)	318,335	5	402,288	6
2170	Accounts payable		227,311	3	318,378	4
2180	Accounts payable - related parties	7	36,980	1	58,645	1
2200	Other payables	6(14)	617,963	9	605,483	8
2220	Other payables - related parties	7	151,618	2	137,680	2
2230	Current income tax liabilities		-	-	97,014	1
2280	Current lease liabilities		20,245	-	17,067	-
2399	Other current liabilities		5,080	-	6,788	-
21XX	Total current liabilities		<u>1,427,532</u>	<u>21</u>	<u>1,643,343</u>	<u>22</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(26)	974	-	1,218	-
2580	Lease liabilities - non-current		35,989	-	33,612	-
2600	Other non-current liabilities	6(6)	501	-	481	-
25XX	Total non-current liabilities		<u>37,464</u>	<u>-</u>	<u>35,311</u>	<u>-</u>
2XXX	Total liabilities		<u>1,464,996</u>	<u>21</u>	<u>1,678,654</u>	<u>22</u>
Equity						
Share capital						
3110	Common stock	6(16)	1,754,936	26	1,754,936	23
Capital surplus						
3200	Capital surplus	6(17)	1,349,316	21	1,354,763	18
Retained earnings						
3310	Legal reserve	6(18)	611,649	9	488,103	6
3320	Special reserve		439,349	6	505,352	7
3350	Unappropriated retained earnings		1,672,578	24	2,188,227	29
Other equity interest						
3400	Other equity interest	6(19)	(450,554)	(7)	(439,349)	(5)
3XXX	Total equity		<u>5,377,274</u>	<u>79</u>	<u>5,852,032</u>	<u>78</u>
Significant contingent liabilities and unrecorded contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 6,842,270</u>	<u>100</u>	<u>\$ 7,530,686</u>	<u>100</u>

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 6,454,662	100	\$ 8,128,585	100
5000 Operating costs	6(3)(25) and 7	(3,994,890)	(62)	(4,925,145)	(60)
5950 Gross profit		<u>2,459,772</u>	<u>38</u>	<u>3,203,440</u>	<u>40</u>
Operating expenses	6(25) and 7				
6100 Selling expenses		(518,405)	(8)	(500,308)	(6)
6200 General and administrative expenses		(784,435)	(12)	(843,899)	(10)
6300 Research and development expenses		(593,161)	(9)	(444,504)	(6)
6450 Expected credit (loss) impairment gain	12(2)	(68)	-	4	-
6000 Total operating expenses		<u>(1,896,069)</u>	<u>(29)</u>	<u>(1,788,707)</u>	<u>(22)</u>
6900 Operating income		<u>563,703</u>	<u>9</u>	<u>1,414,733</u>	<u>18</u>
Non-operating income and expenses					
7100 Interest income	6(21)	8,355	-	5,321	-
7010 Other income	6(22) and 7	65,236	1	53,078	1
7020 Other gains and losses	6(23)	(3,613)	-	(37,961)	(1)
7050 Finance costs	6(24)	(1,709)	-	(1,485)	-
7070 Share of (loss) income of associates and joint ventures accounted for under equity method		(37,409)	(1)	93,747	1
7000 Total non-operating income and expenses		<u>30,860</u>	<u>-</u>	<u>112,700</u>	<u>1</u>
7900 Profit before income tax		<u>594,563</u>	<u>9</u>	<u>1,527,433</u>	<u>19</u>
7950 Income tax expense	6(26)	(19,375)	-	(247,737)	(3)
8200 Profit for the year		<u>\$ 575,188</u>	<u>9</u>	<u>\$ 1,279,696</u>	<u>16</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial (loss) gain on defined benefit plan	6(15)	(\$ 1,372)	-	\$ 10,765	-
8316 Unrealised loss from investments in equity instruments measured at fair value through other comprehensive income	6(19)	(7,538)	-	(49,966)	(1)
8330 Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss		2,731	-	(3,677)	-
8349 Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(26)	274	-	(2,153)	-
8310 Other comprehensive loss that will not be reclassified to profit or loss		<u>(5,905)</u>	<u>-</u>	<u>(45,031)</u>	<u>(1)</u>
Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(3,294)	-	94,006	1
8380 Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(19)	(3,652)	-	11,996	-
8399 Income tax relating to components of other comprehensive income (loss)	6(26)	548	-	(10,796)	-
8360 Other comprehensive (loss) income that will be reclassified to profit or loss		<u>(6,398)</u>	<u>-</u>	<u>95,206</u>	<u>1</u>
8300 Other comprehensive (loss) income for the year		<u>(\$ 12,303)</u>	<u>-</u>	<u>\$ 50,175</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 562,885</u>	<u>9</u>	<u>\$ 1,329,871</u>	<u>16</u>
Earnings per share (in dollars)	6(27)				
9750 Basic earnings per share		\$	3.28	\$	7.29
9850 Diluted earnings per share		\$	3.25	\$	7.17

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves			Retained Earnings			Other Equity Interest		Total equity	
		Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income
2022											
Balance at January 1, 2022		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 75,487	\$ 378,451	\$ 551,904	\$ 1,893,337	(\$ 131,809)	(\$ 373,543)	\$ 5,408,439
Profit for the year		-	-	-	-	-	-	1,279,696	-	-	1,279,696
Other comprehensive income (loss) for the year		-	-	-	-	-	-	8,612	95,206	(53,643)	50,175
Total comprehensive income (loss) for the year		-	-	-	-	-	-	1,288,308	95,206	(53,643)	1,329,871
Appropriations and distribution of 2021 retained earnings 6(18)											
Legal reserve		-	-	-	-	109,652	-	(109,652)	-	-	-
Reversal of special reserve		-	-	-	-	-	(46,552)	46,552	-	-	-
Cash dividends		-	-	-	-	-	-	(877,468)	-	-	(877,468)
Change in ownership interest in subsidiaries		-	-	-	19,600	-	-	(28,410)	-	-	(8,810)
Disposal of investments in equity instruments designated at fair value through other comprehensive income 6(5)		-	-	-	-	-	-	(24,440)	-	24,440	-
Balance at December 31, 2022		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603)	(\$ 402,746)	\$ 5,852,032
2023											
Balance at January 1, 2023		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603)	(\$ 402,746)	\$ 5,852,032
Profit for the year		-	-	-	-	-	-	575,188	-	-	575,188
Other comprehensive loss for the year		-	-	-	-	-	-	(1,098)	(6,398)	(4,807)	(12,303)
Total comprehensive income (loss) for the year		-	-	-	-	-	-	574,090	(6,398)	(4,807)	562,885
Appropriations and distribution of 2022 retained earnings 6(18)											
Legal reserve		-	-	-	-	123,546	-	(123,546)	-	-	-
Reversal of special reserve		-	-	-	-	-	(66,003)	66,003	-	-	-
Cash dividends		-	-	-	-	-	-	(1,017,863)	-	-	(1,017,863)
Change in ownership interest in subsidiaries 6(5)		-	-	-	(5,447)	-	-	(14,333)	-	-	(19,780)
Balance at December 31, 2023		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 89,640	\$ 611,649	\$ 439,349	\$ 1,672,578	(\$ 43,001)	(\$ 407,553)	\$ 5,377,274

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 594,563	\$ 1,527,433
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8) and (25)	128,742	121,939
Amortisation	6(10) and (25)	422,280	313,593
Expected credit impairment loss (impairment gain)	12(2)	68 (	4)
Interest expense	6(24)	1,709	1,485
Interest income	6(21)	(8,355 ) (	5,321)
Share of loss (profit) of associates accounted for under equity method		37,409 (	93,747)
Loss on disposal of investment	6(23)	-	8
Loss on disposal of property, plant and equipment	6(23)	1	24
Impairment loss on non-financial assets	6(10)(12) and (23)	-	44,550
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		10,529	43,130
Accounts receivable - related parties		255,421 (	12,415)
Other receivables		2,401	3,075
Other receivables - related parties		3,116	7,060
Inventories		536 (	340)
Prepayments		9,008 (	2,253)
Other non-current assets		(1,175)	4,168
Changes in operating liabilities			
Contract liabilities		(83,953 ) (	71,002)
Accounts payable		(91,067)	52,589
Accounts payable - related parties		(21,665)	11,757
Other payables		(109,121)	27,857
Other payables - related parties		19,057 (	14,061)
Other current liabilities		(1,708)	2,214
Other non-current liabilities		-	(313)
Cash inflow generated from operations		1,167,796	1,961,426
Interest received		8,355	5,321
Dividends received		222,550	137,111
Interest paid		(1,709 ) (	1,485)
Income tax paid		(216,315)	(310,271)
Net cash flows from operating activities		<u>1,180,677</u>	<u>1,792,102</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 15,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	-	31,208
Decrease (increase) in financial assets at amortised cost		52,204	(57,204)
(Increase) decrease in other financial assets		(30)	27,152
Acquisition of investments accounted for under equity method	7	(160,900)	(666,175)
Proceeds from capital reduction of investments accounted for under equity method		-	819,643
Acquisition of property, plant and equipment	6(28)	(94,695)	(99,670)
Proceeds from disposal of property, plant and equipment		119	32
Acquisition of intangible assets	6(28)	(258,121)	(946,281)
Proceeds from disposal of intangible assets		-	14,137
Decrease in refundable deposits		5,898	57
Increase in other non-current assets		(162,636)	-
Net cash flows used in investing activities		<u>(618,161)</u>	<u>(892,101)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	50,000	-
Payments of lease liabilities	6(29)	(20,661)	(18,919)
Repayment of long-term debt	6(29)	-	(80,000)
Cash dividends paid	6(18)	(1,017,863)	(877,468)
Net cash flows used in financing activities		<u>(988,524)</u>	<u>(976,387)</u>
Net decrease in cash and cash equivalents		(426,008)	(76,386)
Cash and cash equivalents at beginning of year		<u>648,935</u>	<u>725,321</u>
Cash and cash equivalents at end of year		<u>\$ 222,927</u>	<u>\$ 648,935</u>

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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 6, 2024.

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[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL 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 that came into effect 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’.

B. 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 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.

(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 profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. **The Company** subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(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 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.

(8) Financial assets at amortised cost

The Company'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 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.

(10) 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.

(11) 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.

(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 realizable 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 – 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 or 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 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.
- 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 recognised at cost.
- G. The Company'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 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 recognise 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 recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised 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 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, 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.
- L. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit or 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.

(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 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	3~51 years
Machinery and equipment	4~8 years
Office equipment	2~8 years
Leasehold asset	4~5 years
Other equipment	4~8 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 Company. 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 Company subsequently measures the lease liability at amortised cost using the incremental borrowing interest rate 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. **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 1 ~ 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 3~15 years.

(18) Impairment of non-financial assets

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.

(19) **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.

(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 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.

(23) 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 and does not give rise to equal taxable and deductible temporary differences. 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 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.

(24) Share capital

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.

(25) 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.

(26) 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 licencing 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 licencing 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 Company recognises the minimum amount that is highly likely to not reverse in the future period.

5. 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(19) 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 investee, and analyses the reasonableness of related assumptions. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and petty cash	\$ 578	\$ 538
Demand deposits	191,614	364,149
Cash equivalents - time deposits	30,735	284,248
	<u>\$ 222,927</u>	<u>\$ 648,935</u>

A. The Company 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. The Company has no cash and cash equivalents pledged to others as collateral.

(2) Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	\$ 147,785	\$ 158,314
Less: Allowance for uncollectible accounts	-	-
	<u>147,785</u>	<u>158,314</u>
Overdue receivables (shown as other non-current assets)	98,239	98,239
Less: Allowance for uncollectible accounts	(98,239)	(98,239)
	<u>-</u>	<u>-</u>
	<u>\$ 147,785</u>	<u>\$ 158,314</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 147,785	\$ 158,314

The above aging analysis was based on past due date.

B. As at December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables and overdue receivables from contracts with customers amounted to \$246,024, \$256,553 and \$299,683, 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, 2023 and 2022, 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 and over due receivables were \$147,785 and \$158,314, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(3) Inventories

	<u>December 31, 2023</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 3,022</u>	<u>(\$ 2,968)</u>	<u>\$ 54</u>
	<u>December 31, 2022</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 3,411</u>	<u>(\$ 2,821)</u>	<u>\$ 590</u>

Expenses and losses incurred on inventories for the year:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 179	\$ 320
Loss on decline in market value	147	208
	<u>\$ 326</u>	<u>\$ 528</u>

(4) Prepayments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepayments to distributors and suppliers	\$ 65,105	\$ 85,223
Prepaid expenses	20,958	17,222
Others	20,144	12,770
	<u>\$ 106,207</u>	<u>\$ 115,215</u>

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

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Unlisted, non-OTC and non-emerging stocks	392,378	392,378
	470,754	470,754
Valuation adjustment	(397,311)	(389,773)
	<u>\$ 73,443</u>	<u>\$ 80,981</u>

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 \$73,443 and \$80,981 as at December 31, 2023 and 2022, respectively.

B. In 2022, in line with the Company's business development and resource allocation plan, the Company sold its 5.42% equity interest in Microprogram Information Co., Ltd., at fair value in the amount of \$31,208. The cumulative loss on disposal of Microprogram Information Co., Ltd. was \$24,440.

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,	
	2023	2022
Change of fair value recognised in other comprehensive income	\$ 7,538	\$ 49,966
Cumulative loss reclassified to retained earnings due to derecognition	\$ -	(\$ 24,440)

D. 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

<u>Name of associates and subsidiaries</u>	December 31, 2023		December 31, 2022	
	Ownership percentage	Balance	Ownership percentage	Balance
Subsidiaries:				
Gamania Holdings Ltd. (GH)	100.00	\$ 59,422	100.00	\$ 84,504
Gamania Digital Entertainment (HK) Co., Ltd. (GHK) (Note 2)	100.00	482,123	100.00	359,835
Gamania Asia Investment Co., Ltd. (Gamania Asia)	100.00	93,448	100.00	102,067
Fundation Digital Entertainment Co., Ltd. (Fundation)	100.00	(429)	100.00	(409)
Jollybuy Digital Technology Co., Ltd. (Jollybuy)	99.00	38,139	98.89	62,181
Two Tigers Co., Ltd. (Two Tigers)	51.00	5,955	51.00	5,926
Gash Point Co., Ltd. (Gash Point)	90.00	393,057	90.00	432,712
Indiland Co., Ltd. (Indiland)	100.00	6,718	100.00	15,333
Ants' Power Co., Ltd. (Ants' Power)	100.00	78,963	100.00	68,696
Webackers Co., Ltd. (Webackers)	93.38	206	93.38	210
Coture New Media Co., Ltd. (Coture New Media)	93.08	2,689	93.08	6,736

Name of associates and subsidiaries	December 31, 2023		December 31, 2022	
	Ownership percentage	Balance	Ownership percentage	Balance
MadSugr Digital Technology Co., Ltd. (MadSugr) (Note 3)	-	-	51.00	3,131
GAMA PAY Co., Ltd. (GAMA PAY)	81.26	308,196	81.26	429,846
Ciirco Inc. (Ciirco)	99.90	22,087	99.90	21,976
Bean Go! Co., Ltd. (Bean Go!)	100.00	7,713	100.00	7,705
NOWnews Network Co., Ltd. (NOWnews)	82.06	146,816	79.44	180,737
Digicentre Company Limited (Digicentre)	67.48	368,759	67.48	358,307
Walkermedia Co., Ltd. (Walkermedia) (Note 4)	30.00	3,845	-	-
Associates:				
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.) (Note 1)	33.03	21,356	33.03	22,984
Walkermedia Co., Ltd. (Walkermedia) (Not 4)	-	-	30.00	5,105
Hao-Ji film Ltd. (Hao-Ji)	42.86	27,082	42.86	30,021
Entron Technology Co. Ltd. (Entron Technology) (Note 1)	14.16	6,151	-	-
		<u>2,072,296</u>		<u>2,197,603</u>
Classified as other non-current liabilities		429		409
		<u>\$ 2,072,725</u>		<u>\$ 2,198,012</u>

Note 1: 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.

Note 2: On August 4, 2022, the Company's board of directors has approved to acquire all the shares of Gamania Digital Entertainment (HK) Co., Ltd., consisting of 25,500 thousand shares, from the subsidiary, Gamania China Holdings Ltd.

Note 3: The liquidation of MadSugr was completed in May 2022. However, the proceeds (shown as 'other receivable') has not yet been received.

Note 4: On June 30, 2023, the subsidiary, NOWnews, acquired 70% of total equity of Walkermedia. Consequently, walkermedia which was originally an associate become a subsidiary of the Company.

B. Subsidiaries

- (a) For the subsidiaries' information, refer to Note 4(3) of the Company's 2023 consolidated financial statements.
- (b) The Company intends to continually support Foundation. The carrying amount of the investment in the Company amounted to (\$429) and (\$409) as of December 31, 2023 and 2022, respectively. Thus, the amounts were reclassified to other liabilities (shown as 'other non-current liabilities').

C. Associates

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$54,589 and \$58,110, respectively. The Company's share of the operating results are summarised below:

	Years ended December 31,	
	2023	2022
Loss for the year	(\$ 8,130)	(\$ 9,619)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	(\$ 8,130)	(\$ 9,619)

- D. Among investees accounted for under equity method for the year ended December 31, 2023, Digicentre, Gamania Digital Entertainment (H.K.) Co., Ltd., and the indirect subsidiaries and associates, Gash Point (Hong Kong) Company Limited, Achieve Made International Ltd., and Jollybuy 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, 2022, Digicentre, Gamania Digital Entertainment (H.K.) Co., Ltd., and the indirect subsidiaries and associates, Gash Point (Hong Kong) Company Limited, Achieve Made International Ltd., HaPod Digital Technology Co., Ltd. and Jollybuy Digital 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 \$126,454 and \$63,104 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the balance of these investments totalled \$1,283,292 and \$1,075,658, respectively.
- G. The impairment assessment of premium on investments accounted for under equity method is provided in Note 6(12).

(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, 2023</u>								
Cost	\$ 2,140,661	\$ 516,838	\$ 187,509	\$ 45,777	\$ 19,173	\$ 47,842	\$ 2,125	\$ 2,959,925
Accumulated depreciation	-	(192,412)	(93,969)	(18,947)	(6,556)	(24,461)	-	(336,345)
	<u>\$ 2,140,661</u>	<u>\$ 324,426</u>	<u>\$ 93,540</u>	<u>\$ 26,830</u>	<u>\$ 12,617</u>	<u>\$ 23,381</u>	<u>\$ 2,125</u>	<u>\$ 2,623,580</u>
<u>2023</u>								
Opening net book amount as at January 1	\$ 2,140,661	\$ 324,426	\$ 93,540	\$ 26,830	\$ 12,617	\$ 23,381	\$ 2,125	\$ 2,623,580
Additions	-	26,983	43,788	21,378	6,266	5,121	24,538	128,074
Disposals	-	-	(1)	(119)	-	-	-	(120)
Transfer	-	5,176	-	-	13,957	145	(19,278)	-
Depreciation charge	-	(40,840)	(37,935)	(13,010)	(5,344)	(10,947)	-	(108,076)
Closing net book amount as at December 31	<u>\$ 2,140,661</u>	<u>\$ 315,745</u>	<u>\$ 99,392</u>	<u>\$ 35,079</u>	<u>\$ 27,496</u>	<u>\$ 17,700</u>	<u>\$ 7,385</u>	<u>\$ 2,643,458</u>
<u>At December 31, 2023</u>								
Cost	\$ 2,140,661	\$ 547,878	\$ 182,346	\$ 60,633	\$ 39,171	\$ 43,795	\$ 7,385	\$ 3,021,869
Accumulated depreciation	-	(232,133)	(82,954)	(25,554)	(11,675)	(26,095)	-	(378,411)
	<u>\$ 2,140,661</u>	<u>\$ 315,745</u>	<u>\$ 99,392</u>	<u>\$ 35,079</u>	<u>\$ 27,496</u>	<u>\$ 17,700</u>	<u>\$ 7,385</u>	<u>\$ 2,643,458</u>

	<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, 2022</u>								
Cost	\$ 2,140,661	\$ 496,391	\$ 189,462	\$ 31,677	\$ 29,235	\$ 39,928	\$ 8,091	\$ 2,935,445
Accumulated depreciation	-	(157,511)	(105,436)	(12,772)	(26,398)	(16,360)	-	(318,477)
	<u>\$ 2,140,661</u>	<u>\$ 338,880</u>	<u>\$ 84,026</u>	<u>\$ 18,905</u>	<u>\$ 2,837</u>	<u>\$ 23,568</u>	<u>\$ 8,091</u>	<u>\$ 2,616,968</u>
<u>2022</u>								
Opening net book amount as at January 1	\$ 2,140,661	\$ 338,880	\$ 84,026	\$ 18,905	\$ 2,837	\$ 23,568	\$ 8,091	\$ 2,616,968
Additions	-	7,754	49,735	17,453	11,243	8,167	15,243	109,595
Disposals	-	-	(1)	(55)	-	-	-	(56)
Transfer	-	14,965	-	-	3,351	2,893	(21,209)	-
Depreciation charge	-	(37,173)	(40,220)	(9,473)	(4,814)	(11,247)	-	(102,927)
Closing net book amount as at December 31	<u>\$ 2,140,661</u>	<u>\$ 324,426</u>	<u>\$ 93,540</u>	<u>\$ 26,830</u>	<u>\$ 12,617</u>	<u>\$ 23,381</u>	<u>\$ 2,125</u>	<u>\$ 2,623,580</u>
<u>At December 31, 2022</u>								
Cost	\$ 2,140,661	\$ 516,838	\$ 187,509	\$ 45,777	\$ 19,173	\$ 47,842	\$ 2,125	\$ 2,959,925
Accumulated depreciation	-	(192,412)	(93,969)	(18,947)	(6,556)	(24,461)	-	(336,345)
	<u>\$ 2,140,661</u>	<u>\$ 324,426</u>	<u>\$ 93,540</u>	<u>\$ 26,830</u>	<u>\$ 12,617</u>	<u>\$ 23,381</u>	<u>\$ 2,125</u>	<u>\$ 2,623,580</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, 2023 and 2022, payments of lease commitments for short-term leases amounted to \$3,019 and \$2,269, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2023	December 31, 2022
Buildings	\$ 52,373	\$ 48,707
Land improvements	3,113	1,669
Transportation equipment (Business vehicles)	761	322
	<u>\$ 56,247</u>	<u>\$ 50,698</u>

	Depreciation charge	
	Years ended December 31,	
	2023	2022
Buildings	\$ 18,399	\$ 16,073
Land improvements	1,360	1,651
Transportation equipment (Business vehicles)	907	1,288
	<u>\$ 20,666</u>	<u>\$ 19,012</u>

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$26,215 and \$1,827, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 422	\$ 408
Expense on short-term lease contracts	\$ 3,019	\$ 2,269

- F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$24,102 and \$21,596, respectively.

(9) Leasing arrangements-lessor

- 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, 2023 and 2022 is as follows:

	Years ended December 31,	
	2023	2022
Rent income	\$ 40,126	\$ 39,811

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

	December 31, 2023	December 31, 2022
2023	\$ -	\$ 38,533
2024	39,796	31,467
2025	914	914
2026	305	305
	\$ 41,015	\$ 71,219

(10) Intangible assets

	Licence fees	Software	Other intangible asset	Total
<u>At January 1, 2023</u>				
Cost	\$ 1,047,947	\$ 73,506	\$ 36,447	\$ 1,157,900
Accumulated amortisation	(305,487)	(38,463)	(118)	(344,068)
Accumulated impairment	(72,390)	-	(8,198)	(80,588)
	\$ 670,070	\$ 35,043	\$ 28,131	\$ 733,244
<u>2023</u>				
Opening net book amount as at January 1	\$ 670,070	\$ 35,043	\$ 28,131	\$ 733,244
Additions	304,929	35,417	-	340,346
Amortisation charge	(380,998)	(41,282)	-	(422,280)
Closing net book amount as at December 31	\$ 594,001	\$ 29,178	\$ 28,131	\$ 651,310
<u>At December 31, 2023</u>				
Cost	\$ 1,290,796	\$ 57,155	\$ 29,304	\$ 1,377,255
Accumulated amortisation	(624,405)	(27,977)	(118)	(652,500)
Accumulated impairment	(72,390)	-	(1,055)	(73,445)
	\$ 594,001	\$ 29,178	\$ 28,131	\$ 651,310

	<u>Licence fees</u>	<u>Software</u>	<u>Other intangible asset</u>	<u>Total</u>
<u>At January 1, 2022</u>				
Cost	\$ 1,432,280	\$ 62,916	\$ 22,356	\$ 1,517,552
Accumulated amortisation	(1,246,685)	(33,290)	(42)	(1,280,017)
Accumulated impairment	(79,966)	-	-	(79,966)
	<u>\$ 105,629</u>	<u>\$ 29,626</u>	<u>\$ 22,314</u>	<u>\$ 157,569</u>
<u>2022</u>				
Opening net book amount as at January 1	\$ 105,629	\$ 29,626	\$ 22,314	\$ 157,569
Additions	882,874	50,990	14,091	947,955
Disposals	(14,137)	-	-	(14,137)
Amortisation charge	(267,944)	(45,573)	(76)	(313,593)
Impairment loss (Note)	(36,352)	-	(8,198)	(44,550)
Closing net book amount as at December 31	<u>\$ 670,070</u>	<u>\$ 35,043</u>	<u>\$ 28,131</u>	<u>\$ 733,244</u>
<u>At December 31, 2022</u>				
Cost	\$ 1,047,947	\$ 73,506	\$ 36,447	\$ 1,157,900
Accumulated amortisation	(305,487)	(38,463)	(118)	(344,068)
Accumulated impairment	(72,390)	-	(8,198)	(80,588)
	<u>\$ 670,070</u>	<u>\$ 35,043</u>	<u>\$ 28,131</u>	<u>\$ 733,244</u>

Note: Refer to Note 6(12) for details of impairment loss.

The details of amortisation are as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 381,686	\$ 260,745
Selling expenses	13,601	18,299
General and administrative expenses	8,813	18,595
Research and development expenses	18,180	15,954
	<u>\$ 422,280</u>	<u>\$ 313,593</u>

(11) Other non-current assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdue accounts receivable	\$ 98,239	\$ 98,239
Less: Allowance for doubtful accounts	(98,239)	(98,239)
Refundable deposits	8,963	14,861
Net defined benefit asset	4,874	6,095
Prepayments for intangible assets	162,636	-
Others	1,025	-
	<u>\$ 177,498</u>	<u>\$ 20,956</u>

(12) **Impairment of non-financial assets**

The Company recognised impairment loss of \$0 and \$44,550 for the years ended December 31, 2023 and 2022, respectively. Details are as follows:

	Recognised in profit or loss	
	Years ended December 31,	
	2023	2022
Impairment loss-License fees	\$ -	\$ 36,352
Impairment loss-Other intangible assets	-	8,198
	<u>\$ -</u>	<u>\$ 44,550</u>

- A. The Company assesses the recoverable amounts of agency rights and other intangible assets annually, based on the expected future economic benefits arising from the use of the points generated from income and expenses and the expected future economic benefits. Due to the recoverable amounts being lower than the carrying amounts, impairment losses are recognized.
- B. (a) The Company assessed the recoverable amounts of investments accounted for under equity method, and subsidiaries, NOWnews and Digicentre. The Company tested impairment by comparing recoverable amount with carrying amount, which was determined based on the overall book value of the investments including goodwill as a single asset.

The Company used value-in-use calculated by external appraiser as the recoverable amount. Because the recoverable amount of NOWnews and Digicentre calculated using the value-in-use exceeded their carrying amount, goodwill was not impaired as at December 31, 2023 and 2022. The key assumptions used in calculating value in use are set out below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Growth rate	2.8%~4.7%	2.4%~6.4%
Discount rate	10.8%~13.3%	14.0%~14.2%

- (b) In addition, for the premium on investment accounted for under equity method, the recoverable amount was calculated using value-in-use. No impairment loss 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, 2023</u>	<u>December 31, 2022</u>
Bank borrowings		
Unsecured borrowings	\$ 50,000	\$ -
Credit lines	\$ 3,061,809	\$ 3,480,311
Interest rate range	1.60%	-

(14) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Employees' compensation payable	\$ 67,215	\$ 179,478
Salary and annual bonus payable	124,008	110,296
Professional service fees payable	94,166	89,642
Payable for advertising	37,969	62,578
Payable on value-added tax and tax collection	45,717	49,112
Directors' remuneration payable	14,909	36,333
Payable on equipment and intangible assets (Note)	152,882	32,159
Payable for labor and health insurance fees	18,939	19,420
Others	62,158	26,465
	<u>\$ 617,963</u>	<u>\$ 605,483</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 three years after the signing of the contract. As at December 31, 2023, the Company recognised the license fees and payable on intangible assets as the payment obligation is highly **realisable based on the Company's** assessment.

(15) 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, 2023 and 2022 were \$949 and \$792, respectively.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 71,326)	(\$ 67,757)
Fair value of plan assets	<u>76,200</u>	<u>73,852</u>
Net defined benefit assets (shown as other non-current assets)	<u>\$ 4,874</u>	<u>\$ 6,095</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 asset</u>
<u>Year ended December 31, 2023</u>			
Balance at January 1	(\$ 67,757)	\$ 73,852	\$ 6,095
Current service cost	(1,035)	-	(1,035)
Interest (expense) income	(949)	<u>1,035</u>	<u>86</u>
	<u>(69,741)</u>	<u>74,887</u>	<u>5,146</u>
Remeasurements:			
Return on plan assets	-	213	213
Change in financial assumptions	(1,391)	-	(1,391)
Experience adjustments	(194)	-	(194)
	<u>(1,585)</u>	<u>213</u>	<u>(1,372)</u>
Pension fund contribution	-	<u>1,100</u>	<u>1,100</u>
Balance at December 31	<u>(\$ 71,326)</u>	<u>\$ 76,200</u>	<u>\$ 4,874</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<u>Year ended December 31, 2022</u>			
Balance at January 1	(\$ 72,581)	\$ 67,597	(\$ 4,984)
Current service cost	(756)	-	(756)
Interest (expense) income	(508)	472	(36)
	<u>(73,845)</u>	<u>68,069</u>	<u>(5,776)</u>
Remeasurements:			
Return on plan assets	-	5,120	5,120
Change in financial assumptions	5,555	-	5,555
Experience adjustments	90	-	90
	<u>5,645</u>	<u>5,120</u>	<u>10,765</u>
Pension fund contribution	-	1,106	1,106
Paid pension	443	(443)	-
Balance at December 31	<u>(\$ 67,757)</u>	<u>\$ 73,852</u>	<u>\$ 6,095</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 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, 2023 and 2022 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,	
	2023	2022
Discount rate	1.20%	1.40%
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, 2023 and 2022.

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 1,734)	\$ 1,792	\$ 1,571	(\$ 1,531)
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 1,849)	\$ 1,918	\$ 1,706	(\$ 1,657)

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, 2024 amount to \$1,116.

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, 2023 and 2022 were \$24,539 and \$22,455, respectively.

(16) Common stock

- A. As of December 31, 2023, the Company's authorised 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. The number of the Company's ordinary shares (in thousands) outstanding does not require any reconciliation.

(17) 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.

(18) 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 June 16, 2022, the shareholders during their meeting resolved the appropriations of 2021 retained earnings as follows:

	<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve appropriated	\$ 109,652	\$ -
Reversal of special reserve	(46,552)	-
Cash dividends distributed to shareholders	<u>877,468</u>	<u>5.0</u>
	<u>\$ 940,568</u>	<u>\$ 5.0</u>

F. On June 20, 2023, the shareholders during their meeting resolved the appropriations of 2022 retained earnings as follows:

	<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve appropriated	\$ 123,546	\$ -
Reversal of special reserve	(66,003)	-
Cash dividends distributed to shareholders	<u>1,017,863</u>	<u>5.8</u>
	<u>\$ 1,075,406</u>	<u>\$ 5.8</u>

G. On March 6, 2024, the board of directors meeting resolved the proposal for the appropriations of 2023 retained earnings as follows:

	<u>Year ended December 31, 2023</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve appropriated	\$ 55,976	\$ -
Special reserve appropriated	11,205	-
Cash dividends distributed to shareholders	<u>575,619</u>	<u>3.28</u>
	<u>\$ 642,800</u>	<u>3.28</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, refer to Note 6(25).

(19) Other equity items

	2023		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 36,603)	(\$ 402,746)	(\$ 439,349)
Revaluation - company	-	(7,538)	(7,538)
Revaluation - subsidiaries	-	2,731	2,731
Currency translation differences:			
- Company	(2,746)	-	(2,746)
- Subsidiaries	(3,652)	-	(3,652)
At December 31	(\$ 43,001)	(\$ 407,553)	(\$ 450,554)

	2022		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 131,809)	(\$ 373,543)	(\$ 505,352)
Revaluation - company	-	(49,966)	(49,966)
Revaluation - subsidiaries	-	(3,677)	(3,677)
Revaluation transferred to retained earnings - Company	-	24,440	24,440
Currency translation differences:			
- Company	83,210	-	83,210
- Subsidiaries	11,996	-	11,996
At December 31	(\$ 36,603)	(\$ 402,746)	(\$ 439,349)

(20) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	\$ 6,454,662	\$ 8,128,585

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, 2023	Online and mobile games revenue	Service revenue	Other operating revenue	Total
Revenue from external customer contracts	<u>\$ 6,286,441</u>	<u>\$ 123,680</u>	<u>\$ 44,541</u>	<u>\$ 6,454,662</u>
Timing of revenue recognition				
At a point in time	\$ 5,701,094	\$ -	\$ 44,541	\$ 5,745,635
Over time	<u>585,347</u>	<u>123,680</u>	<u>-</u>	<u>709,027</u>
	<u>\$ 6,286,441</u>	<u>\$ 123,680</u>	<u>\$ 44,541</u>	<u>\$ 6,454,662</u>
Year ended December 31, 2022	Online and mobile games revenue	Service revenue	Other operating revenue	Total
Revenue from external customer contracts	<u>\$ 7,898,564</u>	<u>\$ 138,970</u>	<u>\$ 91,051</u>	<u>\$ 8,128,585</u>
Timing of revenue recognition				
At a point in time	\$ 7,175,141	\$ -	\$ 91,051	\$ 7,266,192
Over time	<u>723,423</u>	<u>138,970</u>	<u>-</u>	<u>862,393</u>
	<u>\$ 7,898,564</u>	<u>\$ 138,970</u>	<u>\$ 91,051</u>	<u>\$ 8,128,585</u>

B. Contract liabilities

(a) The Company recognised contract liabilities related to the contract revenue from sales amounting to \$318,335, \$402,288 and \$473,290 as of December 31, 2023, December 31, 2022, and January 1, 2022, 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,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from games	<u>\$ 390,351</u>	<u>\$ 473,290</u>

(21) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 8,355	\$ 5,321

(22) Other income

	Years ended December 31,	
	2023	2022
Rental revenue	\$ 40,126	\$ 39,811
Other income	25,110	13,267
	\$ 65,236	\$ 53,078

(23) Other gains and losses

	Years ended December 31,	
	2023	2022
Net currency exchange gain	\$ 3,015	\$ 12,367
Losses on disposal of property, plant and equipment	(1)	(24)
Losses on disposal of investment	-	(8)
Impairment loss on non-financial asset	-	(44,550)
Others	(6,627)	(5,746)
	(\$ 3,613)	(\$ 37,961)

(24) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 1,287	\$ 1,077
Lease liability	422	408
	\$ 1,709	\$ 1,485

(25) Employee benefits, depreciation and amortisation expense

	Years ended December 31,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 565,109	\$ 640,604
Directors' remuneration	19,631	40,414
Labor and health insurance fees	44,835	40,915
Pension costs	25,488	23,247
Other personnel expenses	26,679	25,007
	<u>\$ 681,742</u>	<u>\$ 770,187</u>
Depreciation on property, plant and equipment (including right-of-use assets)	\$ 128,742	\$ 121,939
Amortisation expense	<u>\$ 422,280</u>	<u>\$ 313,593</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. (a) For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$66,380 and \$173,572, respectively; while directors' remuneration was accrued at \$13,276 and \$34,714, respectively. The aforementioned amounts were recognised in salary expenses.
- (b) For the year ended December 31, 2023, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2023 amounted to \$67,500 and \$13,400, respectively, as resolved at the meeting of the Board of Directors. The employees' compensation for 2023 as resolved by the Board of Directors was in agreement with those amounts recognised in the 2023 financial statements, and the difference of \$1,120 for employees' compensation and the difference of \$124 for directors remuneration between the amounts resolved at Board meeting and amounts recognised in the 2023 financial statements had been adjusted in the profit or loss for 2024.
- (c) For the year ended December 31, 2022, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2022 amounted to \$173,572 and \$34,700, respectively, as resolved at the meeting of the Board of Directors. The employees' compensation for 2022 as resolved by the Board of Directors was in agreement with the amount recognised in the 2022 financial statements, while the difference of \$14 for directors' remuneration between the amounts resolved at the Board of Directors' meeting and amount

recognised in 2022 financial statements had been adjusted in profit or loss for 2023.

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.

(26) **Income tax**

A. **Income tax expense**

(a) **Components of income tax expense:**

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profit for the year	\$ 7,905	\$ 230,410
Tax on undistributed earnings	3,022	7,798
Prior year income tax under (over) estimation	6,804	(20,859)
Total current tax	17,731	217,349
Deferred tax:		
Origination and reversal of temporary differences	1,644	30,388
Total deferred tax	1,644	30,388
Income tax expense	\$ 19,375	\$ 247,737

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

	Years ended December 31,	
	2023	2022
Remeasurement of defined benefit obligation	(\$ 274)	\$ 2,153
Currency translation differences	(548)	10,796
	(\$ 822)	\$ 12,949

B. Reconciliation between accounting income and income tax expense:

	Years ended December 31,	
	2023	2022
Tax calculated based on profit		
before tax and statutory tax rate	\$ 118,913	\$ 305,487
Effect from items disallowed by tax regulation	31,230	18,550
Tax exempt income by tax regulation	(108,353)	(38,956)
Overseas investment income not recognised as deferred tax liabilities	(10,981)	(21,823)
Prior year income tax refund receivable	(19,904)	(2,460)
Effect from investment tax credits	(1,356)	-
Prior year income tax under (over) estimation	6,804	(20,859)
Tax on undistributed earnings	3,022	7,798
Income tax expense	<u>\$ 19,375</u>	<u>\$ 247,737</u>

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

	Year ended December 31, 2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Temporary differences					
Allowance for inventory obsolescence	\$ 566	\$ 29	\$ -	\$ -	\$ 595
Impairment loss on intangible assets	5,838	-	-	-	5,838
Investment loss accounted for under equity method	63,426	(10,107)	-	-	53,319
Compensation for unused leave	3,968	-	-	-	3,968
Deferred revenue	5,773	(496)	-	-	5,277
Unrealised exchange loss	264	(109)	-	-	155
Royalty payable	3,845	9,069	-	-	12,914
Currency translation differences	1,256	-	548	-	1,804
	<u>\$ 84,936</u>	<u>(\$ 1,614)</u>	<u>\$ 548</u>	<u>\$ -</u>	<u>\$ 83,870</u>
Deferred tax liabilities:					
Temporary differences					
Pension	(1,218)	(30)	274	-	(974)
	<u>\$ 83,718</u>	<u>(\$ 1,644)</u>	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ 82,896</u>

Year ended December 31, 2022

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Temporary differences					
Allowance for inventory obsolescence	\$ 524	\$ 42	\$ -	\$ -	\$ 566
Impairment loss on intangible assets	5,627	211	-	-	5,838
Investment loss accounted for under equity method	78,033	(14,607)	-	-	63,426
Compensation for unused leave	3,968	-	-	-	3,968
Deferred revenue	6,367	(594)	-	-	5,773
Pension	997	(62)	(935)	-	-
Unrealised exchange loss	418	(154)	-	-	264
Royalty payable	19,069	(15,224)	-	-	3,845
Currency translation differences	12,052	-	(10,796)	-	1,256
	<u>\$ 127,055</u>	<u>(\$ 30,388)</u>	<u>(\$ 11,731)</u>	<u>\$ -</u>	<u>\$ 84,936</u>
Deferred tax liabilities:					
Temporary differences					
Pension	-	-	(1,218)	-	(1,218)
	<u>\$ 127,055</u>	<u>(\$ 30,388)</u>	<u>(\$ 12,949)</u>	<u>\$ -</u>	<u>\$ 83,718</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences	<u>\$ 117,218</u>	<u>\$ 172,125</u>

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.

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	<u>Year ended December 31, 2023</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	<u>\$ 575,188</u>	<u>175,494</u>	<u>\$ 3.28</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the company	\$ 575,188	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	<u>1,261</u>	
Profit attributable to ordinary shareholders of the company plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 575,188</u>	<u>176,755</u>	<u>\$ 3.25</u>

	Year ended December 31, 2022		
	<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	\$ 1,279,696	175,494	\$ 7.29
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the company	\$ 1,279,696	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,990	
Profit attributable to ordinary shareholders of the company plus assumed conversion of all dilutive potential ordinary shares	\$ 1,279,696	178,484	\$ 7.17

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.

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2023	2022
Acquisition of property, plant and equipment	\$ 128,074	\$ 109,595
Add: Opening balance of other payables-related parties	-	1,667
Add: Opening balance of other payables	29,739	18,147
Less: Ending balance of other payables	(63,118)	(29,739)
Cash paid during the year	<u>\$ 94,695</u>	<u>\$ 99,670</u>

	Years ended December 31,	
	2023	2022
Purchase of intangible assets	\$ 340,346	\$ 947,955
Add: Opening balance of other payables	2,420	5,865
Add: Opening balance of other payables-related parties	5,119	-
Less: Ending balance of other payables	(89,764)	(2,420)
Less: Ending balance of other payables-related parties	-	(5,119)
Cash paid during the year	<u>\$ 258,121</u>	<u>\$ 946,281</u>

(29) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2023 and 2022 are as follows:

	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
January 1, 2023	\$ -	\$ 50,679	\$ 50,679
Changes in cash flow from financing activities	50,000	(20,661)	29,339
Changes in other non-cash items	-	26,215	26,215
December 31, 2023	<u>\$ 50,000</u>	<u>\$ 56,233</u>	<u>\$ 106,233</u>

	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities- gross
January 1, 2022	\$ 80,000	\$ 67,771	\$ 147,771
Changes in cash flow from financing activities	(80,000)	(18,919)	(98,919)
Changes in other non-cash items			
Increase in right-of-use assets	-	1,827	1,827
December 31, 2022	<u>\$ -</u>	<u>\$ 50,679</u>	<u>\$ 50,679</u>

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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Gamania Digital Entertainment (H.K.) Co., Ltd. (GHK)	Subsidiary
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)	"
Joymobee Entertainment Co., Ltd.	"
Foundation Digital Entertainment Co., Ltd.	"
Gamania Asia Investment Co., Ltd.	"
Jollybuy Digital Technology Co., Ltd. (Jollybuy)	"
Two Tigers Co. Ltd.	"
Indiland Co., Ltd.	"
HaPad Digital Technology Co., Ltd.	"
Ciirco, Inc.	"
Ants' Power Co., Ltd.	"
Coture New Media Co., Ltd.	"
Conetter Comarketing Co., Ltd. (Conetter)	"
GAMA PAY Co., Ltd. (GAMA PAY)	"
Achieve Made International Ltd.	"
Jollywiz Digital Technology Co., Ltd. (Jollywiz)	"
Gamania Digital Entertainment (Beijing) Co., Ltd.	"
We Backers Co., Ltd.	"

Names of related parties	Relationship with the Company
Hyperg Smart Security Technology Pte. Ltd.	Subsidiary
Digicentre Company Limited (Digicentre)	"
NOWnews Network Co., Ltd. (NOWnews)	"
Walkermedia Co., Ltd. (Walkermedia)	" (Note)
Aotter Inc.	Associate
Chuang Meng Shr Ji Co., Ltd.	"
Pri-one Commercial Production Co., Ltd.	"
GungHo Gamania Co., Limited	"
Jsdway Digital Technology Co., Ltd.	"
Hao-Ji firm Ltd. (Hao-Ji)	"
Store Marais Co., Ltd.	"
Entron Technology Co. Ltd	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Dapili International Marketing Co., Ltd.	"

Note: For the change in the relationship between the Company and Walkermedia, refer to Note 6(6) and 4.

(3) Significant transactions and balances with related parties

A. Sales-service revenue

	Years ended December 31,	
	2023	2022
Subsidiaries	\$ 119,388	\$ 126,435
Associates	3,328	9,054
Other related parties	857	1,133
	<u>\$ 123,573</u>	<u>\$ 136,622</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,	
	2023	2022
Subsidiaries		
GHK	\$ 40,280	\$ 86,760
Others	1,762	538
	<u>\$ 42,042</u>	<u>\$ 87,298</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

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries		
Gash point	\$ 376,544	\$ 629,729
Others	151,937	211,867
Other related parties	<u>5</u>	<u>-</u>
	<u>\$ 528,486</u>	<u>\$ 841,596</u>

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, general and administrative expenses and research and development expenses)

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries		
Conetter	\$ 193,770	\$ 182,045
Others	242,768	236,401
Associates	25,153	18,374
Other related parties	<u>26,076</u>	<u>29,152</u>
	<u>\$ 487,767</u>	<u>\$ 465,972</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 expenses)

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties		
Gamania Cheer Up Foundation	<u>\$ 14,000</u>	<u>\$ 19,000</u>

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)

	Years ended December 31,	
	2023	2022
Subsidiaries		
Gash Point	\$ 9,132	\$ 9,167
GAMA PAY	6,545	6,463
Digicentre	8,806	9,060
Others	14,400	13,922
Associates	23	23
Other related parties	164	166
	<u>\$ 39,070</u>	<u>\$ 38,801</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 office lease contract is from January 1, 2022 to December 31, 2024.

G. Accounts receivable

	December 31, 2023	December 31, 2022
Subsidiaries		
Gash Point	\$ 383,360	\$ 621,116
Others	33,893	44,925
Associates	10,396	16,982
Other related parties	225	272
	<u>427,874</u>	<u>683,295</u>
Allowance for doubtful accounts	(107)	(39)
	<u>\$ 427,767</u>	<u>\$ 683,256</u>

Accounts receivable arise mainly for revenue of online game points, online game royalty revenue and customer services.

H. Other receivables

	December 31, 2023	December 31, 2022
Subsidiaries		
Digicentre	\$ 2,989	\$ 2,317
Gamania Digital Entertainment (Beijing) Co., Ltd.	4,405	4,405
Gash Point	1,937	2,843
Others	7,174	10,074
Associates	2,235	2,234
Other related parties	49	32
	<u>\$ 18,789</u>	<u>\$ 21,905</u>

Other receivables arise mainly from payments on behalf of related parties and so on.

I. Accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	\$ 36,980	\$ 58,645

Accounts payable are payables for IDC service fee, channel and royalty.

J. Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	\$ 141,286	\$ 125,347
Associates	3,759	5,368
Other related parties	6,573	6,965
	<u>\$ 151,618</u>	<u>\$ 137,680</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>2023</u>	<u>2022</u>
Subsidiaries	\$ 2,604	\$ 15,734

As of December 31, 2023 and 2022, the unpaid amount was \$0.

(b) Acquisition of intangible assets

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries	\$ 10,554	\$ 15,609
Other related parties	-	14,090
	<u>\$ 10,554</u>	<u>\$ 29,699</u>

As of December 31, 2023 and 2022, the unpaid amount was \$0 and \$5,119, respectively.

(c) Acquisition of financial assets

		<u>Year ended December 31, 2023</u>		
		No. of shares		
		(shares in		
		thousands)	Object	Consideration
Subsidiaries	Accounts			
	Investments accounted for	7,000	JollyBuy	\$ 70,000
	under equity method			
"	"	8,000	NOWnews	80,000
"	"	450	Walkermedia	4,500
Associates	"	400	Entron Technology	6,400
				<u>\$ 160,900</u>

		<u>Year ended December 31, 2022</u>		
		No. of shares		
		(shares in		
		thousands)	Object	Consideration
Subsidiaries	Accounts			
	Investments accounted for	25,000	GAMA PAY	\$ 263,789
	under equity method			
"	"	25,500	GHK	217,672
"	"	4,700	JollyBuy	80,000
"	"	6,571	NOWnews	65,714
"	"	2,950	Indiland Co., Ltd.	9,000
Associates	"	3,000	Hao-Ji	30,000
				<u>\$ 666,175</u>

L. Commitment

The endorsement/guarantee amounts provided by the Company through credit guarantee and letters of credit for subsidiaries' borrowings are as follows:

	<u>Year ended December 31, 2023</u>		<u>Year ended December 31, 2022</u>	
	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	\$ 71,322	\$ -	\$ 70,862	\$ 67,558
Jollybuy	30,000	30,000	30,000	30,000
	<u>\$ 101,322</u>	<u>\$ 30,000</u>	<u>\$ 100,862</u>	<u>\$ 97,558</u>

(4) Key management compensation

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 77,975	\$ 177,356
Post-employment benefits	108	108
	<u>\$ 78,083</u>	<u>\$ 177,464</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value		Pledge purpose
	December 31, 2023	December 31, 2022	
Current financial assets at amortised cost			
Demand deposits	\$ 5,000	\$ 5,000	Performance bond of on-line game card's standard contracts
Time deposits	-	30,708	Guarantee for short-term borrowing facility
Property, plant and equipment			
Land	2,140,662	2,140,662	Short-term and long-term loans / Credit lines
Buildings	210,252	215,229	Short-term and long-term loans / Credit lines
	<u>\$ 2,355,914</u>	<u>\$ 2,391,599</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 utilisation. 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

On March 6, 2024, the Company's board of directors has approved the following significant events:

A. Refer to Note 6(18) G for the appropriation of retained earnings.

- B. The Company plans to increase shares issued by the subsidiary, Jollybuy, of up to a maximum of \$60,000 in times.
- C. The Company plans to increase shares issued by the subsidiary, NOWnews Network, of up to a maximum of \$160,000 in times.
- D. In response to adjustments to **the Group's reinvestment framework**, the Company plans to acquire all the shares of Conetter Comarketing Co., Ltd., consisting of 2,625 thousand shares, from the subsidiary, Gash Point Co., Ltd., for a total consideration of \$67,830.
- E. In response to adjustments to **the Group's reinvestment framework**, the Company plans to acquire all the shares of GAMA PAY Co. Ltd., consisting of 3,418 thousand shares and 4,608 thousand shares, from the subsidiaries, Gash Point Co., Ltd. and Gash Point (Hong Kong) Company Limited, for a total consideration of \$23,586 and \$31,798, respectively.

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, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 73,443	\$ 80,981
Financial assets at amortised cost		
Cash and cash equivalents	\$ 222,927	\$ 648,935
Current financial assets at amortised cost	5,000	57,204
Accounts receivable (including related parties)	575,552	841,570
Other receivables (including related parties)	57,379	59,765
Guarantee deposits paid	8,963	14,861
	<u>\$ 869,821</u>	<u>\$ 1,622,335</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 50,000	\$ -
Notes payable (including related parties)	264,291	377,023
Other payables (including related parties)	769,581	743,163
Guarantee deposits received	<u>72</u>	<u>72</u>
	<u>\$ 1,083,944</u>	<u>\$ 1,120,258</u>
Lease liability	<u>\$ 56,233</u>	<u>\$ 50,679</u>

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, 2023			
(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,840	30.705	\$ 56,497
<u>Non-monetary items</u>			
USD:NTD	1,935	30.705	59,422
HKD:NTD	122,709	3.929	482,123
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,318	30.705	40,469

December 31, 2022			
(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,429	30.710	\$ 258,855
HKD:NTD	7,660	3.938	30,165
<u>Non-monetary items</u>			
USD:NTD	2,752	30.710	84,504
HKD:NTD	91,375	3.938	359,835
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	10,397	30.710	319,292

- 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, 2023 and 2022 amounted to \$3,015 and \$12,367, 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, 2023		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 565	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	405	-
	Year ended December 31, 2022		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 2,589	\$ -
HKD:NTD	1%	302	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	3,193	-

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, 2023 and 2022, other comprehensive income classified as equity investment at fair value through other comprehensive income would have increased/decreased by \$734 and \$810, 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, 2023 and 2022, the Company's borrowings at variable rate were denominated in NTD.

- ii. At December 31, 2023 and 2022, 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, 2023 and 2022 would have been \$1 and \$3 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, 2023 and 2022, 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, 2023 and 2022, the provision matrix is as follows:

	December 31, 2023		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.02%	\$ 460,229	\$ 107
Up to 30 days	0%	102,520	-
31 to 60 days	0%	933	-
61 to 90 days	0%	773	-
Over 121 days	0%	11,204	-
		<u>\$ 575,659</u>	<u>\$ 107</u>

	December 31, 2022		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.01%	\$ 809,221	\$ 39
Up to 30 days	0%	9,516	-
31 to 60 days	0%	1,334	-
61 to 90 days	0%	1,257	-
91 to 120 days	0%	1,919	-
Over 121 days	0%	18,361	-
		<u>\$ 841,608</u>	<u>\$ 39</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:

	2023	2022
At January 1	\$ 98,278	\$ 98,282
Prorision for (reversal of) impairment loss	68	(4)
At December 31	<u>\$ 98,346</u>	<u>\$ 98,278</u>

For the years ended December 31, 2023 and 2022, the provision for (reversal of) impairment loss arising from customers' contracts amounted to (\$68) and \$4, 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:

<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 50,083	\$ -	\$ -
Accounts payable	227,311	-	-
Accounts payable - related parties	36,980	-	-
Other payables	617,963	-	-
Other payables - related parties	151,618	-	-
Lease liabilities	21,358	30,112	6,068

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Accounts payable	\$ 318,378	\$ -	\$ -
Accounts payable - related parties	58,645	-	-
Other payables	605,483	-	-
Other payables - related parties	137,680	-	-
Lease liabilities	17,656	27,927	6,363

(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, current financial assets at amortised cost, 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, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets measured at fair value through other comprehensive income - non-current Equity securities	\$ 46,502	\$ -	\$ 26,941	\$ 73,443
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets measured at fair value through other comprehensive income - non-current Equity securities	\$ 54,040	\$ -	\$ 26,941	\$ 80,981

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	Closing price

(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 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 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) 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 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, 2023 and 2022, 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, 2023 and 2022:

	Equity securities	
	2023	2022
At January 1	\$ 41,941	\$ 60,731
Losses recognised in other comprehensive income	-	(2,582)
Acquired during the year	-	15,000
Disposal during the year	-	(31,208)
At December 31	<u>\$ 41,941</u>	<u>\$ 41,941</u>

- 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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 26,941	Net asset value	Not applicable	Not applicable	Not applicable
TV shows production investing sharing agreement	15,000	Discounted cash flow method	Weighted average cost of capital	13.45% (13.45%)	The higher the weighted average cost of capital, the lower the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 26,941	Net asset value	Not applicable	Not applicable	Not applicable
TV shows production investing sharing agreement	15,000	Discounted cash flow method	Weighted average cost of capital	13.26% (13.26%)	The higher the weighted average cost of capital, the lower the fair value

- I. 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 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, 2023					
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±1%	\$ 150	(\$ 150)	\$ -	\$ -

		December 31, 2022				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
	Input	Change				
Financial assets						
Equity instrument	Weighted average cost of capital	±1%	150 (150)	-	-

13. SUPPLEMENTAL DISCLOSURES

The disclosure information of certain investments was audited by the investee companies' auditors.

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): 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 from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: 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: Refer to table 8.

14. OPERATING SEGMENT INFORMATION

Disclosure is not required.

Gamania Digital Entertainment Co., Ltd.
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	HaPod Digital Technology Co., Ltd.	2	\$ 537,727	\$ 71,322	\$ -	\$ -	\$ -	0.00	\$ 5,377,274	Y	N	N	Note 3
0	The Company	JollyBuy Digital Technology Co., Ltd.	2	537,727	30,000	30,000	-	-	0.56	5,377,274	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	4	91,207	26,685	20,802	-	-	9.12	91,207	N	N	Y	Note 4

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The company in which the endorser/guarantor parent company directly and indirectly owns more than 50% of the voting shares.
- (3) The company that directly or indirectly owns more than 50% of the voting shares of the endorser/guarantor parent company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) A joint and several guarantee for the performance of the pre-sale house sales contract between the industry and the consumer protection law.

Note 3: The total amount of the Company's external endorsement guarantee shall not exceed 100% of the net assets of the Company's latest financial statements. The limit of the endorsement guarantee for the same enterprise shall not exceed 10% of the net assets of the Company's latest financial statements, and shall not exceed the paid in capital of the endorsement guarantee company.

Note 4: The limit on total endorsements is 40% of the endorser's/guarantor's net assets, and limit on endorsements to the same party is 40% of the endorser's/guarantor's net assets.

Note 5: Y means provision of endorsements / guarantees by parent company to subsidiary, provision of endorsements / guarantees by subsidiary to parent company or provision of endorsements / guarantees to the party in Mainland China.

Gamania Digital Entertainment Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

As of December 31, 2023								
Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company	XPEC Entertainment Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	4,907	\$ 26,941	2.68	\$ 26,941	
The Company	Pili International Multimedia Co., Ltd. - stock	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,958	46,502	3.82	46,502	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	420	9,274	1.76	9,274	
Gamania Asia Investment Co., Ltd.	Gokube Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	400	-	1.77	-	
Gamania International Holdings Ltd.	Vantage Metro Limited - stock	None	Financial assets at fair value through other comprehensive income - non-current	192	30,157	2.59	30,157	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, 'Financial instruments'.

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Gamania Digital Entertainment Co., Ltd.
Purchases or sales of goods from or to related parties in excess of \$100 million or 20% of capital
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Differences in transaction terms compared to							Footnote
				Transaction			third party transactions		Notes/accounts receivable (payable)		
			Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	\$ 299,751	40.75	Note	Note	Note	\$ 13,820	2.33	
Conetter CoMarketing Co., Ltd.	The Company	Parent company	Service revenue	193,770	24.02	Note	Note	Note	47,063	46.21	
Digicentre Company Limited	The Company	Parent company	Sales revenue	283,444	34.15	Note	Note	Note	43,174	29.61	
Coture New Media Co., Ltd.	The Company	Parent company	Service revenue	152,873	99.81	Note	Note	Note	72,016	100.00	
Antis' Power Co., Ltd.	The Company	Parent company	Service revenue	125,512	67.78	Note	Note	Note	25,387	65.25	
Digicentre Company Limited	Digicentre (HK) Company Limited	Subsidiary	Sales revenue	141,513	17.05	Note	Note	Note	23,098	15.84	

Note: The aforementioned purchase term is based on the product types, market competition and other transaction terms. There is no similar transaction to compare with for the transaction price and credit term with related parties.

Gamania Digital Entertainment Co., Ltd.
 Receivables from related parties in excess of \$100 million or 20% of capital
 Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	Footnote
					Amount	Action adopted for overdue accounts			
The Company	Gash Point Co., Ltd.	Subsidiary	\$ 383,360	-	\$ -	-	\$ 266,734	\$ 107	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to February 19, 2024.

Note 2: Represents receivables for selling game cards through the subsidiary.

Gamania Digital Entertainment Co., Ltd.
Significant inter-company transactions during the reporting period
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	\$ 40,276	Notes 4 and 5	0.41
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Accounts receivable	13,581	Notes 4 and 5	0.14
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	38,316	Notes 4 and 5	0.39
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	383,360	Note 5	3.90
0	The Company	NOWnews Network Co., Ltd.	1	Sales of services	10,048	Note 5	0.10
0	The Company	Digicentre Company Limited	1	Sales of services	13,443	Note 5	0.14
0	The Company	Ants' Power Co., Ltd.	1	Sales of services	10,434	Note 5	0.11
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	15,180	Note 5	0.15
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	48,850	Note 5	0.50
2	Gash Point Co., Ltd.	The Company	2	Accounts receivable	13,820	Note 5	0.14
2	Gash Point Co., Ltd.	The Company	2	Sales of services	299,751	Note 5	3.06
3	Ants' Power Co., Ltd.	The Company	2	Operating revenue	125,512	Note 5	1.28
3	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	25,387	Note 5	0.26
4	Gash Point (HK) Co., Ltd.	Gash Point Co., Ltd.	3	Other receivables	46,710	Note 5	0.48
5	Digicentre Company Limited	The Company	2	Accounts receivable	43,174	Note 5	0.44
5	Digicentre Company Limited	The Company	2	Operating revenue	283,444	Note 5	2.89
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	23,098	Note 5	0.24
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	141,513	Note 5	1.45
5	Digicentre Company Limited	GAMA PAY Co., Ltd.	3	Operating revenue	34,203	Note 5	0.35
5	Digicentre Company Limited	Gash Point Co., Ltd.	3	Operating revenue	31,716	Note 5	0.32
6	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	47,063	Notes 4 and 5	0.48
6	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	193,770	Notes 4 and 5	1.98
7	Coture New Media Co., Ltd.	The Company	2	Accounts receivable	72,016	Notes 4 and 5	0.73
7	Coture New Media Co., Ltd.	The Company	2	Sales of services	152,873	Notes 4 and 5	1.56

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
8	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	\$ 14,247	Note 5	0.15
8	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	27,666	Note 5	0.28
9	Digicentre (HK) Company Limited	Digicentre Company Limited	3	Sales of services	22,627	Note 5	0.23

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories ; fill in the number of category each case belongs to (if 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; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: There is no similar transaction to compare with. It will follow the agreed price and transaction terms.

Note 5: The disclosure standard reaches above \$10,000 for the transaction amount.

Gamania Digital Entertainment Co., Ltd.

Information on investee companies (not including investees in Mainland China)

Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 1,521,029	\$ 1,521,029	20,100,000	100.00	\$ 59,422	\$ 25,935	(\$ 19,048)	
The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	211,051	211,051	25,500,000	100.00	482,123	124,488	124,488	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	93,448	(11,350)	(11,350)	
The Company	Foundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	(20)	(20)	
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	690,000	620,000	13,167,568	99.00	38,139	(95,269)	(93,696)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	368,759	55,270	34,476	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	5,955	58	29	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	393,057	151,889	136,701	
The Company	Indiland Co., Ltd.	Taiwan	Third-party payment	69,000	69,000	2,950,000	100.00	6,718	(8,615)	(8,615)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	78,963	35,993	35,993	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	21,356	(5,230)	(1,628)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	206	(4)	(4)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	2,689	(4,349)	(4,047)	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	1,103,018	1,103,018	44,694,406	81.26	308,196	(150,168)	(122,145)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	615,342	535,342	51,519,527	82.06	146,816	(106,711)	(99,714)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,713	8	8	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	229,400	1,698,234	99.90	22,087	111	111	
The Company	Hao-Ji film Ltd.	Taiwan	TV shows production	30,000	30,000	3,000,000	42.86	27,082	(5,549)	(2,939)	
The Company	Walkermedia Co., Ltd.	Taiwan	Newspaper and magazine publishing	34,500	30,000	3,450,000	30.00	3,845	(19,200)	(5,760)	

Gamania Digital Entertainment Co., Ltd.
Information on investee companies (not including investees in Mainland China)
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
The Company	Entron Technology Co., Ltd.	Taiwan	Development of system platform	\$ 6,400	\$ -	400,000	14.16	\$ 6,151	(\$ 1,756)	(\$ 249)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Retail Sale No Storeformat	10,000	10,000	230,769	7.69	8,466	(38,980)	(2,642)	
NOWnews Network Co., Ltd.	Walkermedia Co., Ltd.	Taiwan	Newspaper and magazine publishing	21,652	-	8,050,000	70.00	15,943	(19,200)	(5,709)	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,180	1,180	300,000	100.00	40,572	1,944	1,944	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	30,705	30,705	1,000,000	51.00	9,736	(10,976)	(5,598)	
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	Sales and research and development of software	1,500	1,500	150,000	30.00	3,509	3,215	963	
Gamania Asia Investment Co., Ltd.	Jadway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	55,125	55,125	5,250,000	37.18	50,559	2,944	1,094	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	63,702	63,702	2,067,867	29.54	-	(46,039)	(7,223)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	1	(8)	(8)	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	19	(28)	(1)	
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	(133)	(28,764)	(6,178)	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	13,988	13,988	750,000	100.00	301,841	80,909	72,821	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	30,408	30,408	600	100.00	27,652	1,944	1,750	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Sales and research and development of software	11,662	11,662	138,268	100.00	29,306	4,155	3,739	
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd.	Taiwan	Information software and supply of electronic information services	29,250	29,250	2,625,000	79.98	67,834	22,555	16,235	

Gamania Digital Entertainment Co., Ltd.
Information on investee companies (not including investees in Mainland China)
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
Gaah Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	\$ 150,000	\$ 150,000	4,972,098	6.22	\$ 23,590	(\$ 150,168)	(\$ 8,364)	
Gaah Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	130,000	6,703,125	8.38	31,778	(150,168)	(11,354)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	1,444,843	1,444,843	50,400,000	100.00	138,070	25,663	25,663	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	811,895	811,895	33,497,476	98.85	3,327	(2,098)	(2,074)	
Gamania International Holdings Ltd.	Joymobece Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	121,285	121,285	30,701,775	100.00	2,161	(2,992)	(2,992)	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,744	9,744	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	213,479	213,479	7,383,711	43.28	92,430	(26,882)	(11,635)	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	67,551	67,551	2,200,000	100.00	5,237	42,429	42,429	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	263,295	263,295	343	49.00	-	(2,117)	-	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	656,410	656,410	26,145,712	100.00	98,686	(26,394)	(11,423)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	183	(28)	(12)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	150,455	150,455	4,900,000	100.00	14,954	(19,537)	(8,456)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	31,969	31,969	39,600,000	100.00	3,762	28	12	
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	0.82	9,686	(106,711)	(408)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,213,462	1,213,462	39,520,000	100.00	(2,911)	(1,877)	(1,855)	

Note : Initial investment amount is translated to NTD at the spot rate at the period end.

Gamania Digital Entertainment Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,083,887	2	\$ 794,338	\$ -	\$ -	\$ 794,338	(\$ 1,526)	98.85	(\$ 1,508)	(\$ 4,205)	\$ -	Notes 3 and 4
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	121,285	2	121,285	-	-	121,285	19,607	43.28	8,486	14,652	-	Notes 3 and 6
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	21,635	2	-	-	-	-	2,003	43.28	867	(6,859)	-	Notes 3 and 6

Note 1: The methods for engaging in investment in Mainland China include the following:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland China through companies registered in a third region.
- (3) Other methods.

Note 2: The accumulated remittance as of January 1, 2023, remitted or collected this period, accumulated as of December 31, 2023 was translated into New Taiwan dollars at the average exchange rate of NTD30.705 to US\$1 and NTD4.327 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company for the year ended December 31, 2023 was recognised based on their financial statements for the corresponding period, which were audited by R.O.C. parent company's CPA.

Note 4: It was invested through Gamania Sino Holdings Ltd invested.

Note 5: It was invested through Gamania Holdings Ltd. invested.

Note 6: It was invested through Cyber Look Properties Limited invested.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	
		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
The Company (Note)	\$ 794,338	\$ 1,283,850	\$ 3,226,364
Jollywiz Digital Technology Co., Ltd.	121,285	121,285	136,810

Note: The total investment amount approved by the Investment Commission, MOEA, was USD41,812 thousand based on 30.705 spot exchange rate at December 31, 2023.

Gamania Digital Entertainment Co., Ltd.

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	Number of shares held	Ownership (%)
Liu Po Yuan		17,491,305	9.96%
Wanwin International Co., Ltd.		15,186,000	8.65%
Joy Develop Co., Ltd. Taiwan Branch		14,883,000	8.48%
Shiang Sheng Investment Ltd.		13,600,000	7.74%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed represents the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and the trust assets which can be allocated. For the information of reported share equity of insider, please refer to Market Observation Post System.

VI. Impact of 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 publication Date of the Annual Report: None.

Seven. Discussion and Analysis of Financial Standing and Financial Performance and Risks

I. Financial Standing

Unit: NTD thousand

Item \ Year	2023	2022	Difference		Variation Analysis (Note 1)
			Value	Ratio (%)	
Current assets	5,264,091	5,899,492	(635,401)	(10.77)	
Real estate, plants, and equipment	2,836,467	2,812,438	24,029	0.85	
Intangible assets	1,076,891	1,178,390	(101,499)	(8.61)	
Other assets	644,328	496,545	147,783	29.76	(note 2)
Total assets	9,821,777	10,386,865	(565,088)	(5.44)	
Current liabilities	3,859,584	3,938,168	(78,584)	(2.00)	
Non-current liabilities	175,502	159,735	15,767	9.87	
Total liabilities	4,035,086	4,097,903	(62,817)	(1.53)	
Capital stock	1,754,936	1,754,936	0	0.00	
Additional paid-in capital	1,349,316	1,354,763	(5,447)	(0.40)	
Retained earnings	2,723,576	3,181,682	(458,106)	(14.40)	
Other equities	(450,554)	(439,349)	(11,205)	2.55	
Non-controlling interests	409,417	436,930	(27,513)	(6.30)	
Total equity	5,786,691	6,288,962	(502,271)	(7.99)	

(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 other assets: mainly due to the increase in prepayments for intangible assets.

II. Financial Performance

(I) Financial Performance Comparative Analysis Table

Item	Year	2023	2022	Increased (Decreased) Value	Change ratio (%)
	Operating income		9,790,860	11,388,021	(1,597,161)	(14.02)
Operating Cost		(5,996,060)	(6,522,937)	526,877	(8.08)
Operating gross profit		3,794,800	4,865,084	(1,070,284)	(22.00)
Operating expense		(3,155,105)	(3,106,522)	(48,583)	1.56
Operating loss or profit		639,695	1,758,562	(1,118,867)	(63.62)
Non-operating income and expenditure		47,926	(50,114)	98,040	(195.63)
Pre-tax net profit (loss)		687,621	1,708,448	(1,020,827)	(59.75)
(Expenditure) Profit from Income Tax		(127,389)	(430,341)	302,952	(70.40)
Net profit of current term		560,232	1,278,107	(717,875)	(56.17)
Other combined profits and losses		(5,144)	72,164	(77,308)	(107.13)
Sum of combined profits (losses) for the current term		555,088	1,350,271	(795,183)	(58.89)
Net profit attributable to the owner of the parent company		575,188	1,279,696	(704,508)	(55.05)
Net profit attributable to non-controlling interests		(14,956)	(1,589)	(13,367)	841.22
The sum of comprehensive income attributable to the owner of the parent company		562,885	1,329,871	(766,986)	(57.67)
Total combined profits or losses attributable to non-controlling interests		(7,797)	20,400	(28,197)	(138.22)

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. Gross profit decreased: mainly due to the decrease in the number and scale of the main game activities, resulting in a decrease in operating revenue.
2. The increase in non-operating income and expenses is mainly due to the decrease in impairment loss.
3. Decrease in income tax benefits (expenses): mainly due to the decrease in profits.
4. Other comprehensive income: mainly due to the decrease in exchange differences on the translation of financial statements of foreign operations.

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:

1. Operating income of the Company includes the income from gaming software (online games, mobile services) and sales of goods. As we do not make financial forecast, no sales statistics are available.
2. 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 of changes in gross profit: The change in gross profit is not significant, so no analysis is intended.

III. Cash Flow

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																		
\$3,737,319	\$968,214	(\$1,548,153)	\$3,157,380	-	-																		
<p>1. Analysis of change in cash flows of the year:</p> <p>(1) Operating activities: Due to net cash inflow from normal operating activities.</p> <p>(2) Investing and financing activities: mainly net cash outflow from cash dividends.</p> <p>2. Remedies for shortage in cash and liquidity analysis:</p> <p>(1) No such situation.</p> <p>(2) Liquidity analysis: The ratio of current assets to current liabilities was 136.39%; the liquidity was in good condition.</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> <th rowspan="2">Ratio of increase/decrease (%)</th> </tr> <tr> <th>December 31, 2023</th> <th>December 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Cash flow ratio (%)</td> <td>25.09</td> <td>62.74</td> <td>(0.60)</td> </tr> <tr> <td>Cash flow adequacy ratio (%)</td> <td>113.70</td> <td>137.58</td> <td>(0.17)</td> </tr> <tr> <td>Cash re-investment ratio (%)</td> <td>(0.76)</td> <td>25.48</td> <td>(1.03)</td> </tr> </tbody> </table> <p>Information on decreases/increases:</p> <p>a. Cash flow ratio: due to the decrease in net cash inflow from operating activities.</p> <p>b. Cash reinvestment ratio: due to the decrease in net cash inflow from operating activities.</p>						Item	Year		Ratio of increase/decrease (%)	December 31, 2023	December 31, 2022	Cash flow ratio (%)	25.09	62.74	(0.60)	Cash flow adequacy ratio (%)	113.70	137.58	(0.17)	Cash re-investment ratio (%)	(0.76)	25.48	(1.03)
Item	Year		Ratio of increase/decrease (%)																				
	December 31, 2023	December 31, 2022																					
Cash flow ratio (%)	25.09	62.74	(0.60)																				
Cash flow adequacy ratio (%)	113.70	137.58	(0.17)																				
Cash re-investment ratio (%)	(0.76)	25.48	(1.03)																				
<p>3. Analysis of cash liquidity for the coming year:</p> <table border="1"> <thead> <tr> <th rowspan="2">Balance of cash at start of term</th> <th rowspan="2">Net cash flows from operating activities throughout the year</th> <th rowspan="2">Net cash flows associated with investments and capital raising throughout the year</th> <th rowspan="2">Remaining (Shortage in) cash</th> <th colspan="2">Remedies in case of cash shortage</th> </tr> <tr> <th>Investment plan</th> <th>Wealth management plan</th> </tr> </thead> <tbody> <tr> <td>\$3,157,380</td> <td>2,900,000</td> <td>(2,100,000)</td> <td>3,957,380</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>(1) Analysis of change in cash flows of the year:</p> <p>a. Operating activities: the net cash inflows from normal operating activities.</p> <p>b. Investment activities: the net cash out-flows for long-term investments and for acquiring assets.</p> <p>(2) Remedies for expected cash shortfall and liquidity analysis: Not applicable.</p>						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	\$3,157,380	2,900,000	(2,100,000)	3,957,380	-	-				
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																		
\$3,157,380	2,900,000	(2,100,000)	3,957,380	-	-																		

IV. Impact of Major Capital Expenditure in the Past Year on Finance and Business: None.

V. Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year

(I) Reinvestment Policy:

All the Company's reinvestments using the equity method aimed at consolidating its core business and optimizing the transformation of its subsidiaries, and further improving the long-term strategic objectives of the Group's network ecosystem layout.

(II) **Main Reasons for Profits or Losses and Improvement Plans**

The investment loss recognized under the equity method for the Company in 2023 was NTD 22,115 thousand, a decrease of NTD 8,319 thousand from 2022. This decrease was primarily due to investment losses from scaled-back investments in certain associated enterprises in the electronic payment and e-commerce sectors, as they did not achieve profitability as per International Accounting Standard 28. In the future, the Company will implement restructuring, focus on stable growth and control expenses to enhance operational performance.

(III) **Investment Plan for the Coming Year:**

The future reinvestments using the equity method will still adhere to the principle of long-term strategic investment and continuous careful evaluation will be carried out.

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 Federal Reserve has raised interest rates significantly for many times, causing major central banks around the world to raise interest rates one after another. However, the proportion of the Company's interest income and interest expenses to operating income and net income before tax is not high. Therefore, changes in interest rates have little impact on the Company. The finance unit evaluates bank interest rates on a regular basis and maintains close contact with banks to obtain more favorable borrowing rates and deposit rates to minimize the impact of interest rate changes on the Company.

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 led 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) Policies on engagement in high-risk and high-leverage investments, lending of funds to others, endorsements and guarantees, and derivative transactions, main reasons for profits or losses, 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

NTD 460 million is expected to be invested in R&D in 2024 to maintain our competitive advantage. 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) Impact of science and technology development (including cybersecurity risks) and industrial changes on the Company's finance and business, and countermeasures:

1. The impact of changes in the external environment on the internal (information and communication security business) of the organization
 - (1) Safety of information system operations
 - (2) Employee information security risk awareness
 - (3) Operation or service interruption
 - (4) Management of upstream and downstream suppliers
 - (5) External intrusion or malicious attack
 - (6) Emerging technologies and practical impacts
2. Corresponding measures
 - (1) Regular review of information security practices
 - The Information Security Committee regularly reviews information and communication security management practices and formulates corresponding solutions or plans.
 - Update and adjust the relevant information operating specifications and procedures based on the current situation from time to time, conduct regular on-site inspections of the implementation of the operating environment, explore potential risks, and provide corrective, preventive or compensating control measures.
 - For emerging technologies, timely adjust, connect or formulate corresponding management specifications or procedures (e.g. cloud application and management, artificial intelligence and data protection, etc.) to ensure the compliance of information operations.
 - (2) Information security education and training
 - Information security e-newsletter is sent from time to time.
 - The Company has prepared its own required courses and tests for information security online education and training.

- Conduct secondary education and training for employees who fail the test to enhance employees' information security awareness and increase their vigilance against possible social engineering frauds.
- (3) Operation continuation and disaster recovery drill
- The Company has a backup mechanism in place for its core operation services and data. In case of unexpected damage to the core operation system or database and forcing interruption, the Company can resume the operation within the time limit set by different services.
- (4) Protection of data and privacy
- The law stipulates that all operating units should minimize the data collection principle, comply with the Personal Data Protection Law, and implement processing and protection measures at all links; through sensitive data masking, field/database encryption, and access authorization and alarm mechanisms to ensure data security.
- (5) Strengthening of safety management and monitoring
- Establish the necessary protection measures, including the segmentation of important network segments and access authorization control, firewall, intrusion detection and blocking attack mechanisms.
 - The Company conducts vulnerability detection and penetration testing on websites that provide connection services to external parties from time to time, and performs system updates and vulnerability repairs.
 - Establish rigorous system data access control or exchange requirements, encryption technology, conduct regular vulnerability scanning and strengthen protective measures to reduce the risk of data leakage.
 - Establish a multi-layered defense and detection system, install anti-virus systems on all terminals, and adopt a central management method for active monitoring and protection to reduce the risk of malware infection and attack.
- (6) Monitor industry trends
- Legal requirements
Compliance with the Cyber Security Control Guidelines by Publicly Listed Companies.
Amendments to the Personal Information Protection Act.
 - External Significant Security Issues
Collect daily network and information security related intelligence,

and release internal information security information on current high-risk information security attack methods and security protections from time to time.

(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 countermeasures: None.

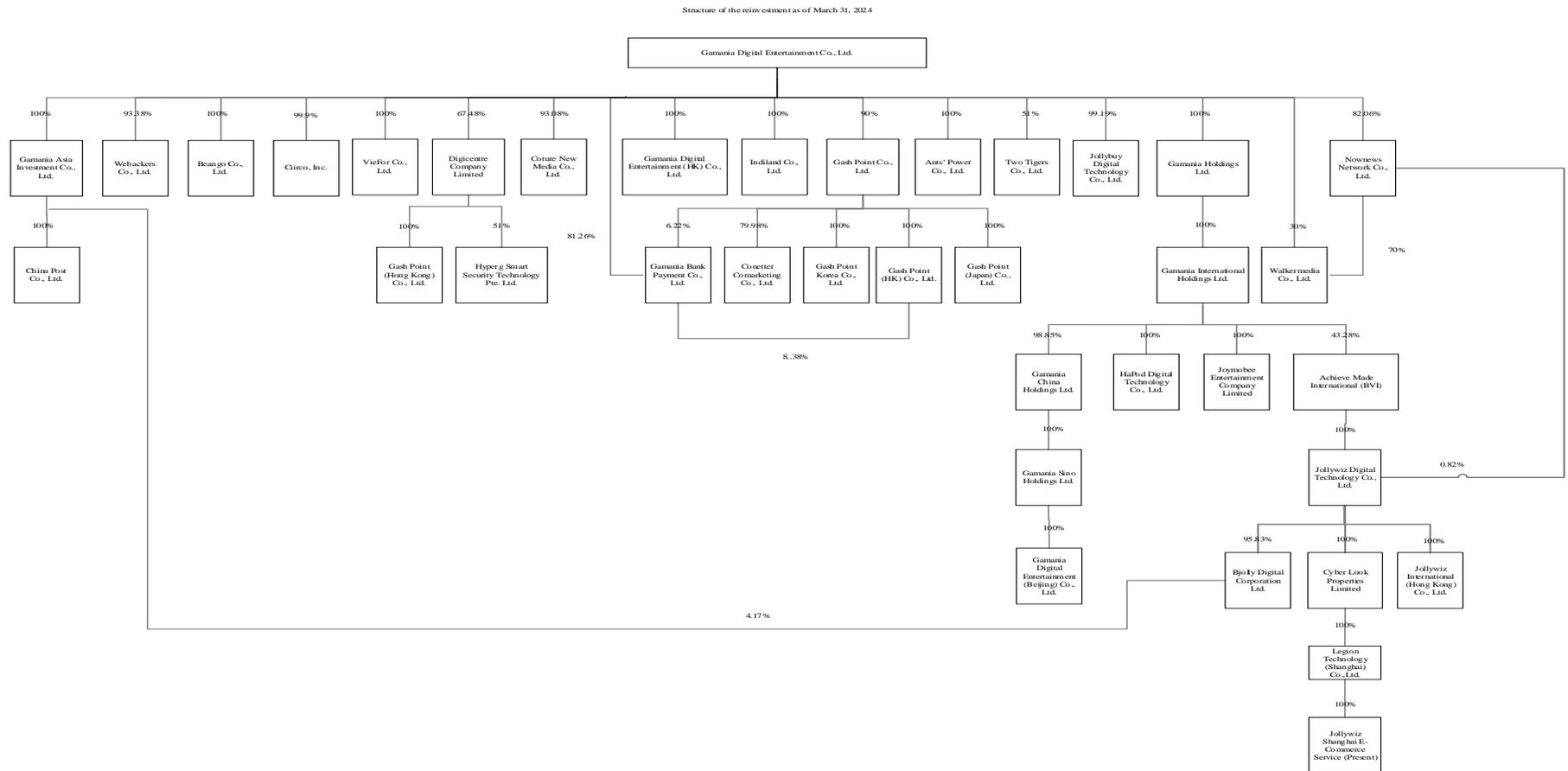
VII. Other important matters: None.

Eight. 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, 2024

Name of affiliate	Date established	Address	Paid-in capital size	Main scope of operation or production
Gamania Holdings Ltd.	2001.04.13	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands	USD20,100,000.00	Reinvestment, shares held
Gamania International Holdings Ltd.	2001.04.13	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands	USD50,400,000.00	Reinvestment, shares held
Gamania China Holdings Ltd.	2001.04.13	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands	USD33,889,000.00	Reinvestment, shares held
Gamania Sino Holdings Ltd.	2001.09.18	4F, One Capital Place,P.O.Box 847GT,Grand Cayman,Cayman Islands,British West Indies	USD 39,520,000.00	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 35,300,000.00	Software development and distribution
Joymobee Entertainment Company Limited	2010.08.04	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	HKD 30,702,000.00	Game software design and R&D
HaPod Digital Technology Co., Ltd.	2015.07.09	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	USD 2,200,000.00	Information software service and distribution
Achieve Made International (BVI)	2006.09.01	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 176,000.00	Reinvestment, shares held
Jollywiz Digital Technology Co., Ltd.	2006.11.30	3F-3., No. 88, Ruihu Street, Neihu District, Taipei City	NT\$299,457 thousand	Electronic information supply
Cyber Look Properties Limited	2008.01.02	Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands	USD 4,900,000.00	Reinvestment, shares held
Jollywiz International (HK) Co., Limited	2015.06.11	18/F, Yue Hing Building, 103 Hennessy Road, Wai Chai, Hong Kong	USD 5,119,000.00	Electronic information supply
Jollywiz Digital Business Co., Ltd.	2010.03.24	Room 9D, Building 3, No. 269 Tongxie Road, Changning District, Shanghai	CNY 5,000,000.00	Electronic information supply
Legion Technology (Shanghai) Co., Ltd.	2008.12.05	Room A12-24, Floor 4A, No. 2300 Yangshupu Road, Yangpu District, Shanghai	USD 3,950,000.00	Electronic information supply
Gamania Asia Investment Co., Ltd.	2004.06.07	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 189,000,000.00	General investment
VieFor Co., Ltd.	2007.01.24	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 3,165,000.00	Magazine and journal publishing
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 25,500,000.00	Information software service and distribution
Jollybuy Digital Technology Co., Ltd.	2009.02.25	No. 111, Ruihu Street, Neihu District, Taipei City	NT\$163,000 thousand	Electronic information supply
Two Tigers Co., Ltd.	2010.12.09	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 12,292,000.00	Animation production
Gash Point Co., Ltd.	2011.02.11	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 150,000,000.00	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 98,000,000.00	Information software and electronic information

Name of affiliate	Date established	Address	Paid-in capital size	Main scope of operation or production
				supply
Gash Point (Hong Kong) Company Limited	2010.12.09	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon	HKD 750,000.00	Information software and electronic information supply
Gash Point Korea Co., Ltd.	2001.11.16	Seoul, kang-nam gu , bongunsaro 84 gil 8, 503 R	KRW 691,340,000.00	Information software and electronic information supply
Conetter Comarketing Co., Ltd.	2014.11.18	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 32,820,000.00	Information software service and electronic information supply
Gama Pay Co., Ltd.	2014.11.06	No. 111, Ruihu Street, Neihu District, Taipei City	NT\$550,000 thousand	e-Payment
Digicentre Company Limited	2009.02.24	No. 111, Ruihu Street, Neihu District, Taipei City	NT\$237,328 thousand	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 300,000.00	Information software service
Hyperg Smart Security Technology Pte. Ltd.	2019.04.01	3 Temasek Avenue #18-22 Centennial Tower Singapore (039190)	USD 1,961,000.00	Information software service
Indiland Co., Ltd.	2012.05.31	No. 111, Ruihu Street, Neihu District, Taipei City	NT\$29,500 thousand	Third-party payment
Ciirco, Inc.	2013.05.20	No. 111, Ruihu Street, Neihu District, Taipei City	NT\$17,000 thousand	Information software service and distribution
Ants' Power Co., Ltd.	2013.12.17	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 10,000,000.00	Customer service
Coture New Media Co., Ltd.	2014.12.24	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 14,125,000.00	TV program production and general advertising
Webackers Co., Ltd.	2014.09.15	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 4,000,000.00	Fund-raising platform
Beango Co., Ltd.	2016.03.25	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 4,000,000.00	Communication software
China Post	1982.12.28	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 5,000,000.00	Newspaper publishing
Nownews Network Co., Ltd.	2006.06.08	3F., No. 160, Ruihu Street, Neihu District, Taipei City	NT\$627,850 thousand	TV program production and general advertising
Bjolly Digital Corporation Ltd.	2017.09.21	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 10,909,000.00	Electronic information supply
Walkermedia Co., Ltd.	2019.06.05	3F., No. 160, Ruihu Street, Neihu District, Taipei City	NT\$115,000 thousand	Digital media platform and general advertising services

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, 2024

Unit: Thousand shares

Name of affiliate	Position	Name or Representative	Shares held	
			Number of shares	Holding ratio
Gamania Holdings Ltd.	Chairman	Liu, Po-Yuan	-	-
Gamania International Holdings Ltd.	Chairman	Gamania Holdings Ltd. Representative: Albert Liu	-	-
Gamania China Holdings Ltd.	Chairman	Gamania International Holdings Ltd. Representative: Albert Liu	-	-
Gamania Sino Holdings Ltd.	Chairman	Liu, Po-Yuan	-	-
Gamania Digital Entertainment (Beijing) Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Supervisor	Su, Hsin-Hung	-	-
Joymabee Entertainment Company Limited	Chairman	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Chang, Ya-Ling	-	-
HaPod Digital Technology Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
Achieve Made International (BVI)	Director	Hung, Meng-Ting	-	-
	Director	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Wang, Chi-Huang	-	-
	Director	Alibaba Taiwan Entrepreneurs Fund I, L.P.	-	-
Jollywiz Digital Technology Co., Ltd.	Chairman	Representative of Achieve Made International Limited: Liu, Po-Yuan	29,946	100%
	Director	Representative of Achieve Made International Limited: Hung, Meng-Ting	29,946	100%
	Director	Representative of Achieve Made International Limited: Su, Hsin-Hung	29,946	100%
	Supervisor	Representative of Achieve Made International Limited: Wang, Chi-Huang	29,946	100%
Cyber Look Properties Limited	Director	Chang, Ting-Wei	-	-
Jollywiz International (HK) Co., Limited	Director	Chen, Po-Liang	-	-
Jollywiz Digital Business Co., Ltd.	Director	Chen, Po-Liang	-	-
Legion Technology (Shanghai) Co., Ltd.	Director	Chen, Po-Liang	-	-
Gamania Asia Investment Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	18,900	100.00%
VieFor Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	317	100.00%
Gamania Digital Entertainment (Hong Kong) Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Chang, Ya-Ling	-	-
	Director	Wang, Da-Wei	-	-

Name of affiliate	Position	Name or Representative	Shares held	
			Number of shares	Holding ratio
Jollybuy Digital Technology Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	16,168	99.19%
	Supervisor	Su, Hsin-Hung	-	-
Two Tigers Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	627	51.00%
	Director	SOFA Studio Co., Ltd.	602	49.00%
	Supervisor	Su, Hsin-Hung	-	-
Gash Point Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	13,500	90.00%
	Supervisor	Su, Hsin-Hung	200	1.33%
Gash Point (Japan) Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Director	Chen, Chin-Hua	-	-
	Director	Su, Hsin-Hung	-	-
Gash Point (Hong Kong) Company Limited	Chairman	Liu, Po-Yuan	-	-
	Director	Wang, Chi-Huang	-	-
	Director	Su, Hsin-Hung	-	-
Gash Point Korea Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Director	Wang, Chi-Huang	-	-
	Supervisor	Su, Hsin-Hung	-	-
Conetter Comarketing Co., Ltd.	Chairman	Gash Point Co., Ltd. Representative: Albert Liu	2,625	79.98%
	Director	Gash Point Co., Ltd. Representative: Cheng, Chi-Hung	2,625	79.98%
	Director	Jsdway Digital Technology Co., Ltd. Representative: Huang, Chun-Jen	657	20.02%
	Supervisor	Su, Hsin-Hung	-	-
Gama Pay Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	44,694	81.26%
	Director act concurrently as General Manager	Representative of Gamania Digital Technology Co., Ltd.: Chang, Chao-Chih	44,694	81.26%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	44,694	81.26%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Chen, Shi-Ying	44,694	81.26%
	Director	Representative of Taiwan Secom Co., Ltd.: Lin, Chien-Han	1,139	2.07%
	Supervisor	Wang, Chi-Huang	-	-
Digicentre Company Limited	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	16,016	67.48%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	16,016	67.48%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Ting, Wei-Ming	16,016	67.48%

Name of affiliate	Position	Name or Representative	Shares held	
			Number of shares	Holding ratio
	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	Chen, Hsiang-Chung	-	-
	Supervisor	Wang, Chi-Huang	-	-
Digicentre (HK) Company Limited	Chairman	Liu, Po-Yuan	-	-
Hyperg Smart Security Technology Pte. Ltd	Chairman	Ting, Wei-Ming	-	-
	Director	Wan, You-Shan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	YAP KUM LOON	-	-
Indiland Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	2,950	100%
Ciirco, Inc.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	1,698	99.90%
	Supervisor	Su, Hsin-Hung	-	-
Ants' Power Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	1,000	100%
Coture New Media Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	1,315	93.08%
	Supervisor	Su, Hsin-Hung	-	-
Webackers Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	374	93.38%
	Supervisor	Su, Hsin-Hung	-	-
Beango Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	400	100%
China Post	Chairman	Gamania Asia Investment Co., Ltd. Representative: Albert Liu	500	100%
Nownews Network Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Albert Liu	51,520	82.06%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Huang, Chun-Jen	51,520	82.06%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	51,520	82.06%
	Director	TAYA Venture Capital Representative: Chang, Chih-Hung	800	1.27%
	Director	Sinyi Realty Inc. Representative: Chou, Chuang-Yun	5,050	8.04%
	Supervisor	Wang, Chi-Huang	-	-
Bjolly Digital Corporation Ltd.	Chairman	Jollywiz Digital Technology Co., Ltd. Representative: Albert Liu	1,045	95.83%
	Supervisor	Chen, Po-Liang	-	-
Wo Media Co., Ltd.	Chairman	Representative of Nownews Network Co., Ltd.: Liu, Po-Yuan	8,050	70%
	Supervisor	Su, Hsin-Hung	-	-

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, combing 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, Gamania Group has expanded into e-commerce, payment, media, and digital commerce solutions and other business systems. In 2019, it officially launched the beanfun! mobile lifestyle platform, and launched the new dual-star platforms "Literature Star" and "Comic Star" in 2021 to actively deploy full ecological network enterprise and support the creation of potential content.

7. Operational overview of respective affiliates

Name of affiliate	Paid-in capital size	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
Gamania Digital Entertainment (H.K.) Co.	100,190	581,929	99,806	482,123	593,771	119,757	124,488	5
Joymobee Entertainment Company Limited	120,627	2,844	683	2,161	2,219	(2,944)	(2,992)	(0)
Digicentre Company Limited	237,328	561,600	211,718	349,882	829,977	71,655	55,270	2
Digicentre (HK) Company Limited	1,179	142,813	102,241	40,572	630,452	2,694	1,944	6
Hyperg Smart Security Technology Pte.Ltd.	60,206	56,997	37,906	19,091	34,446	(6,494)	(10,976)	(6)
Gash Point Co., Ltd.	150,000	2,195,621	1,739,423	456,198	735,599	71,305	151,889	10
Gash Point (HK) Company Limited	2,947	925,656	623,815	301,841	302,704	100,753	80,909	108
Gash Point Korea Co., Ltd.	16,523	30,203	897	29,306	6,212	4,141	4,155	30
Gash Point (Japan) Co., Ltd.	21,286	40,392	12,740	27,652	77,945	2,465	1,944	3,240
Gama Pay Co., Ltd.	550,000	491,772	112,513	379,259	10,366	(153,729)	(150,168)	(3)
Indiland Co., Ltd.	29,500	9,073	2,356	6,717	24	(8,661)	(8,615)	(3)
Conetter Comarketing Co., Ltd.	32,820	305,795	220,982	84,813	806,551	24,924	22,555	7
Coture New Media Co., Ltd.	14,125	79,552	76,697	2,855	153,159	(4,795)	(4,349)	(3)
Ants' Power Co., Ltd.	10,000	122,640	43,677	78,963	185,183	43,486	35,993	36
Nownews Network Co., Ltd.	627,850	65,483	39,617	25,866	58,299	(102,024)	(106,711)	(2)
Walkermedia Co., Ltd.	115,000	19,158	6,341	12,817	7,815	(8,390)	(19,200)	(1)
Jollybuy Digital Technology Co., Ltd.	133,000	96,962	58,439	38,523	17,582	(92,952)	(95,269)	(7)
Achieve Made International Ltd.	5,393	236,671	732	235,939	0	(579)	(26,882)	(2)
Jollywiz Digital Technology Co., Ltd.	299,457	309,314	81,073	228,241	355,191	(44,970)	(26,394)	(1)
Cyber Look Properties Limited Ltd.	150,455	34,552	0	34,552	0	(74)	19,537	4
Legion Technology (Shanghai) Co., Ltd.	121,285	35,069	1,221	33,848	9,946	1,870	19,607	5
Jollywiz Digital Business Co., Ltd.	21,635	97,016	97,410	(394)	392,841	25,483	2,003	4
Jollywiz International (HK) Co., Limited	20,113	8,762	61	8,701	0	(169)	(28)	(0)
Bjolly Digital Corporation Ltd.	10,909	442	0	442	0	(30)	(28)	(0)
Gamania Digital Entertainment (Beijing) Co., Ltd.	1,083,887	627	4,881	(4,254)	652	(1,435)	(1,526)	(0)
Gamania Holdings Ltd.	617,170	159,828	0	159,828	0	(506)	25,935	1
Gamania International Holdings Ltd.	2,139,078	138,070	0	138,070	0	(500)	25,663	1
Gamania China Holdings Ltd.	1,040,558	3,367	1	3,366	0	(277)	(2,098)	(0)
Gamania Sino Holdings Ltd.	1,213,462	(2,911)	0	(2,911)	0	(352)	(1,877)	(0)
Gamania Asia Investment Co., Ltd.	189,000	76,690	1,123	75,567	0	(105)	(11,350)	(1)
Viefor Co., Ltd.	3,165	215	644	(429)	0	(20)	(20)	(0)
Two Tigers Co., Ltd.	12,292	11,677	0	11,677	0	(47)	58	0
Ciirco, Inc.	17,000	21,360	0	21,360	0	(45)	111	0
Webackers Co., Ltd.	4,000	1,010	790	220	0	(6)	(4)	(0)
Hapod Digital Technology Co., Ltd.	67,551	14,036	8,799	5,237	0	(149)	42,429	19
Beango Co., Ltd.	4,000	7,713	0	7,713	0	0	8	0
China Post	5,000	205	1,708	(1,503)	0	(10)	(8)	(0)

(II) Consolidated Financial Statements of Affiliates: Refer to page 121~221.

(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.

Nine. Matters with important impacts on shareholders' equity or prices of securities as indicated in subparagraph 2, paragraph 3, Article 36 of the Securities Exchange Act in the most recent year and up to the publication date of the annual report: None.