

**GAMANIA DIGITAL ENTERTAINMENT CO.,  
LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL  
STATEMENTS AND INDEPENDENT  
AUDITORS' REPORT  
DECEMBER 31, 2021 AND 2020**

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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

PWCR21000438

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, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors (please refer to the other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

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

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. 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(25) for the details of accounting applied on revenue recognition.

Gamania Digital Entertainment Co., Ltd. (the “Company”) is primarily engaged in providing online and mobile game services. The game players purchase game stored-value cards or value-added to play the game or exchange for virtual items. The Company recognises receipt of payments for game stored-value 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 advance receipts as shown in the trial balance sheet provided by the Company’s accountant.
- D. Tested on a sample basis the expected users’ relationship periods as reflected in the data collection systems, and compared with expected consumption based on the Company’s accounting policy.

## **Impairment assessment of goodwill**

### Description

Refer to Notes 4(17) and (18) 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. Comparing 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 Notes 4(3) and 6(8), part of the subsidiaries and investments accounted for under the equity method is based on the financial statements audited by other auditors appointed by these companies. We did not audit the financial statements of certain subsidiaries and investments accounted

for under the equity method. Total assets of the subsidiaries amounted to NT\$1,700,468 thousand and NT\$2,186,919 thousand, constituting 18% and 24% of consolidated total assets as of December 31, 2021 and 2020, respectively, and operating revenue was NT\$2,469,898 thousand and NT\$2,716,688 thousand, constituting 22% and 26% of consolidated total operating revenue for the years then ended, respectively. The balance of investment accounted for under equity method amounted to NT\$56,856 thousand and NT\$106,943 thousand, constituting 1% and 1% of consolidated total assets as at December 31, 2021 and 2020, respectively, and other comprehensive loss accounted for under equity method was NT(\$83,433) thousand and NT(\$70,713) thousand, constituting (8%) and (11%) of consolidated total comprehensive income 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, 2021 and 2020.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

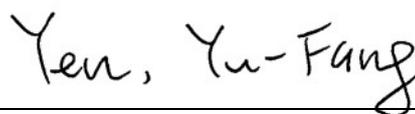
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Lin, Yi-Fan



Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2022

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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 review 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' 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, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 3,418,896	36	\$ 2,397,601	26
1136	Financial assets at amortised cost - current	6(7) and 8	88,463	1	102,626	1
1150	Notes receivable, net	6(2)	752	-	4,533	-
1170	Accounts receivable, net	6(2)	876,123	9	944,691	10
1180	Accounts receivable - related parties, net	7	11,341	-	13,345	-
1200	Other receivables	6(3)	260,489	3	258,160	3
1210	Other receivables - related parties	7	2,214	-	2,642	-
1220	Current income tax assets		21,049	-	9,580	-
130X	Inventories	6(4)	122,582	1	125,906	1
1410	Prepayments	6(5)	352,026	4	423,105	5
1470	Other current assets	8	278,466	3	100,446	1
11XX	<b>Total current assets</b>		<u>5,432,401</u>	<u>57</u>	<u>4,382,635</u>	<u>47</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(6)	198,626	2	182,953	2
1550	Investments accounted for under equity method	6(8)	121,309	1	205,090	2
1600	Property, plant and equipment	6(9) and 8	2,797,267	30	2,845,436	31
1755	Right-of-use assets	6(10)	95,538	1	66,589	1
1780	Intangible assets	6(12)	630,744	7	1,411,663	15
1840	Deferred income tax assets	6(31)	139,523	1	165,441	2
1900	Other non-current assets	6(13)	57,107	1	45,088	-
15XX	<b>Total non-current assets</b>		<u>4,040,114</u>	<u>43</u>	<u>4,922,260</u>	<u>53</u>
1XXX	<b>Total assets</b>		<u>\$ 9,472,515</u>	<u>100</u>	<u>\$ 9,304,895</u>	<u>100</u>

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**GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	6(15)	\$ 100,164	1	\$ 226,148	3
2130	Current contract liabilities	6(25)	385,016	4	281,129	3
2150	Notes payable		-	-	1,211	-
2170	Accounts payable		626,998	7	500,183	5
2180	Accounts payable - related parties	7	7,187	-	4,060	-
2200	Other payables	6(16)	1,751,731	18	1,999,733	22
2220	Other payables - related parties	7	158,584	2	115,776	1
2230	Current income tax liabilities		225,187	2	193,041	2
2280	Current lease liabilities		29,663	-	30,142	-
2320	Long-term liabilities, current portion	6(18)	80,000	1	160,000	2
2399	Other current liabilities, others		94,764	1	68,179	1
21XX	<b>Total current liabilities</b>		<u>3,459,294</u>	<u>36</u>	<u>3,579,602</u>	<u>39</u>
	<b>Non-current liabilities</b>					
2540	Long-term borrowings	6(18)	-	-	80,000	1
2570	Deferred income tax liabilities	6(31)	66,398	1	66,637	1
2580	Lease liabilities - non-current		66,004	1	36,777	-
2600	Other non-current liabilities		28,766	-	30,148	-
25XX	<b>Total non-current liabilities</b>		<u>161,168</u>	<u>2</u>	<u>213,562</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>3,620,462</u>	<u>38</u>	<u>3,793,164</u>	<u>41</u>
	<b>Equity attributable to owners of parent</b>					
	Share capital	6(21)				
3110	Common stock		1,754,936	18	1,754,936	19
	Capital surplus	6(22)				
3200	Capital surplus		1,335,163	14	1,352,471	14
	Retained earnings	6(23)				
3310	Legal reserve		378,451	4	264,787	3
3320	Special reserve		551,904	6	171,976	2
3350	Unappropriated retained earnings		1,893,337	20	1,992,382	21
	Other equity interest	6(24)				
3400	Other equity interest		( 505,352)	( 5)	( 551,904)	( 6)
31XX	<b>Equity attributable to owners of the parent</b>		<u>5,408,439</u>	<u>57</u>	<u>4,984,648</u>	<u>53</u>
36XX	Non-controlling interest	4(3)	443,614	5	527,083	6
3XXX	<b>Total Equity</b>		<u>5,852,053</u>	<u>62</u>	<u>5,511,731</u>	<u>59</u>
	Significant contingent liabilities and unrecorded contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total Liabilities and equity</b>		<u>\$ 9,472,515</u>	<u>100</u>	<u>\$ 9,304,895</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, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

Items	Notes	Year ended December 31,				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(25) and 7	\$ 11,372,477	100	\$ 10,443,042	100
5000	Operating costs	6(4)(30) and 7	( 6,615,392)	( 58)	( 6,474,304)	( 62)
5950	Gross profit		<u>4,757,085</u>	<u>42</u>	<u>3,968,738</u>	<u>38</u>
	Operating expenses	6(30) and 7				
6100	Selling expenses		( 1,208,886)	( 11)	( 1,199,557)	( 12)
6200	General and administrative expenses		( 1,352,756)	( 12)	( 1,250,368)	( 12)
6300	Research and development expenses		( 390,814)	( 3)	( 345,651)	( 3)
6450	Expected credit impairment loss	12(2)	( 70,534)	( 1)	( 35,747)	-
6000	Total operating expenses		( 3,022,990)	( 27)	( 2,831,323)	( 27)
6900	Operating income		<u>1,734,095</u>	<u>15</u>	<u>1,137,415</u>	<u>11</u>
	Non-operating income and expenses					
7100	Interest income	6(26)	3,306	-	10,698	-
7010	Other income	6(27)	12,210	-	36,181	-
7020	Other gains and losses	6(28)	( 180,021)	( 1)	( 6,433)	-
7050	Finance costs	6(29)	( 6,875)	-	( 12,209)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	( 117,619)	( 1)	( 100,105)	( 1)
7000	Total non-operating income and expenses		( 288,999)	( 2)	( 71,868)	( 1)
7900	<b>Profit before income tax</b>		<u>1,445,096</u>	<u>13</u>	<u>1,065,547</u>	<u>10</u>
7950	Income tax expense	6(31)	( 435,981)	( 4)	( 283,227)	( 3)
8200	<b>Profit for the period</b>		<u>\$ 1,009,115</u>	<u>9</u>	<u>\$ 782,320</u>	<u>7</u>

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

Items	Notes	Year ended December 31,				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income, net</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Actuarial gain (loss) on defined benefit plan	6(19)	\$ 5,108	-	(\$ 7,940)	-
8316	Unrealised loss on investments in equity instruments at fair value through other comprehensive income	6(6)	58,654	-	( 71,408)	( 1)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss	6(24)	157	-	( 120)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	( 1,022)	-	1,588	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		62,897	-	( 77,880)	( 1)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		( 32,607)	-	( 42,637)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(24)	-	-	662	-
8399	Income tax relating to the components of other comprehensive loss	6(31)	4,978	-	9,907	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		( 27,629)	-	( 32,068)	-
8300	<b>Total other comprehensive income (loss) for the period</b>		<u>\$ 35,268</u>	-	<u>(\$ 109,948)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income for the period</b>		<u>\$ 1,044,383</u>	<u>9</u>	<u>\$ 672,372</u>	<u>6</u>
Profit (loss) attributable to:						
8610	Owners of the parent		\$ 1,106,281	10	\$ 872,496	8
8620	Non-controlling interest		( 97,166)	( 1)	( 90,176)	( 1)
			<u>\$ 1,009,115</u>	<u>9</u>	<u>\$ 782,320</u>	<u>7</u>
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 1,145,337	10	\$ 759,822	7
8720	Non-controlling interest		( 100,954)	( 1)	( 87,450)	( 1)
			<u>\$ 1,044,383</u>	<u>9</u>	<u>\$ 672,372</u>	<u>6</u>
Earnings per share ( in dollars)						
9750	Basic earnings per share	6(32)	\$	6.30	\$	5.00
9850	Diluted earnings per share		\$	6.21	\$	4.94

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, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent													
	Capital Reserves				Retained Earnings				Other Equity Interest					
	Notes	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	Treasury stocks	Total	Non-controlling interest	Total equity
<b>2020</b>														
Balance at January 1, 2020		\$ 1,754,936	\$ 886,975	\$ 306,832	\$ 97,786	\$ 175,997	\$ 199,195	\$ 1,461,346	(\$ 73,174 )	(\$ 98,802 )	\$ -	\$ 4,711,091	\$ 586,302	\$ 5,297,393
Profit (loss) for the period		-	-	-	-	-	872,496	-	-	-	872,496	( 90,176 )	782,320	
Other comprehensive (loss) income for the period		-	-	-	-	-	( 6,352 )	( 34,794 )	( 71,528 )	-	( 112,674 )	2,726	( 109,948 )	
Total comprehensive income (loss)		-	-	-	-	-	866,144	( 34,794 )	( 71,528 )	-	759,822	( 87,450 )	672,372	
Appropriations of 2019 retained earnings	6(23)													
Legal reserve		-	-	-	-	88,790	( 88,790 )	-	-	-	-	-	-	
Reversal of special reserve		-	-	-	-	( 27,219 )	27,219	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	( 544,030 )	-	-	-	( 544,030 )	-	( 544,030 )	
Change in equity of associates and joint ventures accounted for under equity method	6(8)	-	-	-	( 2,496 )	-	( 787 )	-	-	-	( 3,283 )	-	( 3,283 )	
Change in ownership interest in subsidiaries	6(33)	-	-	-	( 2,495 )	-	( 2,326 )	-	-	-	( 4,821 )	46,135	41,314	
Purchase of treasury shares		-	-	-	-	-	-	-	-	91,449	91,449	-	91,449	
Share-based payment		-	-	-	65,863	-	-	-	-	-	65,863	-	65,863	
Treasury share distributed to employees		-	-	65,869	( 65,863 )	-	-	-	-	( 91,449 )	( 91,443 )	-	( 91,443 )	
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	( 17,904 )	( 17,904 )	
Disposal of investments in equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	-	273,606	-	( 273,606 )	-	-	-	-	
Balance at December 31, 2020		<u>\$ 1,754,936</u>	<u>\$ 886,975</u>	<u>\$ 372,701</u>	<u>\$ 92,795</u>	<u>\$ 264,787</u>	<u>\$ 171,976</u>	<u>\$ 1,992,382</u>	<u>(\$ 107,968 )</u>	<u>(\$ 443,936 )</u>	<u>\$ -</u>	<u>\$ 4,984,648</u>	<u>\$ 527,083</u>	<u>\$ 5,511,731</u>
<b>2021</b>														
Balance at January 1, 2021		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 92,795	\$ 264,787	\$ 171,976	\$ 1,992,382	(\$ 107,968 )	(\$ 443,936 )	\$ -	\$ 4,984,648	\$ 527,083	\$ 5,511,731
Profit (loss) for the period		-	-	-	-	-	1,106,281	-	-	-	1,106,281	( 97,166 )	1,009,115	
Other comprehensive (loss) income for the period		-	-	-	-	-	4,086	( 23,841 )	58,811	-	39,056	( 3,788 )	35,268	
Total comprehensive income (loss)		-	-	-	-	-	1,110,367	( 23,841 )	58,811	-	1,145,337	( 100,954 )	1,044,383	
Appropriations of 2020 retained earnings	6(23)													
Legal reserve		-	-	-	-	113,664	( 113,664 )	-	-	-	-	-	-	
Special reserve		-	-	-	-	379,928	( 379,928 )	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	( 701,974 )	-	-	-	( 701,974 )	-	( 701,974 )	
Change in equity of associates and joint ventures accounted for under equity method	6(8)	-	-	-	1,074	-	-	-	-	-	1,074	-	1,074	
Change in ownership interest in subsidiaries	6(33)	-	-	-	( 18,382 )	-	( 2,264 )	-	-	-	( 20,646 )	35,159	14,513	
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	( 17,674 )	( 17,674 )	
Disposal of investments in equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	-	( 11,582 )	-	11,582	-	-	-	-	
Balance at December 31, 2021		<u>\$ 1,754,936</u>	<u>\$ 886,975</u>	<u>\$ 372,701</u>	<u>\$ 75,487</u>	<u>\$ 378,451</u>	<u>\$ 551,904</u>	<u>\$ 1,893,337</u>	<u>(\$ 131,809 )</u>	<u>(\$ 373,543 )</u>	<u>\$ -</u>	<u>\$ 5,408,439</u>	<u>\$ 443,614</u>	<u>\$ 5,852,053</u>

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, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,445,096	\$ 1,065,547
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(30)	164,360	164,394
Amortisation	6(12)(30)	726,909	839,191
Expected credit impairment loss	12(2)	70,534	35,747
Interest expense	6(29)	6,875	12,209
Interest income	6(26)	( 3,306 )	( 10,698 )
Share-based payments	6(20)	-	65,863
Share of loss of subsidiaries and associates accounted for under equity method		117,619	100,105
Loss (gain) on disposal of property, plant and equipment	6(28)	47	( 236 )
Impairment loss on non-financial assets	6(14)(28)	171,635	10,119
Dividend income	6(6)(27)	( 145 )	( 458 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		3,781	( 4,022 )
Accounts receivable		( 155 )	91,813
Accounts receivable - related parties		2,004	( 6,643 )
Other receivables		171	25,135
Other receivables - related parties		428	( 1,120 )
Inventories		3,324	( 9,477 )
Prepayments		68,049	121,529
Other current assets		( 41,596 )	4,383
Other non-current assets		( 16,856 )	( 2,217 )
Changes in operating liabilities			
Contract liabilities - current		104,887	( 53,925 )
Notes payable		( 1,211 )	( 26 )
Accounts payable		126,815	( 40,556 )
Accounts payable - related parties		3,127	3,763
Other payables		( 74,881 )	69,818
Other payables - related parties		42,808	17,098
Other current liabilities		25,585	17,732
Other non-current liabilities		( 615 )	156
Cash inflow generated from operations		2,945,289	2,515,224
Interest received		3,306	10,698
Dividends received		728	1,078
Interest paid		( 6,875 )	( 12,209 )
Income tax paid		( 385,669 )	( 180,846 )
Net cash provided by operating activities		<u>2,556,779</u>	<u>2,333,945</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Disposal of financial assets at fair value through other comprehensive income	6(6)	\$ 41,529	\$ 294,116
Liquidation of financial assets at fair value through other comprehensive income	6(6)	-	2,331
Decrease (increase) in financial assets as amortised cost		14,163	( 62,441 )
(Increase) decrease in other financial assets		( 136,424 )	77,645
Acquisition of investments accounted for under equity method		( 34,129 )	( 96,776 )
Proceeds from capital reduction of investments accounted for under equity method	6(8)	-	23,340
Acquisition of property, plant and equipment	6(34)	( 87,446 )	( 129,301 )
Proceeds from disposal of property, plant and equipment		309	2,093
Acquisition of intangible assets	6(34)	( 289,155 )	( 992,805 )
(Increase) decrease in refundable deposits		4,069	( 986 )
Net cash used in investing activities		<u>( 487,084 )</u>	<u>( 882,784 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Decrease in short-term borrowings	6(35)	( 123,495 )	( 518,870 )
Payment of lease liabilities	6(35)	( 31,955 )	( 26,632 )
Repayment of long-term debt	6(35)	( 160,000 )	( 160,000 )
Increase in guarantee deposits received		4,340	2,604
Purchase of treasury shares		-	( 91,449 )
Sale of treasury shares to employees		-	91,455
Cash dividends paid	6(23)	( 701,974 )	( 544,030 )
Increase in subsidiaries capital from non-controlling interest	6(33)	13,977	12,009
Cash dividends paid to non-controlling interest		( 16,852 )	( 13,742 )
Acquisition of additional equity interest in subsidiaries	6(33)	( 822 )	-
Net cash used in financing activities		<u>( 1,016,781 )</u>	<u>( 1,248,655 )</u>
Effect of exchange rate changes on cash and cash equivalents		( 31,619 )	( 7,638 )
Net increase in cash and cash equivalents		1,021,295	194,868
Cash and cash equivalents at beginning of the period		<u>2,397,601</u>	<u>2,202,733</u>
Cash and cash equivalents at end of the period		<u>\$ 3,418,896</u>	<u>\$ 2,397,601</u>

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, 2021 AND 2020

(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 10 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform - Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 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 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit 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, 2021	December 31, 2020	
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	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	43.56	42.71	Note 1
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 China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	100	100	
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Design, 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	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Achieve Made International Ltd. (AMI)	Jollywiz International (HK) Co., Ltd.	Supply of electronic information services	-	93.43	Note 2
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	6.57	Note 2
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	95.83	95.83	Note 3
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	1.10	-	Note 4
Bjolly Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	-	1.32	Note 4
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	100	100	
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	99.84	
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	97.23	96.37	
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)	IP commodities authorisation	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
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.	MadSugr Digital Technology Co., Ltd. (MadSugr)	Software services and sales	-	51	Note 8
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 services	69.73	67.86	Notes 5 and 6
Gamania Digital Entertainment Co., Ltd.	Coco Digital Technology Co., Ltd. (Coco)	Software services and sales	-	100	Note 9
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	78.97	78.41	Note 4
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited (Digicentre)	Software services	67.48	67.48	
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	9.04	16.07	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 services	12.19	-	Notes 5 and 6

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
MadSugr Digital Technologies Co., Ltd.	MadSugr Digital Technology (HK) Co., Ltd. (MadSugr HK)	Software services and sales	-	100	Note 7
Ciirco Inc.	Ciirco (HK) Co., Ltd. (Ciirco HK)	Software services	99.9	100	
Gamania Asia Investment Co., Ltd	The China Post Co., Ltd.	Newspaper and magazine publishing	100	100	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	4.17	4.17	Note 3
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 10

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, Achieve Made International Ltd. sold all 93.43% equity interest held in Jollywiz International (HK) Co., Limited to the Company's subsidiaries, Jollywiz Digital Technology Co., Ltd., in December 31, 2021 and still had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 3: 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 4: The Company's subsidiaries, Bojolly, sold all 1.10% equity interest held in NOWnews to the Company's subsidiaries, Jollywiz Digital Technology Co., Ltd., in December 31, 2021, the Company and its subsidiary, Jollywiz Digital Technology Co., Ltd., held a 78.97% and 1.10% equity interest in Nownews, respectively and had control over the investee, thus, the investee was included in the consolidated financial statements.

Note 5: On January 28, 2021, Gash Point (Hong Kong) Company Limited and the Company participated in the capital increase. Gash Point (Hong Kong) Company Limited acquired 16.25% equity interest in GAMA PAY.

Note 6: On December 27, 2021, the company participated in the capital income. The company acquired 10.09% equity interest in GAMA PAY. Consequently, the equity interest in GAMA PAY of Gash Point Co., Ltd. and Gash Point (Hong Kong) Company Limited decrease to 9.04% and 12.19%, respectively.

Note 7: The liquidation of Madsugr HK was completed in June 2021.

Note 8: The liquidation of Madsugr was completed in December 2021.

Note 9: The liquidation of Coco was completed in July 2021.

Note 10: On January 7, 2020, Hyperg increased its capital in exchange for contribution of technology from external shareholders, Accordingly, Digicentre's equity in Hyperg decreased to 51%.

The financial statements of certain consolidated subsidiaries were audited by other auditors, which statements reflect total assets of \$1,700,468 and \$2,186,919, constituting 18% and 24% of the consolidated total assets as of December 31, 2021 and 2020, respectively, and net operating revenue of \$2,469,898 and \$2,716,688, constituting 22% and 26% of the consolidated total operating revenues for the years then ended, respectively.

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

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

E. Significant restrictions: None.

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

As of December 31, 2021 and 2020, the non-controlling interest amounted to \$443,614 and \$527,083, 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, 2021		December 31, 2020		
		Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 150,809	56.44%	\$ 231,538	57.29%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	130,087	32.52%	134,837	32.52%	

Note: Registered location of AMI is British Virgin Islands.

#### Balance sheets

	AMI and subsidiaries	
	December 31, 2021	December 31, 2020
Current assets	\$ 350,772	\$ 629,323
Non-current assets	51,115	68,011
Current liabilities	( 120,722)	( 270,192)
Total net assets	<u>\$ 281,165</u>	<u>\$ 427,142</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 323,549	\$ 349,387
Non-current assets	257,479	253,147
Current liabilities	( 186,235)	( 212,876)
Non-current liabilities	( 40,868)	( 23,152)
Total net assets	<u>\$ 353,925</u>	<u>\$ 366,506</u>

Statements of comprehensive income

	<u>AMI and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 718,311	\$ 812,427
Loss before income tax	( 130,972)	( 220,669)
Income tax benefit	39	1,198
Loss for the year	( 130,933)	( 219,471)
Other comprehensive (loss) income, net of tax	( 6,801)	16,278
Total comprehensive loss for the year	<u>(\$ 137,734)</u>	<u>(\$ 203,193)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 81,437)</u>	<u>(\$ 65,520)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 963,695	\$ 866,962
Profit before income tax	30,593	38,142
Income tax expense	( 12,293)	( 13,976)
Profit for the year	18,300	24,166
Other comprehensive loss, net of tax	( 694)	( 2,306)
Total comprehensive income for the year	<u>\$ 17,606</u>	<u>\$ 21,860</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 4,646</u>	<u>\$ 7,883</u>
Dividends paid to non-controlling interest	<u>\$ 8,555</u>	<u>\$ 8,554</u>

## Statements of cash flows

	AMI and subsidiaries	
	Years ended December 31,	
	2021	2020
Net cash used in operating activities	(\$ 30,261)	(\$ 46,722)
Net cash provided by (used in) investing activities	71,551	( 89,107)
Net cash (used in) provided by financing activities	( 19,145)	13,305
Effect of exchange rate changes on cash and cash equivalents	( 2,957)	11,135
Increase (decrease) in cash and cash equivalents	19,188	( 111,389)
Cash and cash equivalents, beginning of year	109,685	221,074
Cash and cash equivalents, end of year	\$ 128,873	\$ 109,685
	Digicentre Company Limited and subsidiaries	
	Years ended December 31,	
	2021	2020
Net cash provided by operating activities	\$ 63,262	\$ 79,033
Net cash used in investing activities	( 23,500)	( 14,962)
Net cash used in financing activities	( 52,556)	( 33,341)
Effect of exchange rate changes on cash and cash equivalents	( 735)	( 1,163)
(Decrease) increase in cash and cash equivalents	( 13,529)	29,567
Cash and cash equivalents, beginning of year	134,743	105,176
Cash and cash equivalents, end of year	\$ 121,214	\$ 134,743

### (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

- 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.
- 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.
- Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive

income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

#### B. Translation of foreign operations

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

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

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

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

(8) Financial assets at amortised cost

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

(9) Accounts and notes receivable

- A. Accounts and notes receivable 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.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

(12) Leasing arrangements (lessor) - operating leases

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

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. The original costs are the cost to obtain the assets. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net 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 / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or/constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the

associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

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

are as follows:

Buildings	4~51 years
Machinery and equipment	2~8 years
Transportation equipment	5 years
Office equipment	1~5 years
Leasehold improvement	1~6 years
Other equipment	2~8 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 Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost and the cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Intangible assets

A. Licence fees

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

B. Software

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

C. Trademark right

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

#### D. Customer relationships

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

#### E. Other intangible assets

- (a) Copyrights which are intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 15 years.
- (b) Software independent development which is intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 3 years.
- (c) Obtaining the relevant licence for the game, distribution business recognised as intangible assets and special technology with estimated useful life are stated at acquisition and occurred cost date and are amortised on a straight-line basis over their estimated useful life of 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.

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

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

benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

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

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Short-term notes and accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

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

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension

liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

#### C. Termination benefits

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

#### D. Employees' compensation and directors' remuneration

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

#### (23) Employee share-based payment

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

#### (24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in

the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax credits can be utilised.

(25) Share capital

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

(26) Dividends

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

effective date of new shares issuance.

(27) Revenue recognition

A. Online and mobile games revenue

- (a) The Group is engaged in online games and mobile phone games and sales of peripheral products of the games. Sales are recognised when control of the products has transferred, that is, the customer has control of the product and obtained most residual benefit, and there is no unfulfilled obligation that could affect the customer acceptance of the products.
- (b) Revenue is measured at the fair value of the consideration received or receivable taking into account business tax, returns, rebates and discounts for the sale of goods based on the contract price.
- (c) The Group recognises the collections of payments for game stored-value card purchases or value-added by players as contract liabilities, and amortises those amounts as revenue over the expected users' relationship period or the estimated delivery period of the virtual items, when they are actually used.
- (d) The Group recognised accounts receivable when the control of product has been transferred and has the right to collect price without condition. The accounts receivable has usually a short-term period and does not contain significant financial component. However, for online games and mobile phone games, the Group collects the price in advance upon sale, and recognises the contract liability.

B. Service revenue

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

C. Revenue from stored-values

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

D. Sales revenue

The Group sell agent products and information security equipment. Sales revenue recognized when the products transfer control to customer, that is, when the product is delivered to the customers and the Group has no outstanding obligations that may affect the customer's

acceptance of the product. When the product is shipped to the designated location, the risk of obsolescence and loss has been transferred to the customer and the customer accepts the product in accordance with the sales contract or there is objective evidence that all acceptance criteria have been met, the delivery of the goods will happen. Account receivables are recognised when the goods are delivered to the customer because the group has the unconditional right for consideration which can be collected from the customer.

(28) Operating segments

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

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

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

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

Revenue recognition on a net/gross basis

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

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

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

## (2) Critical accounting estimates and assumptions

### A. Revenue recognition

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

### B. Impairment assessment of licence fees

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

### C. Impairment assessment of goodwill

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

### D. Realisability of license fees payment obligations

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

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 2,017	\$ 4,049
Checking accounts and demand deposits	2,668,731	1,698,680
Cash equivalents - time deposits	748,148	694,872
	<u>\$ 3,418,896</u>	<u>\$ 2,397,601</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, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 752	\$ 4,533
Accounts receivable	\$ 928,737	\$ 982,111
Less: Loss allowance	( 52,614)	( 37,420)
	<u>876,123</u>	<u>944,691</u>
Overdue receivables (shown as other non-current assets)	106,343	99,824
Less: Loss allowance	( 106,343)	( 99,824)
	<u>\$ 876,123</u>	<u>\$ 944,691</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 811,458	\$ 867,296
Up to 30 days	12,989	21,655
31~60 days	12,776	13,396
61~90 days	14,414	7,000
91~120 days	9,084	25,423
Over 121 days	68,016	47,341
	<u>\$ 928,737</u>	<u>\$ 982,111</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2021 and 2020, the Group has no notes receivable past due.

C. As at December 31, 2021, December 31, 2020 and January 1, 2020, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$1,035,832, \$1,086,468 and \$1,214,448, 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, 2021 and 2020 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 \$752 and \$4,533, and accounts receivable was \$876,123 and \$944,691, respectively.

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

(3) Other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables	\$ 262,487	\$ 265,563
Less: Loss allowance	( 1,998)	( 7,403)
	<u>\$ 260,489</u>	<u>\$ 258,160</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 208,284	\$ 221,516
Up to 30 days	12,543	11,491
31 to 60 days	13,171	8,417
61 to 90 days	18,542	7,110
91 to 120 days	206	6,390
Over 121 days	9,741	10,639
	<u>\$ 262,487</u>	<u>\$ 265,563</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, 2021 and 2020 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 \$260,489 and \$258,160 respectively.

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

(4) Inventories

	<u>December 31, 2021</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 139,774</u>	<u>(\$ 17,192)</u>	<u>\$ 122,582</u>
	<u>December 31, 2020</u>		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	<u>\$ 128,333</u>	<u>(\$ 2,427)</u>	<u>\$ 125,906</u>

Expenses and losses incurred on inventories for the period:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cost of goods sold	\$ 569,936	\$ 716,718
Loss on decline in market value	14,765	300
	<u>\$ 584,701</u>	<u>\$ 717,018</u>

(5) Prepayments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments to suppliers	\$ 223,562	\$ 282,162
Prepaid expenses	63,724	95,799
Excess business tax paid	60,676	42,910
Others	4,064	2,234
	<u>\$ 352,026</u>	<u>\$ 423,105</u>

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

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Emerging stocks	20,000	20,000
Unlisted, non-OTC and non-emerging stocks	<u>481,542</u>	<u>538,190</u>
	579,918	636,566
Valuation adjustment	( <u>381,292</u> )	( <u>453,613</u> )
	<u>\$ 198,626</u>	<u>\$ 182,953</u>

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$198,626 and \$182,953 as at December 31 2021 and 2020, respectively.
- B. In 2021, in line with the Group's business development and resource allocation plan, the Group sold its 6.9% equity interest in Life Plus Co., Ltd. at fair value in the amount of \$5,545 and 5.76% equity interest in Ikala Global Online Crop. at fair value in the amount of \$35,984. The cumulative loss on disposal of Life Plus Co., Ltd., was \$24,455, the cumulative gain on disposal of Ikala Global Online Corp. was \$12,873.
- C. Amounts recognised in profit or loss and other comprehensive income or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Change of fair value recognised in other comprehensive income	<u>\$ 58,654</u>	<u>(\$ 71,408)</u>
Cumulative (loss) gain reclassified to retained earnings due to derecognition	<u>(\$ 11,582)</u>	<u>\$ 273,606</u>
Dividend income recognised in profit or loss held at end of year	<u>\$ 145</u>	<u>\$ 458</u>

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

(7) Financial assets at amortised cost

Items	December 31, 2021	December 31, 2020
Current items:		
Time deposit more than three months	\$ 88,463	\$ 102,626

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

	Years ended December 31,	
	2021	2020
Interest income	\$ 280	\$ 15

B. As at December 31, 2021 and 2020, 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 \$88,463 and \$102,626 respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(8) Investments accounted for under equity method

	2021	2020
At January 1	\$ 205,090	\$ 235,418
Addition of investments accounted for under equity method	34,129	96,776
Proceeds from capital reduction of investments accounted for under equity method	-	( 23,340)
Share of loss of investments accounted for under equity method	( 117,619)	( 100,105)
Earnings distribution of investments accounted for under equity method	( 583)	( 620)
Changes in capital surplus	1,074	( 2,496)
Changes in retained earnings	-	( 787)
Changes in other equity items	157	542
Effects of foreign exchange	( 939)	( 298)
At December 31	\$ 121,309	\$ 205,090

A. List of long-term investments:

Name of associates	December 31, 2021		December 31, 2020	
	Ownership percentage	Balance	Ownership percentage	Balance
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	\$ 8,957	49.00	\$ 59,451
Jsdway Digital Technology Co., Ltd. (Jsdway)	37.18	47,899	37.18	47,492
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	33.03	26,240	33.03	31,595
Walkermedia Co., Ltd. (Walkermedia)	30.00	11,006	30.00	19,425
Aotter Inc. (Aotter)	21.48	10,128	21.48	20,956
Fantasy Fish Digital Games Co., Ltd. (Fantasy Fish) (Note 1)	-	-	-	-
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	5,383	29.54	14,236
Store Marais Co., Ltd. (Marais) (Note 2)	7.69	8,667	7.69	8,382
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	2,538	30.00	3,017
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	38.00	491	38.00	536
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 3)	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 2) (Note 3)	30.00	-	30.00	-
Firedog creative Co., Ltd. (Firedog) (Note 3)	40.00	-	40.00	-
		<u>\$ 121,309</u>		<u>\$ 205,090</u>

Note 1: As of December 31, 2020, Fantasy Fish was still under liquidation while the capital had been remitted back, and the liquidation of Fantasy Fish was completed in June 2021.

Note 2: The Group has significant control over Marais as it has obtained majority of the board seats. Accordingly, Marais is accounted for under equity method.

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

B. The financial statements of investments under equity method, Gungho Gamania and Jsdway, were audited by other independent auditors. The share of profit (loss) and other comprehensive income

(loss) of associates was (\$83,443), (\$70,713) for the year ended December 31, 2021 and 2020, respectively, the balance of investments accounted for under equity method was \$56,856 and \$106,943 as at December 31, 2021 and 2020, respectively.

- C. As of December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$121,309 and \$205,090, respectively. The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2021	2020
Loss for the year	(\$ 117,619)	(\$ 100,105)
Other comprehensive income, net of tax	157	542
Total comprehensive loss	<u>(\$ 117,462)</u>	<u>(\$ 99,563)</u>

- D. There is no price in open market for associates of the Group, therefore, no fair value is applicable.
- E. The Group is the single largest shareholder of 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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2021</u>									
Cost	\$ 2,246,082	\$ 517,870	\$ 480,246	\$ 1,226	\$ 101,019	\$ 35,564	\$ 61,201	\$ 9,372	\$ 3,452,580
Accumulated depreciation	-	( 133,590)	( 344,172)	( 1,166)	( 64,832)	( 22,877)	( 34,125)	-	( 600,762)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 384,280</u>	<u>\$ 129,692</u>	<u>\$ 60</u>	<u>\$ 36,187</u>	<u>\$ 12,687</u>	<u>\$ 27,076</u>	<u>\$ 9,372</u>	<u>\$ 2,845,436</u>
<u>2021</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 384,280	\$ 129,692	\$ 60	\$ 36,187	\$ 12,687	\$ 27,076	\$ 9,372	\$ 2,845,436
Additions	-	9,090	39,932	-	16,701	822	6,460	12,335	85,340
Disposals	-	-	( 14)	-	( 337)	-	( 2)	-	( 353)
Transfer	-	11,363	-	-	-	-	1,777	( 13,140)	-
Depreciation charge	-	( 36,206)	( 65,132)	-	( 13,127)	( 8,265)	( 9,847)	-	( 132,577)
Net exchange differences	-	-	( 101)	-	( 4)	-	2	( 476)	( 579)
Closing net book amount as at December 31	<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>At December 31, 2021</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>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<u>At January 1, 2020</u>									
Cost	\$ 2,246,082	\$ 510,633	\$ 480,749	\$ 1,202	\$ 94,032	\$ 37,388	\$ 44,217	\$ 166	\$ 3,414,469
Accumulated depreciation	-	( 101,627)	( 343,815)	( 1,142)	( 57,606)	( 21,170)	( 25,604)	-	( 550,964)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 409,006</u>	<u>\$ 130,552</u>	<u>\$ 60</u>	<u>\$ 36,426</u>	<u>\$ 16,218</u>	<u>\$ 18,613</u>	<u>\$ 166</u>	<u>\$ 2,857,123</u>
<u>2020</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 409,006	\$ 130,552	\$ 60	\$ 36,426	\$ 16,218	\$ 18,613	\$ 166	\$ 2,857,123
Additions	-	8,938	68,420	1,900	14,897	2,529	1,249	30,200	128,133
Disposals	-	-	( 1)	( 1,821)	( 35)	-	-	-	( 1,857)
Transfer	-	166	-	-	1,053	1,523	18,252	( 20,994)	-
Depreciation charge	-	( 33,830)	( 69,139)	( 79)	( 16,141)	( 7,572)	( 11,038)	-	( 137,799)
Net exchange differences	-	-	( 140)	-	( 13)	( 11)	-	-	( 164)
Closing net book amount as at December 31	<u>\$ 2,246,082</u>	<u>\$ 384,280</u>	<u>\$ 129,692</u>	<u>\$ 60</u>	<u>\$ 36,187</u>	<u>\$ 12,687</u>	<u>\$ 27,076</u>	<u>\$ 9,372</u>	<u>\$ 2,845,436</u>
<u>At December 31, 2020</u>									
Cost	\$ 2,246,082	\$ 517,870	\$ 480,246	\$ 1,226	\$ 101,019	\$ 35,564	\$ 61,201	\$ 9,372	\$ 3,452,580
Accumulated depreciation	-	( 133,590)	( 344,172)	( 1,166)	( 64,832)	( 22,877)	( 34,125)	-	( 600,762)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 384,280</u>	<u>\$ 129,692</u>	<u>\$ 60</u>	<u>\$ 36,187</u>	<u>\$ 12,687</u>	<u>\$ 27,076</u>	<u>\$ 9,372</u>	<u>\$ 2,845,436</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, 2021 and 2020, payments of lease commitments for short-term leases amounted to \$11,153 and \$22,417, respectively.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2021	December 31, 2020
Buildings	\$ 71,379	\$ 55,219
Land improvements	1,609	3,063
Transportation equipment (Business vehicles)	1,494	547
Machinery	21,056	7,760
	<u>\$ 95,538</u>	<u>\$ 66,589</u>

	Depreciation expense	
	Years ended December 31,	
	2021	2020
Buildings	\$ 24,520	\$ 20,815
Land improvements	1,453	1,131
Transportation equipment (Business vehicles)	1,542	1,068
Machinery	4,268	3,581
	<u>\$ 31,783</u>	<u>\$ 26,595</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$67,953 and \$34,807, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 821	\$ 482
Expense on short-term lease contracts	\$ 11,153	\$ 22,417

- F. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$43,929 and \$49,531, respectively.

(11) Leasing arrangements - lessor

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. Gain arising from operating lease agreements for the years ended December 31, 2021 and 2020 is as follows:

	Years ended December 31,	
	2021	2020
Rent income	\$ 1,444	\$ 1,483

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

	December 31, 2021	December 31, 2020
2021	\$ 305	\$ 305
2022	304	-
	<u>\$ 609</u>	<u>\$ 305</u>

(12) Intangible assets

	<u>License fees</u>	<u>Software</u>	<u>Other intangible asset</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2021</u>							
Cost	\$ 1,695,225	\$ 97,266	\$ 141,985	\$ 10,090	\$ 197,852	\$ 382,804	\$ 2,525,222
Accumulated amortisation	( 866,238)	( 57,164)	( 32,382)	-	( 55,924)	-	( 1,011,708)
Accumulated impairment	( 27,440)	-	-	-	-	( 74,411)	( 101,851)
	<u>\$ 801,547</u>	<u>\$ 40,102</u>	<u>\$ 109,603</u>	<u>\$ 10,090</u>	<u>\$ 141,928</u>	<u>\$ 308,393</u>	<u>\$ 1,411,663</u>
<u>2021</u>							
Opening net book amount as at January 1	\$ 801,547	\$ 40,102	\$ 109,603	\$ 10,090	\$ 141,928	\$ 308,393	\$ 1,411,663
Additions	202,491	55,126	33,145	-	-	-	290,762
Amortisation charge	( 648,526)	( 45,934)	( 13,828)	-	( 18,621)	-	( 726,909)
Disposals during the year	-	-	( 768)	-	-	-	( 768)
Reclassifications (Note 1)	3,030	-	768	-	-	-	3,798
Impairment loss (Note 2)	( 69,219)	-	( 29,749)	-	-	( 72,667)	( 171,635)
Net exchange differences	( 913)	( 201)	( 880)	-	( 150)	( 975)	( 3,119)
Change in accounting estimated (Note 3)	( 173,048)	-	-	-	-	-	( 173,048)
Closing net book amount as at December 31	<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>At December 31, 2021</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>License fees</u>	<u>Software</u>	<u>Other intangible asset</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2020</u>							
Cost	\$ 578,658	\$ 98,238	\$ 105,289	\$ 10,090	\$ 197,852	\$ 385,114	\$ 1,375,241
Accumulated amortisation	( 306,572)	( 51,314)	( 46,234)	-	( 36,720)	-	( 440,840)
Accumulated impairment	( 17,321)	-	-	-	-	( 74,529)	( 91,850)
	<u>\$ 254,765</u>	<u>\$ 46,924</u>	<u>\$ 59,055</u>	<u>\$ 10,090</u>	<u>\$ 161,132</u>	<u>\$ 310,585</u>	<u>\$ 842,551</u>
<u>2020</u>							
Opening net book amount as at January 1	\$ 254,765	\$ 46,924	\$ 59,055	\$ 10,090	\$ 161,132	\$ 310,585	\$ 842,551
Additions	1,317,892	41,452	71,939	-	-	-	1,431,283
Amortisation charge	( 757,623)	( 47,910)	( 14,857)	-	( 18,801)	-	( 839,191)
Disposals during the year	-	-	( 4,162)	-	-	-	( 4,162)
Reclassifications (Note 4)	-	-	( 682)	-	-	-	( 682)
Impairment loss	( 10,119)	-	-	-	-	-	( 10,119)
Net exchange differences	( 3,368)	( 364)	( 1,690)	-	( 403)	( 2,192)	( 8,017)
Closing net book amount as at December 31	<u>\$ 801,547</u>	<u>\$ 40,102</u>	<u>\$ 109,603</u>	<u>\$ 10,090</u>	<u>\$ 141,928</u>	<u>\$ 308,393</u>	<u>\$ 1,411,663</u>
<u>At December 31, 2020</u>							
Cost	\$ 1,695,225	\$ 97,266	\$ 141,985	\$ 10,090	\$ 197,852	\$ 382,804	\$ 2,525,222
Accumulated amortisation	( 866,238)	( 57,164)	( 32,382)	-	( 55,924)	-	( 1,011,708)
Accumulated impairment	( 27,440)	-	-	-	-	( 74,411)	( 101,851)
	<u>\$ 801,547</u>	<u>\$ 40,102</u>	<u>\$ 109,603</u>	<u>\$ 10,090</u>	<u>\$ 141,928</u>	<u>\$ 308,393</u>	<u>\$ 1,411,663</u>

Note 1: It was other prepayment reclassified to License fees and License fees reclassified to other unearned revenue.

Note 2: Impairment loss refer to Note 6(14).

Note 3: Change in accounting estimates refer to Note 6(16).

Note 4: It was reclassified to other non-current assets.

A. The details of amortisation are as follows:

	Years ended December 31,	
	2021	2020
Operating costs	\$ 677,384	\$ 789,367
Selling expenses	17,200	18,471
General and administrative expenses	16,926	26,372
Research and development expenses	15,399	4,981
	<u>\$ 726,909</u>	<u>\$ 839,191</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, 2021	December 31, 2020
Goodwill:		
NOWnews	\$ 197,055	\$ 197,055
Digicentre	141,149	141,149
AMI	17,050	17,543
GIH	24,735	25,450
Others	1,583	1,607
	<u>381,572</u>	<u>382,804</u>
Less: Accumulated impairment	(146,821)	(74,411)
	<u>\$ 234,751</u>	<u>\$ 308,393</u>
Trademark:		
NOWnews	<u>\$ 10,090</u>	<u>\$ 10,090</u>

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, 2021 and 2020 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, Digicentre and AMI at December 31, 2021 and 2020. As the recoverable amount of NOWnews and AMI was lower than the carrying amount at December 31, 2021, goodwill was impaired. The main assumptions used in calculating value-in-use by external appraiser are set out below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Growth rate	2.5%~5.5%	3.2%~4.3%
Discount rate	13.2%~14.1%	13.9%~14.6%

- (c) On December 31, 2021 and 2020, 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, 2021</u>	<u>December 31, 2020</u>
Overdue receivables	\$ 106,343	\$ 99,824
Less: Loss allowance for overdue receivables	( 106,343)	( 99,824)
Refundable deposits	37,353	41,422
Others	19,754	3,666
	<u>\$ 57,107</u>	<u>\$ 45,088</u>

(14) Impairment of non-financial assets

The Group recognised impairment loss for the years ended December 31, 2021 and 2020, of \$171,635 and \$10,119, respectively. Details of such loss are as follows:

	<u>Recognised in profit or loss</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Impairment loss - Goodwill	\$ 98,968	\$ -
Impairment loss - license fees	72,667	10,119
	<u>\$ 171,635</u>	<u>\$ 10,119</u>

- A. The Group assessed impairment loss of recoverable amount or the end date of years, the decision reversed of recoverable amount refer to Note 6(12).

B. The Group recognised impairment loss on the license fees in the third quarter of 2021 and the second quarter of 2020 as the recoverable amount of the present value of future cash flows of license fees is less than the carrying amount.

(15) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bank borrowings		
Secured borrowings	\$ 100,164	\$ 123,615
Unsecured borrowings	-	102,533
	<u>\$ 100,164</u>	<u>\$ 226,148</u>
Credit lines	<u>\$ 3,009,279</u>	<u>\$ 3,225,870</u>
Interest rate range	<u>1.05%~5.80%</u>	<u>0.90%~6.10%</u>

(16) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Store-value received on behalf of others	\$ 878,810	\$ 778,208
Electronic payment received on behalf of others	50,067	25,128
Payable on business tax and withholding tax	95,249	66,411
Commission payable	116,969	71,239
Salary and annual bonus payable	183,246	186,024
Employees' compensation payable	205,913	159,073
Payable on equipment and intangible assets (Note)	28,349	478,848
Directors' remuneration payable	34,219	24,155
Others	158,909	210,647
	<u>\$ 1,751,731</u>	<u>\$ 1,999,733</u>

Note: The payment obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. The Group recognised the license fees and payable on intangible assets after assessing that the payment obligation is highly realisable. In the fourth quarter of 2021, the payment conditions are confirmed settlement without paying, license fees and payables had been reversed.

(17) Other current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Long-term borrowings, current portion	\$ 80,000	\$ 160,000
Receipts under custody	25,009	18,757
Tax receipts under custody	12,433	15,289
Other current liabilities	56,322	34,133
	<u>\$ 173,764</u>	<u>\$ 228,179</u>

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is March 20, 2015 ~ March 20, 2025; interest is payable monthly for the first three years; starting from the fourth year, principal and interest are payable quarterly in 28 installments	1.13%~1.70%	Land and Buildings and structures	\$ 80,000
Less: Current portion				( 80,000)
				<u>\$ -</u>

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

(19) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who 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, 2021 and 2020 were \$839 and \$687, respectively.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 72,581)	(\$ 77,575)
Fair value of plan assets	<u>67,597</u>	<u>67,106</u>
Net defined benefit liability (shown as other non-current liabilities)	<u>(\$ 4,984)</u>	<u>(\$ 10,469)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit (liability) asset</u>
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 77,575)	\$ 67,106	(\$ 10,469)
Current service cost	( 797)	-	( 797)
Interest (expense) income	( 310)	268	( 42)
	<u>( 78,682)</u>	<u>67,374</u>	<u>( 11,308)</u>
Remeasurements:			
Return on plan assets	-	945	945
Change in financial assumptions	2,582	-	2,582
Experience adjustments	1,581	-	1,581
	<u>4,163</u>	<u>945</u>	<u>5,108</u>
Pension fund contribution	-	1,216	1,216
Paid pension	1,938	( 1,938)	-
Balance at December 31	<u>(\$ 72,581)</u>	<u>\$ 67,597</u>	<u>(\$ 4,984)</u>

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

(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, 2021 and 2020 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,	
	2021	2020
Discount rate	<u>0.70%</u>	<u>0.40%</u>
Future salary increases	<u>3.50%</u>	<u>3.50%</u>

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, 2021				
Effect on present value of defined benefit obligation	(\$ 2,067)	\$ 2,144	\$ 1,900	(\$ 1,846)
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 2,399)	\$ 2,495	\$ 2,221	(\$ 2,152)

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, 2022 amount to \$1,132.

#### 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, 2021 and 2020 were both 20%~22%. 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., Ciirco (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, 2021 and 2020 were \$46,305 and \$38,440, respectively.

(20) Share-based payment

A. For the year ended December 31, 2021, there were no share-based payment arrangements.

B. For the years 31, 2020, the Company's share-based payment arrangement was as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
12th treasury stock transferred to employees of the Company and subsidiaries (Note)	2020.6.29	2,241	NA	Vested immediately

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

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

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
12th treasury stock transferred to employees of the Company and subsidiaries	2020.6.29	\$ 40.81	36.00%	0.12 year	0.34%	\$ 29.41

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

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

	Years ended December 31,	
	2021	2020
Equity-settled	\$ -	\$ 65,863

E. The Company transferred the treasury share to employees of subsidiaries and the capital surplus by share-based payment were \$15,897 for the years ended December 31, 2020.

(21) Common stock

A. As of December 31, 2021, 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.

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

	2021	2020
At January 1	175,494	175,494
Treasury shares purchased	-	( 2,241)
Treasury stock transferred to employees	-	2,241
At December 31	175,494	175,494

B. Treasury shares

- (a) The Company has no treasury shares because they were all transferred to employees as of December 31, 2021 and , 2020.
- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired.

(22) Capital surplus

- A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. When it is resolved by the shareholders at their shareholders' meeting, legal reserve and whole or part of capital reserve arising from the following items can be used to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit:
  - (a) Paid-in capital in excess of par value on issuance of common stocks; and
  - (b) Donations.

(23) Unappropriated retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount

- shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and appropriate or reverse for special reserve as required by the operating needs of the Company or regulations when necessary. The remainder, if any, to be retained or to be appropriated shall be proposed by the Board of Directors and resolved by the stockholders at the stockholders' meeting.
- B. The Company's dividend policy adopts the conservatism principle, with consideration of the Company's profit, financial structure and future development plans. At least 10% of the Company's distributable earnings as of the end of the period shall be appropriated as cash dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall 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 17, 2020, the shareholders during their meeting resolved the 2019 appropriations of retained earnings as follows:

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

F. On August 5, 2021, the shareholders during their meeting resolved the 2020 appropriations of retained earnings as follows:

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

G. On March 10, 2022, the board of directors meeting resolved the proposal of 2021 appropriations of 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	\$ -
Special reserve appropriated	( 46,552)	-
Cash dividends distributed to shareholders	877,468	5.0
	<u>\$ 940,568</u>	<u>\$ 5.0</u>

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

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

(24) Other equity items

	<u>2021</u>		
	<u>Translation differences</u>	<u>Unrealised gain or loss on financial assets at fair value through other comprehensive income</u>	<u>Total</u>
At January 1	(\$ 107,968)	(\$ 443,936)	(\$ 551,904)
Revaluation - Group	-	58,654	58,654
Revaluation - Associates	-	157	157
Revaluation transferred to retained earnings - Group	-	11,582	11,582
Currency translation differences:			
- Group	( 23,841)	-	( 23,841)
At December 31	<u>(\$ 131,809)</u>	<u>(\$ 373,543)</u>	<u>(\$ 505,352)</u>

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

(25) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	<u>\$ 11,372,477</u>	<u>\$ 10,443,042</u>

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, 2021	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 9,087,849</u>	<u>\$ 1,319,768</u>	<u>\$ 666,931</u>	<u>\$ 297,929</u>	<u>\$ 11,372,477</u>
Timing of revenue recognition					
At a point in time	\$ 8,424,851	\$ 563,693	\$ 666,931	\$ 297,929	\$ 9,953,404
Over time	<u>662,998</u>	<u>756,075</u>	<u>-</u>	<u>-</u>	<u>1,419,073</u>
	<u>\$ 9,087,849</u>	<u>\$ 1,319,768</u>	<u>\$ 666,931</u>	<u>\$ 297,929</u>	<u>\$ 11,372,477</u>
Year ended December 31, 2020	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 8,277,884</u>	<u>\$ 1,132,141</u>	<u>\$ 758,762</u>	<u>\$ 274,255</u>	<u>\$ 10,443,042</u>
Timing of revenue recognition					
At a point in time	\$ 8,025,324	\$ 443,569	\$ 758,762	\$ 274,255	\$ 9,501,910
Over time	<u>252,560</u>	<u>688,572</u>	<u>-</u>	<u>-</u>	<u>941,132</u>
	<u>\$ 8,277,884</u>	<u>\$ 1,132,141</u>	<u>\$ 758,762</u>	<u>\$ 274,255</u>	<u>\$ 10,443,042</u>

## B. Contract liabilities

- (a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$385,016, \$281,129 and \$335,054 as of December 31, 2021, December 31, 2020, and January 1, 2020, 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 period:

	Years ended December 31,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from games	\$ 281,129	\$ 335,054

### (26) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 3,026	\$ 10,683
Interest income from financial assets at amortised cost	280	15
	\$ 3,306	\$ 10,698

### (27) Other income

	Years ended December 31,	
	2021	2020
Rental revenue	\$ 1,444	\$ 1,483
Dividend income	145	458
Other income	10,621	34,240
	\$ 12,210	\$ 36,181

### (28) Other gains and losses

	Years ended December 31,	
	2021	2020
(Loss) gain on disposal of property, plant and equipment	(\$ 47)	\$ 236
Gain on disposal of investments	292	-
Foreign exchange gain	11,173	4,974
Impairment loss	(171,635)	(10,119)
Other gains and losses	(19,804)	(1,524)
	(\$ 180,021)	(\$ 6,433)

(29) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 6,054	\$ 11,727
Lease liability	821	482
	<u>\$ 6,875</u>	<u>\$ 12,209</u>

(30) Employee benefit, depreciation and amortisation expense

	Years ended December 31,	
	2021	2020
Employee benefit expense		
Wages and salaries	\$ 1,032,795	\$ 969,207
Directors' remuneration	34,146	25,654
Share-based payments	-	65,863
Labor and health insurance fees	69,298	59,425
Pension costs	47,144	39,127
Other personnel expenses	42,748	45,989
	<u>\$ 1,226,131</u>	<u>\$ 1,205,265</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 164,360</u>	<u>\$ 164,394</u>
Amortisation expense	<u>\$ 726,909</u>	<u>\$ 839,191</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, 2021 and 2020, employees' compensation was accrued at \$168,500 and \$118,052, respectively; while directors' remuneration was accrued at \$33,064 and \$23,610, respectively. The aforementioned amounts were recognised in salary expenses.
- (b) Employees' compensation and directors' remuneration for 2021 amounted to \$163,299 and \$32,000, respectively, as resolved at the meeting of the Board of Directors. The difference in employees' compensation and directors' remuneration for 2021 of \$2,020 and had been adjusted in the profit or loss for 2022 of \$1,064.
- (c) Employees' compensation and directors' remuneration for 2020 amounted to \$118,052 and \$23,000, respectively, as resolved at the meeting of the Board of Directors. The employees' compensation resolved by the Board of Directors was the same with the amount recognised in the 2020 financial statements. The difference in directors' remuneration for 2020 of \$610 had been adjusted in the profit or loss for 2021.

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

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profit for the period	\$ 392,684	\$ 323,221
Tax on unappropriated retained earnings	16,079	10,844
Prior year income tax overestimation	( 2,417)	( 13,501)
Total current tax	<u>406,346</u>	<u>320,564</u>
Deferred tax:		
Origination and reversal of temporary differences	29,635	( 37,337)
Income tax expense	<u>\$ 435,981</u>	<u>\$ 283,227</u>

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

	Years ended December 31,	
	2021	2020
Remeasurement of defined benefit obligation	\$ 1,022	(\$ 1,588)
Currency translation differences	( 4,978)	( 9,907)
	<u>(\$ 3,956)</u>	<u>(\$ 11,495)</u>

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

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 378,461	\$ 281,550
Effect from items disallowed by tax regulation	43,553	18,945
Overseas investment income not recognised as deferred tax liabilities	304	( 14,611)
Prior year income tax over estimation	( 2,416)	( 13,501)
Tax on unappropriated retained earnings	16,079	10,844
Income tax expense	<u>\$ 435,981</u>	<u>\$ 283,227</u>

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

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

	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Provision for bad debts in excess of the allowable limit	\$ 4,599	(\$ 1,044)	\$ -	\$ 3,555
Allowance for inventory obsolescence	487	37	-	524
Impairment loss on financial assets	1,971	( 1,971)	-	-
Investment loss accounted for under equity method	76,824	1,209	-	78,033
Impairment loss on intangible assets	6,937	( 1,310)	-	5,627
Compensation for unused leave	4,905	-	-	4,905
Book-tax difference on property, plant and equipment from business combination	642	( 20)	-	622
Deferred revenue	2,010	4,357	-	6,367
Pension payable	2,094	( 75)	( 1,022)	997
Loss carryforward	6,000	( 2,098)	-	3,902
Royalty payable	48,440	( 29,371)	-	19,069
Financial statements translation differences of foreign operations	9,940	-	4,978	14,918
Unrealised exchange loss	592	412	-	1,004
	<u>\$ 165,441</u>	<u>(\$ 29,874)</u>	<u>\$ 3,956</u>	<u>\$ 139,523</u>
— Deferred tax liabilities:				
Investment income accounted for under equity method	(\$ 32,833)	(\$ 3,565)	\$ -	(\$ 36,398)
Book-tax difference on intangible assets from business combination	( 33,411)	3,595	-	( 29,816)
Unrealised exchange gain	( 201)	190	-	( 11)
Depreciation	( 192)	19	-	( 173)
	<u>(\$ 66,637)</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>(\$ 66,398)</u>

	Year ended December 31, 2020			
	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	\$ 3,078	\$ 1,521	\$ -	\$ 4,599
Allowance for inventory obsolescence	427	60	-	487
Impairment loss on financial assets	1,971	-	-	1,971
Investment loss accounted for under equity method	84,352	( 7,528)	-	76,824
Impairment loss on intangible assets	5,628	1,309	-	6,937
Compensation for unused leave	4,905	-	-	4,905
Book-tax difference on property, plant and equipment from business combination	663	( 21)	-	642
Deferred revenue	3,183	( 1,173)	-	2,010
Pension payable	625	( 119)	1,588	2,094
Loss carryforward	5,978	22	-	6,000
Royalty payable	-	48,440	-	48,440
Depreciation	139	( 139)	-	-
Financial statements translation differences of foreign operations	33	-	9,907	9,940
Unrealised exchange loss	287	305	-	592
	<u>\$ 111,269</u>	<u>\$ 42,677</u>	<u>\$ 11,495</u>	<u>\$ 165,441</u>
— Deferred tax liabilities:				
Investment income accounted for under equity method	(\$ 24,006)	(\$ 8,827)	\$ -	(\$ 32,833)
Book-tax difference on intangible assets from business combination	( 37,073)	3,662	-	( 33,411)
Unrealised exchange gain	( 218)	17	-	( 201)
Depreciation	-	( 192)	-	( 192)
	<u>(\$ 61,297)</u>	<u>(\$ 5,340)</u>	<u>\$ -</u>	<u>(\$ 66,637)</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, 2021				
Year incurred	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets	Usable until year
2011~2021	\$ 2,742,628	\$ 2,740,000	\$ 2,740,000	2031

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

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	\$ 56,248	\$ 55,944

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

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

	Latest Year Assessed by Tax Authority
The Company, Digicentre, Gash Point, Conetter CoMarketing, NOWnews, Bjolly, Jollywiz	2019
Two Tigers, Ants' Power, Indiland, Gamania Asia, Ciirco, Coture New Media, WeBackers, BeanGo!, Fundation, GAMA PAY, Madsugr, Jollybuy, Coco	2020

(32) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,106,281	175,494	\$ 6.30
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,106,281	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,752	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,106,281	178,246	\$ 6.21
	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 872,496	174,474	\$ 5.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 872,496	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,173	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 872,496	176,647	\$ 4.94

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

(33) Transactions with non-controlling interest

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

A. The subsidiaries, JollyBuy, GAMA PAY, Ciirco and NOWnews, increased capital by issuing new shares for cash, respectively, for the year ended December 31, 2021. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.86%, 7.03%, 0.06%, and 0.34%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	Year ended December 31,	
	JollyBuy	GAMA PAY
	2021	2020
Cash	\$ -	\$ -
Increase in carrying amount of non-controlling interest	( 435)	( 19,444)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>(\$ 435)</u>	<u>(\$ 19,444)</u>
	Year ended December 31,	
	Ciirco	NOWnews
	2021	2020
Cash	\$ -	\$ 13,977
Increase in carrying amount of non-controlling interest	( 29)	( 15,232)
Decrease in unappropriated retained earnings	<u>(\$ 29)</u>	<u>(\$ 1,255)</u>

	Year ended December 31, 2021
	<u>JollyBuy</u>
Cash	\$ -
Increase in carrying amount of non-controlling interest	( 980)
Decrease in unappropriated retained earnings	<u>(\$ 980)</u>

B. The subsidiary, AMI, purchased treasury shares for the year ended December 31, 2021 totalling \$822. Therefore, the share ownership of the Group increased by 0.85%, the carrying amount of non-controlling interest decreased by \$961 and unappropriated retained earnings increased by \$1,497.

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

	<u>Hyperg</u>	<u>JollyBuy</u>
	Year ended	Year ended
	December 31, 2020	December 31, 2020
Special Technology	\$ 29,305	\$ -
Increase in carrying amount of non-controlling interest	( 29,090)	( 1,365)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>\$ 215</u>	<u>(\$ 1,365)</u>
	<u>Hyperg</u>	<u>NOWnews</u>
	Year ended	Year ended
	December 31, 2020	December 31, 2020
Cash	\$ -	\$ 12,009
Increase in carrying amount of non-controlling interest	( 40)	( 13,104)
Decrease in unappropriated retained earnings	<u>(\$ 40)</u>	<u>(\$ 1,095)</u>

D. In July 2020, the external shareholders of the subsidiary, Bjolly discarded 45.46% of issued shares and retired its share capital. After cancellation of its share capital, the Group held 100% of the shares of Bjolly after the retirement. Accordingly, the carrying amount of non-controlling interest increased by \$2,536, capital surplus - changes in parent's ownership interest in subsidiaries decreased by \$1,346 and unappropriated retained earnings decreased by \$1,191.

(34) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2021	2020
Acquisition of property, plant and equipment	\$ 85,340	\$ 128,133
Add: Opening balance of other payables	24,590	25,758
Less: Ending balance of other payables	( 22,484)	( 24,590)
Cash paid during the year	<u>\$ 87,446</u>	<u>\$ 129,301</u>

	Years ended December 31,	
	2021	2020
Acquisition of intangible assets	\$ 290,762	\$ 1,431,283
Add: Opening balance of other payables	454,258	45,085
Less: Ending balance of other payables	( 5,865)	( 454,258)
Increase in non-controlling interests	-	( 29,305)
Ending balance of other payables - related parties	( 450,000)	-
Cash paid during the year	<u>\$ 289,155</u>	<u>\$ 992,805</u>

	Years ended December 31,	
	2021	2020
Disposal of intangible assets	\$ -	\$ 4,162
Less: Decrease in non-controlling interest	-	( 4,162)
Cash received during the year	<u>\$ -</u>	<u>\$ -</u>

(35) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2021 and 2020 are as follows:

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-
				gross
January 1, 2021	\$ 226,148	\$ 240,000	\$ 66,919	\$ 533,067
Changes in cash flow from financing activities	( 123,495)	( 160,000)	( 31,955)	( 315,450)
Impact of changes in foreign exchange rate	( 2,489)	-	( 69)	( 2,558)
Changes in other non-cash items				
Increase in right-of-use assets	-	-	67,953	67,953
Termination of right-of-use assets	-	-	( 7,181)	( 7,181)
December 31, 2021	<u>\$ 100,164</u>	<u>\$ 80,000</u>	<u>\$ 95,667</u>	<u>\$ 275,831</u>

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities- gross
January 1, 2020	\$ 748,179	\$ 400,000	\$ 59,851	\$ 1,208,030
Changes in cash flow from financing activities	( 518,870)	( 160,000)	( 26,632)	( 705,502)
Impact of changes in foreign exchange rate	( 3,161)	-	( 170)	( 3,331)
Changes in other non-cash items				
Increase in right-of-use assets	-	-	34,807	34,807
Termination of right-of-use assets	-	-	( 937)	( 937)
December 31, 2020	<u>\$ 226,148</u>	<u>\$ 240,000</u>	<u>\$ 66,919</u>	<u>\$ 533,067</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. (Jsdway)	"
Aotter Inc.	"
Walker Media Co., Ltd.	"
Store Marais Co., Ltd. (Note)	"
Polysh Co., Ltd. (Note)	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Simsense Technology Sdn. Bhd.	"
Mercuries Life Insurance Co., Ltd.	"

Note: On March 1, 2020, Marais merged with Polysh through a stock swap at a ratio of 1:1 with the shareholders who previously owned Polysh. Marais was the surviving company and Polysh was the dissolved company after the merger. The related party transactions of Marais were disclosed from March 1, 2020.

(3) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
Associates	\$ 1,445	\$ 31,953
Other related parties	39,048	23,805
	<u>\$ 40,493</u>	<u>\$ 55,758</u>
Sales of services:		
Associates	\$ 22,350	\$ 54,867
Other related parties	89,981	59,411
	<u>\$ 112,331</u>	<u>\$ 114,278</u>

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

(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,	
	2021	2020
Programs cost:		
Associates	\$ -	\$ 324
Service costs:		
Other related parties	7,776	6,705
	<u>\$ 7,776</u>	<u>\$ 7,029</u>

Programs costs are costs incurred in the production of internet programs and TV programs, and service costs arise from the sales of services. All abovementioned costs are based on mutual agreement.

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

	Years ended December 31,	
	2021	2020
Associates	\$ 20,741	\$ 22,309
Other related parties	10,729	19,615
	<u>\$ 31,470</u>	<u>\$ 41,924</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,	
	2021	2020
Other related party		
Gamania Cheer Up Foundation	\$ 17,500	\$ 15,500

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, 2021	December 31, 2020
Accounts receivable:		
Associates	\$ 8,230	\$ 6,390
Other related parties	3,111	6,955
	<u>\$ 11,341</u>	<u>\$ 13,345</u>
Other receivables:		
Associates	\$ 2,182	\$ 2,577
Other related parties	32	65
	<u>\$ 2,214</u>	<u>\$ 2,642</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, 2021	December 31, 2020
Accounts payable:		
Other related parties	\$ 7,187	\$ 4,060
Other payables:		
Associates	\$ 5,863	\$ 5,893
Other related parties	152,721	109,883
	<u>\$ 158,584</u>	<u>\$ 115,776</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,	
	2021	2020
Short-term employee benefits	\$ 146,990	\$ 116,127
Post-employment benefits	229	324
Share-based payment	-	31,796
	<u>\$ 147,219</u>	<u>\$ 148,247</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value		Pledge purpose
	December 31, 2021	December 31, 2020	
Demand deposits (shown in "other current asset")	\$ 228,065	\$ 91,641	Guarantee for short-term borrowing facility, performance bond of on-line game card's standard contracts, trusted electronic payment accounts, trust performance bond for E- commerce service and performance bond of stickers
Time deposits (shown in "financial assets at amortised cost - current")	62,319	64,178	Guarantee for short-term borrowing facility and credit card merchant
Property, plant and equipment			
Land	2,246,082	2,246,082	Short-term and long-term loans / Credit lines
Buildings and structures	252,829	258,473	Short-term and long-term loans / Credit lines
	<u>\$ 2,789,295</u>	<u>\$ 2,660,374</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 10, 2022, the Company's board of directors has approved the following significant events:

- A. Please refer to Note 6(23) G. appropriations of retained earnings.
- B. The Company plan to increase shares issued by the subsidiary, Jollybuy, by not over \$80,000, the company's share holding percentage remain 97.90% when the capital increasing completed.
- C. The Company plan to increase share issued by the subsidiary, NOWnews, by not over \$80,000, the company's share holding percentage can be up to 82.04% when the capital increasing completed.

## 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, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 198,626	\$ 182,953
Financial assets at amortised cost		
Cash and cash equivalents	\$ 3,418,896	\$ 2,397,601
Financial assets at amortised cost	88,463	102,626
Notes receivable	752	4,533
Accounts receivable (including related parties)	887,464	958,036
Other receivables (including related parties)	262,703	260,802
Other financial assets	228,065	91,641
Guarantee deposits paid	37,353	41,422
	<u>\$ 4,923,696</u>	<u>\$ 3,856,661</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 100,164	\$ 226,148
Notes payable	-	1,211
Accounts payable (including related parties)	634,185	504,243
Other payables (including related parties)	1,910,315	2,115,509
Long-term borrowings (including current portion)	80,000	240,000
Guarantee deposits received	16,964	12,625
	<u>\$ 2,741,628</u>	<u>\$ 3,099,736</u>
Lease liability	<u>\$ 95,667</u>	<u>\$ 66,919</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:

December 31, 2021			
(Foreign currency: Functional currency)	Foreign currency		Book value (NTD)
	amount (in thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 25,302	27.680	\$ 700,395
HKD:NTD	28,600	3.549	101,501
HKD:USD (Note)	144,859	0.1282	514,043
USD:HKD (Note)	8,597	7.7994	237,966
<u>Non-monetary items</u>			
USD:NTD	33,421	27.68	925,087
KRW:NTD	886,842	0.0235	20,841
JPY:NTD	112,163	0.2405	26,975
HKD:USD (Note)	62,827	0.1282	222,947
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	10,229	27.68	283,139
HKD:USD	8,022	3.549	28,470
USD:HKD (Note)	1,290	7.7994	35,707

December 31, 2020			
(Foreign currency: Functional currency)	Foreign currency		Book value (NTD)
	amount (in thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,732	28.480	\$ 419,567
HKD:NTD	10,169	3.673	37,351
HKD:USD (Note)	70,473	0.129	258,912
USD:HKD (Note)	10,474	7.754	298,304
<u>Non-monetary items</u>			
USD:NTD	32,384	28.480	922,309
KRW:NTD	762,300	0.026	19,812
JPY:NTD	107,630	0.276	29,706
HKD:USD (Note)	80,762	0.129	296,713
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	26,769	28.480	762,381
HKD:NTD	9,872	3.673	36,260
HKD:USD (Note)	4,868	0.129	17,885
USD:HKD (Note)	1,892	7.754	53,885

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

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020 amounted to \$11,173 and \$4,974, respectively.

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

	Year ended December 31, 2021		
	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%	\$ 7,004	\$ -
HKD:NTD	1%	1,015	-
HKD:USD (Note)	1%	5,140	-
USD:HKD (Note)	1%	2,380	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	2,831	-
HKD:USD (Note)	1%	285	-
USD:HKD (Note)	1%	357	-
	Year ended December 31, 2020		
	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%	\$ 4,196	\$ -
HKD:NTD	1%	374	-
HKD:USD (Note)	1%	2,590	-
USD:HKD (Note)	1%	2,983	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	14,235	-
HKD:NTD	1%	363	-
HKD:USD (Note)	1%	179	-
USD:HKD (Note)	1%	5,389	-

Note: Considering the functional currency of part of consolidated entities were 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 for the years ended December 31, 2021 and 2020, other comprehensive income or loss would have increased by \$1,986 and \$1,830, 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 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD.
- ii. At December 31, 2021 and, 2020 ,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, 2021 and 2020 would have been \$49 and \$94 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, 2021, 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, 2021 and 2020, the provision matrix is as follows:

	December 31, 2021		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%~6.76%	\$ 1,019,743	\$ 4,633
Up to 30 days	0.10%~25.71%	25,532	173
31 to 60 days	1.00%~30%	25,947	323
61 to 90 days	5.48%~38.87%	32,956	2,224
91 to 120 days	22.62%~55.52%	9,289	2,101
Over 121 days	58.05%~100%	77,757	45,158
		<u>\$ 1,191,224</u>	<u>\$ 54,612</u>
	December 31, 2020		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~1.11%	\$ 1,088,812	\$ 41
Up to 30 days	0.19%~2.16%	33,146	64
31 to 60 days	0.98%~3.37%	21,813	507
61 to 90 days	3.90%~12.01%	14,110	550
91 to 120 days	4.74%~20.00%	31,813	1,507
Over 121 days	72.70%~100.00%	57,980	42,154
		<u>\$ 1,247,674</u>	<u>\$ 44,823</u>

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:

	2021		
	Accounts receivable	Other receivables	Total
At January 1	\$ 137,244	\$ 7,403	\$ 144,647
Provision for impairment loss	68,723	1,811	70,534
Write-off	( 46,152)	( 7,107)	( 53,259)
Effect of exchange rate changes	( 858)	( 109)	( 967)
At December 31	<u>\$ 158,957</u>	<u>\$ 1,998</u>	<u>\$ 160,955</u>
	2020		
	Accounts receivable	Other receivables	Total
At January 1	\$ 146,463	\$ 70,368	\$ 216,831
Provision for impairment loss	30,970	4,777	35,747
Write-off	( 39,427)	( 67,505)	( 106,932)
Effect of exchange rate changes	( 762)	( 237)	( 999)
At December 31	<u>\$ 137,244</u>	<u>\$ 7,403</u>	<u>\$ 144,647</u>

For provisioned loss for the years ended December 31, 2021 and 2020, the impairment losses arising from customers' contracts were \$70,534 and \$35,747, 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, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 100,164	\$ -	\$ -
Accounts payable	626,998	-	-
Accounts payable - related parties	7,187	-	-
Other payables	1,751,731	-	-
Other payables - related parties	158,584	-	-
Lease liabilities	30,686	40,716	26,303
Long-term borrowings (including current portion)	80,420	-	-

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 226,148	\$ -	\$ -
Notes payable	1,211	-	-
Accounts payable	500,183	-	-
Accounts payable - related parties	4,060	-	-
Other payables	1,999,733	-	-
Other payables - related parties	115,776	-	-
Lease liabilities	30,971	27,880	9,310
Long-term borrowings (including current portion)	162,520	80,420	-

(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) and other payables (including related parties), lease liabilities and guarantee deposits received, are approximate to the fair values.

- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 110,709	\$ -	\$ 87,917	\$ 198,626
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 56,962	\$ -	\$ 125,991	\$ 182,953

- 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, 2021 and 2020, 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, 2021 and 2020:

	Equity securities	
	2021	2020
At January 1	\$ 125,991	\$ 446,410
Loss recognised in other comprehensive income or loss	4,908 (	23,578)
Disposals during the year	( 41,529)	( 294,116)
Effects of foreign exchange	( 1,453)	( 2,725)
At December 31	<u>\$ 87,917</u>	<u>\$ 125,991</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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 87,917	Market comparable companies	Enterprise value to operating income ratio multiple	32.36~52.19 (41.16)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 125,991	Market comparable companies	Enterprise value to operating income ratio multiple	31.58~42.05 (35.87)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	25% (25%)	The higher the discount for lack of marketability, the lower the fair value

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, 2021					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 338	(\$ 338)	
	Discount for lack of marketability	±1%	-	-	607	( 607)	
		December 31, 2020					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 387	(\$ 387)	
	Discount for lack of marketability	±1%	-	-	742	( 742)	

#### (4) Other matters

In response to the impact of the novel coronavirus, the Group has activated relevant response mechanisms, and all offices have adopted high-standard epidemic prevention measures. The Group maintains normal operations and adopts different methods in response to government regulations, such as a comprehensive working from home model, the use of group A and B obtaining approval before entering the office, etc. In order to reduce physical contact and avoid the possibility of mutual infection, meetings are conducted online as much as possible and employees are required to report their health status on a routine basis. So far, the Group has resumed normal work mode and Covid 19 has no significant impact on the overall operations and financial situation of the Group.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

#### (4) Major shareholders information

Major shareholders information: Please refer to table 8.

### 14. OPERATING SEGMENT INFORMATION

#### (1) General information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker which are used to make strategic decisions.

#### (2) Assessment of segment information

The chief operating decision-maker assesses the performance of the operating segments based on net income or loss of the reporting period.

(3) Information on segment profit (loss), assets and liabilities

The segment information on reportable segments provided to the chief operating decision-maker for the years ended December 31, 2021 and 2020 is as follows:

Year ended December 31, 2021

	<u>Gamania Digital Entertainment Co., Ltd.</u>	<u>Gash Point Company Limited and Gash Point (Hong Kong) Company Limited</u>	<u>Others</u>	<u>Total</u>	
Revenue from external customers	\$ 7,995,718	\$ 264,634	\$ 3,112,125	\$ 11,372,477	
Inter-segment revenue	289,685	663,212	792,326	1,745,223	Note 1
Segment operating profit	1,651,055	171,847 (	88,807)	1,734,095	
Segment profit (loss), net of tax	1,106,281	109,637 (	206,803)	1,009,115	
Segment profit (loss) includes:					
Depreciation and amortisation	( 740,678) (	17,795) (	132,798) (	891,271)	
Income tax expense	( 324,375) (	31,253) (	80,353) (	435,981)	
Investment (loss) income accounted for under equity method	( 166,642) (	32,166)	81,189 (	117,619)	Note 2

Year ended December 31, 2020

	Gmania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	\$ 7,271,806	\$ 239,313	\$ 2,931,923	\$ 10,443,042	
Inter-segment revenue	151,786	529,682	730,341	1,411,809	Note 1
Segment operating profit	1,024,974	123,038	( 10,597)	1,137,415	
Segment profit (loss), net of tax	872,496	119,023	( 209,199)	782,320	
Segment profit (loss) includes:					
Depreciation and amortisation	( 841,249)	( 18,688)	( 143,648)	( 1,003,585)	
Income tax expense	( 167,515)	( 32,806)	( 82,906)	( 283,227)	
Investment (loss) income accounted for under equity method	( 31,293)	( 13,468)	( 82,280)	( 100,105)	Note 2

Note 1: The transaction had been eliminated in the consolidated financial statements.

Note 2: The inter-segment investment income or loss had been eliminated.

(4) Reconciliation information of segment profit (loss)

The segment reports provided to the chief operating decision-maker are measured in a manner consistent with that used for the statement of comprehensive income. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed.

(5) Information on product and service

Details are provided in Note 6(25).

The reportable segments of the Group are based on different companies. The reconciliation with Note 6(25) operating revenue is as follows:

	Year ended December 31, 2021			
	Gamania	Gash Point and		
	Digital	Gash Point		
	Entertainment	(Hong Kong)		
	Co., Ltd.	Company Limited	Others	Total
Online and mobile games revenue	\$ 7,979,709	\$ -	\$ 1,108,140	\$ 9,087,849
Service revenue	16,009	-	1,303,759	1,319,768
Sales revenue	-	-	666,931	666,931
Revenue from stored-values	-	264,634	33,295	297,929
	<u>\$ 7,995,718</u>	<u>\$ 264,634</u>	<u>\$ 3,112,125</u>	<u>\$ 11,372,477</u>

	Year ended December 31, 2020			
	Gamania	Gash Point and		
	Digital	Gash Point		
	Entertainment	(Hong Kong)		
	Co., Ltd.	Company Limited	Others	Total
Online and mobile games revenue	\$ 7,201,498	\$ -	\$ 1,076,386	\$ 8,277,884
Service revenue	70,308	-	1,061,833	1,132,141
Sales revenue	-	-	758,762	758,762
Revenue from stored-values	-	239,313	34,942	274,255
	<u>\$ 7,271,806</u>	<u>\$ 239,313</u>	<u>\$ 2,931,923</u>	<u>\$ 10,443,042</u>

(6) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 9,659,101	\$ 3,257,600	\$ 8,720,101	\$ 3,908,563
Asia	1,713,376	50,952	1,722,941	110,398
	<u>\$ 11,372,477</u>	<u>\$ 3,308,552</u>	<u>\$ 10,443,042</u>	<u>\$ 4,018,961</u>

(7) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2021 and 2020.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		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, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	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 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
		Company name													
0	The Company	HaPod Digital Technology Co., Ltd.		3	\$ 540,844	\$ 41,715	\$ 41,535	\$ 22,152	\$ 22,152	0.77	\$ 5,408,439	Y	N	N	Note3
0	The Company	JollyBuy Digital Technology Co., Ltd.		2	540,844	30,000	30,000	-	-	0.55	5,408,439	Y	N	N	Note3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.		3	93,260	35,178	30,384	26,044	7,813	13.03	93,260	N	N	Y	Note4
2	Achieve Made International (BVI)	Jollywiz Digital Technology Co., Ltd.		3	109,699	100,000	18,000	18,000	18,000	6.56	109,699	N	N	N	Note4

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 six categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% 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.

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, 2021

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	As of December 31, 2021				Footnote
				Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	
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	Microprogram Information Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	1,739	33,790	5.26	33,790	
The Company	Pili International Multimedia Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	1,958	101,424	3.82	101,424	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	388	9,285	3.57	9,285	
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	27,186	2.59	27,186	

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, 2021

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts	
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	\$ 408,114	57.30	Note	Note	Note	\$ 29,485	4.70	
Conetter Comarketing Co., Ltd.	The Company	Parent company	Service revenue	255,301	34.09	Note	Note	Note	21,846	51.03	
Digicentre Company Limited	The Company	Parent company	Sales revenue	234,918	32.55	Note	Note	Note	26,852	19.85	
ANTS' POWER CO., LTD.	The Company	Parent company	Sales revenue	134,266	65.74	Note	Note	Note	27,409	63.38	

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  
 December 31, 2021

Table 4

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of December 31, 2021	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	\$ 571,796	-	\$ -	-	\$ 138,427	\$ 43	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to February 28, 2022.

Note 2: 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, 2021

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	Accounts receivable	\$ 25,305	Note 5	0.27
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	126,073	Note 5	1.11
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	56,596	Note 5	0.50
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	571,796	Note 5	6.04
0	The Company	Gash Point (HK) Co., Ltd.	1	Accounts receivable	54,658	Note 5	0.58
0	The Company	HaPod Digital Technology Co., Ltd.	1	Sales of services	14,502	Note 5	0.13
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	71,673	Note 5	0.76
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	57,409	Note 5	0.61
2	Joymobee Entertainment Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Advertisement revenue	11,234	Note 5	0.10
3	Gash Point Co., Ltd.	The Company	2	Accounts receivable	29,485	Note 5	0.31
3	Gash Point Co., Ltd.	The Company	2	Sales of services	408,114	Note 5	3.59
3	Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	3	Other receivables	14,153	Note 5	0.15
3	Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	3	Refundable deposits	10,000	Note 5	0.11
4	Ants' Power Co., Ltd.	The Company	2	Operating revenue	134,266	Note 5	1.18
4	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	27,409	Note 5	0.29

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
 Significant inter-company transactions during the reporting period  
 Year ended December 31, 2021

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	
4	Ants' Power Co., Ltd.	Gash Point Co., Ltd.	3	Operating revenue	\$ 11,314	Note 5	0.10
5	GASH POINT (HK) Co., Ltd.	Gash Point Co., Ltd.	3	Other receivables	10,675	Note 5	0.09
6	Digicentre Company Limited	The Company	2	Accounts receivable	26,852	Note 5	0.28
6	Digicentre Company Limited	The Company	2	Operating revenue	234,918	Note 5	2.07
6	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	40,902	Note 5	0.43
6	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	123,996	Note 5	1.09
7	HaPod Digital Technology Co., Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	3	Revenue from royalties	17,298	Note 5	0.18
8	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	21,846	Notes 4 and 5	0.23
8	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	255,301	Notes 4 and 5	2.70
9	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	28,318	Note 5	0.30
10	Digicentre (HK) Company Limited	Digicentre Company Limited	3	Sales of services	10,976	Note 5	0.12

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, 2021

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 2021			Investment income		Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 2,216,038	\$ 2,216,038	46,278,315	100.00	\$ 768,672	\$ 3,178	\$ 7,566	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	119,222	( 20,960)	( 20,960)	
The Company	Foundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	( 383)	( 20)	( 20)	Note 2
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	540,000	480,000	24,600,000	97.23	49,677	( 62,181)	( 60,244)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	339,624	19,165	10,112	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	9,800	6,912	3,525	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	300,813	105,225	94,703	
The Company	Indiland Co., Ltd.	Taiwan	IP Commodities authorisation	60,000	40,000	2,050,000	100.00	18,272	( 1,823)	( 1,823)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	77,821	41,907	41,908	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	26,240	( 16,213)	( 5,355)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	196	( 78)	( 74)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	6,633	( 107)	( 99)	
The Company	MadSugr Digital Technology Co., Ltd.	Taiwan	Information software and supply of electronic information services	45,900	45,900	4,590,000	51.00	3,131	17	9	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	839,229	569,229	55,785,716	69.73	350,347	( 211,351)	( 127,634)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	494,303	431,281	36,948,148	78.97	188,991	( 85,488)	( 81,724)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,739	1,120	1,120	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	199,400	8,990,649	99.90	22,036	( 19,213)	( 19,188)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2021

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 2021			Investment income		Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
The Company	4-Way Voice Cultural Co., Ltd.	Taiwan	Newspaper and magazine publishing	\$ 1,900	\$ 1,900	190,000	38.00	\$ 491	(\$ 117)	(\$ 45)	
The Company	Walkermedia Co., Ltd.	Taiwan	Publishing of magazines and general advertising services	30,000	30,000	3,000,000	30.00	11,006	( 28,064)	( 8,419)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Online retail of other home accessories	10,000	10,000	125,000	7.69	8,667	15,977	285	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,065	1,065	300,000	100.00	28,439	6,597	4,452	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	27,680	27,680	1,000,000	51.00	23,122	( 726)	( 250)	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	Software services	48,440	48,440	1,750,000	100.00	1,260	( 3,381)	( 3,377)	
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	2,538	346	104	
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	47,899	2,240	250	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	48,931	48,931	2,658,687	29.54	5,383	( 29,970)	( 8,853)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	( 16)	( 16)	Note 2
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	( 248)	( 3,131)	( 131)	Note 2
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	10,128	( 40,661)	( 11,903)	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	33,670	33,670	600	100.00	26,975	1,185	1,185	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2021

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 2021			Investment income		Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	\$ 12,610	\$ 12,610	750,000	100.00	\$ 155,155	\$ 4,412	\$ 4,412	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Design and sale of software	11,662	11,662	138,268	100.00	20,841	3,368	3,368	
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	61,404	20,662	16,525	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	150,000	150,000	7,232,142	9.04	8,363	( 211,351)	( 25,960)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	-	9,750,000	12.19	98,303	( 211,351)	( 31,697)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	2,169,527	2,169,527	77,281,128	100.00	775,179	20,711	20,711	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	923,682	923,682	40,416,628	98.85	220,365	207,765	205,376	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	109,336	109,336	30,701,775	100.00	7,626	879	879	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	8,802	8,802	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	192,448	192,448	7,297,649	43.56	107,840	( 134,062)	( 58,863)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,331	1,331	375,000	30.00	-	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	60,896	60,896	2,200,000	100.00	( 14,605)	( 42,228)	( 42,228)	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	237,356	203,448	343	49.00	8,957	( 170,781)	( 83,683)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	650,720	595,000	26,145,712	100.00	95,185	( 122,634)	( 53,419)	
Achieve Made International Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	-	132,376	-	0.00	-	( 16,316)	( 66)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2021

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 2021			Investment income		Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Percentage	Book value	Income (loss) incurred by the investee	(loss) recognised by the Company	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	\$ 25,000	\$ 25,000	1,045,455	95.83	(\$ 2,452)	(\$ 3,514)	(\$ 1,467)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	135,632	135,632	4,900,000	100.00	( 4,590)	( 14,116)	( 6,149)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	29,736	9,298	39,600,000	100.00	3,488	( 16,316)	( 7,107)	
Bjolly Digital Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	1.10	9,059	( 85,488)	( 941)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,093,914	1,093,914	39,520,000	100.00	( 2,223)	( 1,771)	( 1,751)	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	90,500	90,500	25,500,000	100.00	215,321	209,348	206,940	

Note 1: Initial investment amount is translated to NTD at the spot rate at the period end.

Note 2: Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2021

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, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net loss of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 977,104	2	\$ 716,082	\$ -	\$ -	\$ 716,082	(\$ 1,483)	98.85	(\$ 1,466)	(\$ 4,044)	\$ -	Notes 3 and 6
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	2	41,520	-	-	41,520	-	-	-	-	-	Notes 4 and 7
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	109,336	2	109,336	-	-	109,336	( 14,058)	43.56	( 6,124)	( 5,007)	-	Notes 5 and 8
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	21,720	2	-	-	-	-	( 10,524)	43.56	( 4,584)	( 19,267)	-	Notes 5 and 8
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural products	13,840	2	-	-	-	-	-	38.66	-	-	-	Notes 5 and 9

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

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

Note 2: The accumulated remittance as of January 1, 2021, remitted or collected this year, accumulated as of December 31, 2021 was translated into New Taiwan dollars at the average exchange rate of NTD27.68 to US\$1 and NTD4.344 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company, Gamania Digital Entertainment (Beijing) Co., Ltd., for the year ended December 31, 2021 was recognised based on the indirect weighted-average ownership percentage of 98.85% and on their financial statements for the corresponding period, which were reviewed.

Note 4: MoNokos Studio Technology Co., Ltd. completed liquidation proceedings on September 22, 2013. However, the investment amount has not yet been remitted back to Taiwan as of December 31, 2021.

Note 5: Investment income or losses are recognised based on unaudited financial statements.

Note 6: It was invested through Gamania Sino Holdings Ltd invested.

Note 7: It was invested through Gamania Holdings Ltd. invested.

Note 8: It was invested through Cyber Look Properties Limited invested.

Note 9: It was invested through ACCI Group Limited and Gamania Digital Entertainment (H.K.) Co., Ltd. invested.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	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)	\$ 757,602	\$ 1,270,872	\$ 3,245,063
Jollywiz Digital Technology Co., Ltd.	109,336	109,336	139,890

Note: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or \$1,270,872 based on 27.68 spot exchange rate at December 31, 2021.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Major shareholders information  
December 31, 2021

Table 8

Shares		
	Number of shares held	Ownership (%)
Name of major shareholders		
Liu Bo Yuan	20,291,305	11.56%
Wanwin International Co., Ltd.	15,101,000	8.60%
Shiang Sheng Invesement Ltd.	13,600,000	7.74%
Joy Develop Co., Ltd. Taiwan Branch	9,653,000	5.50%

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.