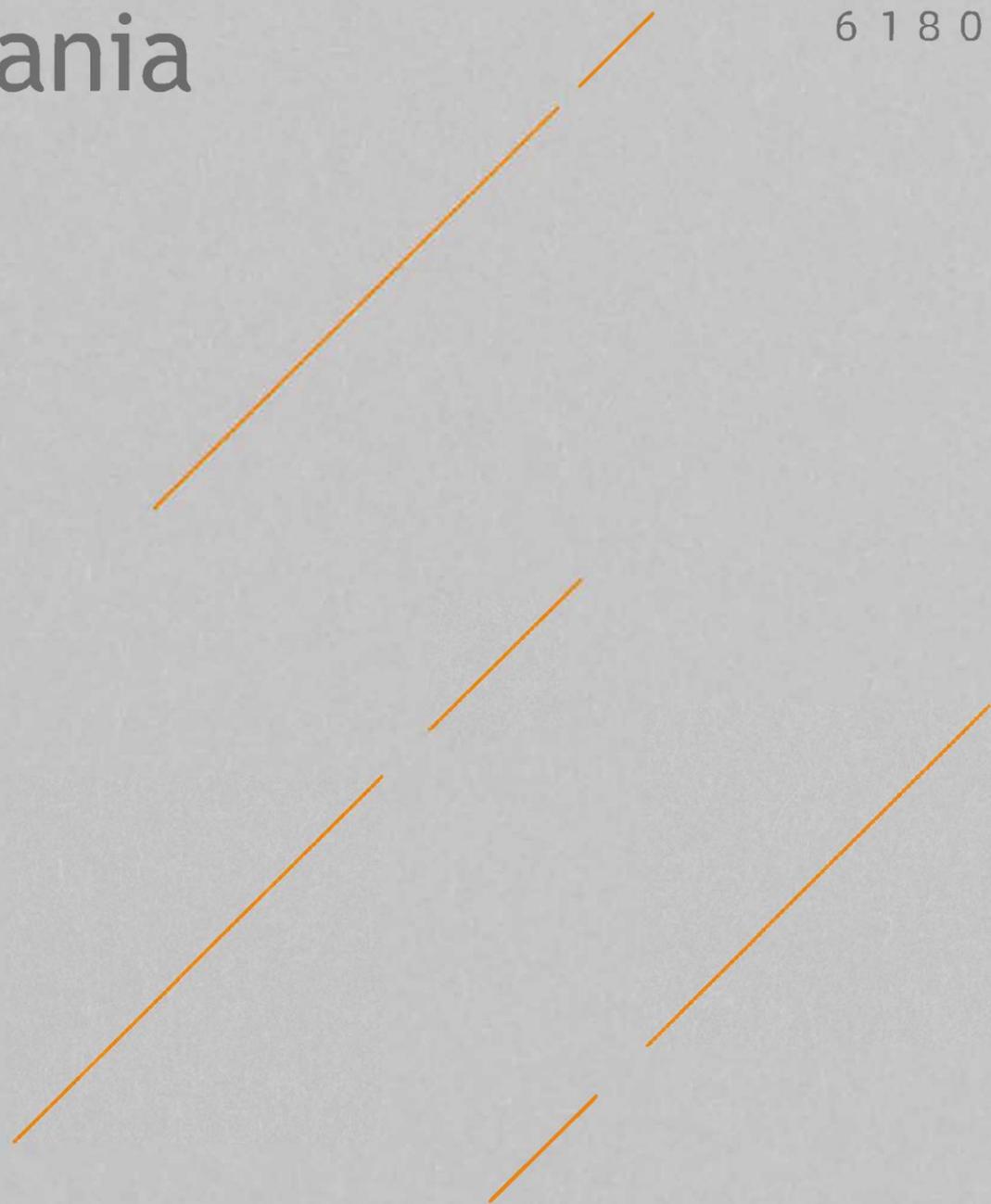


gamania

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# Annual Report 2022



## **One. Spokesman**

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

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

Name of Firm: PwC Taiwan

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

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Telephone: (02)2729-6666

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

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

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

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# One. Letter to Shareholders

Dear shareholders, ladies and gentlemen:

Gamania Group's 2022 consolidated revenue was NTD 11.39 billion, maintaining the operation level of the previous year. In particular, the main game "Maplestory" has successfully re-branded and continued to achieve good revenue performance; the operating gross profit was NTD 4.68 billion, wherein operating profit was NTD 1.76 billion and the after-tax profit attributable to parent company owners amounted to NTD 1.28 billion, a year-on-year increase of 16%. It is mainly due to the successful adjustment of the operating structure, resulting in the improvement of profitability of the main business. The effect of business layout became more obvious, and the operating revenue and net profit after tax ranked second in history, with an EPS of NTD 7.29.

Looking back on 2022, the flagship APP beanfun! underwent a large-scale revision. Through module reorganization and optimization of the underlying logic framework of the big data project, the Company will improve user experience and strengthen the connection of the Group's services. Work with multi-party arts and entertainment partners, including phenomenon-level entertainment programs, New Year's Eve events, and arts and cultural venues ... to jointly plan online and offline events, drive the conversion of traffic between virtual and real scenarios, and promote the growth of new customers. In 2023, the Company will launch a social function with high conversion and high adhesion to build a social platform that is most close to the attitude and culture of the new generation.

The longevity of the game business, "Maplestory" reached a new high in annual revenue. The main products "Lineage M" and other games have been launched with major revision activities to contribute steadily to the Group's revenue. In 2023, the Company will refine product operations and provide a quality game experience. It is expected that 1~2 new products will be launched to inject new momentum.

Under the dynamic and changeable environment in 2022, the Group's payment, e-commerce, and media businesses worked together separately to gradually diversify the Group's marketing activities and enrich the Group's user profile. GASH explored opportunities in different businesses, and promoted the transformation plan based on entertainment transformation and forward-looking technologies. The pandemic and the iterative development of AI have driven enterprises' digital transformation and information security needs. DIGICENTRE COMPANY's cloud and information security services have been favored by the market. In 2023, DIGICENTRE COMPANY will enter Southeast Asia and lead the export of Taiwan's information security capabilities overseas. Conetter specializes in digital marketing and distribution advertising services, and has insight into customer

needs, which nearly doubled its revenue during the more than three-year pandemic.

Gamania Group has been sparing no effort in practicing ESG (environmental, social, governance). Besides winning the Bronze Award at the 4th Annual Enterprise Environmental Protection Award (AEEPA) from the Environmental Protection Administration, we independently completed the greenhouse gas inventory and published the 2021 Gamania Group ESG Report. Gama Garden was founded in 2012 by Gamania Group with the original intention of creating a friendly workplace where employees can live in peace of mind. As it celebrates its 10th anniversary this year, it has become a benchmark for Taiwan's corporate nurseries. Gamania Cheer Up Foundation, which encourages young people to defy challenges and take risks, celebrates its 15th anniversary with a brand-new initiative "GoNext" to create positive social influence.

In 2022, Gamania Group overcame the challenge of COVID-19 and strived for progress while maintaining stability. In 2023, the Group will focus on improving its operational resilience and transforming its subsidiaries to increase market share and influence of various services. It will also deploy pan-entertainment content and its own IP, and stimulate the Group's network ecosystem by beanfun!

We would like to thank all of you for your trust and guidance in Gamania Group. The post-pandemic era is full of both uncertainties and opportunities. Based on our commitment to sustainable development, we will continue to amplify the diversification and synergy of the Group, and share the Group's operating results with all shareholders.

I wish you

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

Chairman and President

Liu, Po-Yuan

## Business Report

### 1. 2022 Business Plan Implementation Results

The operating income, gross operating profit, net profit before tax and net profit after tax for 2022 are detailed below.

Unit: NTD 1,000

Item	2012
Operating income	11,388,021
Operating gross profit	4,682,110
Operating profit	1,758,562
Pre-tax net profit	1,708,448
Net profit attributable to the owner of the parent company	1,279,696

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

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

### 3. Status of Research and Development

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

### 4. Expected Sales Volume and Rationale

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

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

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

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

#### (2) Impacts from Regulatory Setting

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

Chairman: Liu, Po-Yuan    President: Liu, Po-Yuan    Chief Accounting Officer: Su, Hsin-Hung

## Two. Company Profile

### I. Established on June 12, 1995

### II. Company History:

1. Merger and acquisition activities in the most recent year and until the annual report publication date: None.
2. Massive transaction or conversion of shares by directors, supervisors or dominant shareholders holding over 10% of the stakes in the most recent year and until the annual report publication date: None.
3. Re-organization activities in the most recent year and until the annual report publication date: None.
4. Significant changes in operations and business contents in the most recent year and until the annual report publication date: None.
5. Management changes and other important events that may affect the rights and interests of shareholders and their influence on the company in the most recent year and up to the annual report publication date: None.
6. Reinvestments in affiliates in the most recent year and up to the annual report publication date: Please refer to I. Information of Affiliates on page 332.
7. Other Information:
  - 1995
    - The Company was established under the name of “FullSoft Co., Ltd.” and dealt mainly with information and software services.
  - 1999
    - Released the first self-made product “CONVENIENT STORE”, which was well received on the market with unprecedented sales.
    - The Company officially changed its name to Gamania Digital Entertainment Co., Ltd. (Gamania).
  - 2000
    - Gamania Digital Entertainment (HK) Co., Ltd. was established.
    - Brokered and released the online game “Lineage” and rewrote the history of the gaming industry of Taiwan.
    - Released the digital recreational magazine “MANIA”; 200 thousand volumes were sold as soon as it was available on the market.
    - “CONVENIENT STORE” was awarded “Best Strategy Game by an Independent Developer” by the Taipei Computer Association.
    - Released the self-made product “CONVENIENT STORE 2”.
  - 2001
    - “CONVENIENT STORE 2” was awarded “Best Strategy Game by an Independent Developer” by the Taipei Computer Association.
    - “Lineage” was awarded “Best Online Game” by the Taipei Computer Association.
    - Gamania’s Corporate Identity System (CIS) received the Gold Award in Taiwan’s “Top 10 National Design Award”.
  - 2002
    - Listed in Taiwan under the ticker symbol of 6180.
    - Gamania Digital Entertainment (Beijing) Co., Ltd. was established.
  - 2003
    - The self-made online game “COCOCAN” was introduced to the market in Taiwan along with “Game Cat” as its sound track.

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

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

opportunities.

- 2015
- The Group proactively transforms towards becoming a comprehensive web-based enterprise. The “Gamania 20” exhibition was held in Huashan 1914 Creative Park so that the general public got a chance to feel for themselves the comprehensive web-based daily life services provided by the Group.
  - Listed consecutively in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2015 and topped the list of counterparts from Taiwan.
  - Introduced the popular RPG game “Finger Knights”.
  - Introduced the mobile phone edition “Pocket MapleStory” of the super popular RPG online game “MapleStory”.
  - Introduced the mobile-end dual platform game “Lineage Eternal Life”.
  - Announced collaboration with the Japan mobile game leader GungHo to jointly enter the markets in Taiwan, Hong Kong, and Macao.
  - Gash Point Pay received the official business license to run as an exclusive electronic payment institution for domestic O2O physical store payment service and joined hands with Taiwan Taxi, E.SUN VENTURE CAPITAL CO., LTD., TAIWAN SECOM CO., LTD., and FamilyMart, among others to jointly expand the scope of application for the payment service and to deploy comprehensively on the electronic payment market.
  - Jollywiz established “JSTaiwan” to enter the China e-commerce platform Tmall Global with quality historical store products.
  - COTURE introduced the talent show “Gamania 20 Top Million Star”, the very first multi-screen real-time interactive audiovisual entertainment show.
  - Introduced online exchange marketplace APP “Swapub” to start a new shared economic model.
  - “Gash Point Card Digital Technology Co., Ltd.” changed its name to “Gash Point Co., Ltd.”.
  - Introduced “Azion Corporation” and “MERCURIES DATA SYSTEMS LTD.” to be the strategic partners of “Digicentre” and to jointly create the great future for cloud data.
  - Invested in “NOWnews” to further media deployment.
- 2016
- Joined hands with the Japan mobile game leader GungHo and introduced the popular Japanese RPG chessboard-type mobile game “Summons Boards”; it was well received among the million players and members.
  - Brokered and released the popular FPS classic online game extension “CSO2 Counter Strike Online 2”; more than 500 thousand people signed up in the first month after it was introduced to reignite the passion for FPS games.
  - Introduced the original classic music-based social networking-oriented mobile game “PLAN-S”; it combined the elements of COTURE’s talent show “PLAN-S” while creating an innovative video-game interactive entertainment model. The game was downloaded more than a million times.
  - “Gash Point Pay Co., Ltd.” changed its name to “GAMA PAY CO.,

LTD.”.

- “GAMA PAY” officially went online to comprehensively promote the scope of electronic payment. The goal is to become a leading brand in electronic payment in Taiwan.
- The masterpiece of COTURE “Gamania 20 Top Million Star” won the “Best Variety Show Award” of the 51<sup>st</sup> Golden Bell Awards and was the first new online media to be honored with the awards in Taiwan.
- The Gamania Group was officially relocated to its new headquarters in Neihu and turned over a new leaf as a comprehensive web-based enterprise.
- Introduced the real-time communication software “BeanGo!” which meets the three communication requirements of intuition, dating and events, and redefines the networking model of the new generation to provide the most interesting and trendy communication experience.
- 2017 ▪ Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2017, the best ranking in history, and topped the list of counterparts from Taiwan. The Group continued to live up to its core essence of “live and work in peace and happiness” while building a quality workplace with benefits.
- Received “Outstanding Issuer of Government Uniform Invoice (GUI)” Award from the Ministry of Finance in 2017.
- Obtained the exclusive dealership of the mobile game masterpiece of NCSOFT “Lineage M” for Taiwan, Hong Kong, and Macao. It was released to the market concurrently in Taiwan, Hong Kong and Macao on December 11 and the number of members went up to 2.43 million within only 20 days. The highest record was over 1.11 million people active in one single day and more than 400 thousand people online at the same time; both were the new records on the gaming market. Meanwhile, it had been topping the iOS list of best sellers and the Google Play list of highest revenue for three weeks in a row.
- For the classic flagship online game “Maplestory”, the yearned-for 10-year all-profession five-turn contents were introduced. The popularity was unprecedented.
- As part of its internationalization strategy, GASH cooperated with the Japan cash flow platform BitCash to reach out to the world.
- Fund-raising for the first nostalgic game magazine “Retro Game Time” of WEBACKERS rendered more than NTD 7 million raised, the highest record in the fund-raising history of game publications in the world.
- WEBACKERS focused on fund-raising for the ACG industry and introduced the charity brand WeGamersLove; it was the single event that broke the one million record in fund-raising.
- COTURE introduced Boy’s Love drama “Dark Blue and Moonlight”; the innovative theme triggered heated discussions online and it was viewed 15 million times.
- Jollywiz obtained the exclusive dealership of the international brand Vita Coco in Taiwan. The cross-border e-commerce operation reached out to the largest e-commerce platform Lazada in Southeast Asia.
- Jollywiz ventured with sisters and formed “Bjolly Digital Corporation Ltd.” to become e-commerce social media capable of producing its

- own media content, running its own e-commerce platform, and managing its own brand.
- 2018
- Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” in 2018.
  - The Group took part in the Taipei Game Show, spearhead by “Lineage M”, with subordinate businesses, namely GASH, COTURE, GAMA PAY, and Swapub. Starting with games, new AV media, mobile pay, and second-hand exchange marketplace were combined. The deployment covering various types of mobile applications facilitated the Group to grow toward being a comprehensive web-based enterprise.
  - GASH released its new business model for the gaming industry during the Asia Blockchain Summit for the first time in the third quarter, the IIO (Initial Item Offerings), which triggered inquiries from a lot of game operators.
  - The mobile shopping platform centering on networking e-commerce - “JollyBuy”; the innovative group-shopping model and its combination with Beanfun! allowance spending successfully boosted brand awareness.
  - The media business took a step further. In the third quarter of 2018, Nownews officially became a subsidiary of the Group; it is positioned to be the engine for original contents of Taiwan and contributes to a more robust foundation of the Group while the latter grows to be a comprehensive web-based enterprise.
  - The original drama “Ghost High School” of COTURE was nominated for Mini-series, Actor, and Supporting Actress of the Golden Bell Awards.
- 2019
- The first Corporate Social Responsibility Report of Gamania won the Golden Award in the “Corporate Sustainability Report Awards” of the 12th Taiwan Corporate Sustainability Awards.
  - Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” for the 14<sup>th</sup> year and ranked 23<sup>rd</sup>, the best-ever in history.
  - The Group’s kindergarten “GamaGarden” won the 12<sup>th</sup> Taiwan Interior Design Award in 2019 for its public space, demonstrating that the corporate benefits had reached new heights.
  - Continued with the “Expedition to South Pole” project of Gamania Cheer Up Foundation. First, a small “South Pole Adventure Exhibition” was held in the headquarters of the Gamania Group in Neihu where challenges countered in the south pole expedition and its preparations were released to the public. It was recognized by 2019 Germany Iconic Awards. Cooperated with Discovery in 2019 and produced the adventure science documentary “Expedition to South Pole” and held the first special exhibition on the south pole adventure at the end of the year entitled “Go! Go! South Pole” Theme Ticket Exhibition to encourage the young generation to be brave for their dreams.
  - Obtained exclusive dealership for Taiwan, Hong Kong, and Macao for the end-games “Lineage REMASTERED” and “Dragon Nest” and mobile games “World of Dragon Nest”, “SinTales”, and “Komori Life” and deployed the market for mild to severe diversified players to

maximize the game player base.

- Entertainment e-business company “JollyBuy” was online, targeting ACG (Anime, Comics and Games) populations, with PiLi Puppet Show, Kadokawa, Tong Li and Beast Kingdom participating. Meanwhile, multiple social shopping services and the painless store platform were launched to provide complete 2C and 2B e-commerce services.
- The joint venture WalkerMedia was established with Taiwan Kadokawa. Technological innovation was applied to travel and food information, creating a one-stop fulfilling intelligence website for those who love to travel and enriched contents were introduced into Beanfun! In the future, it will be planned to combine memberships of both for maximized synergistic effects in daily life entertainment services such as intelligence/information, games, and payment.
- DIGICENTRE rendered fruitful results in overseas deployment. Its branch office HyperG was established in Singapore and it collaborated with the Israel information security company Reblaze in providing new services. Domestically, on the other hand, it successfully entered the medical care and national defense fields. The cloud information security service continued to grow.
- 2020 ▪ Gamania Group celebrated its 25<sup>th</sup> anniversary by holding the online exhibition “Checkpoint Challenge” and releasing its 25<sup>th</sup> anniversary film “Let’s Go for It” at the same time. The film depicted the bravery of Gamania in innovation and the journey it had taken on in being an industrial leader as well as history of the cyber industry of Taiwan that has covered generations.
- The 2019 “Go! Go! South Pole” special exhibition of Gamania Cheer Up Foundation won the 2020 Germany Red Dot Design Award for being the “Best of the Best” “Brands & Communication Design”, the 2020 Good Design Award, and 2020 Golden Pin Design Award, and many other special honors.
- The Gamania Group took part in the 13<sup>th</sup> Taiwan Corporate Sustainability Award screening and won “Sustainability Report - Silver” and “Excellent Sustainability Example - Talent Development”.
- The Gamania Group took part in the fifth Sports Enterprise Certificate screening and received the “2020 I Sports Enterprise certification” symbol from the Sports Administration, Ministry of Education.
- Listed in Cheers Magazine’s “Top 100 Companies for the Young Generation” for the 15<sup>th</sup> year and also the only enterprise selected from the industry of Taiwan.
- One of the finalists for the second Annual Enterprises Protection Award.
- Gamania has been devoted to corporate governance over the long term and hopes to strengthen communications with stakeholders and information disclosure by improving the function of its Board of Directors, setting up the Audit Committee, the Nomination Committee, independent directors, and corporate governance supervisors, creating maximum shareholder equity and realizing sustainable corporate operation.
- The Group created two rounds of the player-interactive Live Show

“Gmania Online Carnival” where resources throughout the Gmania Group, namely games, payment, e-commerce, and daily life portal Beanfun! were combined to provide impressive game contents and super-value preferred deals. The hope was to converge the membership flow throughout the Group with the pan-entertainment audiovisual live broadcasting and improve their involvement for synergistic effects brought about by cross-business collaboration.

- GungHo Gmania brokered the virtual life habit formation mobile game “Komori Life” that was released by Shanghai Ruluo Network Development and Shengqu Games and it went officially online on both platforms in Taiwan, Hong Kong, and Macao.
- The Group obtained the exclusive dealership of the Traditional Chinese version (for Taiwan, Hong Kong and Macao) of the brand-new pinball RPG mobile game World Flipper co-developed between leading Japanese game developer Cygames and our subsidiary Citail. We also partnered with leading South Korean game developer Kakao Games to jointly operate the “The Legendary Moonlight Sculptor”, an IP game adapted from a famous fantasy novel.
- The cross-border e-business company “Jollywiz Digital” announced to enter Vietnam and introduced the brand new cross-border e-commerce platform “ttCHOICE”. It is expected to introduce 10 to 15 domestic and international brands in the initial stage, and will enter the Vietnam market with other brands. In addition, Jollywiz was recognized with a five-star rating by Tmall again in 2020 and became the first Taiwan capital enterprise to gain the honor consecutively.
- In response to the sudden increase in the demand for working from home in 2020, DIGICENTRE in the first quarter focused on the “Amazing Thor Smart and Safe Office solution” that could be quickly set up to provide support while taking care of information security at the same time. Meanwhile, it worked with the Israel information security company Reblaze on robotic flow authentication to perform outside an enterprise big data analysis and continuous monitoring of threatening intelligence for cyber information security and risk assessment, which has become a new solution trend.
- 2021 ▪ The video “Dare to Challenge” for the celebration of the Group’s 25th anniversary won the affirmation of the Brands and Communication Design category of the Red Dot Design Award in 2021.
- Rated the top 6-20% among TPEX-listed companies at the 7th Corporate Governance Evaluation.
- Won the Bronze Award at the 3rd Annual Enterprise Environmental Protection Award (AEEPA), the highest honor for environmental protection in Taiwan.
- Nominated for the “Top 100 Most Admired Companies of the Next Generation” by Cheers Magazine for 16 consecutive years, and is the only game developer on the list.
- Summer School organized by the Gmania Cheer Up Foundation went online for the first time in 2021. Based on the theme “Dare to Lift the Restrictions,” we actively broke the limits on time, space and qualifications for adventure-loving youth, in order to develop their

adventuring power and enrich their mountain knowledge through e-learning and online experience.

- The 2021 Gamania Winter Carnival was held in collaboration with Syntrend Creative Park, the center of ACG, to create an event for gamers through online merge offline (OMO). The live webcast created a new record of 16,000 concurrent viewers and a reach of over 1 million persons. The offline activities, by integrating Syntrend Creative Park, Gamania's mobile life portal, e-commerce and e-payment resources, attracted over 6,000 visitors within 3 days under the crowd control policy for pandemic control, and also boosted the conversion rate and sales of subsidiaries including GASH mall, GamaPay and JollyBuy.
- The 2021 Gamania Summer Carnival combined the ACG, music, and novel domains for the first time to broadcast different pan-entertainment contents over G Studio, Gamania's own 3D virtual studio, for 5 consecutive days. Besides attracting gamers and audiences from different social groups, the event created over 5 million views and a reach of nearly 1.7 million persons in total, creating a new record for the event.
- "MapleStory", one of Gamania's key products, hit a new high again. Besides cultivating new users from younger age groups, the team lifted the brand status to the "trend maker of PC games" in 2021 to constantly raise the user confidence index. Additionally, with new characters including "Mo Xuan and Kain" and a number of large-scale versions change events for the 16th anniversary, the monthly, quarterly and annual revenues respectively hit a new high.
- The brand-new pinball RPG mobile game "World Flipper" co-developed between leading Japanese game developer Cygames and our subsidiary Citail, and "World of Dragon Nest", a classic IP from Eyedentity Games of South Korea, both of which are represented by Gamania, started service in Taiwan, Hong Kong and Macao.
- Gamania Group established the brand-new Literature Star and Comics Star platforms to enter the electronic (digital) literature and comics markets, turning beanfun! into the unique platform app that offers electronic literature and comics contents in Taiwan. The Group also integrated game, e-commerce and payment services to complete the deployment for media production, OMO exhibition, and domestic and overseas channels to build an unprecedented content IP ecosystem for Taiwan's original works, create diversified touchpoints and commercialization mechanisms for works, and accelerate value creation for Taiwan's original contents.

- 2022
- At the one-year anniversary of Literature Star and Comics Star under Gamania Group, the Group will continue enhancing the creative energy of domestic comics and literature.
  - Gamania Group received a total score of 2.4 points in the 2021 ESG evaluation by the international evaluation agency FTSE Russell (the highest FTSE Russell evaluation score is 5 points).
  - Gamania Group received a total score of 16.7 points in the 2021 ESG evaluation by the international evaluation agency Sustainalytics (the lower the Sustainalytics evaluation score, the better), and was rated as a low risk enterprise.
  - Gamania Group received a total score of 50.73 points in the 2021 ESG disclosure score of Bloomberg, an international financial information company (the higher the Bloomberg ESG disclosure score, the better).
  - Gamania Group was rated top 6-20% among TPEX-listed companies at the 8th Corporate Governance Evaluation.
  - Gamania Group won the Bronze Award for two consecutive years at the 4th Annual Enterprise Environmental Protection Award (AEEPA), the highest honor for environmental protection in Taiwan.
  - Gamania Group has completed greenhouse gas inventory and inspection, ahead of the regulatory authorities' time limit and requirements, and is actively implementing the goals of net zero carbon emissions and climate and environmental issues.
  - In 2022, the Gamania Cheer Up Foundation launched a new initiative called "GoNext" to continue supporting two young people with a big dream: Taiwan mountaineer Lui, Chung-Han successfully climbed the world's third highest peak Kanchenjunga without oxygen, and Taiwan football teenager Yuan, Yung-Cheng made his debut in the European Football League. The Group officially launched the "Shore to Top" project, leading Gamania Summer School students to hike 50 kilometers to challenge the National Greenway in the mountains and seas; at the end of the year, we also invited top marathon runners to jointly complete the preliminary study of the "Shore to Top" super marathon track, advocating the spirit of fearlessness and adventure.
  - The Group's curated brand "2022 Gamania Carnival Spring Festival Edition" brings together three major entertainment elements: music, cuisine and games. The online live streaming program created nearly 6 million total views, breaking the records in previous years, and drove beanfun!, Gamania payment, leisure shopping and performance growth during the 22 day event.
  - The Group's curated brand "2022 Gamania Carnival Summer Call" launched a new brand identity, injected the elements of original entertainment film and television IP "Atomic Youth" for the first time, with the Group's services and online activities organized by beanfun!.
  - beanfun! under Gamania Group! launched a new service "Fun Market" to create a legitimate authorized IP digital collectible platform, and also provided B2B and C2C digital commodity trading platforms for collectibles, game props, virtual goods and other treasures.
  - The talent show "Atomic Youth" jointly produced by Gamania Group and Wildfire Entertainment was officially aired, and integrated with

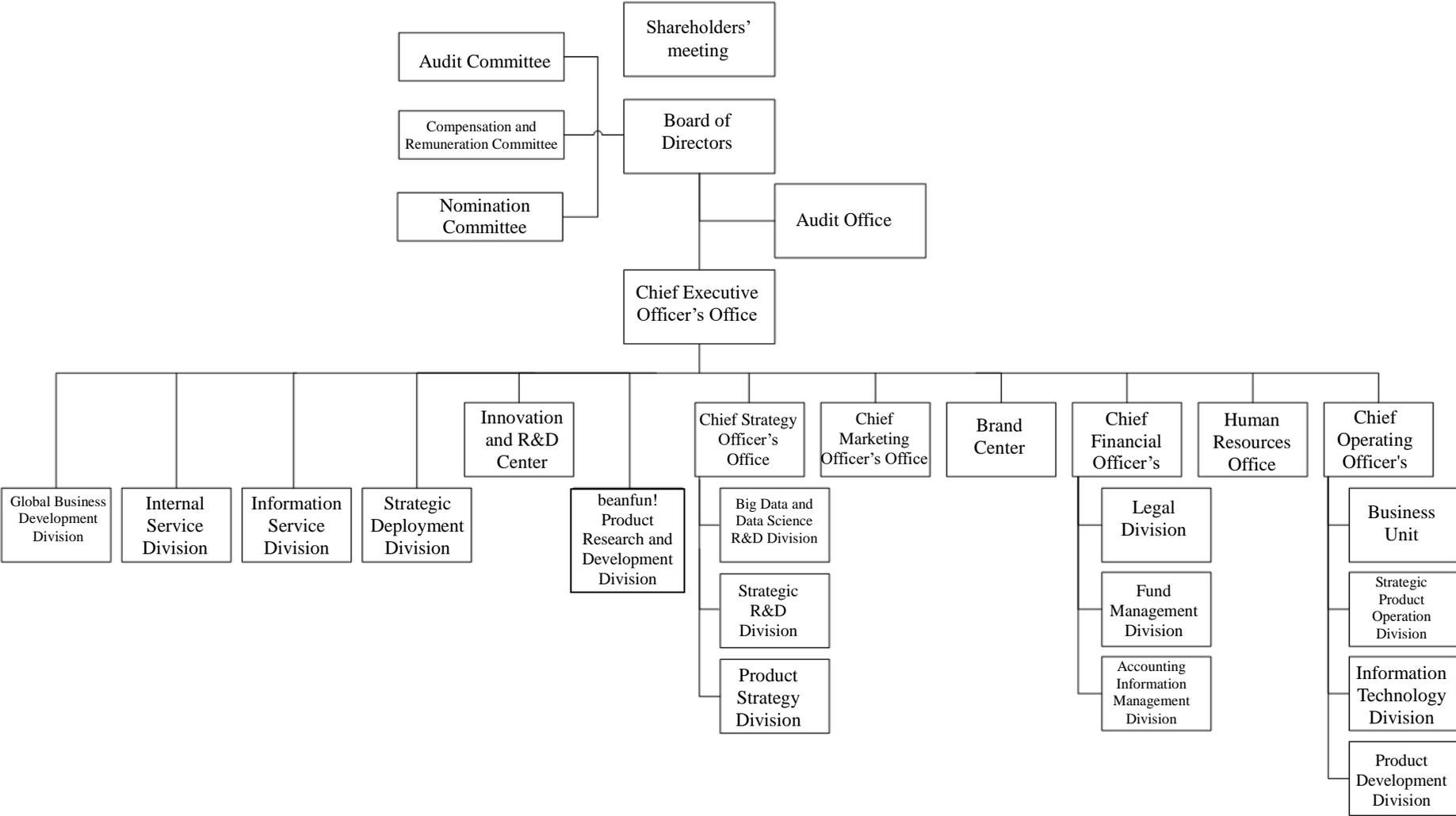
the Group's diverse digital capacity, such as the launch of the Atomic Youth digital collection “Atomic Energy Box” by Music Point GASH through cross-border cooperation to deeply integrate typical entertainment film and television content with digital services, and create a new digital entertainment model.

- One of the key products under Gamania Group, “MapleStory” has created a new high in operation. The team continues to strengthen the brand's youthfulness management to expand its user base, and collaborated with well-known idol groups both domestically and internationally in 2022.
- The Group obtained the exclusive dealership in Taiwan, Hong Kong and Macau of “Tree of Savior: Mobile Remake” of South Korean gaming giant IMC Games developed by Kim Seung kyu, the father of “RO”.
- GASH, a subsidiary of Gamania Group, officially launched the “Blockchain BaaS (Blockchain as a Service) one-stop integration service” to provide partners with technical support and consulting services in aspects of production contracts, casting websites and community integration marketing.
- Gamania Group, in collaboration with Taipei Pop Music Center, integrated music and digital technology and jointly released the “Chang, Yu-Sheng Special Exhibition Digital Collection” for the “Fly Me to the Moon & Back” special exhibition, and introduced a new music element to the Group's pan-entertainment landscape.

# Three. Corporate Governance Report

## I. Organizational System:

### (I) Organizational Structure:



(II) Major Departments and Their Scope of Operation:

Unit	Task and Responsibility
Chief Executive Officer's Office	Prepares the overall strategic goals of the Group and centrally manages and supervises the implementation of Group business as a whole.
Audit Office	Plans and implements the internal control system.
Chief Operating Officer's Office	Centrally plans and implements operations involving end-game and mobile-game products, membership expansion, and platform creation as well as supervise operations at respective departments.
Chief Financial Officer's Office	Optimizes the corporate financial structure, draws up corporate financial strategies, schedules corporate funds, determines investment direction, manages risks, processes accounts, and produces and analyzes financial and accounting statements and reports. The Legal Division is responsible for reviewing contracts and compliance.
Chief Strategy Officer's Office	Promotes horizontal integration of subsidiaries and develops big data application within the group. Guides focus projects between subsidiaries or the group and other companies and review project business strategies and monitors various group data for the reference of judging business strategies.
Human Resources Office	Plans and implements recruitment, educational trainings, compensation and welfare, and employee relations throughout the Group.
Brand Center	Communicates the essence of Gamania as a brand and reinforces brand depth. Takes charge of brand-related affairs such as brand identity, brand image, branding, branded goods, and Group cultural dissemination in order to maintain consistency of the brand internally and externally.
Enterprise Communication Office	Takes charge of the Group's public relations, plans and implements the Group's annual public relations plan, holds luncheons with the media and press conferences, releases Group news and accepts interviews by the media, maintains media relations, monitors daily news, and manages crises.
Original Creation Center	Responsible for product content creation and related commercial cooperation within the Group.
Strategic Deployment Division	Takes charge of related operational affairs between the Group and outside parties as part of strategic collaboration.
beanfun! Product Research and Development Division	Plans beanfun! app products and develops their features.
Information Service Division	Takes charge of integrating related application and development resources to coupled with the group's operation direction and helps define strategic development and technical research for new services.

Internal Service Division	Takes charge of planning fixed assets, purchases, contracts and documentation, and occupational safety, among other logistic and administrative resources, assisting in other services and measures such as employee business tours, employee cafeterias, and the fitness room, and centrally managing related properties such as the corporate building in Neihu.
Global Business Development Division	Searches for, approaches, and negotiates business development, collaborative opportunities with respective subsidiaries, gaming dealership and business to support with business operation, collects market and competition information, shares new trends, maintains relations with contractors and customers.

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

### (I) Directors

April 22, 2023

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
			Age				Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Chairman	R.O.C.	Liu, Po-Yuan	Male	2020.06.17	Three years	1995.04.01	19,372,202	11.04	17,491,305	9.97	0	0	13,600,000	7.75	Chairman and CEO of the Company Executive Manager of FULLJHJN Machinery  Department of Mechanical Engineering, Hwa Hsia University of Technology	Refer to Note 1 for details	None		Refer to Note 2 for details	
			51-60																	
Director	R.O.C.	Wanin International	-	2020.06.17	Three years	2017.06.08	15,101,000	8.6	15,101,000	8.6	0	0	0	0	-	-	None		None	
	R.O.C.	Representative Hsiao, Cheng-Hao	Male												0	0				0
Director	R.O.C.	Lin, Hsien-Ming	Male	2020.06.17	Three years	2020.06.17	0	0	0	0	0	0	0	President of ACER INCORPORATED  Bachelor of Electronic Computer and Control Engineering, National Chiao Tung University	Chairman and CSO of WISTRON CORPORATION Chairman of Wiwynn Corporation Chairman of Wistron Digital Technology Holding Company	None		None		
			61-70												Independent Director of ELAN MICROELECTRONICS CORPORATION Independent Director of Powerchip Semiconductor Manufacturing Corporation					

Position	Nationality or registered domicile	Name	Gender		Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
			Age					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Director	R.O.C.	CLOUD COPIOUS INVESTMENT LIMITED	-		2020.06.17	Three years	2020.06.17	1,005	0	1,005	0	0	0	0	0	-	-	None	None		
	R.O.C.	Representative Chen, Shih-Ying	Male					0	0	0	0	0	0	0	0	0	0			Managing Partner of Tongli Law Firm Master of Laws, University of Sheffield	Managing Partner of Tongli Law Firm Independent Director of Jinli Group Holdings Limited Independent Director of Yonggu Group Co., Ltd.
Independent Director	R.O.C.	Sheng, Bao-Si	Male		2020.06.17	Three years	2017.06.08	0	0	0	0	0	0	0	0	Chairman and President of BORA PHARMACEUTICALS CO., LTD. Bachelor of Economics of University of California - Berkeley	Chairman and President of BORA PHARMACEUTICALS CO., LTD. Director of WELLPOOL CO., LTD. Chairman of UNION CHEMICAL & PHARMACEUTICAL CO., LTD. Chairman of Baolei Co. Ltd. Chairman of Bao En International Co., Ltd. Independent Director of BIONET Corporation Chairman of Rui Bao Xing Investment Co., Ltd. Chairman of Bora Health Inc. Chairman of Bora Pharmaceutical Laboratories Inc. Chairman of Jia Xi International Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chairman of Bora Biotech Ltd. Chairman of Synpac-Kingdom Pharmaceutical Co., Ltd. Chairman of TWi Biotechnology, Inc. Chairman of Bora Pharmaceutical and Consumer Health Inc. Person in charge of Bora Pharmaceuticals USA Inc. Person in charge of Bora Pharmaceuticals Services Inc.	None	None		
																				41-50	
Independent Director	R.O.C.	Lin, Ruei-Yi	Male		2020.06.17	Three years	2017.06.08	0	0	0	0	0	0	0	0	President of SHUNG YE TRADING CO., LTD. Master of Business Administration of	Chairman of STARTRII CO., LTD. Director of Shun Yi Investment Co., Ltd. Director of SHUNG YE TRADING CO., LTD. Director of Lien Chen Automotive Co., Ltd. Director of Yue Ye Motors Corporation	None	None		

Position	Nationality or registered domicile	Name	Gender	Date Elected (Inaugurated)	Term in office	Initial date of inauguration	Shares held when elected		Shares held now		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Background	Positions served at the Company and other companies at present	Other managers, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
			Age				Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
			51-60																	
Independent Director	R.O.C.	Chen, Kuan-Pai	Male	2020.06.17	Three years	2020.06.17	0	0	0	0	0	0	0	0	Chairperson of Bai Chuan International Investment Co., Ltd. Chairman Master of University of Southern California	Chairman of Bai Chuan International Investment Co., Ltd. Director of Bora Pharmaceuticals Independent Director of Mercuries Data Systems Ltd.	None	None	None	None

Note 1: Chairman of Gamania Digital Entertainment Co., Ltd., Chairman of Gamania Digital Entertainment (HK) Co., Ltd., Chairman of Gamania Digital Entertainment (Beijing) Co., Ltd., Chairman (corporate representative) of Foundation Digital Entertainment Co., Ltd., Director (corporate representative) of Taiwan Esports League Co., Ltd., Chairman (corporate representative) of Digicentre Company Limited, Chairman (corporate representative) of JollyBuy Digital Tech. Co., Ltd., Chairman (corporate representative) of Two Tigers Co., Ltd., Chairman of Gash Point (Japan) Co., Ltd., Director of Gash Point (Hong Kong) Company Limited, Chairman of Gash Point (Korea) Co., Ltd., Chairman (corporate representative) of Indiland Co., Ltd., Chairman (corporate representative) of Ants' Power Co., Ltd., Director (corporate representative) of Pri-One Commercial Production Co., Ltd., Chairman (corporate representative) of Coture New Media Co., Ltd., Chairman of Joymobee Entertainment Company Limited, Chairman of Gamania Holdings Ltd., Chairman (corporate representative) of Gamania International Holdings Ltd., Chairman (corporate representative) of Gamania China Holdings Ltd., Chairman of Gamania Sino Holdings Ltd., Chairman (corporate representative) of Gash Point Co., Ltd., Chairman (corporate representative) of Gamania Asia Investment Co., Ltd., Chairman of Gamania Cheer Up Foundation, Chairman (corporate representative) of Conetter Comarketing Co., Ltd., Chairman (corporate representative) of Webackers Co., Ltd., Chairman of Xiang Sheng Investment Co., Ltd., Director of HaPod Digital Technology Co., Ltd., Chairman (corporate representative) of Jollywiz Digital Technology Co., Ltd., Director of Achieve Made International (BVI), Director of Gungho Gamania Co., Limited, Chairman (corporate representative) of Beango Co., Ltd., Chairman (corporate representative) of Circo, Inc., Director (corporate representative) of the China Post, Director of Store Marais Co., Ltd., Director of Digicentre (HK) Company Limited, Director (representative of corporate investor) of Union Splendid Management Co., Ltd., Supervisor (corporate representative) of Watching I.P. Holding Inc. Supervisor of Polysh Co., Ltd., Supervisor (representative of corporate investor) of Newbloom Venture Co., Ltd., Chairman (representative of corporate investor) of Bjolly Digital Corporation Ltd., Chairman (representative of corporate investor) of Nownews Network Co., Ltd., Director (representative of corporate investor) of Beishi Technology Co., Ltd., Director (representative of corporate investor) of Union Splendid Management Co., Ltd., and Director (representative of corporate investor) of Pili International Multimedia Inc.

Note 2: If the chairperson and president or an equivalent role (highest-ranking officer) are the same person, the spouse of each other, or relatives of the first degree of kinship, state the reason, legitimacy, necessity, and countermeasures as below:

- (I) The industry that the Company is in is changing quickly. Chairman Liu, Po-Yuan also serves as the President for the purpose of enhancing the operational efficiency and boosting decision-making capability given his broad perspective, trend insights and flexible strategic approaches which are famous in the industry, so as to create maximum value for the Company and give back to shareholders.
- (II) To strengthen corporate governance, the specific measures taken by the Company are as follows:

1. The Company has established functional committees and selected outstanding professionals in different fields to be independent directors and members to strengthen the Board's operation.
2. Independent directors of the Company are also members of the Remuneration Committee, Audit Committee, Nomination Committee and important internal meetings to strengthen corporate governance.
3. Each year, the Company plans at least two sessions of continuing study for Board members to strengthen board competency.
4. In 2019, the Board approved the establishment of the Corporate Social Responsibility Committee and voluntarily prepared the Corporate Social Responsibility Report to strengthen corporate governance.
5. Only the Chairman and President are the same person in the Company. No other directors are also employees of the Company.

### **Major shareholders of institutional shareholders**

Name of institutional shareholder	Major shareholders of institutional shareholders	Holding ratio
WANIN INTERNATIONAL CO., LTD.	Huang Xin Investment Co., Ltd.	44.08%
	Hsiao, Cheng-Hao	20.40%
	Li, Yu-Chi	9.96%
	Yu Xin Investment Co., Ltd.	8.18%
	FANTASY TECHNOLOGY CO., LTD.	5.55%
	JOYDEVELOPCY., LTD.	2.43%
	Pu Yi Enterprise Co., Ltd.	1.52%
	Xun Yeh Investment Co., Ltd.	0.88%
	Te Kao Investment Co., Ltd.	0.82%
	Cheng Yuo Investment Co., Ltd.	0.75%
CLOUD COPIOUS INVESTMETN LIMITED	Tang, Jun-Jie	100%

**Major shareholders of major corporate shareholders:** The information of other corporate investors is not published and thus not disclosed.

1. Disclosure of the expertise of directors and independence of independent directors

**Disclosure of the expertise of directors and independence of independent directors**

Position	Name	Expertise and Experience											Fulfillment of Independence (Note)												Number of public companies holding independent directorship concurrently		
		Industry Experience						Professional Competence					1	2	3	4	5	6	7	8	9	10	11	12			
		Cultural & Creative	Information Technology	Finance	Biotechnology	Automotive	Law Firm	International Business	Research and development	Finance	Investment	Law														M&A	Risk Management
Chairman	Liu, Po-Yuan	•	•					•	•				•			•	•	•		•	•	•	•	•	•	•	0
Director	Hsiao, Cheng-Hao, Representative of Wanin International	•	•					•	•				•	•	•	•	•	•	•	•	•	•	•	•	•	•	0
Director	Lin, Hsien-Ming		•					•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	2
Director	Chen, Shih-Ying, Representative of Cloud Copious Investment Ltd.					•					•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	2
Independent Director	Lin, Ruei-Yi				•		•		•				•	•	•	•	•	•	•	•	•	•	•	•	•	•	1
Independent Director	Sheng, Bao-Si	•			•		•		•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	1
Independent Director	Chen, Kuan-Pai			•			•		•	•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	1

Notes:

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

## 2. Board Diversity and Independence

### (1) Board diversity

The current Board has seven directors, including three independent directors.

- The Company has established the diversification policy about the composition of the Board of Directors in its “Corporate Governance Best Practice Principles” to recruit outstanding entrepreneurs and professionals with abundant experience in finance and operation.
- The Company has established the nomination committee to establish the selection criteria and review process of directors and managers.
- All members of the Board have background and expertise in business operations and management, rich industrial knowledge, leadership and decision-making capability, which can give professional advice to the Company.
- The basic composition of the Board of Directors and diverse industrial experience and expertise have achieved the target rate of 100%
  - a. The number of directors concurrently serving as employees is less than two.
  - b. Independent directors have served less than three terms.
  - c. All directors are ROC nationals.
  - d. The ages of directors range among all age groups.
  - e. All directors have experience in at least one industry and professional abilities in three fields for at least ten years.

Position	Name	Basic Composition									
		Nationality	Gender	Also an employee of the Company	Age			Seniority as an independent director			
					41-50	51-60	61-70	Fewer than 3 years	3-9 years	Over 9 years	
Chairman	Liu, Po-Yuan	Republic of China	Male	•		•					
Director	Hsiao, Cheng-Hao, Representative of Wanin International				•						
Director	Lin, Hsien-Ming						•				
Director	Chen, Shih-Ying, Representative of Cloud Copious Investment Ltd.						•				
Independent Director	Lin, Ruei-Yi						•		•		
Independent Director	Sheng, Bao-Si					•			•		
Independent Director	Chen, Kuan-Pai						•		•		

(2) Board Independence

- The current Board have seven directors, including three independent directors accounting for about 40% of all directors.
- None of the conditions as stated in paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act is found on the current Board, and no director is the spouse or kindred of the second tier.

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

April 22, 2023 Unit: share

Position	Nationality	Name	Gender	Elected (Inaugurated) Date	Shares held		Shares held by spouse and minor child(ren)		Shares held in someone else's name		Main experience/education	Current positions at other companies	Managers who are the spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Position	Name	Relationship	
Chief Executive Officer	R.O.C.	Liu, Po-Yuan	Male	1995.04.01	17,491,305	9.97	0	0	13,600,000	7.75	Executive Manager of FULLJHN Machinery Department of Mechanical Engineering, Hwa Hsia University of Technology	Refer to Note 1 for details	None			Refer to Note 3 for details
Chief Financial Officer	R.O.C.	Su, Hsin-Hung	Male	2002.05.13	880,533	0.50	0	0	0	0	Underwriting Department of Yuanta Securities Master's Degree, Graduate School of Business Administration, University of Houston	Refer to Note 2 for details	None			None
Chief Auditor	R.O.C.	Wu, Chang-Hung	Male	2000.05.08	8,777	0.01	0	0	0	0	Assistant Specialist on Data Management, International Department of Fubon Bank Graduate School of Accounting, Eastern Michigan University	None	None			None
Chief Operating Officer in Taiwan	R.O.C.	Chien, Chih-Hao	Male	2015.01.01	95,937	0.05	781	0	0	0	Head of Mobile Development Division of Gamania EMBA, Royal Roads University	None	None			None

Note 1: Chairman of Gamania Digital Entertainment Co., Ltd., Chairman of Gamania Digital Entertainment (HK) Co., Ltd., Chairman of Gamania Digital Entertainment (Beijing) Co., Ltd., Chairman (corporate representative) of Foundation Digital Entertainment Co., Ltd., Director (corporate representative) of Taiwan Esports League Co., Ltd., Chairman (corporate representative) of Digicentre Company Limited, Chairman (corporate representative) of JollyBuy Digital Tech. Co., Ltd., Chairman (corporate representative) of Two Tigers Co., Ltd., Chairman of Gash Point (Japan) Co., Ltd., Director of Gash Point (Hong Kong) Company Limited, Chairman of Gash Point (Korea) Co., Ltd., Chairman (corporate representative) of Indiland Co., Ltd., Chairman (corporate representative) of Ants' Power Co., Ltd., Director (corporate representative) of Pri-One Commercial Production Co., Ltd., Chairman (corporate representative) of Coture New Media Co., Ltd., Chairman of Joymobee Entertainment Company Limited, Chairman of Gamania

Holdings Ltd., Chairman (corporate representative) of Gamania International Holdings Ltd., Chairman (corporate representative) of Gamania China Holdings Ltd., Chairman of Gamania Sino Holdings Ltd., Chairman (corporate representative) of Gash Point Co., Ltd., Chairman (corporate representative) of Gamania Asia Investment Co., Ltd., Chairman of Gamania Cheer Up Foundation, Chairman (corporate representative) of Conetter Comarketing Co., Ltd., Chairman (corporate representative) of Webackers Co., Ltd., Chairman of Xiang Sheng Investment Co., Ltd., Director of HaPod Digital Technology Co., Ltd., Chairman (corporate representative) of Jollywiz Digital Technology Co., Ltd., Director of Achieve Made International (BVI), Director of Gungho Gamania Co., Limited, Chairman (corporate representative) of Beango Co., Ltd., Chairman (corporate representative) of Circo, Inc., Director (corporate representative) of the China Post, Director of Store Marais Co., Ltd., Director of Digicentre (HK) Company Limited, Director (representative of corporate investor) of Union Splendid Management Co., Ltd., Supervisor (corporate representative) of Watching I.P. Holding Inc. Supervisor of Polysh Co., Ltd., Supervisor (representative of corporate investor) of Newbloom Venture Co., Ltd., Chairman (representative of corporate investor) of Bjolly Digital Corporation Ltd., Chairman (representative of corporate investor) of Nownews Network Co., Ltd., Director (representative of corporate investor) of Beishi Technology Co., Ltd., Director (representative of corporate investor) of Union Splendid Management Co., Ltd., and Director (representative of corporate investor) of Pili International Multimedia Inc.

Note 2: Director of Gamania Digital Entertainment (HK) Co., Ltd., Supervisor of Gamania Digital Entertainment (Beijing) Co., Ltd., Director of Achieve Made International (BVI), Director (corporate representative) of Digicentre Co., Ltd., Supervisor of Jollybuy Digital Technology Co., Ltd., Chairman of Gamania Cheer Up Foundation, Director of Joymobee Entertainment Company Limited, Chairman (corporate representative) of Two Tigers Co., Ltd., Chairman of Gash Point (Japan) Co., Ltd., Director of Gash Point (Hong Kong) Company Limited, Chairman of Gash Point (Korea) Co., Ltd., Director (corporate representative) of JSDWAY Digital Technology Co., Ltd., Supervisor of Webackers Co., Ltd., Supervisor of Chuangmeng Marke Co., Ltd., Supervisor of Coture New Media Co., Ltd., Chairman (corporate representative) of Gamania Branch Mobile Payment Co., Ltd., Supervisor of onetter Comarketing Co., Ltd., Director (corporate representative) of Jollywiz Digital Technology Co., Ltd., Director (representative of corporate investor) of Nownews Network Co., Ltd., Director (representative of corporate investor) of Gungho Gamania Co., Limited, Director (representative of corporate investor) of Hyperg Smart Security Technology Pte. Ltd., Supervisor of I Media Technology Co., Ltd., and Supervisor of Ciirco Inc.

(III) If the chairman and president or an equivalent role (highest-ranking officer) are the same person, the spouse of each other, or relatives of the first degree of kinship, state the reason, rationality, necessity and countermeasures as below:

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

Our specific measures for strengthening corporate governance are as follows:

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

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

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

Unit: NTD thousand; 1,000 shares

Position	Name	Remuneration for directors								Ratio of the sum of A, B, C, D, and after-tax net profit (%)		Related remuneration to those who are also employees								Ratio of the sum of A, B, C, D, E, F, G and after-tax net profit %		Claim of remuneration from re-invested businesses other than subsidiaries or the parent company
		Reward (A)		Retirement and pension (B)		Remuneration for directors (C)		Operational expenditure (D)				Salary, bonus, and special expenditure (E)		Retirement and pension (F)		Remuneration for employees (G) (Note 1)						
		The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company		All companies included in the financial statement		The Company	All companies included in the financial statement	
Chairman	Liu, Po-Yuan	0	0	0	0	10,280	10,280	50	50	0.81	0.81	8,467	8,467	0	0	118,356	0	0	0	10.72	10.72	0
Director	Wanin International Representative: Hsiao, Cheng-Hao	0	0	0	0	5,140	5,140	20	20	0.40	0.40	0	0	0	0	0	0	0	0	0.40	0.40	0
Director	Lin, Hsien-Ming	0	0	0	0	5,140	5,140	30	30	0.40	0.40	0	0	0	0	0	0	0	0	0.40	0.40	0
Director	CLOUD COPIOUS INVESTMETN LIMITED Representative: Chen, Shih-Ying	0	0	0	0	5,140	5,140	50	50	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
Independent Director	Sheng, Bao-Si	1,800	1,800	0	0	2,300	2,300	50	50	0.32	0.32	0	0	0	0	0	0	0	0	0.32	0.32	0
Independent Director	Lin, Ruei-Yi	1,800	1,800	0	0	2,300	2,300	50	50	0.32	0.32	0	0	0	0	0	0	0	0	0.32	0.32	0
Independent Director	Chen, Kuan-Pai	1,800	1,800	0	0	2,300	2,300	50	50	0.32	0.32	0	0	0	0	0	0	0	0	0.32	0.32	0

Note 1: The remuneration to employees is an estimate.

Note 2: The Company's policy, system, standards and structure for the remuneration to directors and independent directors are determined based on the responsibilities, risks, time commitment:

1. The Company's Articles of Incorporation set forth that the remuneration to directors shall not exceed 2% of annual profits.

2. Pursuant to the Company's Procedures for Distribution of Compensation and Remuneration to Directors, a weighting system is adopted for remuneration to directors where a different weighting base on his/her contribution to the Company. The remuneration to independent directors is authorized to the Board of Directors for determination where the independent director's participation in the Company's operation, the value of their contributions, and domestic and internal industry standards will be taken into account.

Remuneration bracket table

Bracket by which remuneration is paid to individual directors of the Company	Director's Name			
	Sum of the first 4 types of rewards (A+B+C+D)		Sum of the first 7 types of rewards (A+B+C+D+E+F+G)	
	The Company	All companies reported in the financial statement (I)	The Company	All companies reported in the financial statement (J)
Below \$1,000,000.00	-	-	-	-
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	-	-	-	-
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)				
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai	Sheng, Bao-Si, Lin, Ruei-Yi, Chen, Kuan-Pai
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	Representative of Wanin International: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of CLOUD COPIOUS INVESTMETN LIMITED.: Chen, Shih-Ying	Representative of Wanin International: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of CLOUD COPIOUS INVESTMETN LIMITED.: Chen, Shih-Ying	Representative of Wanin International: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of CLOUD COPIOUS INVESTMETN LIMITED.: Chen, Shih-Ying	Representative of Wanin International: Hsiao, Cheng-Hao Lin, Hsien-Ming Representative of CLOUD COPIOUS INVESTMETN LIMITED.: Chen, Shih-Ying
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	Liu, Po-Yuan	Liu, Po-Yuan	-	-
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	-	-	-	-
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)	-	-	-	-
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)	-	-	-	-
Above \$100,000,000.00	-	-	Liu, Po-Yuan	Liu, Po-Yuan
Total	7	7	7	7

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

(III) Remuneration for President and Vice Presidents

Unit: NTD 1,000

Position	Name	Salary (A)		Pension (B) (Note 1)		Bonuses and Special Allowances (C)		Reward for Employees (D) (Note 2)				Ratio of the sum of A, B, C, D and after-tax earnings (%)		Claim of remuneration from re-invested businesses other than subsidiaries or the parent company
		The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company		All companies included in the financial statement		The Company	All companies included in the financial statement	
								Cash value	Stock value	Cash value	Stock value			
President	Liu, Po-Yuan													
Vice President	Su, Hsin-Hung	13,544	13,544	108	108	0	0	125,318	0	125,318	0	10.86	10.86	None

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

Note 2: The remuneration to employees is an estimate.

Remuneration bracket table

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

- (IV) Names of managers assigned with employees' remuneration and the distribution: The Company expects to distribute employees' remuneration for 2022 as follows

Unit: NTD 1,000

Position	Name	Value in stock	Value in cash	Total	Proportion of total amount to net profit after tax (%)
President	Liu, Po-Yuan	0	125,318	125,318	9.79
Vice President	Su, Hsin-Hung				

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

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

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

Analysis of the proportion in the after-tax net profit of the total amount of rewards paid to the directors, supervisors, the president, and vice president(s) of the company by the company and all companies listed in the consolidated financial statement in the last two years

Title	The Company		All companies included in the financial statement	
	2021	2022	2021	2022
Reward for President and Vice Presidents	12.35%	13.85%	12.35%	13.85%

## IV. Status of Corporate Governance

### (I) Operational Status of the Board of Directors:

In the most recent year and as of the publication date of the annual report, the board of directors held six meetings, and the attendance of directors is as follows:

Position	Name	Actual attendance (seated) frequency	Attendance through proxy	Actual attendance (seated)(%)	Remarks
Chairman	Liu, Po-Yuan	6	0	100	None
Director	Wanin International Representative: Avan Xian	3	3	50	
Director	Simon Lin	4	2	67	
Director	CLOUD COPIOUS INVESTMENT LIMITED Representative: Alex Chen	6	0	100	
Independent Director	Sheng, Bao-Si	4	1	67	
Independent Director	Lin, Ruei-Yi	6	0	100	
Independent Director	Chen, Kuan-Pai	5	1	83	

Other details to be documented:

- I. Does the operation of the Board of Directors have (I) matters listed in Article 14-3 of the Securities Exchange Act? (II) Other than the aforementioned matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements in place: None.
- II. Recusal of directors upon conflicts of interest in proposals being discussed:
  - (I) Implement in accordance with Article 15 of the Rules of Procedure for Board Meetings of the Company; Directors who have a personal interest in meeting matters either with themselves or their legal representatives shall explain the important content of their interest at the current board meeting. If there is a risk of harm to the Company's interests, they shall not participate in the discussion and voting, and shall avoid voting during the discussion and not represent other directors in exercising their voting rights.
  - (II) Recusal due to conflicting interests in each of the Board of Directors' meetings is provided as follows:

Date of the Board of Directors' Meeting	Name	Contents of the proposal	Reason for the recusal	Remarks
Jun 16, 2022	Liu, Po-Yuan	Distribution of employees' remuneration to the Company's managers for 2021	Director and Manager	Excused and did not take part in discussions and voting

- III. Information about the evaluation cycle, duration, scope and approach, and content of the evaluation of Board self (or peer) evaluation:
- (I) External evaluation
    1. According to the performance evaluation method for the board of directors of the Company, evaluated by an external professional independent institution shall be carried out at least every three years.
    2. On May 3, 2022, the board of directors of the Company passed a resolution to evaluate the operation of the board of directors and functional committees by the “Taiwan Corporate Governance Association”. After interviews with the Chairman, independent directors (conveners of functional committees), corporate governance supervisor and audit supervisor, the experts and scholars issued an evaluation report.
    3. The matters recommended by the external evaluation agency have been evaluated by the responsible unit; there is no need for adjustment except for the already-improved reporting system, and other matters have been planned for improvement.
  - (II) Internal evaluation
    1. The Company’s “Measures for Evaluating the Performance of the Board of Directors” has been approved by the board meeting. As is required, the performance evaluation for the Board of Directors shall be completed before the end of the year, and the performance evaluation results shall be filed before the end of the first quarter of the coming year, and submitted to the board meeting for reporting.
    2. The evaluation of the Board’s performance during January 1 and December 31, 2022 was completed. It included the questionnaire self-assessment of seven directors (including three independent directors) and the internal questionnaire survey (of CFO’s Office, HR Office and Audit Office).
    3. The result of performance evaluation of the Board and functional committees in 2022 was “Excellence”.
    4. The results of performance evaluation will serve as a reference for the performance, remuneration and re-election nomination of individual directors.
- IV. Reinforced assessments of functional objectives of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:
- (I) Every year the Company’s board meeting amends and approves the “Rules of Procedure for Board Meetings” to effectively build a board governance mechanism and optimize the supervision function.
  - (II) The Company has established a remuneration committee responsible for assisting the Board of Directors in regularly evaluating and setting the salary and remuneration of directors and managers, as well as regularly reviewing the policies, systems, standards and structures for performance evaluation and salary and remuneration of directors and managers.
  - (III) The Company has set up the Audit Committee to take charge of supervising the Company in the fair presentation of financial statements, the appointment and dismissal of and independence and performance of certified public accountants, effective implementation of internal control, compliance with laws and regulations, and control of existing or potential risks.
  - (IV) The Company has set up the Nomination Committee to take charge of proposing a list of suitable candidates for the director or high-ranking managerial openings to the Board of Directors (including those of subsidiaries) and reviewing in advance the candidates recommended by shareholders or the Board of Directors by law and submitting the review results and the reference list of candidates to the board meeting.

## (II) Implementation of Board Evaluations:

### External evaluation

Scope of evaluation	Evaluated period	Highlights of evaluation	Evaluation results	Remarks
Overall Board of Directors and Functional Committees	August 1, 2021 to July 31, 2022	Composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management of the Board of Directors	Overall review:	External evaluation unit: Taiwan Corporate Governance Association  Experts and scholars: Executive Committee Member and Convener Ho, Pei-Chu  Executive Committee Members: Lu, Rong-Ho
			1. The Company proactively established the “ESG Committee”, prepared a sustainability report, and had it verified by a third party.	
			2. The Company voluntarily established the Nomination Committee	
			3. The Chairman of the Company values the institutionalization of corporate governance, and the board members possess diverse professional expertise.	
			4. It is suggested to formulate risk management policies, and the Board of Directors shall supervise and review the implementation of the Company's overall risk management.	
Suggestions		Improvement Plan		
1. It is suggested that independent directors be able to simultaneously receive accusation messages through the same channels.	This is under the assessment of the Company.			
2. It is suggested that the Company establish a clear notification system for occasional major events.	The Company plans to set up a risk management committee and include incident management into the management items.			
3. It is suggested that the Company leave written records after separate meetings of internal auditors and certifying CPAs with the Audit Committee.	Written meeting documents will be retained in the future.			

Internal evaluation

Evaluation cycle	Evaluated period	Scope of evaluation	Evaluation method	Highlights of evaluation
Every year	January 1 through December 31, 2022	Board of Directors	Internal assessment of the Board of Directors	(1) Involvement in corporate operations (2) The Board's decision-making quality (3) Composition and structure of Board of Directors (4) Election of directors and continuing education for them (5) Internal control
			Self-assessment of the Board of Directors members	(1) Mastering of the goals and mission of the Company (2) Awareness of the duties of a director (3) Involvement in corporate operations (4) Management of internal relationship and communication (5) Director's professionalism and continuing education (6) Internal control
		Remuneration Committee Audit Committee Nomination Committee	Members' and internal self-assessments	(1) Involvement in corporate operations (2) Awareness of the duties of functional committees (3) Decision-making quality of functional committees (4) Composition and election of members of functional committees (5) Internal control

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

1. Status of operations of the Audit Committee

In the most recent year and up to the date of annual report publication, the Audit Committee held five meetings, and the attendance of independent directors is as follows:

Position	Name	Actual attendance (seated) frequency	Actual seated rate (%)	Remarks
Convener	Lin, Ruei-Yi	4	80	None
Member	Sheng, Bao-Si	4	80	
Member	Chen, Kuan-Pai	5	100	

Other details to be documented:

- I. Objections, reservations, or material recommendations expressed by independent directors of the Audit Committee: None.
- II. Conditions as stated in Article 14-5 of the Securities and Exchange Act: None.
- III. Other than the abovementioned, matters unapproved by the Audit Committee but passed by over two thirds of all directors: None.
- IV. The Audit Committee held committee meetings on March 10, 2022, May 3, 2022, August 4, 2022, November 3, 2022 and March 9, 2023.

The subjects of discussion were as follows:

Proposal: Approval of issuance of the Statement of Internal Control System based on the self-evaluation results of the internal control system during January 1 and December 31, 2021.

Proposal: Approval of the Company's final statements of 2021.

Proposal: Approval of earnings distribution for 2021.

Proposal: Highlights of the annual tasks of Audit Committee for 2022.

Proposal: Approval of the independence assessment of CPAs and their accounting firm for 2022.

Proposal: Approval of the Company's consolidated financial report for Q1 2022.

Proposal: Approval of the amendment to the Company's accounting system.

Proposal: Approval of the amendment to the Company's internal control system and Rules for Implementation of Internal Audit.

Proposal: Approval of the Company's cash capital reduction.

Proposal: Approval of the purchase of the equity of Gamania Digital Entertainment (HK) Co., Ltd..

Proposal: Approval of capital reduction in cash and refund of share capital of Gamania Holdings Ltd., Gamania International Holdings Ltd. and Gamania China Holdings Ltd., the Company's subsidiaries.

Proposal: Approval of the Company's consolidated financial report for Q2 2022.

Proposal: Approval of the Company's consolidated financial report for Q3 2022.

Proposal: Approval of the Company's renewal of game agency.

Proposal: Approval of the provision of endorsements and guarantees for subsidiaries.

Proposal: Approval of the Plan to Improve the Company's Capability of Financial Statement Production

Proposal: Approval of the internal control system during January 1 and December 31, 2022, and the issuance of the Statement of Internal Control System based on the self-evaluation results.

Proposal: Amendments to the amendment to the Company's "Procedures for Acquisition or Disposal of Assets."

Proposal: Approval of the amendment to the Company's internal control system.

Approval of the amendment to Company' Rules for Implementation of Internal Audit.

Proposal: Approval of the Company's 2022 financial statements and reports.

Proposal: Approval of the Company's 2022 earnings distribution scheme.

Proposal: Approval of change of the Company's certifying CPAs.

Proposal: Approval of the independence assessment of certifying CPAs and their accounting firm for 2023.

Proposal: Approval of the prior-approved of the Company’s certifying CPAs for 2023, and the provision of non-certification services to the Company and its subsidiaries by the CPAs’ accounting firm and the firm’s affiliates and alliance firms.

Proposal: Approval of the key tasks of the Audit Committee for 2023.

● All proposals mentioned above were approved by the Committee.

V. For the recusal on conflicts of interest among independent directors, state the names of the independent directors, details of the proposals, reasons for the recusal, and status of participation in the voting process: None.

VI. Communication between independent directors and the chief internal auditor:

(I) Each month the internal audit unit submits an audit report to independent directors for review, and communicates and discusses with them immediately on any question about the report. Each year the internal audit unit also holds the corporate governance meeting to communicate with independent directors and CPAs. After the Audit Committee is established, the audit unit reports to independent directors at the Audit Committee meeting based on the needs of specific proposals.

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

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

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
Mar 10, 2022	Corporate governance meeting	1. The chief internal auditor reported and communicated the performance of internal audits and internal control operation in 2021. 2. The chief internal auditor reported and communicated the internal audits planned for 2022.	None
Mar 10, 2022	Audit Committee	1. Reporting of audit operations carried out. 2. Report on the Statement of Internal Control System for 2021. 3. Amendment to the Company’s “Internal Control System” and “Rules for Implementation of Internal Audit.”	None
May 3, 2022	Audit Committee	1. Reporting of audit operations carried out.	None
Aug 4, 2022	Audit Committee	1. Reporting of audit operations carried out.	None

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

3. Communication between independent directors and CPAs:
- (1) Each quarter, CPAs communicate the audit or review results of the financial statements of the quarter and the requirements of the relevant laws and regulations at the Audit Committee meeting.
  - (2) Independent directors and CPAs usually communicate with each another by email, phone, or face-to-face discussion as necessary.
  - (3) Communication between independent directors and CPAs is good; a summary is as follows:

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
Mar 10, 2022	Corporate governance meeting	<ol style="list-style-type: none"> <li>1. CPAs fully communicated the audit results and key audit items of the 2021 financial statements.</li> <li>2. CPAs discussed and communicated on the independence and regulatory updates.</li> </ol>	None
Mar 10, 2022	Audit Committee	<ol style="list-style-type: none"> <li>1. Gave a presentation on the status for “independently preparing financial statements.”</li> <li>2. CPAs explained the 2021 consolidated financial statements.</li> <li>3. Discussion and communication on the key tasks of the Audit Committee for 2022.</li> <li>4. Discussion on the independence of the certifying CPAs and their accounting firm for 2022.</li> </ol>	None
May 3, 2022	Audit Committee	<ol style="list-style-type: none"> <li>1. Gave a presentation on the status for “independently preparing financial statements.”</li> <li>2. The CPAs explained the Company’s consolidated financial report for Q1 2022.</li> </ol>	None
Aug 4, 2022	Audit Committee	<ol style="list-style-type: none"> <li>1. Gave a presentation on the status for “independently preparing financial statements.”</li> <li>2. The CPAs explained the Company’s consolidated financial report for Q2 2022.</li> </ol>	None
Nov 3, 2022	Audit Committee	<ol style="list-style-type: none"> <li>1. The CPAs explained the Company’s consolidated financial report for Q3 2022.</li> <li>2. The plan to improve the Company’s capability of financial statement preparation.</li> </ol>	None
Mar 9, 2023	Corporate governance meeting	<ol style="list-style-type: none"> <li>1. CPAs fully communicated the audit results and key audit items of the 2022 financial statements.</li> <li>2. In response to the non-assurance service provisions in the International Code of Ethics for Accountants.</li> </ol>	None
Mar 9, 2023	Audit Committee	<ol style="list-style-type: none"> <li>1. Gave a presentation on the status for “independently preparing financial statements.”</li> </ol>	None

Date of meeting	Nature of meeting	Focus of the communication	Opinions from independent directors
		<ol style="list-style-type: none"> <li>2. Tracking of the Company's quarterly unqualified financial report progress.</li> <li>3. CPAs' explanation of the 2022 consolidated financial statements.</li> <li>4. Proposal: Change of the Company's certifying CPAs.</li> <li>5. Discussion and communication on the key tasks of the Audit Committee for 2023.</li> <li>6. Discussion on the assessment of independence of the certifying CPAs and their accounting firm for 2023.</li> <li>7. Proposal: Approval of the prior-approved of the Company's certifying CPAs for 2023, and the provision of non-certification services to the Company and its subsidiaries by the CPAs' accounting firm and the firm's affiliates and alliance firms.</li> </ol>	

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

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

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

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
information?			details and information have been disclosed on the Company's website.	
III. Composition and Responsibilities of the Board of Directors (I) Did the company establish and implement a diversity policy and defined management goals? (II) Does the company voluntarily establish other functional committees in addition to the Compensation and Remuneration Committee and the Audit Committee that are established as required by laws? (III) Has the Company established standards and method for evaluating the performance of the Board of Directors, and does the Company implement the performance evaluation periodically and submit results of the performance evaluation to the Board of Directors, and use them for reference while deciding compensation and rewards for individual directors and nominating them for a second term in office?? (IV) Does the company regularly evaluate the independence of CPAs?	V  V  V  V		(I) <ul style="list-style-type: none"> <li>●The Company has established a diversity policy for board composition in the “Corporate Governance Best Practice Principles” to recruit outstanding entrepreneurs in different industries and well-experienced professionals in finance and business operations. We have also established a nomination committee and the criteria and review process for selecting directors and officers.</li> <li>●The current Board has seven directors in total (including three independent directors). No independent directors hold their position for less than three terms to ensure detached independence.</li> <li>●All members of the Board are known for their background and expertise in business operations and management, rich industrial knowledge, leadership, and decision-making capability, which can give professional advice to the Company.</li> <li>●Basic composition and diversity in industrial experience and expertise of the Board: 100%.               <ol style="list-style-type: none"> <li>(1) Less than 2 directors are also employees of the Company.</li> <li>(2) No independent directors hold their position for over three terms.</li> <li>(3) All directors are ROC nationals.</li> <li>(4) Directors distribute in all age groups.</li> </ol> </li> </ul>	No difference.

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																																																																								
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			<p>(5) All directors have at least 10 years of experience in a particular industry and expertise in at least three fields.</p> <table border="1"> <thead> <tr> <th rowspan="2">Position</th> <th rowspan="2">Name</th> <th colspan="8">Diversified professionalism</th> </tr> <tr> <th>Making judgment about operations</th> <th>Accounting and financial analyses</th> <th>Operational management</th> <th>Crisis management</th> <th>Industrial knowledge</th> <th>International market views</th> <th>Leadership</th> <th>Decision-making</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Liu, Po-Yuan</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> <tr> <td>Director</td> <td>Avan Xian, Representative of Wanin International</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> <tr> <td>Director</td> <td>Simon Lin</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> <tr> <td>Director</td> <td>Representative of CLOUD COPIOUS INVESTMENT LIMITED: Alex Chen</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> <tr> <td>Independent Director</td> <td>Lin, Ruei-Yi</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> <tr> <td>Independent Director</td> <td>Sheng, Bao-Si</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> <tr> <td>Independent Director</td> <td>Chen, Kuan-Pai</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> <td>•</td> </tr> </tbody> </table> <p>(II) On March 7, 2019, the Board of Directors of the Company approved the voluntary establishment of a functional committee (Corporate Social Responsibility Committee), which has now been renamed ESG Committee, and on December 24, 2020, the Board of Directors approved the voluntary establishment of a functional committee (Nomination Committee).</p> <p>(III) The Company has established regulations and methods to evaluate Board performance, and evaluate its performance on an annual basis to serve as a reference for the remuneration and re-election nomination of</p>	Position	Name	Diversified professionalism								Making judgment about operations	Accounting and financial analyses	Operational management	Crisis management	Industrial knowledge	International market views	Leadership	Decision-making	Chairman	Liu, Po-Yuan	•	•	•	•	•	•	•	•	Director	Avan Xian, Representative of Wanin International	•	•	•	•	•	•	•	•	Director	Simon Lin	•	•	•	•	•	•	•	•	Director	Representative of CLOUD COPIOUS INVESTMENT LIMITED: Alex Chen	•	•	•	•	•	•	•	•	Independent Director	Lin, Ruei-Yi	•	•	•	•	•	•	•	•	Independent Director	Sheng, Bao-Si	•	•	•	•	•	•	•	•	Independent Director	Chen, Kuan-Pai	•	•	•	•	•	•	•	•	
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Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			individual directors. (IV) The Company evaluates the independence of CPAs regularly and reports the results to the Audit Committee and board meeting for resolution.	
IV. For TWSE/TPEX listed companies, is there an appropriated (combined) unit or person for corporate governance to take charge of related matters (including without limitation providing directors and supervisors with materials required for them to carry out their tasks, taking care of board meetings and shareholders' meetings as required by law, registering the company and changing registered information, preparing minutes of board meetings and shareholders' meetings)?	V		The Company has set up responsible people to take charge of corporate governance-related affairs. The Board of Directors also designated in 2020 that the Company's Vice President and Chief Financial Officer Su, Hsin-Hung to serve as the head of corporate governance and to take charge of corporate governance-related affairs, including organizing meetings of the Board of Directors, the Audit Committee, and the Compensation and Remuneration Committee, and shareholders' meetings, helping directors to take office and receive continuing education, providing materials required for directors to perform their duties, and helping the directors comply with laws and regulations, etc.	No difference.
V. Has the company established a communication channel and build a designated section on its website for stakeholders (including but without limitation of shareholders, employees, customers, and suppliers, etc.), and set a stakeholder area on company website, and properly respond to corporate social responsibility issues that stakeholders are concerned about?	V		The Company has set up related departments and communication channels in honor of its corporate social responsibilities.	No difference.
VI. Does the company designate a professional shareholder service agency to deal with affairs	V		The Company has designated KGI Securities Co., Ltd. as its stock affairs agent.	No difference.

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
relating to shareholders meetings?				
<p>VII. Disclosure of Information</p> <p>(I) Has the company established a corporate website to disclose information regarding its financial, business and corporate governance status?</p> <p>(II) Does the company adopt other ways of disclosing information (e.g., maintaining an English website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?</p> <p>(III) Does the Company announce and declare its Annual Financial Statement within 2 months after a fiscal year ends and announce and declare the financial statements for the first, second, and third quarters and operational status of each month than the required deadline?</p>	V		<p>The Company has set up its corporate website and disclose the information as required.</p> <p>We have set up a corporate website in Chinese and English versions, designated responsible personnel gather and disclose information about the Company, enforced the spokesperson system, and posted investor conference on the corporate website.</p> <p>We have published and reported the annual financial statements and the financial statements for Q1, Q2, and Q3, and the status of monthly operations by the required deadline.</p>	No difference.
VIII. Is there any other important information available to facilitate a better understanding of the company's corporate governance operational status (including without limitation employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and	V		All of the Company's employees are covered by Labor Insurance, National Health Insurance, and Group Insurance and are entitled to benefits under each of the programs. Meanwhile, there are the Employee Welfare Committee and the Pension Fund Supervisory Committee in place to set aside the employee welfare fund and the pension fund as required by law, to hold employee communication meetings	No difference.

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>periodically, to set up the daycare center for employees' children, and to prepare details about distribution of bonus to employees so that the Company can share its profits with all employees. People with disabilities are hired and the charity foundation is established to encourage young people to work hard to realize their dreams in honor of corporate social responsibilities. Meanwhile, industrial workshops organized by the competent authority are proactively participated in and investor conferences are held from time to time. The Company also has the Investor Relations Department and website to provide related information for investors' reference.</p> <p>Operation at the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Directors of the Company unflinchingly recused themselves from proposals with which they have a conflict of interest.</li> <li>2. The Company has established its Rules of Procedure for Shareholders' Meetings and precisely enforces them.</li> <li>3. The Company has established its Rules of Procedure for Board of Directors' Meetings and precisely enforces them.</li> <li>4. The Company has purchased liability insurance for directors, and the shareholders' meeting has approved the inclusion of liability insurance for supervisors in the Articles of Association and reporting to the Board after the insurance renewal or change.</li> <li>5. Except for absences due to unexpected or important</li> </ol>	

Evaluation item	Operation			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																																		
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			<p>work, all directors participated in the supervision and discussion of the related proposals throughout each board meeting.</p> <p>6. Continuing studies for directors in 2022:</p> <table border="1"> <thead> <tr> <th>Position</th> <th>Name</th> <th>Date</th> <th>Organizer</th> <th>Course title</th> <th>Hours involved</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Liu, Po-Yuan</td> <td>2022.11.03</td> <td>Securities and Futures Institute</td> <td>Global Risk Awareness (Opportunities and Challenges in the Next Decade)</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Lin, Hsien-Ming</td> <td rowspan="2">2022.09.30</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>2030/2050 Green Industrial Revolution</td> <td>3</td> </tr> <tr> <td>Public Relations Principles for Handling Corporate Legal Events</td> <td>3</td> </tr> <tr> <td>Director</td> <td>Wanin International Representative: Avan Xian</td> <td>2022.11.03</td> <td>Securities and Futures Institute</td> <td>Global Risk Awareness (Opportunities and Challenges in the Next Decade)</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Representative of CLOUD COPIOUS INVESTMENT LIMITED Alex Chen</td> <td>2022.08.09</td> <td>Accounting Research and Development Foundation</td> <td>Practical Measures for Improving Three Lines of Defense of Internal Control</td> <td>3</td> </tr> <tr> <td>2022.11.03</td> <td>Securities and Futures Institute</td> <td>Global Risk Awareness (Opportunities and Challenges in the Next Decade)</td> <td>3</td> </tr> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Lin, Ruei-Yi</td> <td rowspan="2">2022.11.18</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Discussion on Key Issues of Integrating M&amp;A in the Process of Enterprise M&amp;A</td> <td>3</td> </tr> <tr> <td>How Do Directors and Supervisors Supervise Companies for Better Risk Management and Internal Control</td> <td>3</td> </tr> <tr> <td>Independent Director</td> <td>Sheng, Bao-Si</td> <td>2022.10.04</td> <td>Taiwan Corporate Governance Association</td> <td>Risk Management and Internal Control</td> <td>3</td> </tr> </tbody> </table>	Position	Name	Date	Organizer	Course title	Hours involved	Chairman	Liu, Po-Yuan	2022.11.03	Securities and Futures Institute	Global Risk Awareness (Opportunities and Challenges in the Next Decade)	3	Director	Lin, Hsien-Ming	2022.09.30	Taiwan Corporate Governance Association	2030/2050 Green Industrial Revolution	3	Public Relations Principles for Handling Corporate Legal Events	3	Director	Wanin International Representative: Avan Xian	2022.11.03	Securities and Futures Institute	Global Risk Awareness (Opportunities and Challenges in the Next Decade)	3	Director	Representative of CLOUD COPIOUS INVESTMENT LIMITED Alex Chen	2022.08.09	Accounting Research and Development Foundation	Practical Measures for Improving Three Lines of Defense of Internal Control	3	2022.11.03	Securities and Futures Institute	Global Risk Awareness (Opportunities and Challenges in the Next Decade)	3	Independent Director	Lin, Ruei-Yi	2022.11.18	Taiwan Corporate Governance Association	Discussion on Key Issues of Integrating M&A in the Process of Enterprise M&A	3	How Do Directors and Supervisors Supervise Companies for Better Risk Management and Internal Control	3	Independent Director	Sheng, Bao-Si	2022.10.04	Taiwan Corporate Governance Association	Risk Management and Internal Control	3	
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Evaluation item	Operation						Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No	Summary					
					2022.11.03	Securities and Futures Institute	Global Risk Awareness (Opportunities and Challenges in the Next Decade)	3
			Independent Director	Chen, Kuan-Pai	2022.06.29	Taiwan Corporate Governance Association	Initial Personal Response to CFC: Understanding Yourself and Others	3
					2022.09.22	Taiwan Securities Association	Enterprise Sustainability and ESG Development Trends	3
					2022.11.03	Securities and Futures Institute	Global Risk Awareness (Opportunities and Challenges in the Next Decade)	3

IX. Status of improvement on the Corporate Governance Evaluation results in the most recent year: Through continual improvement corporate governance, the Company is rated top 6-20% among TPEX-listed companies in the 8th Corporate Governance Evaluation.

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

The Company has established the Remuneration Committee on December 12, 2011. According to the Committee’s articles of organization, the committee will have three members, including one convener, appointed by resolution of the Board. The duties of the committee include: 1. Establish and periodically review the policy, system, standard, and structure of the performance evaluation, salary, and reward of directors and officers. 2. Periodically evaluate and determine the salary and reward of directors and officers and submit the recommendations to the Board for discussion.

1. Expertise and experience of members of the Remuneration Committee

March 31, 2023

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

2. Operational Status of the Compensation and Remuneration Committee

- (1) The Remuneration Committee has 3 members in total.
- (2) Term of current members: From June 17, 2020 to June 16, 2023. In the most recent year and up to the date of annual report publication, the Committee held 3 meetings, and the member attendance and proposals discussed are as follows:

Position	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person (%)	Remarks
Convener	Sheng, Bao-Si	2	1	67	None
Member	Lin, Ruei-Yi	3	0	100	None
Member	Chen, Kuan-Pai	3	0	100	None

Other details to be documented:

- I. The Remuneration Committee held meetings on March 10, 2022, June 16, 2022 and March 9, 2023 and discussed the following proposals:
  - (1) Approval of the distribution of remuneration for directors and employees for 2021 and 2022.
  - (2) Approval of the details of distribution of remuneration for directors and employees' remuneration for managers for 2021.
    - All proposals mentioned above were approved by the Committee.
- II. Advice of the Remuneration Committee rejected or revised by the Board: None.
- III. Resolutions of the Remuneration Committee with objections or reservations by members with records or statements in writing: None.

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

We established the Nomination Committee on December 24, 2020. According to the Committee's articles of organization, the committee will be formed by four members, including the chairperson and three directors, including one convener and over one half of members being independent directors. The duties of the committee include: 1. Establish and periodically review the number and qualifications of directors and senior officers. 2. Recommend eligible candidates for the Company's (also important subsidiaries) directors and senior officers, review by law the candidates recommended by shareholders or the Board in advance, and submit the review results and the reference list of candidates to the Board.

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

March 31, 2023

Status	Qualification	Expertise and Experience	Fulfillment of Independence
	Name		
Convener	Liu, Po-Yuan	All members are independent directors. For their qualifications, experience and independence status, please refer to "Disclosure of Information on the Expertise of Directors and Independence of Independent Directors" of the annual report.	
Member	Lin, Ruei-Yi		
Member	Sheng, Bao-Si		
Member	Chen, Kuan-Pai		

2. Status of operations of the Nomination Committee

- (1) The Nomination Committee has four members in total.
- (2) Term of current members: From December 24, 2020 to June 16, 2023.

In the most recent year and up to the date of annual report publication, the Committee held two committee meetings, and the member attendance and proposals discussed are as follows:

Position	Name	Attendance in person	Attendance through proxy	Ratio of attendance in person (%)	Remarks
Convener	Liu, Po-Yuan	2	0	100	None
Member	Lin, Ruei-Yi	1	1	50	None
Member	Sheng, Bao-Si	1	0	50	None
Member	Chen, Kuan-Pai	2	0	100	None

Other details to be documented:

- I. The Nomination Committee held committee meetings on March 10, 2022 and November 3, 2022, and discussed the following proposals:
  - (1) Approval of the qualification review of directors and senior managers.
    - All proposals mentioned above were approved by the Committee.
- II. Advice of the Nomination Committee rejected or revised by the Board: None.
- III. Resolutions of the Nomination Committee with objections or reservations by members with records or statements in writing: None.

(VII) Sustainable Development Implementation Status and Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the company established a governance framework and a full- (part-) time unit for sustainable development, with the senior management authorized by the Board to handle the related matters? What is the status of Board supervision?	V		<p>1. Governance framework for promoting sustainable development To strengthen and promote CSR and sustainable development, the Board established the “CSR Management Committee” on March 7, 2019, and renamed it the “ESG Committee”, and established the “Office of Sustainability Planning” in 2021. The “ESG Committee” is chaired by the Chairman, with the Chief Financial Officer serving as the convener, and senior managers assigned to coordinate and manage various ESG task groups.</p> <p>2. Board authorization and supervision: (1) To implement sustainable development strategies and enhance operational efficiency, on November 12, 2021 the Board approved the establishment of the “Office of Sustainability Planning” under the “ESG Committee” to promote and integrate all ESG task forces. An ESG Committee meeting is held at least once a quarter. (2) The “ESG Task Team” is managed by the heads of the Group Chief Financial Officer’s Office,</p>	No difference

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>the Group Chief Strategy Officer’s Office, the Corporate Communication Office, the Human Resources Office, the Foundation, and the Administrative Service Office to implements the corresponding ESG tasks.</p> <p>(3) The Office of Sustainability Planning reports the status of ESG implementation to the board meeting at least once a year. (November 3, 2022), with irregular submission of various special projects to the board meeting.</p> <p>(4) The Board of Directors fully authorizes and guides the sustainable development strategy and implementation proposed by the ESG Committee, including “formulating and implementing the ESG sustainable strategy roadmap”, “preparing the ESG sustainable report”, “greenhouse gas inventory and inspection”, “net zero carbon reduction”, “optimizing the evaluation results by institutional investors”, “promoting social welfare activities”, etc.</p>	
II. Does the Company perform risk assessments when dealing with environmental, social, and corporate governance-related issues that concern	V		<p>1. Boundaries of risk assessment In consideration of the financial materiality and industrial connection, the boundaries of risk assessment cover the Company and the</p>	No difference

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
the Company's operations according to the materiality principle, and has it defined related risk management policies or strategies?			<p>subsidiaries listed in Chapter 1 of the 2022 ESG Report emphasizing business location in Taiwan with a consolidated revenue accounting for up to 100% of the total.</p> <p>2. Strategies and standards of risk assessment for related material issues ESG task forces propose to the ESG Committee and the board meeting the strategies and action plans based on the Company's sustainable development strategies and by integrating the industry's characteristics and international sustainability issues.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?</p>	V		The Company emphasizes environmental protection issues. Besides establishing and implementing green procurement and energy management, it has completed the 2021 greenhouse gas emission goal and inspection, and conducts annual inventory and inspections.	No difference
(II) Does the company make efforts to enhance energy efficiency and use recycled materials to reduce environmental impacts and burdens?	V		We are in an industry that does not produce hazardous waste or air pollution. However, as the construction and operation of data centers need to consume a high volume of electricity, we have built the energy monitoring and management system at the headquarters building. The system is composed of three interconnected aspects: design, operation, and	No difference

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			improvement and analysis of energy conservation.	
(III) Does the company assess the present and future potential risks and opportunities of climate change and take the relevant countermeasures?	V		We have assessed the Company's present and future potential risks and opportunities of climate change.	No difference
(IV) Did the company produce statistics on the GHG emissions, water consumption, and the total weight of waste in the last two years, and establish policies to reduce GHG emissions and water consumption or other waste management policies?	V		We have disclosed the GHG emissions, water consumption, and the total weight of waste in the last two years and their management policies.	No difference
IV. Social Issues (I) Has the company developed related management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?	V		We have established the relevant regulations and organized education and training in accordance with the 17 Sustainable Development Goals of the United Nations and in conformity with the internationally recognized standards including the UN Universal Declaration of Human Rights (UDHR), UN Global Compact (UNGC), United Nations Guiding Principles on Business and Human Rights (UNGPs), and International Labour Organisation (ILO).	No difference

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Did the company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflect its operational performance or achievements in the employee's remuneration?	V		We have established the relevant employee welfare measures and reflect our operational performance or achievements in the employee's remuneration.	No difference
(III) Does the Company provide employees with a safe and healthy work environment as well as periodic safety and health education?	V		<ol style="list-style-type: none"> <li>1. Besides establishing the Safe Working Rules, the Group performs work environment monitoring and holds training on occupational safety every six months to ensure the safety of employee workplace.</li> <li>2. In terms of employee health, we have an in-house fitness center and hire professional coaches to offer yoga, aerobic sport and circuit training courses every day for employees to choose.</li> <li>3. Additionally, we arrange annual health checkups and quarterly on-site health consultation services for employees in excess of the regulatory requirements. Currently, we are progressively replacing office desks with standing desks for employees to adjust desk height according to their sitting postures to solve their musculoskeletal problems in order to build a healthy and sound workplace environment.</li> <li>4. The Company won the Taiwan i Sport certification</li> </ol>	No difference

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			mark by the Sports Administration, MOE from 2016 to 2023.	
(IV) Has the Company established an effective training program that helps employees develop skills over the course of their career?	V		We provide a well-equipped learning environment and a well-planned education and training framework covering orientation training for new employees, professional development training, and hierarchical training (Gamanian). Every year we organize talks and irregular seminars (Gamania Classroom, Gamania Content) supported with e-learning (Gamania Resource) to implement education and training. We also fund employees to take external training courses. In 2022, a total of 248 employee training courses were held, and a total of 257 classes with 16,761 hours were organized in-house for 5,362 persons. The total annual training expenses totaled NT\$3,641,874.	No difference
(V) Does the company handle customer health and safety, customer privacy, marketing and labeling issues relating to products and services in compliance with the relevant laws and regulations and international standards, and has it established policies and grievance procedures to protect the rights and interests of consumers or customers?	V		<ol style="list-style-type: none"> <li>1. We have established and implemented mechanisms and processes relevant to our services based on the nature of business of individual products in accordance with the legal requirements and international standards, in order to ensure protection for the rights and interests of consumers or customers.</li> <li>2. Our customer service center also offers 24x7 services round the year. In response to different product needs, we have also arranged various</li> </ol>	No difference

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>service channels (telephone lines, a message board on the official website, instant messengers, and a smart chatbot).</p> <p>We designate the Internal Service Division to promote and implement the related affairs and have established the supplier management policy.</p>	
(VI) Does the Company define supplier management policies and require that suppliers follow applicable regulations in issues such as environmental protection, occupational safety and health, or human rights of workers and how are they implemented?	V		We designate the Internal Service Division to promote and implement the related affairs and have established the supplier management policy.	No difference
V. Did the company prepare and publish reports such as the sustainability report in accordance with the internationally accepted reporting standards or guidelines to disclose the company's non-financial information? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?	V		<ol style="list-style-type: none"> <li>1. We have prepared our ESG reports in accordance with the GRI Standards, and have the affirmation report issued by a third-party verification body. We also publish report-related information on the MOPS at the same time.</li> <li>2. Report affirmation unit: The 2022 annual report was affirmed by KPMG Taiwan; for the verification scope and the standards followed, please visit <a href="https://esg.gamania.com/">https://esg.gamania.com/</a> to download ESG reports for previous years.</li> </ol>	No difference
VI. If the company has established its own Sustainable Development Best Practice Principles with reference to the Sustainable Development				

Objective	Status of Implementation			Status and causes of inconsistency with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
Best Practice Principles for TWSE/TPEX Listed Companies, please state the differences in the operation from its best practice principles: No difference.				
<p>VII. Other important information that helps understand the promotion of sustainable development:</p> <p>(I) The Company cares about industrial safety, environmental protection, safety, and health and has respective units to promote and enforce them.</p> <p>(II) The Company has created many job opportunities and was selected as one of the “Top 100 Most Desired Enterprises of the New Generation”. We have established an employee welfare committee, implemented a pension system, and handled various related matters. The Company arranges employee training courses, employee travel and group insurance, and regular health checks with an emphasis on harmonious labor relations.</p> <p>(III) The Company’s Employee Welfare Committee has been proactively taking part in and calling upon employees to take part in various charity sale and caring events for years to help related social welfare groups.</p> <p>(IV) The Company established its “Gamania Cheer Up Foundation” in April 2007 and has been caring for young people and encouraging them to go for their dreams in addition to a variety of public interest projects enforced.</p>				



Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
unethical behavior, implemented them, and regularly reviewed and revised the disclosure plan?			Officer’s Office”. It is responsible for defining and supervising the implementation of the ethical corporate management policy and preventive solutions and reporting to the Board of Directors periodically on the implementation status. Related regulations and information have been disclosed on the corporate website.	
<p>II. Consolidation of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the ethical corporate management records of parties it does business with, and has it stipulated ethical conduct clauses in business contracts with them?</p> <p>(II) Has the company established a dedicated unit under the board of directors to promote ethical corporate management, and regularly (at least once a year) reported to the board meeting on its ethical corporate management policies, prevention plan for unethical behaviors, and the supervision of implementation?</p> <p>(III) Has the Company established policies to prevent against conflicts of interest, provided appropriate channels for filing related complaints and implemented the policies accordingly?</p>	V		<p>(I) The Company has a rating mechanism in place for current customers and suppliers. The rights and obligations of both parties as well as the confidentiality clause are detailed in a business contracts entered into.</p> <p>(II) The Company has established a dedicated unit, the “Group CEO Office”, under the Board of Directors to take charge of the promotion and related planning. It reports the ethical corporate management policy, the preventive solution and monitoring and implementation status to the board meeting at least once a year.</p> <p>(III) The Company already has the Guidelines for Recusals in Cases of Conflicting Personal Interests for Group Employees in place. Any conflict of interest can be reported to the</p>	No difference

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Has the company created effective accounting and internal control systems to consolidate ethical corporate management and have those systems audited by either internal auditors or CPAs on a regular basis?	V		respective supervisor. (IV) The Company's Audit Office sets respective routine, non-routine, exceptional, and impromptu audit plans each year and reports to the Board of Directors how audits are performed.	
(V) Does the Company hold internal and external training on ethical corporate management regularly?	V		(V) The Company holds internal and external educational trainings on ethical corporate management periodically.	
III. Whistle-blowing System of the Company				
(I) Has the company established substantial reporting and incentive systems to provide convenient reporting channels and assign appropriate personnel to investigate reported matters?	V		The Company has established the Operational Procedures and Guidelines of Ethical Corporate Management Best Practice that cover thorough whistleblowing measures, the standard operating procedure and confidentiality mechanism for the investigation of reported matter, applicable measures to protect the whistleblower. External whistleblowing is under the charge of the dedicated unit under the Board of Directors, the Audit Office while internally, the responsible unit is the Human Resources Office, which plans and operates related whistleblowing systems. If a report matter is found to be true, the responsible unit will report it along with how it will be handled and the subsequent corrective actions to the	No difference
(II) Has the company established any standard operating procedures, subsequent measures to be adopted after the investigation is completed, or confidentiality mechanisms for handling reported matters?	V			
(III) Does the company assure employees who reported on malpractices that they will not be improperly treated for making such reports?	V			

Assessed Item	Operation			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			Board of Directors. Related regulations and information are already disclosed on the corporate website.	
IV. Reinforced Information Disclosure (I) Has the company disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS?	V		The Company has disclosed information regarding its ethical corporate management principles and implementation status on its website and the MOPS.	No difference
V. If the company has its own Ethical Management Principles established according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its implementation and the principles: None.				
VI. Other important information that helps understand the implementation of ethical corporate management of the company: None.				

(IX) If the company has established the corporate governance best practice principles and related regulations, please disclose the methods to access them: Please refer to the Company’s website and the MOPS for details.

(X) Other important information that may enhance the understanding of the company’s corporate governance shall also be disclosed:

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

1. Voluntary establishment of the Nomination Committee

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

(1) Committee Membership and Professionalism

All Committee members are known for their background and expertise in business operations and management, rich industrial knowledge, leadership, and decision-making capability. They outstanding entrepreneurs in different industries and well-experienced professionals in finance and business operations.

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

(2) Responsibilities of the Committee

To propose a list of suitable candidates for the director or high-ranking managerial openings to the Board of Directors (including those of subsidiaries) and review in advance the candidates recommended by

shareholders or the Board of Directors by law and submit the review results and the reference list of candidates to the Board of Directors. While proposing the list of independent director candidates, attention shall be paid to the experience, professionalism, integrity, and fulfillment of the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and applicable laws and regulations regarding the criteria of independent directors of each candidate and the developments of the Company and the long-term interest of shareholders shall be the primary considerations.

- (3) Business execution status in 2022: Please refer to the “Composition, duties and operations of the Nomination Committee” in the annual report.

2. Establishment of Corporate Governance Supervisor

At the 4th meeting of the 10th Board on November 11, 2020, the establishment of the chief corporate governance officer (CCGO) was approved. Chief Financial Officer Su, Hsin-Hung will concurrently be the CCGO. Su has over 3 years of experience as a supervisor of stock affairs and corporate governance of public companies.

- (1) Duties of CCGO

To take care of corporate governance-related affairs, including matters related to the organization of shareholders’ meetings and the meetings of the Board of Directors, the Audit Committee, the Compensation and Remuneration Committee, the Nomination Committee and related functional committees, helping directors to take office and comply with laws and regulations, providing directors with materials required for them to perform tasks, and other matters defined by law, in the Articles of Incorporation, or in contracts, etc.

- (2) Business execution status in 2022

◆ Prepare the agenda for the shareholders’ meeting, the board meeting, or the functional committee meeting, provide the agenda and related attachments by the statutory deadline, communicate with the board members or the committee members in advance, and prepare meeting minutes and related documents.

Name of Meeting	Shareholders’ meeting	Board of Directors’ meeting	Audit Committee meeting	Compensation and Remuneration Committee
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				meeting
Frequency	1	5	4	2

Important resolutions of the meeting of shareholders

- Approval of the financial statements and reports for 2021.
- Approval of the earnings distribution for 2021.

Important Board resolutions

- Approval of the issuance of the 2021 Statement of Internal Control System based on the self-evaluation results of the internal control system.
- Approval of the Company’s 2021 financial statements and reports.
- Approval of the Company’s consolidated financial report for Q1 2022.
- Approval of the Company’s consolidated financial report for Q2 2022.
- Approval of the Company’s consolidated financial report for Q3 2022.
- Approval of the Company’s business plan and annual budget for 2022.
- Approval of the salaries for directors and managers for 2022 recommended by the Remuneration Committee.
- Approval of the remuneration for directors and employees for 2021.
- Approval of 2021 earnings distribution.
- Approval of the matters related to the 2022 general shareholders’ meeting.
- Approval of the independence assessment of the certifying CPAs and their accounting firm for 2022.
- Approval of the capital increase of subsidiaries “Nownews Network Co., Ltd.” and “Jollybuy Digital Technology Co., Ltd”.
- Approval of the Company’s participation in the capital increase of “1 Production Film Co., Ltd.”, “Yanchuang Zhilian Co., Ltd.” and “Taiwan Esports League Co., Ltd”.
- Approval of donation for the Gamania Cheer Up Foundation.
- Approval of the handling of the external performance evaluation of the Board.
- Approval of the renewal of the agency of “Lineage M”.
- Approval of the amendment to the Company’s “Articles of Association”, “Procedures for Acquisition or Disposal of Assets”,

“Organizational Rules of the Sustainable Development Committee”, “Internal Control System”, “Rules for the Implementation of Internal Audit”, and “Manager Compensation Distribution Measures.

- Approval of the proposed remuneration for directors, managers and employees of the Company for 2021.
- Approval of the determination of the Ex-dividend base date for the Company
- Approval of the Group’s greenhouse gas Inventory and verification plan.

#### Important resolutions of Audit Committee

- Approval of the consolidated financial report for 2022 and the quarterly financial statements for Q1~Q3, 2022.
- Approval of the amendment to the Company’s “Procedures for the Acquisition and Disposal of Assets”.
- Approval of the amendment to the Company’s internal control system and Rules for Implementation of Internal Audit.
- Approval of the independence assessment of the certifying CPAs and their accounting firm for 2022.
- Approval of the Company’s cash capital reduction.
- All proposals were fully discussed and advised by committee members.

#### Important resolutions of Remuneration Committee

- Review and adjustment of reward for officers based on performance and special contribution to ensure the conformity to the Regulations of Reward Distribution for Officers to enhance market competitiveness and retain important talents.
- The pay adjustment, reward allocation, and the Company’s overall pay raise and reward system were fully discussed and advised by committee members.

- ◆ Reviewed the important information to be released after the Board of Directors’ meeting and the shareholders’ meeting to ensure its legitimacy and accuracy of its content and to protect the rights of investors.
- ◆ Cooperated with the competent authority in the latter’s revision of policies or laws or regulations by revising applicable regulations on

corporate governance in real time and to submit it to the Board of Directors.

- ◆ Planned the annual Board of Directors continuing education courses that help reinforce its function.
  - ◆ Provided related financial or operational information of the Company needed by directors and to keep optimal communications between directors and the management.
  - ◆ Arranged communication meetings between independent directors and the internal audit head and CPAs so that independent directors can summarize historical communications as part of their duty. Refer to “Corporate Governance” on the corporate website for investor relations for the communications with independent directors.
  - ◆ Optimized the terms and conditions of the liability insurance policy for the directors and officers and reported to the Board.
  - ◆ The ESG Committee reported the annual accomplishments to the Board.
  - ◆ The ethical corporate management unit reported the annual accomplishments to the Board.
  - ◆ Planned the 2022 evaluation of the performance of the Board of Directors for the implementation of corporate governance.
  - ◆ Evaluated the external performance evaluation report of the Board of Directors for 2022 and made improvements.
  - ◆ The IP management unit reported the annual accomplishments to the Board to practice the Group’s IP management policy.
  - ◆ Continuously promoted paperless meetings Board meetings and meetings of functional committees for in-depth control of confidential documents.
  - ◆ The Company was rated top 6~20% among TPEX-listed companies at the 8th Corporate Governance Evaluation.
- (3) Continuing study of CCGO
- ◆ In accordance with paragraph 2, Article 24 of the “Key Points for the Setup of the Board of Directors”: First-time chief corporate governance officers (CCGO) shall complete 18 hours of continuing study within one year after taking office, and 12 hours of continuing study is required in subsequent years.
  - ◆ The CCGO has completed 12 hours of continuing study in 2022.

Date	Training agency	Description	Hours involved
Jul 26, 2022	Accounting Research and Development Foundation	On the Dispute of “Management Rights” from the Perspective of Corporate Governance and Shareholder Structure	3 hours
Nov 18, 2022	Accounting Research and Development Foundation	Promote Green Transformation: Move towards Net Zero Carbon Emissions	3 hours
Dec 18, 2022	Taiwan Investor Relations Institute	Practice of Hostile Mergers and Acquisitions of Taiwanese Enterprises and Analysis of Insider Transactions	3 hours
Dec 28, 2022	Accounting Research and Development Foundation	The Compilation and Disclosure Basis of the Sustainable Report - Analysis of the Key Points of the IFRS, ISSB, S1 and S2 Standards	3 hours

(XI) Implementation of Internal Control System:

1. Declaration on Internal Control:

Date: March 9, 2023

With regards to the results of the 2022 self-evaluation of the internal control system, we hereby declare the following:

- I. The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. The purpose of the system is to reasonably ensure the achievement of various objectives, including operational efficiency and effectiveness (including profitability, business performance and the security of assets), the reliability, timeliness and transparency of information disclosed, and compliance with relevant guidelines as well as relevant laws and regulations.
- II. The internal control system has its inherited restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take a corrective action against deficiencies confirmed.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. Please refer to "Governing Regulations" for details.
- IV. The Company has already adopted the aforesaid items for assessing the effectiveness of its internal control system in terms of system design and implementation.
- V. Pursuant to the results of the above-mentioned evaluations, the Company is of the view that the design and implementation of its internal control system as of December 31, 2022 (including its supervision and management of subsidiaries), including its awareness of the operating effects and the extent to which the efficiency goals are achieved, the reliability, timeliness, transparency and compliance with relevant laws and regulations of reports, and the design and implementation of relevant internal control system are effective and capable of reasonably ensuring that the aforementioned goals can be achieved.
- VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. If the aforesaid published contents are found to be false, or fraudulent in any way, the Company and its management shall be legally liable in accordance with Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the board meeting of the Company on March 9, 2023, with no directors among the seven Directors present expressing any dissent.

Gamania Digital Entertainment Co., Ltd.

Chairperson: Liu, Po-Yuan

President: Liu, Po-Yuan

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

(XII) Details of the penalty imposed on the Company and its internal staff as required by law or that imposed by the Company on its internal staff for violating requirements of the internal control system in the most recent year up to the date the annual report was printed, that may have significant impacts on the shareholder equity or prices of securities; list the penalties imposed, major deficiencies and improvements already made: None.

(XIII) Important decisions reached in shareholders' meetings and board meetings in the most recent year up to the date the annual report was printed.

1. Important decisions made in the 2022 shareholders' meeting

Date of meeting	Summary of important proposals	Implementation status
Jun 16, 2022	Recognition of the financial statements and reports for 2021.	The proposal was approved in the shareholders' meeting.
	Recognition of the 2021 earnings distribution.	The proposal was approved at the shareholders' meeting, and the distribution of cash dividends was completed on July 27, 2022.
	Approval of the revision of the Company's Articles of Incorporation	The proposal was approved at the shareholders' meeting, and the change of registration was completed on July 8, 2022.
	Approval of the revision of the Company's Regulations Governing the Acquisition and Disposal of Assets	The proposal was approved in the shareholders' meeting.

2. Important decisions of the Board of Directors

Important resolutions of the Board in 2022 and up to the publication date of the annual report are summarized as follows:

Date	Important decision
Mar.10, 2022	<ul style="list-style-type: none"> <li>● Approval of the issuance of the Statement of Internal Control System from January 1, 2021 to December 31, 2021 based on the self-evaluation results of the internal control system.</li> <li>● Approval of amendment to the Company's "Articles of Association".</li> <li>● Approval of amendment to the Company's "Procedures for Acquisition and</li> </ul>

Date	Important decision
	<p>Disposal of Assets”.</p> <ul style="list-style-type: none"> <li>● Approval of the amendment to the Company’s “Internal Control System”.</li> <li>● Approval of the amendment to the Company’s “Rules for Implementation of Internal Audits”.</li> <li>● Approval of the amendment to the “Organizational Rules of Sustainable Development Committee”.</li> <li>● Approval of the Company’s 2021 financial statements and reports.</li> <li>● Approval of the remuneration for directors and employees for 2021.</li> <li>● Approval of the Company’s 2021 earnings distribution.</li> <li>● Approval of the independence assessment of certifying CPAs and their accounting firm for 2022.</li> <li>● Approval of the salaries of directors and managers for 2022 recommended by the Remuneration Committee.</li> <li>● Approval of the Company’s business plan and annual budget for 2022.</li> <li>● Approval of the matters related to the 2022 general shareholders’ meeting.</li> <li>● Approval of the Company’s application for bank credit lines.</li> <li>● Approval of the ratification of the Company’s disposal of the shares in “LifePlus Co., Ltd”.</li> <li>● Approval of the capital increase of subsidiary “Jollybuy Digital Technology Co., Ltd”.</li> <li>● Approval of the capital increase of subsidiary “Nownews Network Co., Ltd”.</li> <li>● Approval of the Company’s donation to the “Gamania Cheer Up Foundation”.</li> </ul>
May 3, 2022	<ul style="list-style-type: none"> <li>● Approval of the Company’s consolidated financial report for Q1 2022.</li> <li>● Approval of the handling of the external performance evaluation of the Board.</li> <li>● Approval of the Company’s participation in the capital increase of “1 Production Film Co., Ltd”.</li> <li>● Approval of the acquisition of equity from shareholders of “GAMA PAY Co., Ltd”.</li> </ul>
Jun 16, 2022	<ul style="list-style-type: none"> <li>● Approval of the Group’s greenhouse gas inventory and verification plan.</li> <li>● Approval of the proposed remuneration for directors, managers and employees of the Company for 2021.</li> <li>● Approval of determination of the Company’s ex-dividend date.</li> <li>● Approval of the Company’s participation in the capital increase of “Yanchuang Zhilian Co., Ltd”.</li> <li>● Approval of the Company’s participation in the capital increase of “Taiwan Esports League Co., Ltd”.</li> </ul>
Aug 4, 2022	<ul style="list-style-type: none"> <li>● Approval of the provision of the Company’s endorsements and guarantees for subsidiaries.</li> <li>● Approval of the Company’s application for bank credit lines.</li> <li>● Approval of the Company’s consolidated financial report for Q2 2022.</li> <li>● Approval of the Company’s purchase of the equity of “Gamania Digital Entertainment (HK) Co., Ltd”.</li> </ul>

Date	Important decision
	<ul style="list-style-type: none"> <li>● Approval of the Company’s renewal of game agency.</li> </ul>
Nov 3, 2022	<ul style="list-style-type: none"> <li>● Approval of the provision of the Company’s endorsements and guarantees for subsidiaries.</li> <li>● Approval of the Company’s consolidated financial report for Q3 2022.</li> <li>● Approval of the Company’s 2023 audit plan.</li> <li>● Approval of the Group’s “carbon inventory” and “carbon neutrality” plans.</li> <li>● Approval of the amendment to the Company’s “Internal Control System” and “Rules for Implementation of Internal Audit”.</li> <li>● Approval of the amendment to the Company’s “Rules of Procedure for Board Meetings”.</li> <li>● Approval of the 2022 internal “Board Performance Evaluation”.</li> <li>● Approval of the ratification of the Company’s disposal of the shares in “Microprogram Information Co., Ltd”.</li> <li>● Approval of capital reduction in cash and refund of share capital of Gamania Holdings Ltd., Gamania International Holdings Ltd. and Gamania China Holdings Ltd., the Company’s subsidiaries.</li> <li>● Approval of the Company’s investment in the capital increase of GAMA PAY Co., Ltd. in cash.</li> </ul>
Mar 9, 2022	<ul style="list-style-type: none"> <li>● Approval of the Company’s 2022 financial statements and reports.</li> <li>● Approval of the remuneration for directors and employees for 2022.</li> <li>● Approval of the Company’s 2022 earnings distribution.</li> <li>● Approval of the salaries of directors and managers for 2023 recommended by the Remuneration Committee.</li> <li>● Approval of change of the Company’s certifying CPAs.</li> <li>● Approval of the independence assessment of certifying CPAs and their accounting firm for 2022.</li> <li>● Approval of the issuance of the Statement of Internal Control System from January 1, 2022 to December 31, 2022 based on the self-evaluation results of the internal control system.</li> <li>● Approval of the change of the custodian of the Company’s seal for “endorsements and guarantees”.</li> <li>● Approval of the comprehensive re-election of Board directors.</li> <li>● Approval of the lifting of non-competition on new directors.</li> <li>● Approval of the matters related to the 2023 general shareholders’ meeting.</li> <li>● Approval of the Company’s application for bank credit lines.</li> <li>● Approval of the Company’s annual budget for 2023.</li> <li>● Approval of the Company’s donation to Gamania Cheer Up Foundation.</li> <li>● Approval of the capital increase of the subsidiary “Jollybuy Digital Technology Co., Ltd”.</li> </ul>

(XIV) Main contents of different opinions of directors or supervisors that are recorded and stated in writing on important decisions made by

the board meetings in the most recent year up to the publication date of the annual report: None.

(XV) Summary of resignations and dismissals of the Company’s Chairman, President, head of accounting, head of finance, head of internal audit, head of corporate governance, and head of R&D in the most recent year up to the publication date of the annual report: None.

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

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

## V. Information on CPA Fees:

Currency: NT\$1,000

Name of the Accounting Firm	Name of CPA	Duration of the audit	Audit public expenditure	Non-audit public expenditure	Total	Notes
PwC Taiwan	Lin, Yi-Fan	Jan 1, 2022 to Dec 31, 2022	4,145	760	4,905	Description of non-audit public expenditures: Provide verification and certification services for the direct deduction method of business tax for concurrent business operators.
	Yen, Yu-Fun	Jan 1, 2022 to Dec 31, 2022				

- (I) When the accounting firm is changed and the audit fees in the year of replacement are reduced compared to that in the preceding year, disclose the audit fees before and after the replacement and the reasons: None.
- (II) When the audit fees are reduced by more than 10% from the preceding year, disclose the amount reduced, the ratio and the reasons: None.

## VI. Information on Replacement of CPAs:

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

- (I) About former CPAs

Date of replacement	March 9, 2023		
Reason for Replacement and Description	To go with the internal organizational adjustment of PwC Taiwan		
Explain if the appointee or accountant is terminated or does not accept the appointment	Client		Authorizer
	Situation	CPA	
	Spontaneous termination of appointment	Lin, Yi-Fan, Yen, Yu-Fun	None
	Does not accept (continue with) appointment	None	None
Opinions expressed in audit reports other than unqualified opinions issued within the most recent two years and the reason	None		
Different opinions from those of the publisher	Yes	Accounting principles or practice	
		Disclosure of financial statements	
		Scope of inspection or steps	
		Others	
	None	√	
	Description		
Other Matters (Those that should be disclosed as indicated in Items 1-4 to 1-7, Subparagraph 6 of Article 10 of these Guidelines)	None		

## (II) About Succeeding CPAs

Name of Accounting Firm	PwC Taiwan
Name of CPA	Yen, Yu-Fung and Lin, Yung-Chi
Date of Authorization	March 9, 2023
Consultations and findings about opinions possibly signed off on the accounting approach of specific transactions and financial statements prior to authorization.	None
Written opinions of succeeding CPAs that differ from those of former CPAs	None

## (III) Replies of former CPAs to Matter 3 of Item 1 and Item 2, Paragraph 6 of Article 10 of the Guidelines:

## (IV) Independence evaluation of CPAs

The Company's Audit Committee conducts an annual evaluation on the independence and suitability of the CPAs. In addition to requesting the CPAs to provide a "Statement of Extroridnary Indpednce" and "Audit Quality Indicators (AQIs)", CPAs are evaluated in accordance with the the following table and the 13 AQIs. It has been confirmed that the accountants have no financial interest or business relationship with the Company other than the fees for cerfication and tax cases, and the family members of the accountants do not violate the indepednce requirements. With reference with the information of AQIs, the audit expreince and training hours are comparable to the industry average. In addition, we will continue to introduce digital audit tools in the following three years to improve the quality of audits. The results of the evaluation were approved by the Audit Committee on March 9, 2023 and the evaluation on the independence and suitability of the CPAs was submitted to the meeting of the Board of Directors on March 9, 2023, which was approved by a resolution.

Evaluation item	Evaluation results	Compliance with independence requirement
Do the certifying CPAs have no direct or significant indirect financial interest with the Company?	Yes	Yes
Do the certifying CPAs have no inappropriate relationship with the Company?	Yes	Yes
Do the certifying CPAs not concurrently work as regular employees of the Company or its affiliated enterprises and receive a fixed salary?	Yes	Yes
Have the certifying CPAs not engaged in any financial borrowing or lending with the Company or its affiliated enterprises?	Yes	Yes
Have the certifying CPAs not received any commission related to the Company's business?	Yes	Yes
Do the certifying CPAs not hold any shares in the Company or its affiliated enterprises?	Yes	Yes
Have the certifying CPAs not provided audit services to the Company for	Yes	Yes

seven consecutive years?		
Do the certifying CPAs have no joint investment or benefit sharing relationship with the Company or its affiliated enterprises?	Yes	Yes
Do the certifying CPAs have not been involved in the management function of making decisions for the Company or related enterprises?	Yes	Yes
Do the certifying CPAs meet the independence requirements of the CPA Professional Ethics Bulletin No. 10, and has the Company obtained the "Declaration of Independence" issued by the certifying CPAs?	Yes	Yes

**VII. Disclose the name, position and duration of service at the certifying CPAs' firm or its affiliates that the Company's Chairman, President, or managers in charge of financial or accounting affairs served in the past year. None**

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

Unit: Thousand shares

Title	Name	2022		2023 As of March 31	
		Number of shares held Increase/decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Number of shares held Increase/decrease in the number of shares held	Increase/Decrease in the number of shares pledged
Chairman	Liu, Po-Yuan	(2,800)	(1,610)	-	-
Director	Wanin International Representative: Avan Xian	-	-	-	-
Director	Simon Lin	-	-	-	-
Director	CLOUD COPIOUS INVESTMENT LIMITED Representative: Alex Chen	-	-	-	-
Independent Director	Sheng, Bao-Si	-	-	-	-
Independent Director	Lin, Ruei-Yi	-	-	-	-
Independent Director	Chen, Kuan-Pai	-	-	-	-
Manager	Su, Hsin-Hung	-	-	(80)	-
Manager	Wu, Chang-Hung	-	-	-	-
Manager	Chien, Chih-Hao	-	-	-	-

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

Information on the pledge of equity: No pledge of equity to a related party occurred among the directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% of the Company in the past year up to the date the Annual Report was printed.

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

April 22, 2023

Name	Shares held in person		Shares held by spouse and minor child(ren)		Shares held in someone else's name		The title or name and relationship among shareholders in the Top shareholding list who are related, spouse to each other, or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Liu, Po-Yuan	17,491,305	9.97%	-	-	-	-	Xiang Sheng Investment Co., Ltd.,	Person in charge	-
WANIN INTERNATIONAL CO., LTD.	15,101,000	8.60%	-	-	-	-	-	-	-
Representative: Hsiao, Cheng-Hao	0	0	-	-	-	-	-	-	-
JOY DEVELOP CO., LTD., Taiwan Branch	14,971,000	8.53%	-	-	-	-	-	-	-
Lawsuit and non-lawsuit representative: Wang, Chun-Ming	0	0	-	-	-	-	-	-	-
Xiangsheng Investment Co., Ltd.	13,600,000	7.75%	-	-	-	-	Liu, Po-Yuan	Person in charge	-
Representative: Liu, Po-Yuan	17,491,305	9.97%	-	-	-	-	-	-	-
Investment Account of Xingtian Technology Co., Ltd., in the trusteeship of KGI Bank Co., Ltd.	3,877,000	2.21%	-	-	-	-	-	-	-
Account of Polunin Emerging Markets Fund Company in the trusteeship of Citibank	3,322,100	1.89%	-	-	-	-	-	-	-
Union Bank of Taiwan entrusted to hold the investment account of Boju Holdings Co., Ltd.	2,468,000	1.41%	-	-	-	-	-	-	-

Jakedi Emerging Market Small Cap Equity Fund in the trusteeship of HSBC	2,114,000	1.20%	-	-	-	-	-	-	-
Investment Account of Vanguard Emerging Markets Stock Index Fund in the trusteeship of JPMorgan Chase	1,798,916	1.03%	-	-	-	-	-	-	-
New System Labor Retirement Fund	1,682,115	0.96%	-	-	-	-	-	-	-

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

March 31, 2023 Unit: thousand shares; %

Reinvested enterprise (Note)	The Company's investment		Directors, supervisors, managers, and directly or indirectly controlled businesses		Comprehensive investment	
	Shares	Holding ratio	Shares	Holding ratio	Shares	Holding ratio
Gamania Holdings Ltd.	20,100	100.00%	-	-	20,100	100.00%
Gamania Digital Entertainment (HK) Co., Ltd.	25,500	100.00%	-	-	25,500	100.00%
FUNdation DIGITAL ENTERTAINMENT Co., Ltd.	317	100.00%	-	-	317	100.00%
DIGICENTRE COMPANY LIMITED	16,016	67.48%	-	-	16,016	67.48%
Jollybuy Digital Technology Co., Ltd.	32,600	98.89%	-	-	32,600	98.89%
TWO TIGERS CO., LTD.	627	51.00%	-	-	627	51.00%
Gash Point Co., Ltd.	13,500	90.00%	1,040	6.93%	14,540	96.93%
Indiland Co., Ltd.	2,950	100.00%	-	-	2,950	100.00%
DIT	3,997	33.03%	-	-	3,997	33.03%
ANTS' POWER CO., LTD.	1,000	100.00%	-	-	1,000	100.00%
COTURE NEW MEDIA CO., LTD.	1,315	93.08%	-	-	1,315	93.08%
WEBACKERS CO., LTD.	374	93.38%	-	-	374	93.38%
NOWNEWS NETWORK CO., LTD.	43,520	79.44%	515	0.94%	44,035	80.38%
Gamania Asia Investment Co., Ltd.	18,900	100.00%	-	-	18,900	100.00%
BEANGO CO., LTD.	400	100.00%	-	-	400	100.00%
GAMA PAY CO., LTD.	65,010	81.26%	11,675	14.60%	76,685	95.86%
CIIRCO, INC.	8,991	99.90%	-	-	8,991	99.90%
WALKERMEDIA CO., LTD.	3,000	30.00%	-	-	3,000	30.00%
SOFA Studio Co., Ltd.	3,000	42.86%	-	-	3,000	42.86%

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

## Four. Fund-raising

### I. Capital and Shares

#### (I) Source of share capital

March 31, 2023 Unit: NT\$1,000; thousand shares

MM/YYYY	Issue price	Approved capital stock		Paid-in capital stock		Remarks		
		Number of shares	Value	Number of shares	Value	Source of capital stock	Using properties other than cash to write off the stock value	Others
1995/06	10	500	5,000	500	5,000	Establishment		Note 1
1998/04	10	1,000	10,000	1,000	10,000	Capital increase in cash \$5,000		Note 2
1999/10	10	17,000	170,000	5,000	50,000	Capital increase in cash \$40,000		Note 3
2000/05	10	60,000	600,000	28,057	280,570	Capital increase in cash \$200,000 Earnings transferred capital increase \$ 27,500 Employee bonus transferred capital increase \$ 3,070		Note 4
2001/03	10	60,000	600,000	52,813	528,130	Capital increase in cash \$247,560		Note 5
2001/08	10	60,000	600,000	56,920	569,200	Earnings transferred capital increase \$ 36,970 Employee bonus transferred capital increase \$ 4,100		Note 6
2002/07	10	110,000	1,100,000	88,027	880,270	Earnings transferred capital increase \$ 227,680 Capital reserve transferred capital increase \$56,920 Employee bonus transferred capital increase \$ 26,470		Note 7
2002/11	10	110,000	1,100,000	108,027	1,080,270	Capital increase in cash \$200,000		Note 8
2003/07	10	250,000	2,500,000	158,799	1,587,997	Earnings transferred capital increase \$ 410,503 Employee bonus transferred capital increase \$ 97,224		Note 9
2004/10	10	250,000	2,500,000	153,990	1,539,897	Treasury stock-based capital reduction \$48,100		Note 10
2005/04	10	250,000	2,500,000	152,918	1,529,177	Treasury stock-based capital reduction \$10,720		Note 11
2005/09	10	250,000	2,500,000	151,879	1,518,787	Treasury stock-based capital reduction \$10,390		Note 12
2006/03	10	250,000	2,500,000	146,879	1,468,787	Treasury stock-based capital reduction \$50,000		Note 13
2007/09	10	250,000	2,500,000	152,869	1,528,694	Earnings transferred capital increase \$ 38,188 Employee bonus transferred capital increase \$ 21,719		Note 14
2007/10	10	250,000	2,500,000	153,067	1,530,677	Employee share subscription warrant conversion \$1,983		Note 15
2008/10	10	250,000	2,500,000	158,782	1,587,827	Earnings transferred capital increase \$ 7,061 Employee bonus transferred capital increase \$ 50,088		Note 16
2009/05	10	250,000	2,500,000	158,905	1,589,058	Employee share subscription warrant conversion \$1,231		Note 17
2009/11	10	250,000	2,500,000	160,495	1,604,950	Employee share subscription warrant conversion \$15,892		Note 18
2010/04	10	250,000	2,500,000	161,738	1,617,387	Employee share subscription warrant conversion \$12,436		Note 19
2010/05	10	250,000	2,500,000	165,637	1,656,376	Employee share subscription warrant conversion \$38,988		Note 20
2010/11	10	250,000	2,500,000	165,702	1,657,020	Employee share subscription warrant conversion \$644		Note 21
2011/04	10	250,000	2,500,000	166,320	1,663,206	Employee share subscription warrant conversion \$6,186		Note 22
2011/05	10	250,000	2,500,000	168,128	1,681,282	Employee share subscription warrant conversion \$18,076		Note 23
2011/06	10	250,000	2,500,000	156,288	1,562,882	Treasury stock-based capital reduction \$118,400		Note 24
2011/09	10	250,000	2,500,000	156,401	1,564,011	Employee share subscription warrant conversion \$1,128		Note 25
2011/11	10	250,000	2,500,000	156,751	1,567,515	Employee share subscription warrant conversion \$3,504		Note 26
2012/04	10	250,000	2,500,000	156,754	1,567,543	Employee share subscription warrant conversion \$28		Note 27
2012/06	10	250,000	2,500,000	156,812	1,568,125	Employee share subscription		Note 28

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

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

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

April 22, 2023 Unit: share

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

Information on shelf registration: None

## (II) Shareholder Structure

April 22, 2023

Shareholder structure Quantity	Government agency	Financial institutions	Other corporations	Individuals	Foreign institution and alien	Total
No. of people	0	3	195	41,766	205	42,169
Number of shares held	0	1,050,000	36,515,975	77,497,454	60,430,144	175,493,573
Holding ratio (%)	0	0.60	20.81	44.16	34.43	100

## (III) Decentralization of Equity

### Decentralization of equity

Denomination of \$10 per share

April 22, 2023

Levels of shareholding	Number of shareholders	Number of shares held	Holding ratio (%)
1-999	25,126	878,179	0.5
1,000-5,000	14,922	26,987,165	15.38
5,001-10,000	1,231	9,748,383	5.55
10,001-15,000	304	3,912,207	2.23
15,001-20,000	167	3,104,752	1.77
20,001-30,000	128	3,279,372	1.87
30,001-40,000	63	2,257,963	1.29
40,001-50,000	42	1,946,801	1.11
50,001-100,000	70	4,693,737	2.67
100,001-200,000	43	5,945,630	3.39
200,001-400,000	26	7,555,080	4.31
400,001-600,000	15	7,288,060	4.15
600,001-800,000	9	6,204,113	3.54
800,001-1,000,000	5	4,560,013	2.60
Above 1,000,001	18	87,132,118	49.64
Total	42,169	175,493,573	100.00

Preferred stock: None

## (IV) List of Major Shareholders

April 22, 2023

Name of major shareholder	Number of shares held (share)	Holding ratio (%)
Liu, Po-Yuan	17,491,305	9.97%
WANIN INTERNATIONAL CO., LTD.	15,101,000	8.60%
JOY DEVELOP CO., LTD., Taiwan Branch	14,971,000	8.53%
Xiangsheng Investment Co., Ltd.	13,600,000	7.75%
Investment Account of Xingtian Technology Co., Ltd., in the trusteeship of KGI Bank Co., Ltd.	3,877,000	2.21%
Account of Polunin Emerging Markets Fund Company in the trusteeship of Citibank	3,322,100	1.89%
Union Bank of Taiwan entrusted to hold the investment account of Boju Holdings Co., Ltd.	2,468,000	1.41%
Jakedi Emerging Market Small Cap Equity Fund in the trusteeship of HSBC	2,114,000	1.20%
Investment Account of Vanguard Emerging Markets Stock Index Fund in the trusteeship of JPMorgan Chase	1,798,916	1.03%
New System Labor Retirement Fund	1,682,115	0.96%

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

Item		Year		
		2021	2022	The current year up to March 31, 2023
Market value per share	Highest	73.80	73.30	92.60
	Lowest	53.80	51.20	68.80
	Average	62.74	62.85	78.60
Net value per share	Before distribution	30.82	33.35	35.20
	After distribution	25.82	33.35	35.20
Earnings per share	Weighted average number of shares (thousand shares)	175,494	175,494	175,494
	Earnings per share	6.30	7.29	1.92
Dividend per share	Cash dividend	5.00	5.80	-
	Free share assignment	-	-	-
		-	-	-

	Accumulated unpaid dividend	-	-	-
Analysis of return on investment	Price to earnings ratio	9.96	8.62	
	Price to dividend ratio	12.55	10.84	
	Cash dividend yield	7.97%	9.23%	

(VI) Company's dividend policy and implementation status

1. Dividend policy:

In accordance with our Articles of Incorporation, before deducting rewards for employees and directors, 10-15% of the net income before taxes of the year should be appropriated as the reward for employees and not more than 2% the reward for directors. The Company shall appropriate for write-off the loss carried forward, if applicable. The policy on the distribution of dividends is as follows:

(1) Principle for the distribution of dividends:

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

(2) Procedure for distributing dividends:

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

(3) How dividends will be distributed:

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

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

The Company's board meeting approved on March 9, 2023 to distribute a cash dividend of NT\$5.8 per share.

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

(VII) Impact of free share allotment intended by the current shareholders' meeting on the Company's operational performance and earnings per share: There is no share allotment.

(VIII) Remuneration for employees, directors and supervisors

1. Percentage or range of remuneration for employees, directors and supervisors as stated in the Company's Articles of Association:
  - (1) 10% to 15% as the remuneration for employees
  - (2) No higher than 2% as the remuneration for directors
2. Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration for employees and directors, basis for calculating the number of shares included in the distribution of remuneration for employees, and the actual value distributed and their estimates of the current term:

The amount of remuneration for directors reduced by NT\$14,382 against the expenses recognized in 2022. The difference will be recognized as the profit or loss in 2023.
3. Approval of distribution of remuneration by the Board of Directors:

The board meeting approved on March 9, 2023,

  - (1) Remuneration for directors: NT\$34,700,000.
  - (2) Remuneration for employees: NT\$173,571,908.
4. The actual amount of the 2021 remuneration distributed to employees and directors in 2022 is the same as the amount approved by the board meeting and the shareholders' meeting.

(IX) Status of purchase of treasury shares: None.

**II. Corporate Bonds:** None.

**III. Preferred Stock:** None.

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

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

**VI. New Shares with Restricted Employee Rights:** None.

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

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

## Five. Operational Overview

### I. Scope of Operation:

#### (I) Scope of Operation:

##### 1. Main scope of operation

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

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

Unit: NTD 1,000

Product \ Year	2021		2022	
	Value	%	Value	%
Gaming and point storage income	9,385,778	83%	9,490,862	83%
Labor and other operating income	1,986,699	17%	1,897,159	17%
Total	11,372,477	100%	11,388,021	100%

Source: 2022 consolidated financial statement audited and certified by CPAs.

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

- (1) Games: The games launched by the Group include online games such as “MapleStory”, Lineage Remastered”, “Elsword”, “Mabinogi”, “Counter-Strike Online” and “Dragon Nest”, and mobile games such as “Lineage M”, “World of Dragon Nest”, “The Legendary Moonlight Sculptor” and “World Flipper”.

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

integrating games, entertainment points, payment, e-commerce, IM communication and interaction, and connecting consumption expense deduction. Through functional module restructuring and optimization of the underlying logical architecture of big data engineering, it enhances user experience and strengthens group service connectivity, and delves into diverse user scenarios to create more fun for life, open the “Multi functional Radar” anytime and anywhere, enjoy a simple and rich online life, and connect the online ecosystem.

#### 4. New products (services) to be developed

Through constant collaboration with world-leading game developers, we will launch quality game contents and introduce big games with elaborate and unique contents based on market orientation and gamer demands to boost game operations with heavyweight IPs. We will also make fuller and more diversified deployment for the beanfun! ecosystem, constantly develop and connect with new contents and services, and meet user demands through in-depth development of ACGN e-commerce and diversification of the application scenarios of GAMA PAY, the e-payment service under Gamania, to seize the market of Taiwan’s mobile life portal apps. In addition, in recent years, the cloud and information security markets have flourished, and the Group’s subsidiary Digicentre has successfully expanded into the Southeast Asian market. Combined with the local demand for smart cities, it has initially established a local operating foundation and created new revenue drivers. In the future, it will continue strengthening research and development and operational capabilities, and deepen its overseas market penetration

## (II) Industrial Overview:

### 1. Current Industry Status and Development

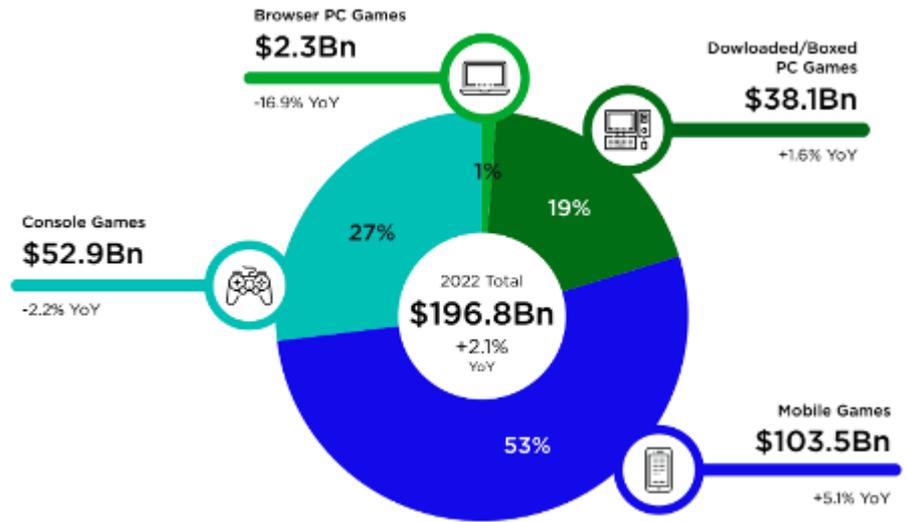
#### (1) Game market

According to the “2022 Global Games Market Report” released by international market research firm Newzoo, the overall global gaming market size reached USD196.8 billion in 2022, a growth of 2.1% compared to that in 2021. Among them, the largest market was mobile games with a scale of USD103.5 billion, accounting for 53%, and the annual growth rate was the highest among all platforms, reaching 5.3%. The second largest market was console games with a scale of USD52.9 billion, a decrease of approximately 2.2% annually, mainly due to the unstable supply chain of components in the year and the

delayed launch of many games.

According to the statistics of professional mobile game database “data.ai”, RPG, strategy and match are the top three types of games that are most popular with global mobile game players in global mobile game spending.

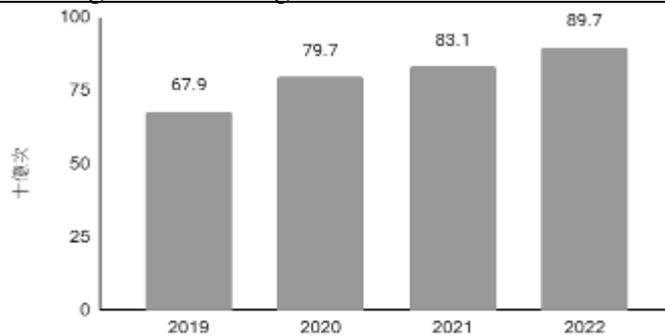
Global gaming market scale 2022 by platform type



Source: Newzoo (2022)

The revenue sources of global mobile games are mainly from two major platforms, with Google Play accounting for about 60% and App Store accounting for about 40%; according to the statistics of professional mobile game database “data.ai”, the number of mobile game downloads in the world reached 89.7 billion in 2022, with an annual growth rate of 8%.

Number of global mobile game downloads from 2019 to 2022

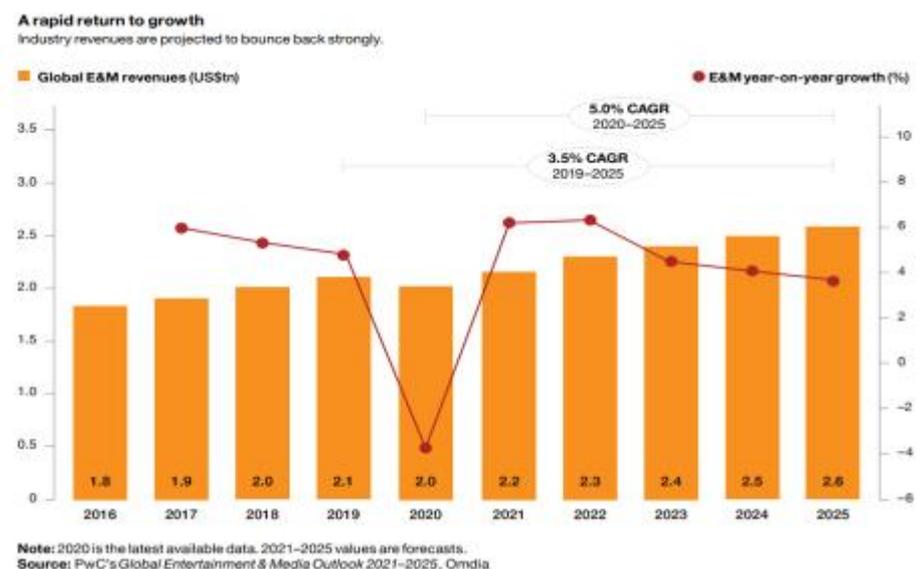


Source: data. ai (2023); compilation by the Company

(2) Entertainment media market

According to the PwC Global Entertainment & Media Outlook 2021~2025 by PricewaterhouseCoopers (PwC), besides causing a significant decline to the global entertainment and media (E&M) industry in 2020, the pandemic continues to affect economic activities and lifestyles worldwide. Thanks to the development of a new lifestyle to co-exist with COVID-19 in 2021, progressive, limited entertainment has revived, with the market bouncing back to a worth of USD2.2 trillion (approx. NT\$61 trillion) (as shown in the chart below). Looking at the long-term trend, the global E&M industry continues to grow hot and it is estimated it will grow to a scale of about USD2.6 trillion in 2025. Overall, the compound annual growth rate of the 2020~2025 revenues of the global E&M industry is about 5%. The pandemic outbreak in 2021 and 2022 has changed the behavior of consumers and accelerated the digital transformation of governments and businesses to advance the digital revolution. This may also bring forth a turning point to the industry's ecosystem that would take years to break through. Digitalization will be a key momentum to shape all industries. It is expected that the entertainment and media industry in the future will turn distant, virtual, streamed, and personalized and become even more home-centered, creating even greater digital business opportunities.

### Revenue of Global Entertainment and Media Industry 2016 to 2025

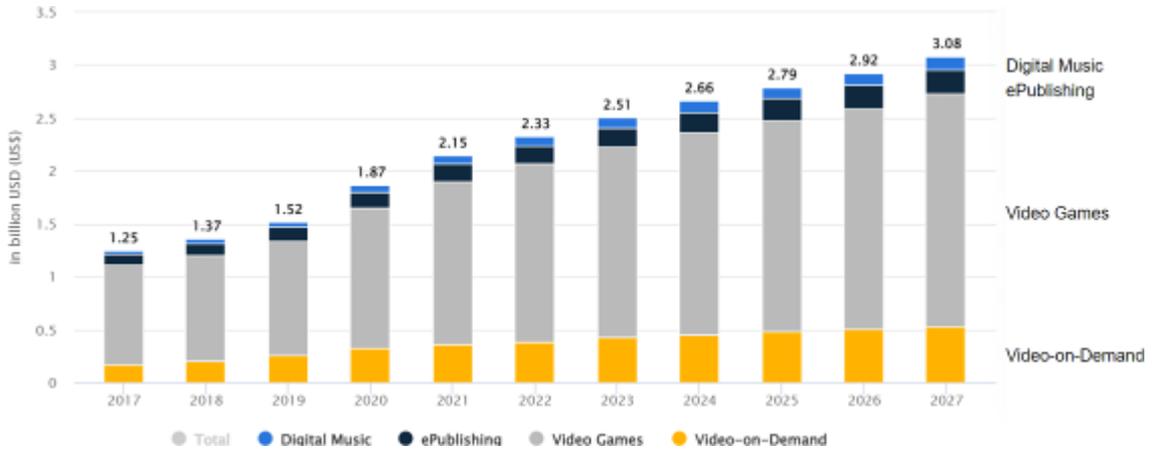


Source: PWC (2021)

According to the statistics of Statista database, the overall revenue scale of Taiwan's digital media industry reached USD2.33 billion in 2022, and it is estimated that the overall market size will grow to

USD3.08 billion in 2027.

Revenue Scale of Taiwan's Digital Media Industry from 2017 to 2027



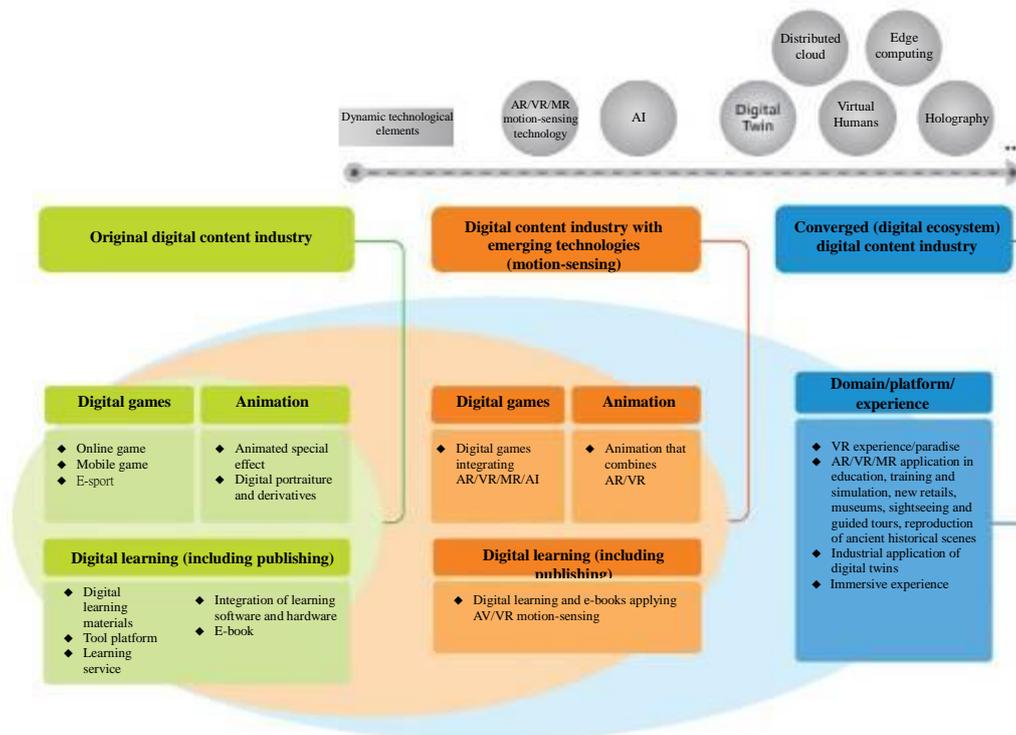
Source: Statista (2022)

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

According to the latest Taiwan Digital Content Industry Yearbook, the discussions shall cover three levels. At level one, the original three major core industries are maintained: 1. Digital games: online games, mobile games and e-sports. 2. Animation: animated special effects, digital portraiture and derivatives. 3. Digital learning: digital materials, tool platforms, learning service, integration of learning software and hardware, e-books. At the second level, it is the digital content industry that combines emerging technologies (motion-sensing) and new technological elements, including AR/VR/MR, AI, and blockchain. The discussion at level three continues to address the development of emerging digital technologies. The ongoing evolution of technology contents shows the ecosystem of digitization. During the pandemic, data of the Internet of Behaviors (IoB) are collected to influence human behaviors with the epidemic control data. In the converged digital content industry, field, platform, and experience are the interfaces for demonstration and application, including VR experience/paradise, application of AR/VR/MR to education, training and simulation, new retailing, museums, travel guide, and reconstruction of historical scenes. The pandemic has accelerated the digitization of engagement in digital twin applications by users and businesses to boost the industrial application of digital twins: immersive experience or multi-experience, total experience, human experience platforms. The dynamic evolution of emerging technological trends (as shown below),

such as some technological elements that affect the development of the digital content industries, such as digital twins, virtual humans, virtual YouTubers, holography, and even edge computing, distributed clouds.

Scope of the digital content industry in Taiwan



Source: Taiwan Digital Content Industry Yearbook (2021);  
Chung-Hua Institution for Economic Research.

3. Various product development trends

- (1) Various heavyweight games for market diversification: The Gamania Group has been cultivating the game market in Taiwan, Hong Kong, and Macao for over 26 years, and built an integrated, full-featured powerful team combining operations, marketing, customer service, and advertising. Besides starting the online game era in Taiwan with Lineage launched in 2000, we also made video games an all-out fashion with the free MapleStory launched in 2005. Games with richer contents and more comprehensive styles have been launched in recent years, including first-person shooter (FPS), role-playing game (RPG), real-time Strategy (RTS), action game (AG), adventure game (AVG), simulation game (SIM), sports game (SPG), puzzle game (PUZ), casual/education simulation (EDU), and others, and are run

for the long run. Although there are many new game businesses in Taiwan, various classic Gamania games never fail. The heavyweight IP game “Lineage M” was introduced at the end of 2017 and set multiple records in the history of mobile games of Taiwan. Various collaborative events have been introduced with subsidiaries, too, to provide players with more diversified services. MapleStory, a classic Gamania game, has created new milestones in recent years. Besides cultivating new users from younger age groups, the team lifted the brand status to the “trend maker of PC games” in 2020 to constantly raise the user confidence index, and the revenues hit a new high. The annual revenues in 2022 hit a new record high. In the future, we will continue to demonstrate our robust local operation power to integrate cross-industry resources in order to fulfill the gamer’s demand for new gaming experience.

- (2) New business opportunities for e-commerce: JollyBuy Digital, a Gamania business and Taiwan’s first ACGN entertainment e-commerce platform, cultivates new domains in e-commerce through the shopping guide of beanfun!, the membership advantage of Gamania, and the interactive consumption model integrating e-commerce and games. MOEA selected JollyBuy Digital to help shops and individuals to run online shops under the Retailers Digital Transformation Stimulus Program by introducing more preferential plans for digital transformation to retailers in order to relieve their pressure in business operations during the pandemic. It introduced Taiwan’s first online mystery box marketing model to bring new business opportunities with brand-new buying experience. In 2022, it continued focusing on the products loved by the ACGN community as the key category, and exclusively promoted virtual and physical consumption through innovative services, driving new customer traffic.
- (3) A bigger picture of m-payment: To accelerate the popularization of mobile payment (m-payment) in Taiwan, the government has actively introduced related solutions, aiming to push m-payment popularity to 90% by 2025. A big progress has been seen in recent years, with a growth of over 70% in 2021. GAMA PAY, a Gamania business, is actively developing cooperation with various consumption channels to achieve O2O payment app. In the past three years, it expanded the cooperation with Taiwan’s four leading convenience store chains to

significantly strengthen the buying power of the beanfun! ecosystem. GAMA PAY also started the cross-institution transfer service in response to the amendment to The Act Governing Electronic Payment Institutions, and is engaged in service innovation to provide members with convenient, efficient, and comprehensive consumption experience. In 2022, it mastered the new retail business model of OMO virtual reality integration, and deeply cultivates high-frequency application scenarios.

- (4) Accurate capture of digital marketing trends: CONETTER, a Gamania business, provides comprehensive integrated marketing services to partners by mining the demands of internet users with the solid digital media foundation established over the years, and sharing the results of big data analysis based on Gamania's rich network resources. Furthermore, by linking multiple media, CONETTER maximizes the effectiveness of customer marketing to successfully help various online products and services, such as games, entertainment, and e-commerce, to enter Taiwan's market smoothly.
- (5) Integrated development of pan entertainment services: We are committed to building beanfun! as the entrance platform of the pan entertainment ecosystem, and extend it to the fields of film, television and art to cultivate innovation talents and strengthen the content. At the same time, we actively expand cooperation among different industries, deepen the richness of application scenarios, and introduce a new community function "Show Together" to deepen user connectivity, introduce a large number of new users, and increase user activity.

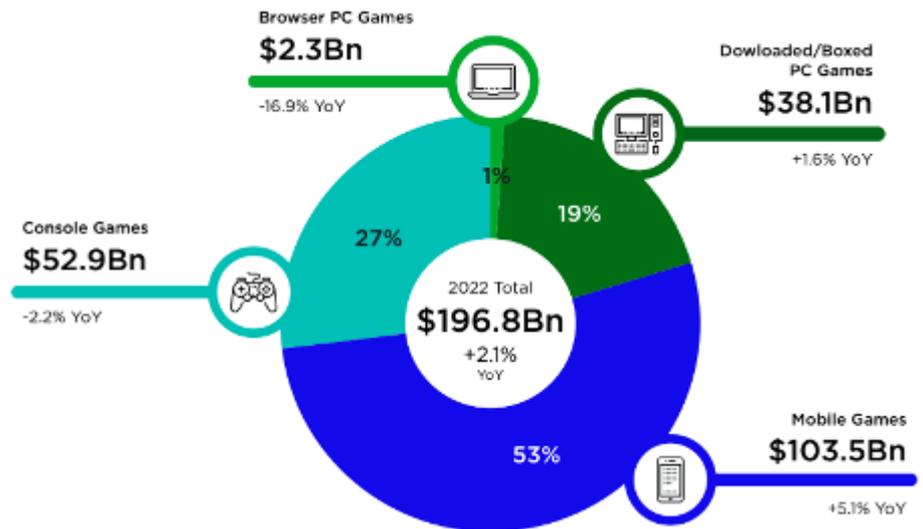
#### 4. Product competition situation

##### (1) Game market

With the evolution of software and hardware technology, the habit of players using computers or websites to play games in the past has changed. At present, global players mainly use "mobile phones" to play games, with 53% of global players being accustomed to or frequently using mobile devices to play games. It is also the fastest growing type of gaming platform, mainly due to the popularity of the internet and the fact that almost everyone owning a phone or other mobile device, making mobile games a convenient and fast access gaming channel, and also a frequently used gaming platform for mild

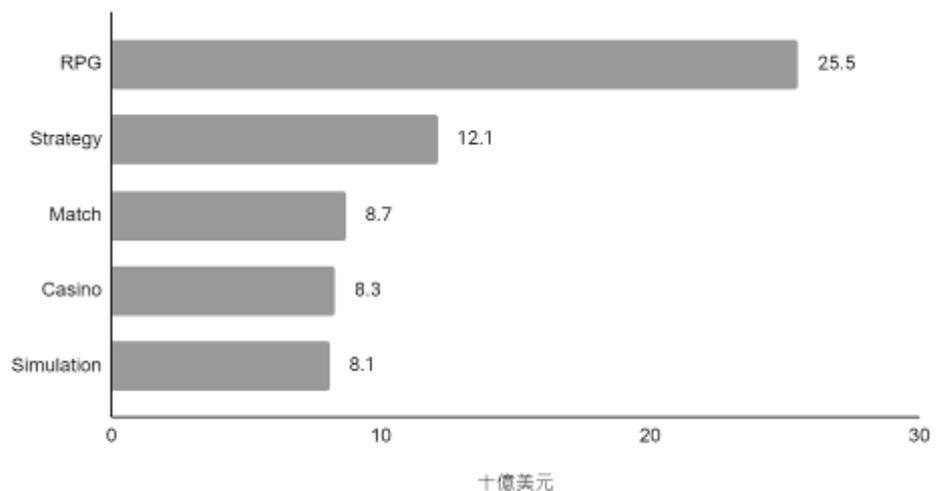
players. The most popular mobile game genre among global players in 2022 is “Role Playing Games” (RPG), with a global consumption amount (IAP) of USD25.5 billion, followed by “Strategy” and “Match”; “Console”, the second most popular gaming platform which accounts for 27%, is usually the platform preferred by moderate or heavy players, and can carry more refined and smooth game settings.

Global gaming market scale 2022 by platform type



Source: Newzoo (2022)

Scale of In-Software Consumption (IAP) of Global Mobile Game Best-selling Types in 2022



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

(2) E-commerce market

Due to the popularity of the internet and the impact of the pandemic, the main e-commerce platforms can be divided into comprehensive e-commerce platforms, physical retail online shopping channels, third-party delivery platforms, brand online shopping channels, community or communication platforms, etc. based on their functions. In the competitive e-commerce market, the factors that affect consumers' willingness to place orders and annual popularity are usually the arrival time, sufficient inventory, customer service processing, website and app updates.

In recent years, various e-commerce companies have also launched various promotions and holiday activities, which have also increased consumers' willingness and motivation to make online purchases. According to the "2022 E-commerce Shopping Festival Consumer Survey" released by the Market Intelligence & Consulting Institute (MIC) of the Institute of Information Industry, the average annual consumption amount of Taiwanese people during the e-commerce shopping festival is NT\$21,728, with an annual growth rate of 44%. The most commonly used consumption channel is comprehensive e-commerce platforms (accounting for 86%), followed by physical retail online shopping channels (accounting for 31%). Nearly 50% of consumers are most concerned about the reliability of delivery time during the e-commerce shopping festival.

(3) Payment market

Mobile payment is becoming increasingly popular; currently in Taiwan, induction payment, third-party payment and electronic payment are the most common methods, mainly differentiated by regulatory authorities and the scope of business undertaken. According to the statistics of the Financial Supervisory Commission, in December 2022, approximately 21.88 million people used electronic payments, with a cumulative transaction amount of over NT\$111.4 billion for the entire year.

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

		withdrawal, etc
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Source: Compiled by the Company

The current providers of cash flow collection services in Taiwan include electronic payment platform providers and financial institutions. Given the small operation scale of many merchants and the high cost of signing chartered stores by financial institutions, the frequency of connection and cooperation with electronic payment manufacturers will increase significantly, which will also have a competitive impact on electronic payment manufacturers. Electronic payment manufacturers will face one of the most important and urgent changes and challenges in integrating upstream and downstream services and connections.

In recent years, in response to the changes in payment habits, the government has gradually relaxed and adjusted relevant regulations and promoted relevant measures. For example, the Financial Supervisory Commission has established a “Financial Technology Experimental Field” to enhance the development of Taiwan’s financial technology, and it passed in 2020 the third reading on the amendment to “The Act Governing Electronic Payment Institutions” to integrate electricity payments and bills, open up small remittances and foreign currency trading, and open up cross institutional exchange of funds to create more development space and opportunities for businesses, so as to promote healthy market development and competition, and create a more complete consumption environment.

(III) Technical and Research and Development Overview:

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

Year	Research and development expenditure	Research and development accomplishments
2022	NTD 484.778 million	<ol style="list-style-type: none"> <li>1. Adjustment and new function design of STARO 2.0.</li> <li>2. Set up the fun Market website to meet customer demands for digital collectibles.</li> <li>3. Chibi Maruko-chan mobile game</li> </ol>

		(complete cycle experience version) development. 4. Pili MVP core gameplay demo version.
Q1 2023	NTD 160.031 million	1. Chibi Maruko-chan mobile game (CB version) development. 2. Develop “novel weight evaluation system” by adopting the Reader Response Theory, and try to introduce program analysis and big data cross-comparison. 3. Research and development production of Vtubers and virtual idols.

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

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

- (1) Heavyweight IP game operations: Market oriented and player demand-centered along with the diversified segmentation strategy, quality game contents will be introduced.
- (2) In-depth development of ACGN e-commerce market: JollyBuy Digital of Gamania Group will continue to enhance the consumption model that combines shopping with game interaction, develop differentiated business models specific to digitization, accelerate the big data application within the Group’s ecosystem resources, realize real-time personalized product recommendation, and continuously focus on the products loved by the ACGN community as the key product category, exclusively promote virtual and real consumption through innovative services, and drive new customer traffic to further increase the business momentum of beanfun!.
- (3) Deploying scenarios for m-payment application: GAMA PAY of Gamania Group will prioritize the consumption channels for young and gaming communities, actively negotiate with partners from all fields, develop a diverse range of services and application scenarios, deeply cultivate high-frequency payment scenarios, continue to expand key channels for user preferences, and strengthen the ability of beanfun! ecosystem to localize, while creating fast, convenient, and secure payment tools.
- (4) Expanding the market share of beanfun! and maximizing its influence on a mobile life: The mobile life platform beanfun! App introduced by

the Group demonstrates the momentum and membership size built over the years in the transformation into a web-based enterprise, which are the niche for the growth of beanfun!. Beanfun! will continue to develop and interface new contents and services and deepen the management over user needs to secure its presence on the mobile life portal market in Taiwan.

2. Long-term business development plan

The Group will continue to grow towards a comprehensive web-based enterprise. In the future, besides growing further each of its businesses, including gaming, payment, e-commerce, media, and digital business solutions for diversified deployment, the Group’s operations will be focused on the beanfun! mobile life platform, invest in resources to develop self IP, and through business integration and connection, comprehensively delve into daily use, flip usage experience, innovate group capacity, leverage group synergy, build a fully ecological network enterprise, and build a fully ecological network platform called beanfun! connective group network ecosystem to lay the foundation for sustainable growth.

## II. Market and Production/Distribution Overview:

### (I) Market Analysis

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

Unit: NTD 1,000

Item \ Year	2021		2022	
	Value	Value	Value	%
Taiwan	9,659,101	85%	9,542,562	84%
Asia and others	1,713,376	15%	1,845,459	16%
Total	11,372,477	100%	11,388,021	100%

Source: 2022 consolidated financial statement audited and certified by CPAs.

Gamania is a pioneer in the gaming industry of Taiwan. It started the era of online games in 2000 and introduced the first fee collection model featuring free download of the tools in 2005. All have been trend-setting and received well among the consumers. Gamania has also been listed as one of the “Top 100 Companies for the Young Generation” for consecutive years. The Gamania Group, not only demonstrating robust capabilities in the gaming field, has also been proactively transforming itself. In 2019, it

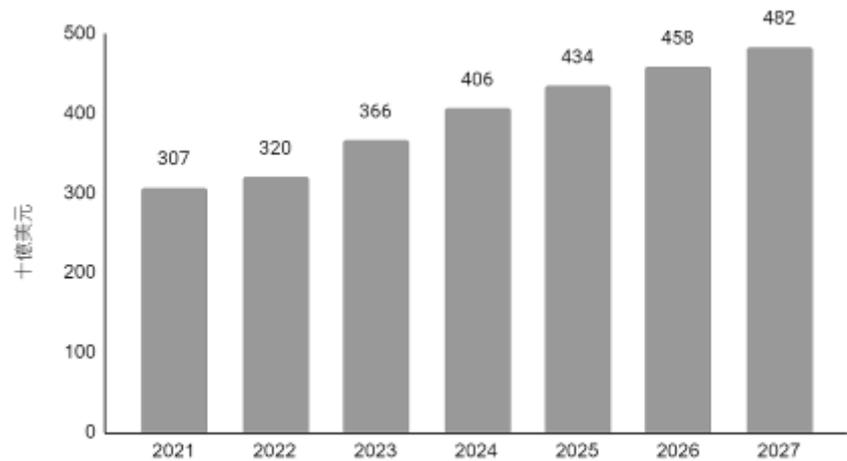
built the first local mobile life portal “beanfun!” in Taiwan that combines games, points, media, mobile payment, and e-commerce in one while trying to become the first comprehensive web-based enterprise in Taiwan.

## 2. Market share

### (1) Game market (including end games, mobile games and web games):

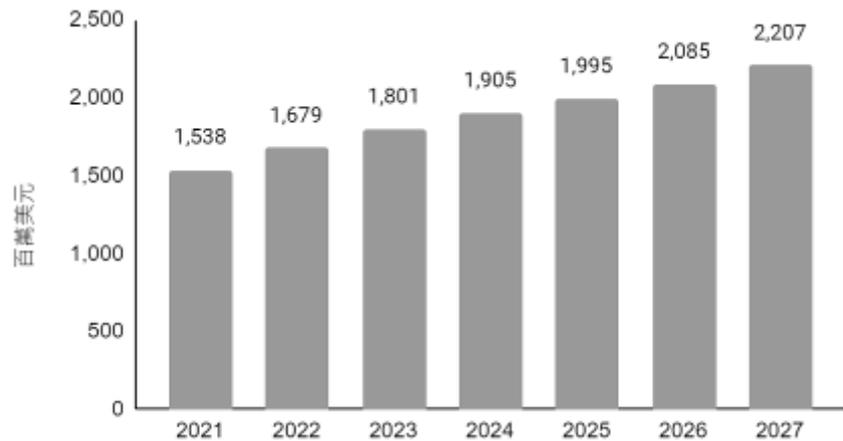
According to statistics, the global gaming market size reached USD 320 billion in 2022, with an annual growth rate of 6%, and is expected to grow to USD 482 billion in 2027; the gaming market size in Taiwan for that year was approximately USD 1.7 billion, with an annual growth of 9%, and is expected to grow to USD 2.2 billion in 2027.

#### Global gaming market’s revenue scale



Source: Statista; compilation by the Company

### Taiwan gaming market's revenue scale



Source: Statista; compilation by the Company

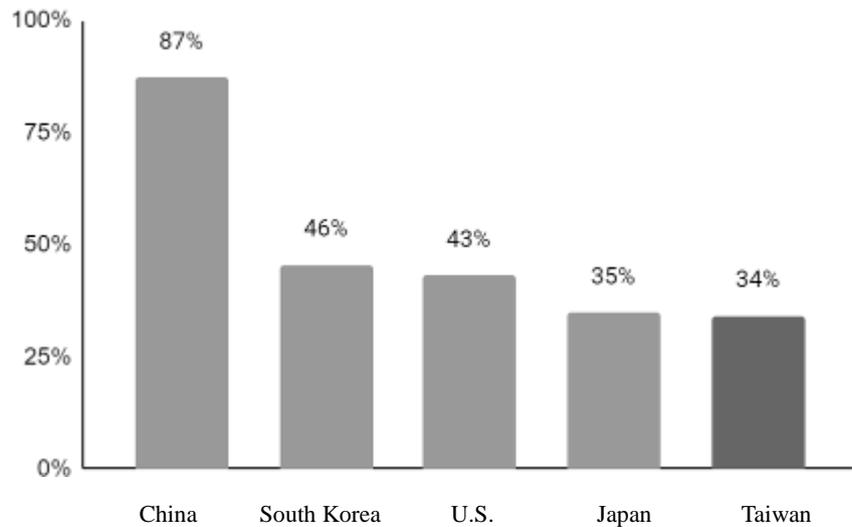
(2) E-Commerce:

According to the Department of Statistics and other data, in 2022, the online sales volume of the domestic e-commerce and mail order industry reached NT\$281.8 billion, an annual growth of 8%, and e-commerce transactions accounted for approximately 9.5% of the overall retail market. According to statistics, the e-commerce penetration rate in Taiwan in 2021 was 10.8%, compared to 13.7% in Singapore, 24.2% in China, and 27.8% in South Korea. The domestic e-commerce market still has a great potential and room for growth, and it is expected that the penetration rate in Taiwan's e-commerce market will have a chance to exceed 20% by 2030.

(3) Mobile payment market:

According to the statistics of the Financial Supervisory Commission, in 2022, there were approximately 5.458 billion non cash payment transactions, with a total amount of approximately NT\$6.17 trillion; The cumulative total number of users of electronic payment accounts is approximately 21.88 million, and the actual transaction amount for the year is approximately NT\$111.4 billion. According to the statistics of the Financial Supervisory Commission, the cumulative total number of users of Gamania Pay under the Group is about 490,000, and the actual transaction amount for the whole year of 2022 is about NT\$5.3 billion.

### User rate of mobile payments in all countries



Source: Taiwan Network Information Center (2022); compilation by the Company

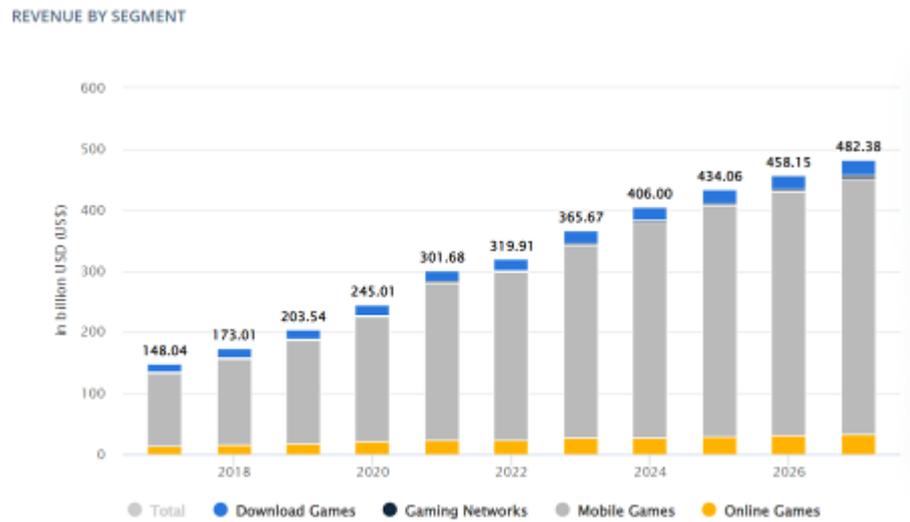
### 3. Future supply and demand and growth on the market

#### (1) Game market:

According to statistics, the overall global gaming market size reached USD319.9 billion in 2022, with the mobile gaming market size reaching USD274.7 billion, accounting for over 50% of the overall gaming market and still the fastest growing part, and it is expected to grow to USD419.7 billion by 2027. By 2027, the gaming market revenue will increase to USD482.4 billion, with a compound annual growth rate of 8.56% between 2022 and 2027.

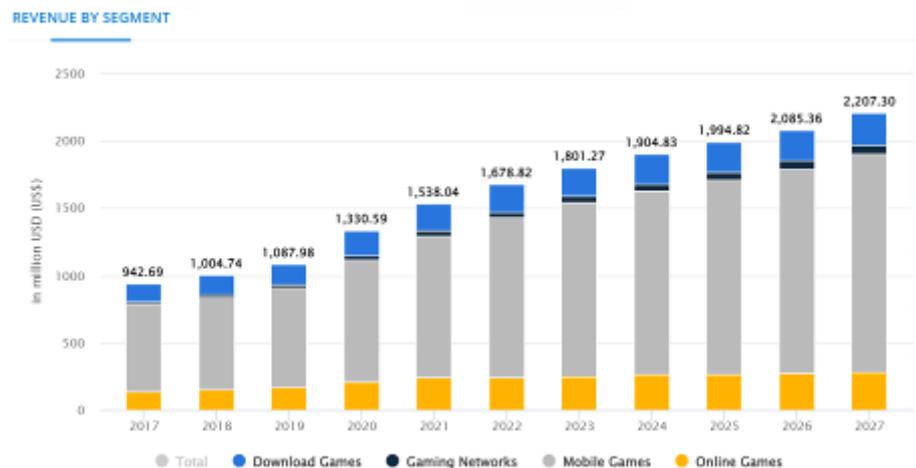
The overall gaming market size in Taiwan in 2022 was USD1.7 billion and it will grow to USD2.2 billion in 2027, with the mobile gaming market accounting for nearly 70% of the overall gaming market.

## Global gaming market's revenue scale



Source: Statista

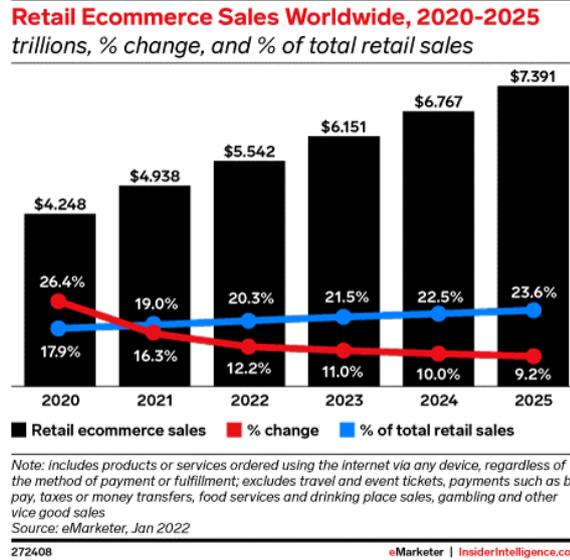
## Taiwan gaming market's revenue scale



Source: Statista

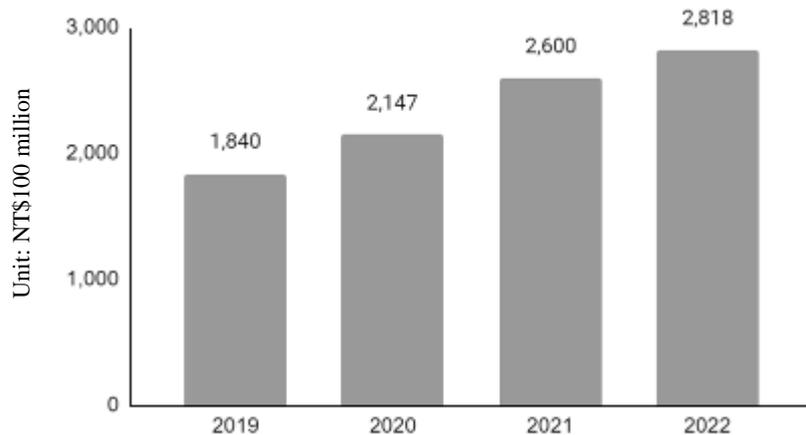
- (2) E-commerce market: According to eMarketer, an international institution, the global market scale of e-commerce grows rapidly by 12.2% to USD5.5 trillion in 2022, and the 2025 scale is expected at USD7.4 trillion. According to the Department of Statistics, MOEA, the online sales market size of Taiwan's e-commerce and mail order industry reached NT\$281.8 billion in 2022, an annual increase of 8%. In 2022, the proportion of e-commerce transactions in Taiwan's overall retail sales was about 9.5%, and it is expected that the proportion of e-commerce transactions will grow to 11.7% in 2026. At that time, the overall e-commerce market size is estimated to grow to NT \$652.4 billion.

## Global e-commerce market size 2020~2025



Source: eMarketer (2021)

## Taiwan e-shopping and mail order market size 2019~2022



Source: Department of Statistics, MOEA and compilation by the Company

- (3) Mobile payment: According to Worldpay, an international institution, the proportion of m-payment in online and offline sales was 49% and 29% respectively in 2021, and is expected to increase to 53% and 39% respectively in 2025. The ratios of online and offline mobile payments in the Asia-Pacific region were, respectively, 69% and 44%, in 2021 and they are expected to grow further to 72% and 56%, respectively in 2025, turning it to be the region with the highest ratios of mobile payments in the world. According to the “Taiwan Consumer Digital Finance and Payment Trends Survey” released by MasterCard at the end of 2022, more than 70% of Taiwanese people preferred using digital payment tools for daily consumption. In the past year,

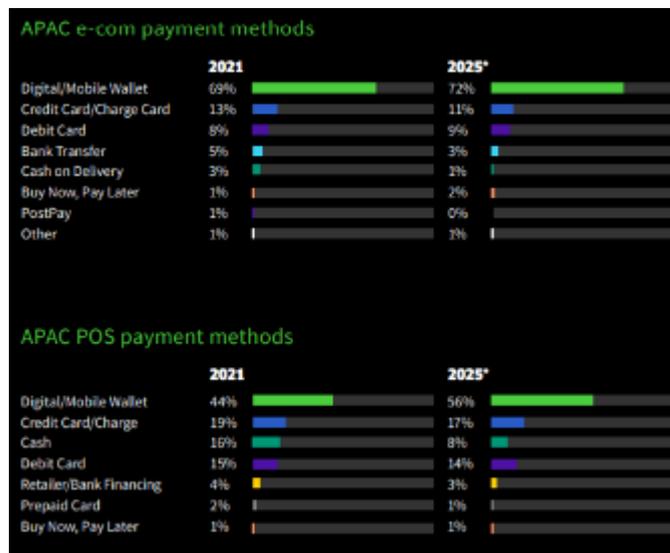
one out of every ten consumers stopped using cash as a payment tool, indicating the high dependence of Taiwanese people on digital payments. In 2022, more than 68% of consumers registered at least one brand new payment wallet, while the number of consumers who registered more than 10 payment wallets increased five times compared to that in 2021.

Global Payment Methods Analysis 2021-2025



Source: Worldpay (2021)

## Asia-Pacific Payment Methods Analysis 2021-2025

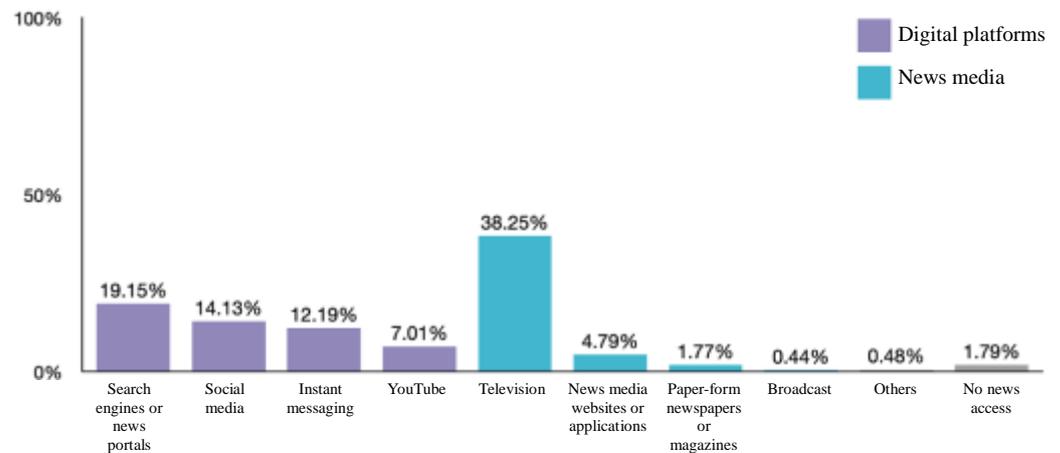


Source: Worldpay (2021)

- (4) Media market: According to a survey conducted by the Taiwan Network Information Center, the 2022 Taiwan Network News, the main sources of news for the domestic public are not only traditional “television” news media (accounting for 38.25%), but also diverse digital platforms. Among them, “search engines or news portals” account for 19.15%, “social media” accounts for 14.13%, and “instant messaging” accounts for 12.19%, The total proportion of the three is 45.47%. These results show that people have considerably a high dependency on online media when internet usage is highly popular. Hence, related services such as online media will surely bring essential influence and thereby attract many enterprises to enter the market in order to build a comprehensive network ecosystem.

## News Access Channels in Taiwan

**Digital platforms have surpassed news media to become the main source of news for people**



Source: Taiwan Network Information Center (2022)

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

Gamania has been running the games business for 26 years and become the world leader of pioneering models. In 2000, we started Taiwan's online game fashion with our flagship game Lineage. In 2005, we successfully expanded the categories of gamers with MapleStory through a new approach featuring free operations, customer positioning, and special marketing, which still hit a new record in 2022. In 2014, we launched the free server version of the evergreen online game Lineage, which attracted the registration of over one million members, a new record high. In 2017, the heavyweight IP-Based mobile game Lineage M created numbers of records in Taiwan's mobile game records. According to App Annie, an international survey institution, Lineage M has been the best-selling mobile game in Taiwan for four consecutive years. All of the above are examples of Gamania's innovative and flexible strategies. Gamania thinks outside the box and takes the lead to address demand on the market and the needs of users to be a brave breakthrough pioneer. Its brand new creativity is its main competitive advantage.

We also fearlessly started a transformation to expand to the e-payment, e-commerce, media, and digital commerce sectors to actively transform into an internet business with an omni-ecosystem. The transformation includes: teaming up with international game developers to introduce heavyweight new games for gamers to enjoy unique new gaming

experience; capturing the business opportunities in entertainment e-commerce through JollyBuy Digital targeted at the ACGN groups to create an interactive shopping model by integrating with games; fully penetrating into the consumption of all parts of the daily life--food, clothing, housing, transportation, education, and entertainment--with GAMA PAY to develop convenient and safe payment services to develop convenient and safe payment services closer to the consumption needs of the digital generation through O2O connection; and demonstrating influence in respective areas through the media business by mining the needs of internet users through CONETTER with rich experience in native digital foundation developed over a dozen years to quickly link up network resources to increase the share of voice for partners. In the future, the Gamania Group will focus its developments on AI, big data and platforms, and will start with its game users to connect its four major businesses, namely game, payment, e-commerce and media, and put them together on the beanfun! platform. It is expected to form an ecosystem featuring synergy and sharing of resources with beanfun! in the center.

(II) Important purposes and production processes of main products

1. Important purposes of main products

We mainly offer gaming service and expand to different business types including e-commerce, payment, media, and mobile life platform to create a comprehensive smart lifestyle for consumers.

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

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

(IV) List of key purchase and sales customers in the most recent two years

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

Item	2021				2022				2023 up to the end of the previous quarter			
	Name	Value	Percentage in the net purchases throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net purchases throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net purchases of the current year up to the end of the first quarter (%)	Relationship with the issuer
1	P01	1,637,373	25.17	None	P01	1,952,497	30.26	None	P01	604,227	35.74	None
2	P04	1,190,124	18.30	None	P04	1,057,242	16.39	None	P04	188,481	11.15	None
	Other	3,676,565	56.53		Other	3,442,726	53.35		Other	898,048	53.11	-
	Net purchases	6,504,062	100.00		Net purchases	6,452,465	100.00		Net purchases	1,690,756	100.00	-

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

Item	2021				2022				2023 up to the end of the previous quarter			
	Name	Value	Percentage in the net sales throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net sales throughout the year (%)	Relationship with the issuer	Name	Value	Percentage in the net sales of the current year up to the end of the first quarter (%)	Relationship with the issuer
1	S23	2,337,612	20.37	None	S23	1,952,913	17.16	None	S23	365,210	12.39	None
	-	-	-	-	-	-	-	-	-	-	-	-
	Other	9,139,992	79.63		Other	9,430,026	82.84		Other	2,583,287	87.61	-
	Net sales	11,477,604	100.00		Net sales	11,382,939	100.00		Net sales	2,948,497	100.00	-

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

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

Unit: NTD thousand

Production volume/ value	Year	2022			2021		
		Throughput	Production volume	Production value	Throughput	Production volume	Production value
Main product (or department)							
Online game		-	-	-	-	-	-
Labor		-	-	-	-	-	-
Other		-	-	-	-	-	-
Total		-	-	-	-	-	-

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

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

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

Unit: NTD thousand

Sales volume/ value	Year	2022				2021			
		Domestic sales		Overseas sales		Domestic sales		Overseas sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Main product (or department)									
Online game		-	-	-	-	-	-	-	-
Labor		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

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

### III. Employees

Year		2021	2022	As of March 31, 2023
Number of employees	Manager	179	182	182
	Research and development	125	160	164
	Management and distribution	780	711	704
	Total	1084	1053	1050
Mean age		35.66	35.87	36.10
Mean years in service		5.43	5.22	5.21
Ratio of education distribution	PhD degree	0.18%	0.09%	0.10%
	Master's degree	15.50%	17.24%	17.53%
	Bachelor's degree	69.01%	66.58%	66.27%
	College degree	9.13%	9.61%	9.79%
	High School and Below	6.18%	6.48%	6.31%

### IV. Information on Environmental Protection Expenditure

Any losses (including compensations and violations of environmental protection laws found in environmental audits with information regarding the date of sanctions, ticket number, regulations breached, contents of breach, and contents of sanction) due to pollution in the most recent year and until the date of annual report publication, and disclose the estimated amount at present and in the future and countermeasures: None

### V. Labor-Management Relations

#### (I) Employee Welfare Measures

##### 1. Employee group insurance

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

##### 2. Employee healthcare program:

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

##### 3. Cafeteria and leisure center:

We have a cafeteria for employees to enjoy food with daily free points, and

a free fitness center for employees to exercise round the clock.

4. Employee benefits:

All Gamania employees are entitled to have their children studying at the Company’s affiliated kindergarten with partial sponsorship, staff discounts for online game points, free parking, Gamania branded merchandise, unlimited autonomous leave, 3 days of paid employee travel leave, paid birthday leave, 8 days of paid pregnancy checkup for female employees, 8 days of paid paternity leave and 5 days of pregnancy checkup accompaniment leave for male employees and maternity leave up to 8 days, paid pandemic care leave, paid pandemic vaccination leave, and other benefits including department dinner allowance, employee travel allowance, employee club allowance, festival and birthday cash gifts, wedding subsidy, funeral subsidy, hospitalization consolation fund, childbirth subsidy, emergency aid subsidy and home cleaning subsidy.

5. Employee assistance program (EPA):

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

(II) Continuing education and training for employees

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

In 2022, a total of 248 employee training courses were held, and a total of 257 classes with 16,761 hours were organized in-house for 5,362 persons. The total annual training expenses totaled NT\$3,641,874.

2022 course description	Number of courses	No. of classes opened per course	Headcount of trainees	Trainee-hours	Expense
Organized by the Company - classroom course	61	147	3083	10023	2,148,667
Organized by the Company - online course	110	110	2143	4705	310,050

2022 course description	Number of courses	No. of classes opened per course	Headcount of trainees	Trainee-hours	Expense
Organized by an external institution - external training course	77	136	136	2033	1,183,157
Total	248	393	5362	16761	3,641,874

### (III) Retirement System and Its Implementation

1. The Company has prepared the Employee Retirement Guidelines as required by the Labor Standards Act, the Labor Pension Act and follows them.

2. Pension contribution:

From July 1, 2005, we established the Pension Contribution Regulations according to the Labor Pension Act for ROC-nationality employees. The Company sets aside 6% of the monthly salary to be the labor pension for the personal accounts of employees with the Labor Insurance Bureau in accordance with the labor pension system defined in the Labor Pension Act that employees choose to apply. The payment of the pension fund can be done on a monthly basis or in a lump sum according to the amount in the personal retirement account of each employee and the accumulated income. The employee pension reserve set aside by the Company is under the supervision of the Committee formed jointly by employees and the Company. Employees may not account for less than two-thirds of the total members of the Committee.

3. Employees may apply for retirement if:

- (1) they have worked for at least 15 years and are 55 years old or older.
- (2) they have worked for at least 25 years; or
- (3) they have worked for at least 10 years and are 60 years old or older.

For spontaneous retirement, the employee shall submit the “Employee Retirement Application Form” one month prior to the scheduled date of retirement. Once it is approved by the supervisor with decision-making power, it will be processed by the Human Resources Unit. Employees applicable under the new system who are 60 years old or older and have worked for at least 15 years may apply with the Labor Insurance Bureau and claim the pension fund on a monthly basis. For those who have not worked for 15 years, the pension fund shall be claimed in a lump sum.

(IV) Labor-management agreement: None.

(V) Respective Measures to Protect the Rights of Employees

1. Protective measures in the workplace:

- (1) Fire drills and fire prevention workshops are organized on a yearly basis targeting in particular new hires. The Fire Prevention Plan is prepared and participants are assigned tasks during the drill and used actual firefighting equipment. Meanwhile, disaster prevention is precisely enforced in order to protect the safety of employees. Fire drills and demonstrations take place from time to time as required by the Fire Department, too, to further perfect fire prevention in the workplace.
- (2) Filters for the drinking water dispensers in offices are replaced on a quarterly basis and water quality is tested and the water tower is cleaned each year to ensure quality of drinking water and protect the health of employees.
- (3) There are monthly preventions against cockroaches, mosquitoes, and mice and also quarterly thorough preventions against vectors in office areas to ensure a clean workplace for our people.
- (4) The carpets are extensively cleaned periodically on a yearly basis in order to ensure a comfortable environment.
- (5) The air-conditioning system is cleaned up periodically on a yearly basis and the filter for the energy recovery ventilator (ERV) is replaced periodically to ensure the quality of air at work.
- (6) There are multiple janitors to take charge of cleaning up offices and restrooms regularly on a daily basis to keep the workplace comfortable.

2. Personal safety protection:

- (1) Each year employees are entitled to one complete and comprehensive health checkup to safeguard their health.
- (2) Full-time in-house nurses are hired to take care of employees.
- (3) A cafeteria and a fitness room are established at the GAMA Island with in-house chefs and fitness coaches to provide employees with total health solutions from diet to exercise.
- (4) Medical doctors come to the Company each month to answer questions so that colleagues may have their health concerns addressed.
- (5) Labor Insurance, National Health Insurance, group insurance, and liability insurance are provided. Additionally, travel insurance is

arranged for employees on a business trip to provide employees with more bodily and health coverage when they are working hard for the Company.

- (6) The Safety and Space Management Department is set up to monitor the workplace around the clock for a safe and assuring workplace. Security guards control access around the clock and make the rounds through floors regularly to check blind spots that cannot be picked up by surveillance cameras.
- (7) The whole building is the exclusive office space for the Group and employees are given limited access that is set as needed by the Company.

- (VI) Losses suffered because of labor-management disputes in the most recent year up to the publication date of the annual report (including violations of the Labor Standards Act with labor inspection findings; the date of punishment, punishment reference number, article of the law or regulation violated, description of the violation and the punishment contents), and disclose estimated values now and which are likely to occur in the future, and countermeasures:

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

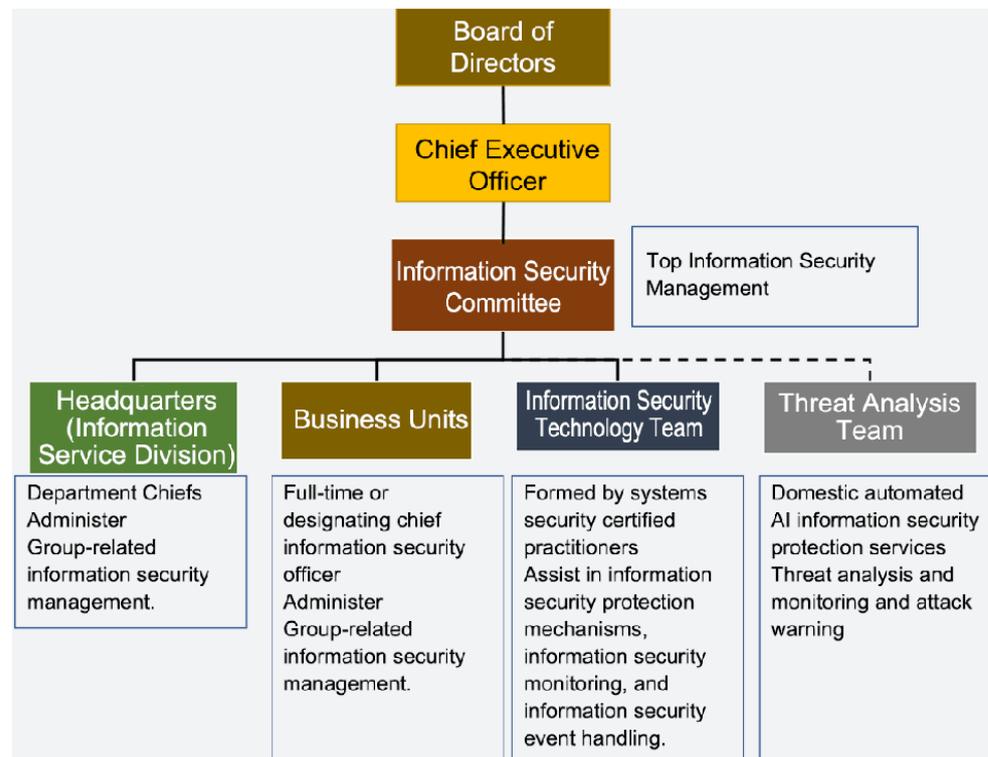
## **VI. Cybersecurity Management**

- (I) Framework of cybersecurity risk management

The framework of cybersecurity risk management aims to (1) provide appropriate management for the cybersecurity risks in operations, (2) encourage the management and operational teams to understand the impact of risk exposure, (3) realize better business resilience and legal compliance, and (4) provide strict decision-making and planning processes. Cybersecurity risk management is a continuous process for analyzing cybersecurity risks in operations and assessing risk impacts and establishing appropriate protection mechanisms, monitoring measures, and responses to minimize losses and maximize profit for corporate operations.

Based on the Company’s business goals and strategies and in compliance with the relevant regulatory requirements, the cybersecurity risk management framework (as shown below) establishes corresponding cybersecurity policies, deploys cybersecurity protection, fixes vulnerabilities and loopholes, captures abnormal information, and addresses emergency events to optimize cybersecurity management and ensure service and business continuity through the risk management cycle.

Under the framework of the risk management cycle featuring risk assessment, policy amendment, protection deployment, risk monitoring, and security reinforcement, we constantly keep up with information security trends and make rolling review of the current management and protection practices in response to changes in the information service, macro environment, legitimacy, and various impacts in different time-space to ensure appropriate risk control for information system operations and network services.



## (II) Cybersecurity policy

The management goals in the cybersecurity policy include: (1) maintain the operation continuity of all information systems, (2) prevent hackers and virus from intrusion and damage, (3) prevent man-induced or willful improper and illegal uses, (4) prevent confidential and sensitive information from breaching, (5) prevent human negligence and accidents, and (5) maintain operational environment security, with specific contents as follows:

1. Organization and division of responsibility  
Coordinate and consult policy planning and resources dispatch for information security and handle information security management within the Company. Establish the Information Security Committee under headquarters chaired by the CEO with members from all departments to hold meetings regularly and administer matters related to information services within headquarters.
2. Management and training for personnel
  - (1) Security and competence assessment shall be appropriately carried out for the maintenance and management of the business information systems/network.
  - (2) Employees shall follow the job specifications and related information security regulations, and shall not leak trade secrets in custody or use them improperly.
  - (3) Arrange periodic and appropriate training of information security for employees to understand the importance of information security and all kinds of security risks, so as to enhance the employees' awareness of information security.
3. Management of computer systems
  - (1) Operating procedures and regulations for computer systems are established to ensure the employee's correct and secure operation and use of computers. Necessary virus protection and threat monitoring mechanisms are built, procedures for handling information security incidents are established, and division of responsibility is defined to ensure proper management and responses to any information security incidents.
  - (2) Comply with the relevant regulatory requirements and conform to the regulations of the relevant licensing agreements for the operating systems and applications installed and used on computer systems. Maintain data protection and make backup of important data, software periodically to ensure routine operational security management.
  - (3) Ensure the security of electronic data interchange and the methods of sender and recipient authentication to ensure data integrity, availability and confidentiality.
4. Management of networks
  - (1) The operational environment shall be built in accordance with the planning of secure network architecture and necessary protection and

anomaly monitoring mechanisms shall be deployed with respect to the operational risk assessment to ensure the security of network data transmission, protection of network connections, and prevent unauthorized system access.

- (2) Appropriate security protection (e.g., SPF, SPAM, etc.) shall be installed on the email system to lower the risk of malicious and phishing emails and spam, and maintain the credit ratings of the email service.
- (3) A warning system shall be established to alert network and system administrators of specific network security incidents and obtain timely warning signals, so as to facilitate effective prevention and thereby reduce network security incidents.

5. Management of system access

Establish secure and appropriate specific privileged access control and general user access control for information systems, adopt the periodic change of complex passwords, and implement high-strength user authentication to prevent credential stuffing attacks and unintended use.

6. Development, maintenance and management of systems

Business units shall determine the security requirements of development and online maintenance and operation of application systems based on the requirements as found in the risk assessment of corresponding services. The business responsible units shall propose various controls, privileges, and the scope of use, which are included in the system planning and design specifications after verification.

7. Security management of system operation environments

- (1) Network and information equipment shall be accommodated in appropriate locations based on the service requirements and the requirements for power supply, fire prevention, access control, and surveillance in order to lower risk from environment insecurity and reduce the opportunities for unauthorized access.
- (2) An asset list shall be established and maintained, the interval and instructions for maintenance and service shall be defined according to the characteristics of equipment, maintenance shall be implemented or replacement/retirement shall be reviewed for equipment periodically.

8. Business backup and recovery plan

- (1) To ensure business continuity of important services after an accident, failure, or damage of systems and facilities, a well-developed plan for

maintenance, backup and recovery shall be established.

- (2) The system backup and recovery plan shall be tested and drilled at least once a year to ensure plan effectiveness and relevant personnel are updated with the latest plan.
- (3) The backup and recovery plan shall be update from time to time in respect of the adjustments to and changes in business, organization, and personnel to maximize the benefits of project investment, and ensure the continuing effectiveness of the plan.

### (III) Specific management plans

#### 1. Establishment of a cybersecurity promotion organization

As the Company's top management of cybersecurity, the Information Security Committee is chaired by the CEO with members including all chief officers. A division-level management unit for information services is established at headquarters to administer enterprise-wide information security management, and professional information security technology team is commissioned to provide various required information security services.

#### 2. Establishment of a cybersecurity policy and objectives

Related operating and management regulations shall be established according to the Company's information security policy to provide a reference of related operations or services. These regulations shall include the handling of information security incidents, outsourcing of information operations, management of personal computers, management of accounts and email, database management, management of network systems, and so on.

#### 3. Establishment of cybersecurity operating procedures

Information security for operations shall be graded by the nature and risk of information services. Requirements for necessary information security inspections shall be established. Information security management shall be assessed periodically.

#### 4. Information security inspection of core infocomm systems

Vulnerability scans shall be performed and penetration tests shall be run periodically. Before a system goes live, source code scan and security inspection shall be requested and system vulnerabilities shall be fixed.

#### 5. Education and training

Arrange internal physical and online information security courses to

enhance the information security awareness and consciousness of ICT administrators and general users.

6. Information security drills  
Drills on email social engineering are arranged for employees from time to time in the year to raise the employee's alert to the malicious links and virus-containing attachments in emails of unknown sources.
7. International Information Security Management Certification  
The Company has introduced the ISO27001 international standard and obtained the certification, comprehensively regulated and required information security. By optimizing and standardizing management processes, we have implemented physical security, technical security and management security to improve information security control capabilities and the overall security of networks and systems.
8. Continuous improvement of cybersecurity  
Periodically report the performance of information security management to the Information Security Committee, top information security management, to ensure the adequacy and effectiveness of the information security management system (ISMS). Arrange internal and outsourced information security audits periodically, take corrective action for found detected defects, and follow up the improvement periodically.

#### (IV) Resources for cybersecurity management

1. High-level information security meetings  
Two Information Security Committee meetings chaired by the CEO shall be held each year to review the performance of information security management, assess operational risks and related solutions, and review the progress of the annual information security projects.
2. Professional technology resources  
Each operation team shall assign full-time responsible personnel or designate one to two employees to take charge of information security. The Groups' information security team will periodically run information security scans and inspections, introduce protection mechanisms, and build infrastructure for global anomaly monitoring. Additionally, domestic and international intelligent security defense system to support joint defense and forensics.
3. Appropriate budgets for information security  
In addition to the existing annual maintenance and operation expenses for

information security mechanisms, information security budgets shall be planned for the required protection, monitoring, inspection, and international certification of information security management for information operation, development, and operating systems.

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

Besides implementing security measures such as web-based group security settings, virus protection, power user account control, and others from the internal server, we detect breaches and risk events with the intelligent information security monitoring platform and quickly retrace the impact of external threats on the Company based on the intelligence.

During 2022 and up to the publication date of annual report, no material cyberattacks or incidents have occurred which have caused or may cause material unfavorable impact on our business and operations, nor have we involved in any relevant legal affairs or regulatory investigations.

## VII. Important Contracts

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

Contract nature	Parties	Contract start and end dates	Main contents	Restrictive clauses
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Nexon Korea Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization termination contract	Nexon Korea Corporation	Terminated on February 15, 2023.	Authorization termination	Authorization termination
Software authorization contract	NCsoft Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	NCsoft Corporation	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao
Software authorization contract	Eyedentity Games, Inc.	Valid	Software authorization	The authorized areas include Taiwan, Hong Kong, and Macao

## Six. Financial Overview

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

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

##### 1. Condensed balance sheet - Consolidated financial report

Unit: NTD thousand

Item	Year	Financial data in the past five years (note 1)					The current year up to March 31, 2023 Financial Data (Note 1)
		2018	2019	2020	2021	2022	
						(Note 2)	
Current assets		5,300,764	4,559,088	4,382,635	5,432,401	5,876,002	6,206,804
Real estate, plants, and equipment		2,896,310	2,857,123	2,845,436	2,797,267	2,812,438	2,805,210
Intangible assets		737,468	842,551	1,411,663	630,744	1,178,390	1,224,131
Other assets		888,870	1,001,123	665,161	612,103	520,035	501,800
Total assets		9,823,412	9,259,885	9,304,895	9,472,515	10,386,865	10,737,945
Current liabilities	Before distribution	3,787,431	3,606,079	3,579,602	3,459,294	3,938,168	3,954,403
	After distribution	4,861,653	4,150,109	4,281,576	4,336,762	3,938,168	3,954,403
Non-current liabilities		877,251	356,413	213,562	161,168	159,735	163,038
Total liabilities	Before distribution	4,664,682	3,962,492	3,793,164	3,620,462	4,097,903	4,117,441
	After distribution	5,738,904	4,506,522	4,495,138	4,497,930	4,097,903	4,117,441
Equity attributable to the owner of the parent company		4,720,979	4,711,091	4,984,648	5,408,439	5,852,032	6,176,657
Capital stock		1,754,936	1,754,936	1,754,936	1,754,936	1,754,936	1,754,936
Additional paid-in capital		1,140,786	1,291,593	1,352,471	1,335,163	1,354,763	1,349,578
Retained earnings	Before distribution	2,089,075	1,836,538	2,429,145	2,823,692	3,181,682	2,524,412
	After distribution	1,014,853	1,292,508	1,727,171	1,946,224	3,181,682	2,524,412
Other equities		(199,195)	(171,976)	(551,904)	(505,352)	(439,349)	(445,724)
Treasury stock		(64,623)	0	0	0	0	0
Non-controlling interests		437,751	586,302	527,083	443,614	436,930	443,847
Total equity	Before distribution	5,158,730	5,297,393	5,511,731	5,852,053	6,288,962	6,620,504
	After distribution	4,084,508	4,753,363	4,809,757	4,974,585	6,288,962	6,620,504

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

Note 2: The above proposal for earnings distribution of 2022 was resolved by the Board on March 9, 2023, but is pending approval of the shareholders' meeting.

2. Condensed balance sheet - Individual financial report

Unit: NTD thousand

Item		Year	Financial data in the past five years (note 1)			
		2018	2019	2020	2021	2022 (Note 2)
Current assets		2,523,220	1,291,583	1,190,557	1,808,528	1,723,279
Real estate, plants, and equipment		2,681,500	2,665,210	2,661,093	2,616,968	2,623,580
Intangible assets		80,700	158,910	808,911	157,569	733,244
Other assets		2,492,669	2,853,705	2,555,683	2,676,890	2,450,583
Total assets		7,778,089	6,969,408	7,216,244	7,259,955	7,530,686
Current liabilities	Before distribution	2,247,020	1,995,678	2,114,535	1,796,443	1,643,343
	After distribution	3,321,242	2,539,708	2,816,509	2,673,911	1,643,343
Non-current liabilities		810,090	262,639	117,061	55,073	35,311
Total liabilities	Before distribution	3,057,110	2,258,317	2,231,596	1,851,516	1,678,654
	After distribution	4,131,332	2,802,347	2,933,570	2,728,984	1,678,654
Share capital		1,754,936	1,754,936	1,754,936	1,754,936	1,754,936
Additional paid-in capital		1,140,786	1,291,593	1,352,471	1,335,163	1,354,763
Retained earnings	Before distribution	2,089,075	1,836,538	2,429,145	2,823,692	3,181,682
	After distribution	1,014,853	1,292,508	1,727,171	1,946,224	3,181,682
Other equities		(199,195)	(171,976)	(551,904)	(505,352)	(439,349)
Treasury stock		(64,623)	-	-	-	-
Total equity	Before distribution	4,720,979	4,711,091	4,984,648	5,408,439	5,852,032
	After distribution	3,646,757	4,167,061	4,282,674	4,530,971	5,852,032

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

Note 2: The above proposal for earnings distribution of 2022 was resolved by the Board on March 9, 2023, but is pending for approval of the shareholders' meeting.

Note 3: The individual financial report for Q1 2023 was not prepared.

### 3. Statement of comprehensive income - Consolidated financial report

Unit: NTD thousand

Item	Year	Financial data in the past five years (note)					The current year up to March 31, 2023 Financial Data*
		2018	2019	2020	2021	2022	
Operating income		14,334,948	9,681,345	10,443,042	11,372,477	11,388,021	3,034,224
Operating gross profit		4,893,919	4,093,158	3,968,738	4,757,085	4,682,110	1,266,964
Operating loss or profit		2,042,366	1,260,034	1,137,415	1,734,095	1,758,562	450,569
Non-operating income and expenditure		115,243	(81,627)	(71,868)	(288,999)	(50,114)	5,265
Pre-tax net profit (loss)		2,157,609	1,178,407	1,065,547	1,445,096	1,708,448	455,834
Net profit (loss) of the continuing operating department for the current term		1,693,985	864,618	782,320	1,009,115	1,278,107	335,691
Losses from discontinued units		-	-	-	-	-	-
Net profit (loss) of current term		1,693,985	864,618	782,320	1,009,115	1,278,107	335,691
Other comprehensive income of current term (after-tax net value)		(56,296)	(7,811)	(109,948)	35,268	72,164	(5,062)
Sum of combined profits or losses of current term		1,637,689	856,807	672,372	1,044,383	1,350,271	330,629
Net profit attributable to the owner of the parent company		1,759,973	887,895	872,496	1,106,281	1,279,696	336,185
Net profit attributable to non-controlling interests		(65,988)	(23,277)	(90,176)	(97,166)	(1,589)	(494)
The sum of comprehensive income attributable to the owner of the parent company		1,721,137	877,316	759,822	1,145,337	1,329,871	329,810
Total combined profits or losses attributable to non-controlling interests		(83,448)	(20,509)	(87,450)	(100,954)	20,400	819
Earnings per share		10.31	5.10	5.00	6.30	7.29	1.92

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

4. Statement of comprehensive income - Individual financial report

Unit: NTD thousand

Item \ Year	Financial data in the last five years (Note 1)				
	2018	2019	2020	2021	2022
Operating income	12,556,278	7,011,514	7,423,592	8,285,403	8,128,585
Operating gross profit	3,817,973	2,803,873	2,613,206	3,324,561	3,203,440
Operating loss or profit	2,320,999	1,325,732	1,024,974	1,651,055	1,414,733
Non-operating income and expenditure	(114,744)	(175,877)	15,037	(220,399)	112,700
Pre-tax net profit (loss)	2,206,255	1,149,855	1,040,011	1,430,656	1,527,433
Units of continuing operations Net profit (loss) of current term	1,759,973	887,895	872,496	1,106,281	1,279,696
Losses from discontinued units	-	-	-	-	-
Net profit (loss) of current term	1,759,973	887,895	872,496	1,106,281	1,279,696
Other comprehensive income (net after tax)	(38,836)	(10,579)	(112,674)	39,056	50,175
Sum of combined profits or losses of current term	1,721,137	877,316	759,822	1,145,337	1,329,871
Earnings per share	10.31	5.10	5.00	6.30	7.29

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

Note 2: The individual financial report for Q1 2023 was not prepared.

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

Year of certification	Name of Accounting Firm	Name of CPA	Audit Opinion
2018	PwC Taiwan	Lin, Yi-Fan, Pan, Hui-Ling	Unqualified opinions plus emphasized matters and other matters
2019	PwC Taiwan	Lin, Yi-Fan, Pan, Hui-Ling	Unqualified opinion plus other matters
2020	PwC Taiwan	Lin, Yi-Fan, Yen, Yu-Fun	Unqualified opinion plus other matters
2021	PwC Taiwan	Lin, Yi-Fan, Yen, Yu-Fun	Unqualified opinion plus other matters
2022	PwC Taiwan	Lin, Yi-Fan, Yen, Yu-Fun	Unqualified opinion plus other matters

## II. Financial Analysis of the past Five Years

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

Analysis item (note*)		Year (note)	Financial data in the last five years					The current year up to March 31, 2023
		2018	2019	2020	2021	2022		
Financial structure (%)	Liability-to-asset ratio	47.49	42.79	40.77	38.22	39.45	38.34	
	Long term capital to real estate, plants and equipment Ratio	208.40	197.88	201.21	214.97	229.29	241.82	
Solvency (%)	Current ratio	139.96	126.43	122.43	157.04	149.21	156.96	
	Quick ratio	120.71	108.10	107.10	143.32	137.77	143.72	
	Interest Protection Multiples	8,575.84	6,460.14	8,827.55	21,119.58	31,202.28	43,062.68	
Management ability	Receivable turnover ratio (frequency)	8.47	9.02	9.84	11.71	12.69	13.77	
	Average collection days	43.09	40.46	37.09	31.16	28.76	26.50	
	Inventory turnover ratio (frequency)	6.04	6.17	5.8	4.36	2.68	3.58	
	Payable turnover ratio (frequency)	8.47	9.39	12.35	11.60	10.71	11.06	
	Average sales days	60.43	59.15	62.93	83.71	136.19	101.95	
	Real estate, plants and equipment turnover ratio (times)	5.03	3.36	3.66	4.03	4.06	4.32	
	Total asset turnover ratio (frequency)	1.56	1.01	1.13	1.21	1.15	1.15	
Profitability	Return on assets (%)	18.68	9.22	8.53	10.81	12.92	12.74	
	Return on equity (%)	40.85	16.54	14.48	17.76	21.05	20.80	
	Pre-tax net profit to paid-in capital size ratio (%)	122.95	67.15	60.72	82.34	97.35	25.97	
	Net profit rate (%)	11.82	8.93	7.49	8.87	11.22	11.06	
	Earnings per share (NT\$)	10.31	5.10	5.00	6.30	7.29	1.92	
Cash flow	Cash flow ratio (%)	81.89	24.30	65.20	73.91	62.74	8.92	
	Cash flow adequacy ratio (%)	56.82	59.79	114.66	136.12	137.58	126.40	
	Cash Re-investment ratio (%)	35.81	6.39	34.81	29.53	25.48	5.90	
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00	1.00	
	Financial leverage	1.01	1.01	1.01	1.00	1.00	1.00	

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

1. Interest coverage ratio: Due to an increase in profits for the period.
2. Return on assets: Due to an increase in the post-tax profit or loss.

## (II) Financial Analysis - Individual Financial Report

Analytical Item (Note*)		Financial data in the last five years				
		2018	2019	2020	2021	2022
Financial structure (%)	Liability-to-asset ratio	39.30	32.40	30.92	25.50	22.29
	Long term capital to real estate, plants and equipment Ratio	206.27	186.62	191.71	208.77	224.40
Solvency (%)	Current ratio	112.29	64.72	56.30	100.67	104.86
	Quick ratio	102.09	56.05	50.85	94.37	97.82
	Interest Protection Multiples	10,738.71	9,243.98	12,014.43	37,838.22	102,957.44
Management ability	Receivable turnover ratio (frequency)	13.72	10.49	12.86	11.91	9.48
	Average collection days	26.60	34.79	28.38	30.64	38.50
	Inventory turnover ratio (frequency)	0.10	0.21	0.36	0.24	0.16
	Payable turnover ratio (frequency)	17.43	11.35	17.03	17.33	14.28
	Average sales days	3650.00	1738.09	1013.88	1520.83	2281.25
	Real estate, plants and equipment turnover ratio (times)	4.65	2.62	2.78	3.13	3.10
	Total asset turnover ratio (frequency)	1.79	0.95	1.05	1.14	1.10
Profitability	Return on assets (%)	25.28	12.18	12.40	15.33	17.32
	Return on equity (%)	46.87	18.83	18.00	21.29	22.73
	Pre-tax net profit to paid-in capital size ratio (%)	125.72	65.52	59.26	81.52	87.04
	Net profit rate (%)	14.02	12.66	11.75	13.35	15.74
	Earnings per share (NT\$)	10.31	5.10	5.00	6.30	7.29
Cash flow	Cash flow ratio (%)	144.70	40.10	110.19	108.11	109.05
	Cash flow adequacy ratio (%)	62.69	66.36	110.95	112.31	118.55
	Cash Re-investment ratio (%)	39.41	5.21	36.92	19.61	33.47
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00
	Financial leverage	1.01	1.01	1.01	1.00	1.00

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

1. Interest protection multiples were the result of the decrease in interest expenditure for the current term.
2. Cash reinvestment ratio: Due to a decrease in the net cash flow from operating activities.

Note\*: The calculation formula is provided below:

1. Financial structure

(1) Liability-to-asset ratio = total liabilities/ total assets

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

2. Solvency

(1) Current ratio = Current assets/ Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Advance payments)/Current liabilities.

(3) Interest protection multiples = Income tax and net profit before interest/Interest expenditure of current term

3. Management ability

(1) Receivable (including accounts receivable and receivable notes from operations) turnover ratio = Net sales value/ mean balance of receivables of each term (including accounts receivable and receivable notes from operations).

(2) Average collection days = 365/Receivable turnover ratio

(3) Inventory turnover ratio = Sales cost/mean inventory

(4) Payable (including accounts payable and payable notes from operations) turnover ratio = Net sales value/ mean balance of payables of each term (including accounts payable and payable notes from operations).

(5) Average sales days = 365/Inventory turnover ratio

(6) Fixed asset turnover ratio = Net sales value/Mean net value of fixed assets

(7) Total asset turnover ratio = Net sales value/Mean total assets

4. Profitability

(1) Return on assets = [after-tax gains and losses + interest × (1-tax rate)]/gross assets on average

(2) Return on shareholder equity = after-tax profit or loss/mean net value of shareholder equity

(3) Net profit rate = After-tax profits and losses/Net sales value

(4) Earnings per share = (After-tax net profit - Preferred stock dividend)/Weighted average number of shares already issued

5. Cash flow

(1) Cash flow ratio = Net cash flow from operating activities/Current liabilities

(2) Net cash flow adequacy ratio = Net cash flow of operating activities over the past five years/(capital expenditure + increase in inventory + cash dividend) over the past five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends)/(gross value of fixed assets + long-term investment + other assets + working capital)

6. Leverage:

(1) Operating leverage = (Net operating income - Change in operating costs and expenses)/Operating profit.

(2) Financial leverage = Operating profit/(Operating profit - interest expenditure).

### **III. Review Reports of Audit Committee of 2022 Financial Report**

#### **Audit Committee's Audit Report**

The Board of Directors have prepared and presented the Company's business report, financial statements (including individual and consolidated financial statements) of 2022. CPA Lin, Yi-Fan and CPA Yen, Yu-fun of PwC Taiwan have audited the financial statements and issued an audit report accordingly. The above-mentioned Business Report, Financial Statements, and Proposal on Distribution of Earnings have been reviewed by the Audit Committee and no inconsistency has been found. Therefore, according to applicable requirements of the Securities and Exchange Act and the Company Act, it is reported as above. Your review and approval are cordially requested.

Gamania Digital Entertainment Co., Ltd.

Convener of Audit Committee:

March 9, 2023

## IV. 2022 Financial Report

### INDEPENDENT AUDITORS' REPORT

PWCR 22000549

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, 2022 and 2021, 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 (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, 2022 and 2021, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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(23) for the details of accounting applied on revenue recognition.

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

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

#### How our audit addressed the matter

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

- A. Assessed and tested the relevant internal controls over revenue recognition for online and mobile games revenue.
- B. Tested on a sample basis the consumption information generated from the Company’s data collection systems and verified against the consumption report provided by the Company’s accountant.
- C. Tested on a sample basis the virtual items information generated from the Company’s data collection systems and verified against the 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(18) and (19) for accounting policies on goodwill impairment, Notes 6(12) and (14) for details of goodwill, and Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to goodwill.

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

#### How our audit addressed the matter

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

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

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

As described in Notes 4(3) and 6(8), we did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method with were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of the subsidiaries amounted to NT\$2,157,183 thousand and NT\$1,700,468 thousand, constituting 21% and 18% of consolidated total assets as of December 31, 2022 and 2021, respectively, and operating revenue was NT\$2,825,788 thousand and NT\$2,469,898 thousand, constituting 25% and 22% 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, constituting 1% of consolidated total assets as at December 31, 2021, and other comprehensive loss accounted for under equity method was (NT\$83,433) thousand, constituting (8%) of consolidated total comprehensive income for the year then ended.

***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, 2022 and 2021.

***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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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Lin, Yi-Fan

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Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2023

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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' review 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, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 3,737,319	36	\$ 3,418,896	36
1136	Financial assets at amortised cost - current	6(7) and 8	120,204	1	88,463	1
1150	Notes receivable, net	6(2)	11	-	752	-
1170	Accounts receivable, net	6(2)	785,366	8	876,123	9
1180	Accounts receivable - related parties, net	7	20,651	-	11,341	-
1200	Other receivables	6(3)	532,957	5	260,489	3
1210	Other receivables - related parties	7	2,571	-	2,214	-
1220	Current income tax assets		24,341	-	21,049	-
130X	Inventories	6(4)	128,927	2	122,582	1
1410	Prepayments	6(5)	321,577	3	352,026	4
1470	Other current assets	8	202,078	2	278,466	3
11XX	<b>Total current assets</b>		<u>5,876,002</u>	<u>57</u>	<u>5,432,401</u>	<u>57</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current		15,000	-	-	-
1517	Financial assets at fair value through other comprehensive income - non- current	6(6)	117,581	1	198,626	2
1550	Investments accounted for under equity method	6(8)	135,404	1	121,309	1
1600	Property, plant and equipment	6(9) and 8	2,812,438	27	2,797,267	30
1755	Right-of-use assets	6(10)	73,933	1	95,538	1
1780	Intangible assets	6(12)	1,178,390	11	630,744	7
1840	Deferred income tax assets	6(29)	96,886	1	139,523	1
1900	Other non-current assets	6(13)	81,231	1	57,107	1
15XX	<b>Total non-current assets</b>		<u>4,510,863</u>	<u>43</u>	<u>4,040,114</u>	<u>43</u>
1XXX	<b>Total assets</b>		<u>\$ 10,386,865</u>	<u>100</u>	<u>\$ 9,472,515</u>	<u>100</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(15)	\$ 91,760	1	\$ 100,164	1
2130	Current contract liabilities	6(23)	379,934	4	385,016	4
2170	Accounts payable		615,362	6	564,127	6
2180	Accounts payable - related parties	7	1,572	-	7,187	-
2200	Other payables	6(16)	2,217,043	21	1,814,602	19
2220	Other payables - related parties	7	351,676	3	158,584	2
2230	Current income tax liabilities		158,773	2	225,187	2
2280	Current lease liabilities		26,385	-	29,663	-
2320	Long-term liabilities, current portion	6(17)	-	-	80,000	1
2399	Other current liabilities		95,663	1	94,764	1
21XX	<b>Total current liabilities</b>		<u>3,938,168</u>	<u>38</u>	<u>3,459,294</u>	<u>36</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(29)	89,912	1	66,398	1
2580	Lease liabilities - non-current		47,718	-	66,004	1
2600	Other non-current liabilities		22,105	-	28,766	-
25XX	<b>Total non-current liabilities</b>		<u>159,735</u>	<u>1</u>	<u>161,168</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>4,097,903</u>	<u>39</u>	<u>3,620,462</u>	<u>38</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(19)	1,754,936	17	1,754,936	18
Capital surplus						
3200	Capital surplus	6(20)	1,354,763	13	1,335,163	14
Retained earnings						
3310	Legal reserve	6(21)	488,103	5	378,451	4
3320	Special reserve		505,352	5	551,904	6
3350	Unappropriated retained earnings		2,188,227	21	1,893,337	20
Other equity interest						
3400	Other equity interest	6(22)	(439,349)	(4)	(505,352)	(5)
31XX	<b>Equity attributable to owners of the parent</b>		<u>5,852,032</u>	<u>57</u>	<u>5,408,439</u>	<u>57</u>
36XX	Non-controlling interest		436,930	4	443,614	5
3XXX	<b>Total Equity</b>		<u>6,288,962</u>	<u>61</u>	<u>5,852,053</u>	<u>62</u>
Significant contingent liabilities and unrecorded contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 10,386,865</u>	<u>100</u>	<u>\$ 9,472,515</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, 2022 AND 2021

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

Items	Notes	Years ended December 31,				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22)(23) and 7	\$ 11,388,021	100	\$ 11,372,477	100
5000	Operating costs	6(4)(28) and 7	( 6,705,911)	( 59)	( 6,615,392)	( 58)
5950	Gross profit		4,682,110	41	4,757,085	42
	Operating expenses	6(28) and 7				
6100	Selling expenses		( 1,042,057)	( 9)	( 1,208,886)	( 11)
6200	General and administrative expenses		( 1,394,446)	( 12)	( 1,352,756)	( 12)
6300	Research and development expenses		( 484,778)	( 5)	( 390,814)	( 3)
6450	Expected credit impairment loss	12(2)	( 2,267)	-	( 70,534)	( 1)
6000	Total operating expenses		( 2,923,548)	( 26)	( 3,022,990)	( 27)
6900	Operating income		1,758,562	15	1,734,095	15
	Non-operating income and expenses					
7100	Interest income	6(24)	20,899	-	3,306	-
7010	Other income	6(25)	19,627	-	12,210	-
7020	Other gains and losses	6(26)	( 54,713)	-	( 180,021)	( 1)
7050	Finance costs	6(27)	( 5,493)	-	( 6,875)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	( 30,434)	-	( 117,619)	( 1)
7000	Total non-operating income and expenses		( 50,114)	-	( 288,999)	( 2)
7900	Profit before income tax		1,708,448	15	1,445,096	13
7950	Income tax expense	6(29)	( 430,341)	( 4)	( 435,981)	( 4)
8200	Profit for the year		\$ 1,278,107	11	\$ 1,009,115	9

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

Items	Notes	Years ended December 31,				
		2022		2021		
		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 on defined benefit plan	6(18)	\$ 10,765	-	\$ 5,108	-
8316	Unrealised (loss) gain on investments in equity instruments at fair value through other comprehensive income	6(6)	( 53,330)	-	58,654	-
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss	6(22)	( 313)	-	157	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	( 2,153)	-	( 1,022)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		( 45,031)	-	62,897	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations		116,791	1	( 32,607)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss		11,996	-	-	-
8399	Income tax relating to the components of other comprehensive income	6(29)	( 11,592)	-	4,978	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		117,195	1	( 27,629)	-
8300	<b>Total other comprehensive income for the year</b>		<u>\$ 72,164</u>	<u>1</u>	<u>\$ 35,268</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 1,350,271</u>	<u>12</u>	<u>\$ 1,044,383</u>	<u>9</u>
Profit (loss) attributable to:						
8610	Owners of the parent		\$ 1,279,696	11	\$ 1,106,281	10
8620	Non-controlling interest		( 1,589)	-	( 97,166)	( 1)
			<u>\$ 1,278,107</u>	<u>11</u>	<u>\$ 1,009,115</u>	<u>9</u>
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 1,329,871	12	\$ 1,145,337	10
8720	Non-controlling interest		20,400	-	( 100,954)	( 1)
			<u>\$ 1,350,271</u>	<u>12</u>	<u>\$ 1,044,383</u>	<u>9</u>
Earnings per share ( in dollars)						
9750	Basic earnings per share	6(29)	\$ 7.29		\$ 6.30	
9850	Diluted earnings per share		\$ 7.17		\$ 6.21	

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Capital Reserves				Retained Earnings			Other Equity Interest					
	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	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total			
<u>2021</u>													
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 year	-	-	-	-	-	-	1,106,281	-	-	1,106,281	( 97,166 )	1,009,115	
Other comprehensive income (loss) for the year	-	-	-	-	-	-	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(21)	-	-	-	-	-	-	-	-	-	-	-	
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(31)	-	-	( 18,382 )	-	-	( 2,264 )	-	-	( 20,646 )	35,159	14,513	
Changes in non-controlling interest	6(31)	-	-	-	-	-	-	-	-	-	( 17,674 )	( 17,674 )	
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	-	( 11,582 )	-	11,582	-	-	-	
Balance at December 31, 2021	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 75,487	\$ 378,451	\$ 551,904	\$ 1,893,337	(\$ 131,809 )	(\$ 373,543 )	\$ 5,408,439	\$ 443,614	\$ 5,852,053	
<u>2022</u>													
Balance at January 1, 2022	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 75,487	\$ 378,451	\$ 551,904	\$ 1,893,337	(\$ 131,809 )	(\$ 373,543 )	\$ 5,408,439	\$ 443,614	\$ 5,852,053	
Profit (loss) for the year	-	-	-	-	-	-	1,279,696	-	-	1,279,696	( 1,589 )	1,278,107	
Other comprehensive income (loss) for the year	-	-	-	-	-	-	8,612	95,206	( 53,643 )	50,175	21,989	72,164	
Total comprehensive income (loss)	-	-	-	-	-	-	1,288,308	95,206	( 53,643 )	1,329,871	20,400	1,350,271	
Appropriations of 2021 retained earnings	6(21)	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	-	109,652	-	( 109,652 )	-	-	-	-	-	
Reversal of special reserve		-	-	-	-	( 46,552 )	46,552	-	-	-	-	-	
Cash dividends		-	-	-	-	-	( 877,468 )	-	-	( 877,468 )	-	( 877,468 )	
Change in ownership interest in subsidiaries	6(31)	-	-	19,600	-	-	( 28,410 )	-	-	( 8,810 )	( 8,487 )	( 17,297 )	
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	( 18,597 )	( 18,597 )	
Disposal of investments in equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	-	( 24,440 )	-	24,440	-	-	-	
Balance at December 31, 2022	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603 )	(\$ 402,746 )	\$ 5,852,032	\$ 436,930	\$ 6,288,962	

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,708,448	\$ 1,445,096
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(28)	161,035	164,360
Amortisation	6(11)(28)	421,196	726,909
Expected credit impairment loss	12(2)	2,267	70,534
Interest expense	6(27)	5,493	6,875
Interest income	6(24)	( 20,899 )	( 3,306 )
Share of loss of subsidiaries and associates accounted for under equity method	6(8)	30,434	117,619
Loss on disposal of property, plant and equipment	6(26)	3	47
Loss on disposal of investment	6(26)	895	-
Impairment loss on non-financial assets	6(14)(26)	93,163	171,635
Dividend income	6(6)	-	( 145 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		741	3,781
Accounts receivable		88,154	( 155 )
Accounts receivable - related parties	(	9,310 )	2,004
Other receivables	(	273,871 )	171
Other receivables - related parties	(	357 )	428
Inventories	(	6,345 )	3,324
Prepayments		30,449	68,049
Other current assets		45,003	( 41,596 )
Changes in operating liabilities			
Contract liabilities	(	5,082 )	104,887
Notes payable		-	( 1,211 )
Accounts payable		51,235	63,944
Accounts payable - related parties	(	5,615 )	3,127
Other payables		391,293	( 12,010 )
Other payables - related parties		193,092	42,808
Other current liabilities		899	25,585
Other non-current liabilities		63	( 615 )
Cash inflow generated from operations		2,902,384	2,962,145
Interest received		20,899	3,306
Dividends received		622	728
Interest paid	(	5,493 )	( 6,875 )
Income tax paid	(	447,641 )	( 385,669 )
Net cash provided by operating activities		2,470,771	2,573,635

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value	6(6)		
through other comprehensive income		\$ 31,208	\$ 41,529
Acquisition of financial assets at fair value through profit or loss		( 15,000 )	-
(Increase) decrease in financial assets as amortised cost		( 31,741 )	14,163
Decrease (increase) in other financial assets		31,385	( 136,424 )
Acquisition of investments accounted for under equity method	6(8)	( 44,770 )	( 34,129 )
Acquisition of property, plant and equipment	6(32)	( 130,990 )	( 87,446 )
Proceeds from disposal of property, plant and equipment		287	309
(Increase) decrease in refundable deposits		( 5,572 )	4,069
Acquisition of intangible assets	6(32)	( 1,056,292 )	( 289,155 )
Other non-current assets		( 12,457 )	( 16,856 )
Net cash used in investing activities		( 1,233,942 )	( 503,940 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(33)	( 17,726 )	( 123,495 )
Repayment of long-term debt	6(33)	( 80,000 )	( 160,000 )
(Decrease) increase in guarantee deposits received		( 1,740 )	4,340
Payment of lease liabilities	6(33)	( 33,139 )	( 31,955 )
Cash dividends paid	6(21)	( 877,468 )	( 701,974 )
Increase in subsidiaries capital from non-controlling interest	6(31)	5,323	13,977
Cash dividends paid to non-controlling interest		( 18,597 )	( 16,852 )
Acquisition of additional equity interest in subsidiaries	6(31)	( 14,704 )	( 822 )
Net cash used in financing activities		( 1,038,051 )	( 1,016,781 )
Effect of exchange rate changes on cash and cash equivalents		119,645	( 31,619 )
Net increase in cash and cash equivalents		318,423	1,021,295
Cash and cash equivalents at beginning of the year		3,418,896	2,397,601
Cash and cash equivalents at end of the year		\$ 3,737,319	\$ 3,418,896

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, 2022 AND 2021

(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 9, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
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.

(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 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
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, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

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 that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets 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, 2022	December 31, 2021	
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment (HK) Co., Ltd.	Software services and sales	100	-	Note 12
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)	Joymabee Entertainment Co., Ltd.	Software services	100	100	
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment and holding company	45.40	43.56	Notes 1 and 8
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	Note 12
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	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment and holding company	100	100	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Supply of electronic information services	100	100	Note 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	0.94	1.10	Notes 4 and 5
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	99.90	
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd. (Fundation)	Publishing of magazines and periodicals	100	100	
Gamania Digital Entertainment Co., Ltd.	JollyBuy Digital Tech. Co., Ltd. (JollyBuy)	Supply of electronic information services	98.89	97.23	Notes 10 and 11
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	
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	-	-	Note 9
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd. (Coture New Media)	Online media production	93.08	93.08	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Gamania Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment services	81.26	69.73	Notes 6 and 7
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	79.44	78.97	Notes 4 and 5
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 services	6.22	9.04	Note 7
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	8.38	12.19	Note 7
Ciirco Inc.	Ciirco (HK) Co., Ltd. (Ciirco HK)	Software services	-	100	Note 13
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 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 subsidiary, Achieve Made International Ltd., sold its 93.43% equity

interest held in Jollywiz International (HK) Co., Limited to the Company's subsidiary, Jollywiz Digital Technology Co., Ltd., on 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 subsidiary, Bjolly, sold its 1.10% equity interest held in NOWnews to the Company's subsidiary, Jollywiz Digital Technology Co., Ltd., on December 31, 2021. Consequently, the Company and its subsidiary, Jollywiz Digital Technology Co., Ltd., held 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 May 9, 2022 and December 23, 2022, the Company participated in the capital increase. The Company acquired 0.47% equity interest in NOWnews. Accordingly, the equity interest in Jollywiz Digital Technology Co., Ltd. decreased to 0.94%.

Note 6: On June 30, 2022, the Company acquired 3.01% equity interest in GAMA PAY from GAMA PAY's original shareholders.

Note 7: On December 28, 2022, the Company participated in the capital increase. The Company acquired 8.52% equity interest in GAMA PAY. Consequently, the equity interest in GAMA PAY of Gash Point Co., Ltd. and Gash Point (Hong Kong) Company Limited on December 31, 2022 decreased to 6.22% and 8.38%, respectively.

Note 8: The subsidiary, AMI, redeemed treasury shares without consideration in 2022. Therefore, the share ownership of the Group increased by 1.84%.

Note 9: Madsugr was dissolved in December 2021. However, the liquidation of Madsugar has not yet been completed as of December 31, 2022.

Note 10: The subsidiary, JollyBuy, increased capital by issuing new shares for cash in March 2022 and November 2022. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.56%.

Note 11: The subsidiary, JollyBuy, redeemed treasury in August 2022. Therefore, the share ownership of the group increased by 1.1%.

Note 12: On August 4, 2022, the Company's board of directors has approved to acquire all the shares of Gamania Digital Entertainment (HK) Co., Ltd., consisting of 25,500 thousand shares, from the subsidiary, Gamania China Holdings Ltd.

Note 13: The liquidation of Ciirco HK was completed in November 2022.

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, 2022 and 2021, the non-controlling interest amounted to \$436,930 and \$443,614, 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, 2022		December 31, 2021		
		Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 150,240	54.60%	\$ 150,809	56.44%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	129,583	32.52%	130,087	32.52%	

Note: Registered location of AMI is British Virgin Islands.

Balance sheets

	AMI and subsidiaries	
	December 31, 2022	December 31, 2021
Current assets	\$ 335,744	\$ 350,772
Non-current assets	67,718	51,115
Current liabilities	(123,067)	(120,722)
Total net assets	\$ 280,395	\$ 281,165

	Digicentre Company Limited and subsidiaries	
	December 31, 2022	December 31, 2021
Current assets	\$ 372,937	\$ 323,549
Non-current assets	244,862	257,479
Current liabilities	(213,561)	(186,235)
Non-current liabilities	(36,268)	(40,868)
Total net assets	\$ 367,970	\$ 353,925

Statements of comprehensive income

	AMI and subsidiaries	
	Years ended December 31,	
	2022	2021
Revenue	\$ 542,983	\$ 718,311
Loss before income tax	(6,115)	(130,972)
Income tax benefit	-	39
Loss for the year	(6,115)	(130,933)
Other comprehensive loss, net of tax	(9,743)	(6,801)
Total comprehensive loss for the year	(\$ 15,858)	(\$ 137,734)
Comprehensive loss attributable to non-controlling interest	(\$ 11,849)	(\$ 81,437)
Dividends paid to non-controlling interest	\$ -	\$ -

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue	\$ 1,181,834	\$ 963,695
Profit before income tax	56,120	30,593
Income tax expense	(20,688)	(12,293)
Profit for the year	35,432	18,300
Other comprehensive income (loss), net of tax	3,959	(694)
Total comprehensive income for the year	<u>\$ 39,391</u>	<u>\$ 17,606</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 14,404</u>	<u>\$ 4,646</u>
Dividends paid to non-controlling interest	<u>\$ 5,402</u>	<u>\$ 8,555</u>

#### Statements of cash flows

	<u>AMI and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Net cash used in operating activities	(\$ 10,943)	(\$ 30,261)
Net cash (used in) provided by investing activities	7,010	71,551
Net cash flows used in financing activities	(6,477)	(19,145)
Effect of exchange rate changes on cash and cash equivalents	(16,801)	(2,957)
(Decrease) increase in cash and cash equivalents	(27,211)	19,188
Cash and cash equivalents, beginning of year	<u>128,873</u>	<u>109,685</u>
Cash and cash equivalents, end of year	<u>\$ 101,662</u>	<u>\$ 128,873</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Net cash provided by operating activities	\$ 108,862	\$ 63,262
Net cash used in investing activities	(26,319)	(23,500)
Net cash used in financing activities	(58,856)	(52,556)
Effect of exchange rate changes on cash and cash equivalents	6,218	(735)
Increase (decrease) in cash and cash equivalents	29,905	(13,529)
Cash and cash equivalents, beginning of year	<u>121,214</u>	<u>134,743</u>
Cash and cash equivalents, end of year	<u>\$ 151,119</u>	<u>\$ 121,214</u>

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The

consolidated financial statements are presented in New Taiwan Dollars, which is the Group's functional and presentation currency.

#### A. Foreign currency transactions and balances

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

#### B. Translation of foreign operations

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

subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operations.

(5) Classification of current and non-current items

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

(6) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

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

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

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

(9) Financial assets at amortised cost

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

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

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

(13) Leasing arrangements (lessor) - operating leases

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

(14) Inventories

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

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

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

- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

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

Buildings	4~51 years
Machinery and equipment	2~8 years
Transportation equipment	5 years
Office equipment	2~8 years
Leasehold improvement	4~5 years
Other equipment	4~8 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Group subsequently measures the

lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost and the cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

#### (18) Intangible assets

##### A. Licence fees

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

##### B. Software

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

##### C. Trademark right

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

##### D. Customer relationships

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

##### E. Other intangible assets

- (a) Copyrights which are intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 15 years.
- (b) Software independent development which is intangible assets acquired during the business combinations are stated at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful life of 3 years.
- (c) Obtaining the relevant licence for the game, distribution business recognised as intangible assets and special technology with estimated useful life are stated at acquisition and occurred cost date and are amortised on a straight-line basis over their estimated useful life of 3~10 years.

## F. Goodwill

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

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

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

### (20) Borrowings

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

### (21) Notes and accounts payable

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

(22) Derecognition of financial liabilities

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability,

provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Income tax

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

will be available against which the tax credits can be utilised.

(25) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(26) Dividends

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

(27) Revenue recognition

A. Online and mobile games revenue

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

B. Service revenue

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

C. Revenue from stored-values

The Group is engaged in the sale of game stored-value cards. The purpose of selling game stored-value cards to players is to offer a tool that allows them to purchase game services from the

Group or another party. When a player purchases a game from another party for which the Group has no control over the service provided, then the Group merely acts as an intermediary that facilitates the transaction; the game service is entirely provided by another party. The Group recognises payments received less amounts paid to another party as revenue.

#### D. Sales revenue

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

#### (28) 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(23) for the information on revenue recognition.

B. Impairment assessment of licence fees

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

C. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(14) for the information on goodwill impairment.

D. Impairment assessment of other intangible assets

The evaluation process of impairment of other intangible assets relies on the subjective judgment of the Group, including the future economic benefits, market conditions and industrial characteristics of these intangible assets to evaluate the recoverable amount.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 2,337	\$ 2,017
Checking accounts and demand deposits	2,677,247	2,668,731
Cash equivalents - time deposits	<u>1,057,735</u>	<u>748,148</u>
	<u>\$ 3,737,319</u>	<u>\$ 3,418,896</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, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 11	\$ 752
Accounts receivable	\$ 832,665	\$ 928,737
Less: Loss allowance	( 47,299)	( 52,614)
	<u>785,366</u>	<u>876,123</u>
Overdue receivables (shown as other non-current assets)	114,261	106,343
Less: Loss allowance	( 114,261)	( 106,343)
	<u>\$ 785,366</u>	<u>\$ 876,123</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 760,730	\$ 811,458
Up to 30 days	19,759	12,989
31~60 days	2,622	12,776
61~90 days	2,914	14,414
91~120 days	169	9,084
Over 121 days	46,471	68,016
	<u>\$ 832,665</u>	<u>\$ 928,737</u>

The above ageing analysis was based on past due date.

- B. As at December 31, 2022 and 2021, the Group has no notes receivable past due.
- C. As at December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$946,926, \$1,035,832 and \$1,086,468, 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, 2022 and 2021, 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 \$11 and \$752, and accounts receivable was \$785,366 and \$876,123, respectively.
- F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables	\$ 535,210	\$ 262,487
Less: Loss allowance	( 2,253)	( 1,998)
	<u>\$ 532,957</u>	<u>\$ 260,489</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 481,424	\$ 208,284
Up to 30 days	17,165	12,543
31 to 60 days	5,779	13,171
61 to 90 days	9,165	18,542
91 to 120 days	9,853	206
Over 121 days	11,824	9,741
	<u>\$ 535,210</u>	<u>\$ 262,487</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, 2022 and 2021, 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 \$532,957 and \$260,489 respectively.

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

(4) Inventories

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

Expenses and losses incurred on inventories for the period:

	Years ended December 31,	
	2022	2021
Cost of goods sold	\$ 384,423	\$ 569,936
Loss on decline in market value	1,230	14,765
	<u>\$ 385,653</u>	<u>\$ 584,701</u>

(5) Prepayments

	December 31, 2022	December 31, 2021
Prepayments to suppliers	\$ 166,891	\$ 223,562
Prepaid expenses	81,718	63,724
Excess business tax paid	68,859	60,676
Others	4,109	4,064
	<u>\$ 321,577</u>	<u>\$ 352,026</u>

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Emerging stocks	20,546	20,000
Unlisted, non-OTC and non-emerging stocks	425,894	481,542
	524,816	579,918
Valuation adjustment	(407,235)	(381,292)
	<u>\$ 117,581</u>	<u>\$ 198,626</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 \$117,581 and \$198,626 as at December 31, 2022 and 2021, respectively.
- B. In 2022, in line with the Group's business development and resource allocation plan, the Group sold its 5.42% equity interest in Microprogram Information Co., Ltd. at fair value in the amount of \$31,208. The cumulative loss on disposal of Microprogram Information Co., Ltd. was \$24,440.
- C. 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, while the cumulative gain on disposal of Ikala Global Online Corp. was \$12,873.

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

	Years ended December 31,	
	2022	2021
Change of fair value recognised in other comprehensive income	\$ 53,330	\$ 58,654
Cumulative gain (loss) reclassified to retained earnings due to derecognition	(\$ 24,440)	(\$ 11,582)
Dividend income recognised in profit or loss held at end of year	\$ -	\$ 145

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, 2022	December 31, 2021
Current items:		
Time deposit with maturity of more than three months	\$ 120,204	\$ 88,463

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

	Years ended December 31,	
	2022	2021
Interest income	\$ 745	\$ 280

B. As at December 31, 2022 and 2021, 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 \$120,204 and \$88,463 respectively.

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

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(8) Investments accounted for under equity method

	<u>2022</u>	<u>2021</u>
At January 1	\$ 121,309	\$ 205,090
Addition of investments accounted for under equity method	44,770	34,129
Share of loss of investments accounted for under equity method	( 30,434)	( 117,619)
Earnings distribution of investments accounted for under equity method	( 622)	( 583)
Disposal of investments accounted for using equity method	( 8)	-
Changes in capital surplus	-	1,074
Changes in other equity items	( 313)	157
Effects of foreign exchange	<u>702</u>	<u>( 939)</u>
At December 31	<u>\$ 135,404</u>	<u>\$ 121,309</u>

A. List of long-term investments:

Name of associates	December 31, 2022		December 31, 2021	
	Ownership percentage	Balance	Ownership percentage	Balance
Jsdway Digital Technology Co., Ltd. (Jsdway)	37.18	\$ 49,485	37.18	\$ 47,899
Hao-Ji film Ltd. (Hao-Ji)	42.86	30,021	-	-
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	33.03	22,984	33.03	26,240
Walkermedia Co., Ltd. (Walkermedia)	30.00	5,105	30.00	11,006
Aotter Inc. (Aotter)	21.48	6,045	21.48	10,128
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	7,224	29.54	5,383
Store Marais Co., Ltd. (Marais) (Note 1)	7.69	11,192	7.69	8,667
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	3,348	30.00	2,538
4-Way Voice Cultural Co., Ltd. (4-Way Voice) (Note 3)	-	-	38.00	491
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	-	49.00	8,957
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 2)	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 2) (Note 4)	-	-	30.00	-

Name of associates	December 31, 2022		December 31, 2021	
	Ownership percentage	Balance	Ownership percentage	Balance
Firedog creative Co., Ltd. (Note 2)	40.00	-	40.00	-
		<u>\$ 135,404</u>		<u>\$ 121,309</u>

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

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

Note 3: The liquidation of 4-Way Voice Cultural Co., Ltd. was completed in August 2022.

Note 4: The liquidation of ACCI was completed in December 2022.

- B. The financial statements of investments accounted for 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) for the year ended December 31, 2021, and the balance of investments accounted for under equity method was \$56,856 as at December 31, 2021.
- C. As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$135,404 and \$121,309, respectively. The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2022	2021
Loss for the year	(\$ 30,434)	(\$ 117,619)
Other comprehensive income, net of tax	( 313)	157
Total comprehensive loss	<u>(\$ 30,747)</u>	<u>(\$ 117,462)</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, 2022</u>									
Cost	\$ 2,246,082	\$ 536,582	\$ 429,755	\$ 1,226	\$ 92,428	\$ 36,134	\$ 44,122	\$ 8,091	\$ 3,394,420
Accumulated depreciation	-	( 168,055)	( 318,996)	( 1,166)	( 53,008)	( 30,890)	( 18,656)	-	( 590,771)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 368,527</u>	<u>\$ 104,377</u>	<u>\$ 60</u>	<u>\$ 39,420</u>	<u>\$ 5,244</u>	<u>\$ 25,466</u>	<u>\$ 8,091</u>	<u>\$ 2,797,267</u>
<u>2022</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 368,527	\$ 104,377	\$ 60	\$ 39,420	\$ 5,244	\$ 25,466	\$ 8,091	\$ 2,797,267
Additions	-	9,016	75,111	-	23,147	11,342	9,600	15,768	143,984
Disposals	-	-	-	-	( 290)	-	-	-	( 290)
Transfers	-	15,489	-	-	-	3,352	2,893	( 21,734)	-
Depreciation charge	-	( 38,055)	( 58,156)	-	( 15,286)	( 5,528)	( 11,841)	-	( 128,866)
Net exchange differences	-	-	316	-	25	2	-	-	343
Closing net book amount as at December 31	<u>\$ 2,246,082</u>	<u>\$ 354,977</u>	<u>\$ 121,648</u>	<u>\$ 60</u>	<u>\$ 47,016</u>	<u>\$ 14,412</u>	<u>\$ 26,118</u>	<u>\$ 2,125</u>	<u>\$ 2,812,438</u>
<u>At December 31, 2022</u>									
Cost	\$ 2,246,082	\$ 558,612	\$ 424,299	\$ 1,245	\$ 102,697	\$ 26,301	\$ 53,130	\$ 2,125	\$ 3,414,491
Accumulated depreciation	-	( 203,635)	( 296,269)	( 1,185)	( 55,681)	( 11,889)	( 27,012)	-	( 595,671)
Accumulated impairment	-	-	( 6,382)	-	-	-	-	-	( 6,382)
	<u>\$ 2,246,082</u>	<u>\$ 354,977</u>	<u>\$ 121,648</u>	<u>\$ 60</u>	<u>\$ 47,016</u>	<u>\$ 14,412</u>	<u>\$ 26,118</u>	<u>\$ 2,125</u>	<u>\$ 2,812,438</u>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<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)
Transfers	-	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>

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, 2022 and 2021, payments of lease commitments for short-term leases amounted to \$10,376 and \$11,153, respectively.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2022	December 31, 2021
Buildings	\$ 55,606	\$ 71,379
Land improvements	322	1,609
Transportation equipment (Business vehicles)	1,903	1,494
Machinery	16,102	21,056
	<u>\$ 73,933</u>	<u>\$ 95,538</u>

	Depreciation charge	
	Years ended December 31,	
	2022	2021
Buildings	\$ 24,078	\$ 24,520
Land improvements	1,288	1,453
Transportation equipment (Business vehicles)	1,848	1,542
Machinery	4,955	4,268
	<u>\$ 32,169</u>	<u>\$ 31,783</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$11,809 and \$67,953, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

<u>Items affecting profit or loss</u>	Years ended December 31,	
	2022	2021
Interest expense on lease liabilities	<u>\$ 743</u>	<u>\$ 821</u>
Expense on short-term lease contracts	<u>\$ 10,376</u>	<u>\$ 11,153</u>

- F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$44,258 and \$43,929, respectively.

(11) Leasing arrangements - lessor

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. Gain arising from operating lease agreements for the years ended December 31, 2022 and 2021 is as follows:

	Years ended December 31,	
	2022	2021
Rent income	\$ 1,220	\$ 1,444

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

	December 31, 2022	December 31, 2021
2021	\$ -	\$ 305
2022	-	304
2023	914	-
2024	914	-
2025	914	-
2026	305	-
	<u>\$ 3,047</u>	<u>\$ 609</u>

(12) Intangible assets

	<u>License fees</u>	<u>Software</u>	<u>Other intangible assets</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2022</u>							
Cost	\$ 1,617,093	\$ 89,531	\$ 165,930	\$ 10,090	\$ 195,700	\$ 381,572	\$ 2,459,916
Accumulated amortisation	( 1,425,861)	( 40,438)	( 38,264)	-	( 72,543)	-	( 1,577,106)
Accumulated impairment	( 75,870)	-	( 29,375)	-	-	( 146,821)	( 252,066)
	<u>\$ 115,362</u>	<u>\$ 49,093</u>	<u>\$ 98,291</u>	<u>\$ 10,090</u>	<u>\$ 123,157</u>	<u>\$ 234,751</u>	<u>\$ 630,744</u>
<u>2022</u>							
Opening net book amount as at January 1	\$ 115,362	\$ 49,093	\$ 98,291	\$ 10,090	\$ 123,157	\$ 234,751	\$ 630,744
Additions	978,759	65,183	10,504	-	-	-	1,054,446
Amortisation charge	( 330,376)	( 61,807)	( 10,175)	-	( 18,838)	-	( 421,196)
Impairment loss (Note2)	( 36,353)	-	( 56,810)	-	-	-	( 93,163)
Net exchange differences	2,624	170	1,948	-	254	2,563	7,559
Closing net book amount as at December 31	<u>\$ 730,016</u>	<u>\$ 52,639</u>	<u>\$ 43,758</u>	<u>\$ 10,090</u>	<u>\$ 104,573</u>	<u>\$ 237,314</u>	<u>\$ 1,178,390</u>
<u>At December 31, 2022</u>							
Cost	\$ 1,140,099	\$ 98,023	\$ 179,132	\$ 10,090	\$ 197,132	\$ 386,238	\$ 2,010,714
Accumulated amortisation	( 363,452)	( 45,384)	( 50,005)	-	( 92,559)	-	( 551,400)
Accumulated impairment	( 46,631)	-	( 85,369)	-	-	( 148,924)	( 280,924)
	<u>\$ 730,016</u>	<u>\$ 52,639</u>	<u>\$ 43,758</u>	<u>\$ 10,090</u>	<u>\$ 104,573</u>	<u>\$ 237,314</u>	<u>\$ 1,178,390</u>

	License fees	Software	Other intangible assets	Trademark right	Customer relationship	Goodwill	Total
<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>

Note 1: Pertains to other prepayment reclassified to License fees and other intangible assets.

Note 2: For impairment loss, refer to Note 6(14).

Note 3: For the change in accounting estimates, refer to Note 6(16).

A. The details of amortisation are as follows:

	Years ended December 31,	
	2022	2021
Operating costs	\$ 359,745	\$ 677,384
Selling expenses	18,619	17,200
General and administrative expenses	24,772	16,926
Research and development expenses	18,060	15,399
	<u>\$ 421,196</u>	<u>\$ 726,909</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, 2022	December 31, 2021
Goodwill:		
NOWnews	\$ 197,055	\$ 197,055
Digicentre	141,149	141,149
AMI	18,917	17,050
GIH	27,442	24,735
Others	1,675	1,583
	<u>386,238</u>	<u>381,572</u>
Less: Accumulated impairment	<u>(148,924)</u>	<u>(146,821)</u>
	<u>\$ 237,314</u>	<u>\$ 234,751</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, 2022 and 2021 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, 2022 and 2021. As the recoverable amount of NOWnews and AMI was lower than the carrying amount at December 31, 2022 and 2021, goodwill was not impaired. 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, 2022</u>	<u>December 31, 2021</u>
Growth rate	2.4%~6.4%	2.5%~5.5%
Discount rate	14.0%~14.2%	13.2%~14.1%

- (c) As of December 31, 2022 and 2021, aside from NOWnews, Digicentre and AMI, 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, 2022</u>	<u>December 31, 2021</u>
Overdue receivables	\$ 114,261	\$ 106,343
Less: Loss allowance for overdue receivables	( 114,261)	( 106,343)
Refundable deposits	46,931	41,359
Others	34,300	15,748
	<u>\$ 81,231</u>	<u>\$ 57,107</u>

(14) Impairment of non-financial assets

The Group recognised impairment loss of \$93,163 and \$171,635 for the years ended December 31, 2022 and 2021, respectively. Details of such loss are as follows:

	<u>Recognised in profit or loss</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Impairment loss - license fees	\$ 36,353	\$ 69,219
Impairment loss - other intangible assets	56,810	29,749
Goodwill	-	72,667
	<u>\$ 93,163</u>	<u>\$ 171,635</u>

- A. The Group implemented impairment testing on the recoverable amount of goodwill at the financial year-end date. Information on the determination of the recoverable amount is provided in Note 6(12).
- B. The Group assesses the recoverable amounts of agency rights and other intangible assets annually, based on the expected future economic benefits arising from the use of the points generated from income and expenses and the expected future economic benefits. Due to the recoverable amounts being lower than the carrying amounts, impairment losses are recognized.

(15) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings		
Secured borrowings	\$ 91,760	\$ 100,164
Credit lines	\$ 3,827,321	\$ 3,009,279
Interest rate range	1.275%~5.80%	1.05%~5.80%

(16) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Store-value received on behalf of others	\$ 844,245	\$ 788,392
Accrued service cost	521,529	288,571
Salary and annual bonus payable	216,391	190,832
Employees' compensation payable	207,929	205,913
Electronic payment received on behalf of others	109,778	50,067
Commission payable	97,332	85,633
Payable on business tax and withholding tax	89,496	95,249
Payable on equipment and intangible assets (Note)	39,497	28,349
Directors' remuneration payable	36,333	34,219
Others	54,513	47,377
	<u>\$ 2,217,043</u>	<u>\$ 1,814,602</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) Long-term borrowings

December 31, 2022: None.

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2021
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>

(18) 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, 2022 and 2021 were \$792 and \$839, respectively.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 67,757)	(\$ 72,581)
Fair value of plan assets	<u>73,852</u>	<u>67,597</u>
Net defined benefit assets/liability (shown as other non-current assets/ liabilities)	<u>\$ 6,095</u>	<u>(\$ 4,984)</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, 2022</u>			
Balance at January 1	(\$ 72,581)	\$ 67,597	(\$ 4,984)
Current service cost	( 756)	-	( 756)
Interest (expense) income	( 508)	472	( 36)
	<u>( 73,845)</u>	<u>68,069</u>	<u>( 5,776)</u>
Remeasurements:			
Return on plan assets	-	5,120	5,120
Change in financial assumptions	5,555	-	5,555
Experience adjustments	90	-	90
	<u>5,645</u>	<u>5,120</u>	<u>10,765</u>
Pension fund contribution	-	1,106	1,106
Paid pension	443	( 443)	-
Balance at December 31	<u>(\$ 67,757)</u>	<u>\$ 73,852</u>	<u>\$ 6,095</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<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>

(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, 2022 and 2021 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,	
	2022	2021
Discount rate	1.4%	0.70%
Future salary increases	3.5%	3.50%

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

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 1,849)	(\$ 1,918)	\$ 1,706	(\$ 1,657)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 2,067)	\$ 2,144	\$ 1,900	(\$ 1,846)

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, 2023 amount to \$1,093.

#### 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, 2022 and 2021 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, 2022 and 2021 were \$42,448 and \$46,305, respectively.

(19) Common stock

As of December 31, 2022, 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.

(20) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

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

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

(b) Donations.

(21) Unappropriated retained earnings

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

- B. The Company's dividend policy adopts the conservatism principle, with consideration of the Company's profit, financial structure and future development plans. At least 10% of the Company's distributable earnings as of the end of the period shall be appropriated as cash dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. On 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	<u>701,974</u>	<u>4.0</u>
	<u>\$ 1,195,566</u>	<u>\$ 4.0</u>

- F. On June 16, 2022, the shareholders during their meeting approved the appropriations of 2021 retained earnings as follows:

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

G. On March 9, 2023, the board of directors meeting resolved the proposal of 2022 appropriations of retained earnings as follows:

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

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

I. For the information relating to employees' compensation and directors' and supervisors remuneration, refer to Note 6(28).

(22) Other equity

	<u>2022</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	(\$ 131,809)	(\$ 373,543)	(\$ 505,352)
Revaluation - Group	-	( 53,330)	( 53,330)
Revaluation - Associates	-	( 313)	( 313)
Revaluation transferred to retained earnings - group	-	24,440	24,440
Currency translation differences:			
- Group	<u>95,206</u>	<u>-</u>	<u>95,206</u>
At December 31	<u>(\$ 36,603)</u>	<u>(\$ 402,746)</u>	<u>(\$ 439,349)</u>

	2021		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
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	(\$ 131,809)	(\$ 373,543)	(\$ 505,352)

(23) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	\$ 11,388,021	\$ 11,372,477

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, 2022	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 9,034,803	\$ 1,366,400	\$ 530,759	\$ 456,059	\$ 11,388,021
Timing of revenue recognition					
At a point in time	\$ 8,139,305	\$ 572,348	\$ 530,759	\$ 456,059	\$ 9,698,471
Over time	895,498	794,052	-	-	1,689,550
	<u>\$ 9,034,803</u>	<u>\$ 1,366,400</u>	<u>\$ 530,759</u>	<u>\$ 456,059</u>	<u>\$ 11,388,021</u>
Year ended December 31, 2021	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 9,087,849	\$ 1,319,768	\$ 666,931	\$ 297,929	\$ 11,372,477
Timing of revenue recognition					
At a point in time	\$ 8,424,851	\$ 563,693	\$ 666,931	\$ 297,929	\$ 9,953,404
Over time	662,998	756,075	-	-	1,419,073
	<u>\$ 9,087,849</u>	<u>\$ 1,319,768</u>	<u>\$ 666,931</u>	<u>\$ 297,929</u>	<u>\$ 11,372,477</u>

## B. Contract liabilities

(a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$379,934, \$385,016 and \$281,129 as of December 31, 2022, December 31, 2021, and January 1, 2021, respectively. The Group's contract liabilities are mainly deferred revenue from points stored but unused or unconsumed in the online game or mobile game, and are amortised as revenue over the period of the services or the estimated useful period of the virtual items when they are actually used.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31,	
	2022	2021
Revenue from games	\$ 385,016	\$ 281,129

### (24) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 20,154	\$ 3,026
Interest income from financial assets at amortised cost	745	280
	\$ 20,899	\$ 3,306

### (25) Other income

	Years ended December 31,	
	2022	2021
Rental revenue	\$ 1,220	\$ 1,444
Dividend income	-	145
Other income	18,407	10,621
	\$ 19,627	\$ 12,210

### (26) Other gains and losses

	Years ended December 31,	
	2022	2021
Loss on disposal of property, plant and equipment	(\$ 3)	(\$ 47)
(Loss) gain on disposal of investments	( 895)	292
Foreign exchange gain	44,462	11,173
Impairment loss	( 93,163)	( 171,635)
Other losses	( 5,114)	( 19,804)
	(\$ 54,713)	(\$ 180,021)

(27) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 4,750	\$ 6,054
Lease liability	743	821
	<u>\$ 5,493</u>	<u>\$ 6,875</u>

(28) Employee benefit, depreciation and amortisation expense

	Years ended December 31,	
	2022	2021
Employee benefit expense		
Wages and salaries	\$ 1,154,589	\$ 1,032,795
Directors' remuneration	40,114	34,146
Labor and health insurance fees	87,724	76,217
Pension costs	43,240	47,144
Other personnel expenses	48,860	42,748
	<u>\$ 1,374,527</u>	<u>\$ 1,233,050</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 161,035</u>	<u>\$ 164,360</u>
Amortisation expense	<u>\$ 421,196</u>	<u>\$ 726,909</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, 2022 and 2021, employees' compensation was accrued at \$173,572 and \$165,319, respectively; while directors' remuneration was accrued at \$34,714 and \$33,064, respectively. The aforementioned amounts were recognised in salary expenses.
- (b) For the year ended December 31, 2022, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2022 amounted to \$173,572 and \$34,700 respectively, as resolved at the meeting of the Board of Directors. The difference in employees' compensation and directors' remuneration for 2022 amounting to \$14 respectively, had been adjusted in the profit or loss for 2023.

- (c) Employees' compensation and directors' remuneration for 2021 amounted to \$163,299 and \$32,600, respectively, as resolved at the meeting of the Board of Directors. The difference in employees' compensation and directors' remuneration for 2021 of \$2,020 had been adjusted in profit or loss for 2022 of \$464.
- 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.

(29) Income tax

A. Components of income tax expense:

(a) Components of income tax expense

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profit for the year	\$ 390,233	\$ 392,684
Tax on undistributed earnings	7,798	16,079
Prior year income tax overestimation	( 20,096)	( 2,417)
Deferred tax:		
Origination and reversal of temporary differences	52,406	29,635
Income tax expense	<u>\$ 430,341</u>	<u>\$ 435,981</u>

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

	Years ended December 31,	
	2022	2021
Remeasurement of defined benefit obligation	\$ 2,153	\$ 1,022
Currency translation differences	11,592	( 4,978)
	<u>\$ 13,745</u>	<u>(\$ 3,956)</u>

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

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 374,068	\$ 378,461
Effect from items disallowed by tax regulation	90,394	44,821
Overseas investment income not recognised as deferred tax liabilities	( 21,823)	( 964)
Prior year income tax over estimation	( 20,096)	( 2,416)
Tax on unappropriated retained earnings	7,798	16,079
Income tax expense	<u>\$ 430,341</u>	<u>\$ 435,981</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, 2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
—Deferred tax assets:				
Provision for bad debts in excess of the allowable limit	\$ 3,555	(\$ 1,696)	\$ -	\$ 1,859
Allowance for inventory obsolescence	524	42	-	566
Investment loss accounted for under equity method	78,033	( 14,607)	-	63,426
Impairment loss on intangible assets	5,627	211	-	5,838
Compensation for unused leave	4,905	-	-	4,905
Book-tax difference on property, plant and equipment from business combination	622	( 21)	-	601
Deferred revenue	6,367	( 594)	-	5,773
Pension payable	997	( 62)	( 935)	-
Loss carryforward	3,902	1,453	-	5,355
Royalty payable	19,069	( 15,224)	-	3,845
Financial statements translation differences of foreign operations	14,918	-	( 11,592)	3,326
Unrealised exchange loss	1,004	388	-	1,392
	<u>\$ 139,523</u>	<u>(\$ 30,110)</u>	<u>(\$ 12,527)</u>	<u>\$ 96,886</u>
—Deferred tax liabilities:				
Investment income accounted for under equity method	(\$ 36,398)	(\$ 19,520)	\$ -	(\$ 55,918)
Book-tax difference on intangible assets from business combination	( 29,816)	( 2,631)	-	( 32,447)
Unrealised exchange gain	( 11)	( 318)	-	( 329)
Depreciation	( 173)	173	-	-
Pension	-	-	( 1,218)	( 1,218)
	<u>(\$ 66,398)</u>	<u>(\$ 22,296)</u>	<u>(\$ 1,218)</u>	<u>(\$ 89,912)</u>

	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>

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

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

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

	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ 172,125	\$ 281,242

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

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

(29) Earnings per share

	Year ended December 31, 2022		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,279,696</u>	<u>175,494</u>	<u>\$ 7.29</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,279,696	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	<u>-</u>	<u>2,990</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,279,696</u>	<u>178,484</u>	<u>\$ 7.17</u>
	Year ended December 31, 2021		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,106,281</u>	<u>175,494</u>	<u>\$ 6.30</u>
<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)	<u>-</u>	<u>2,752</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,106,281</u>	<u>178,246</u>	<u>\$ 6.21</u>

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

(31) 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, NOWnews and GAMA PAY, increased capital by issuing new shares for cash for the year ended December 31, 2022. However, the Group did not acquire additional shares proportionately to its interest; thus, the share ownership increased by 0.56%, 0.47% and 8.52%, respectively; the company acquired 100% equity interested in Gamania Digital Entertainment (HK) Co., Ltd. from Gamania China Holdings Ltd. the impact of the transaction attributed to owners of parent is as follows:

	<u>JollyBuy</u>	<u>NOWnews</u>
	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2022</u>
Cash	\$ -	\$ 5,323
Increase in carrying amount of non-controlling interest	( 1,256)	( 6,726)
Retained earnings - changes in parent's ownership interest in subsidiary	(\$ 934)	(\$ 1,403)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 322)	\$ -

	<u>GIH</u>	<u>GAMA PAY</u>
	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2022</u>
Cash	\$ -	(\$ 13,789)
Increase (decrease) in carrying amount of non-controlling interest	( 3,958)	10,263
Retained earnings - changes in parent's ownership interest in subsidiary	(\$ 2,021)	(\$ 3,526)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 1,937)	\$ -

	<u>Gash Point</u>
	<u>Year ended</u>
	<u>December 31, 2022</u>
Cash	\$ -
Decrease in carrying amount of non-controlling interest	16,160
Capital surplus - changes in parent's ownership interest in subsidiary	\$ 16,160

- B. The subsidiary, AMI, redeemed treasury shares without consideration for the three months ended March 31, 2022. Therefore, the share ownership of the Group increased by 1.84%, the carrying amount of non-controlling interest decreased by \$5,158 and capital surplus - changes in parent's ownership interest in subsidiary increased by \$5,158.
- C. The subsidiary, JollyBuy, redeemed treasury shares with \$915 for the nine months ended September 30, 2022. Therefore, the share ownership of the Group increased by 1.1%, the carrying amount of non-controlling interest decreased by \$1,456 and capital surplus - changes in parent's ownership interest in subsidiary increased by \$541.
- D. The subsidiaries, JollyBuy, GAMAPAY, Ciirco and NOWnews, increased capital by issuing new shares for cash 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:

	<u>Year ended December 31, 2021</u>	
	<u>Jollybuy</u>	<u>GAMA PAY</u>
Cash	\$ -	\$ -
Increase in carrying amount of non-controlling interest	( 435)	( 19,444)
Capital surplus - changes in parent's ownership interest in subsidiary	(\$ 435)	(\$ 19,444)

	Year ended December 31, 2021	
	Ciirco	NOWnews
Cash	\$ -	\$ 13,977
Increase in carrying amount of non-controlling interest	( 29)	( 15,232)
Decrease in unappropriated retained earnings	(\$ 29)	(\$ 1,255)

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

(32) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Acquisition of property, plant and equipment	\$ 143,984	\$ 85,340
Add: Opening balance of other payables	22,484	24,590
Less: Ending balance of other payables	( 35,478)	( 22,484)
Cash paid during the year	\$ 130,990	\$ 87,446

	Years ended December 31,	
	2022	2021
Acquisition of intangible assets	\$ 1,054,446	\$ 290,762
Add: Opening balance of other payables	5,865	454,258
Less: Ending balance of other payables	( 4,019)	( 5,865)
Ending balance of other payables - related parties	-	( 450,000)
Cash paid during the year	\$ 1,056,292	\$ 289,155

(33) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2022 and 2021 are as follows:

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

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.	"

Names of related parties	Relationship with the Company
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Simsense Technology Sdn. Bhd.	"
Dapili International Marketing Co., Ltd.	"

(3) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
Associates	\$ 414	\$ 1,445
Other related parties	21,507	39,048
	<u>\$ 21,921</u>	<u>\$ 40,493</u>
Sales of services:		
Associates	\$ 10,368	\$ 22,350
Other related parties	126,512	89,981
	<u>\$ 136,880</u>	<u>\$ 112,331</u>

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

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

B. Operating costs

	Years ended December 31,	
	2022	2021
Service costs:		
Associates	\$ 15	\$ -
Other related parties	2,983	7,776
	<u>\$ 2,998</u>	<u>\$ 7,776</u>

Service costs arise from the sales of services. All abovementioned costs are based on mutual agreement.

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

	Years ended December 31,	
	2022	2021
Associates	\$ 18,670	\$ 20,741
Other related parties	29,242	10,729
	<u>\$ 47,912</u>	<u>\$ 31,470</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,	
	2022	2021
Other related party		
Gamania Cheer Up Foundation	\$ 19,000	\$ 17,500

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, 2022	December 31, 2021
Accounts receivable:		
Associates	\$ 17,093	\$ 8,230
Other related parties	3,558	3,111
	<u>\$ 20,651</u>	<u>\$ 11,341</u>
Other receivables:		
Associates	\$ 2,539	\$ 2,182
Other related parties	32	32
	<u>\$ 2,571</u>	<u>\$ 2,214</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, 2022	December 31, 2021
Accounts payable:		
Associates	\$ 1	\$ -
Other related parties	1,571	7,187
	<u>\$ 1,572</u>	<u>\$ 7,187</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables:		
Associates	\$ 5,441	\$ 5,863
Other related parties	346,235	152,721
	<u>\$ 351,676</u>	<u>\$ 158,584</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

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 177,356	\$ 146,990
Post-employment benefits	108	229
	<u>\$ 177,464</u>	<u>\$ 147,219</u>

8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Book value</u>		<u>Pledge purpose</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Other current assets			
Demand deposits	\$ 196,680	\$ 228,065	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	30,708		- Guarantee for short-term borrowing facility
Financial assets at amortised cost-current			
Time deposits	23,000	62,319	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	247,184	252,829	Short-term and long-term loans / Credit lines
	<u>\$ 2,743,654</u>	<u>\$ 2,789,295</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 9, 2023, the Company's board of directors has approved the following significant events:

A. Please refer to Note 6(21) G. appropriations of retained earnings.

B. The company plan to increase shares issued by subsidiary, Jollybuy, by not over \$70,000 in times.

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, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets designated at fair value through profit or loss	\$ 15,000	\$ -
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 117,581	\$ 198,626

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 3,737,319	\$ 3,418,896
Financial assets at amortised cost	120,204	88,463
Notes receivable	11	752
Accounts receivable (including related parties)	806,017	887,464
Other receivables (including related parties)	535,528	262,703
Other financial assets	227,388	228,065
Guarantee deposits paid	46,931	41,359
	<u>\$ 5,473,398</u>	<u>\$ 4,927,702</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 91,760	\$ 100,164
Accounts payable (including related parties)	616,934	571,334
Other payables (including related parties)	2,568,719	1,973,186
Long-term borrowings (including current portion)	-	80,000
Guarantee deposits received	15,224	16,964
	<u>\$ 3,292,637</u>	<u>\$ 2,741,648</u>
Lease liability	<u>\$ 74,103</u>	<u>\$ 95,667</u>

#### B. Financial risk management policies

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

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

###### Foreign exchange risk

- i. Each of the entities in the Group operates in different countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

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

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

(Foreign currency: Functional currency)	December 31, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 25,302	27.68	\$ 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

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

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to \$44,462 and \$11,173, respectively.

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

(Foreign currency: Functional currency)	Year ended December 31, 2022		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 4,348	\$ -
HKD:USD (Note)	1%	2,211	-
RMB:USD (Note)	1%	1,034	-
USD:HKD (Note)	1%	2,728	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	4,216	-
RMB:USD (Note)	1%	853	-
USD:HKD (Note)	1%	289	-
(Foreign currency: Functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</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	-

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

### Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. However, the Group has set stop-loss amounts for those assets; therefore, no material market risk is expected. If the prices of these equity securities had increased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$150 and \$0, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income or loss for the years ended December 31, 2022 and 2021 would have increased by \$1,176 and \$1,986, 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, 2022 and 2021, the Group's borrowings at variable rate were denominated in NTD.
- ii. At December 31, 2022 and 2021, 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, 2022 and 2021 would have been \$60 and \$49 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, 2022, 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, 2022 and 2021, the provision matrix is as follows:

	December 31, 2022		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.07%~2.10%	\$ 1,242,154	\$ 1,251
Up to 30 days	0.10%~7.89%	36,924	119
31 to 60 days	1.00%~9.20%	8,401	287
61 to 90 days	2.99%~12.28%	12,079	382
91 to 120 days	8.56%~60.44%	10,022	901
Over 121 days	68.36%~100%	58,295	46,612
		<u>\$ 1,367,875</u>	<u>\$ 49,552</u>
	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>

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:

	2022		
	<u>Accounts receivable</u>	<u>Other receivables</u>	<u>Total</u>
At January 1	\$ 158,957	\$ 1,998	\$ 160,955
(Reversal of provision for impairment loss)	1,273	994	2,267
Write-offs	( 68)	( 917)	( 985)
Effect of exchange rate changes	1,398	178	1,576
At December 31	<u>\$ 161,560</u>	<u>\$ 2,253</u>	<u>\$ 163,813</u>
	2021		
	<u>Accounts receivable</u>	<u>Other receivables</u>	<u>Total</u>
At January 1	\$ 137,244	\$ 7,403	\$ 144,647
Provision for impairment loss	68,723	1,811	70,534
Write-offs	( 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>

For provisioned loss for the years ended December 31, 2022 and 2021, the (reversal of) provision for losses arising from customers' contracts were \$2,267 and \$70,534, 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

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

December 31, 2021	Less than 1 year	Between 1 and 3 years	Over 3 years
Short-term borrowings	\$ 100,164	\$ -	\$ -
Accounts payable	564,127	-	-
Accounts payable - related parties	7,187	-	-
Other payables	1,814,602	-	-
Other payables - related parties	158,584	-	-
Lease liabilities	30,686	40,716	26,303
Long-term borrowings (including current portion)	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, 2022</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 profit or loss				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 60,478</u>	<u>\$ -</u>	<u>\$ 57,103</u>	<u>\$ 117,581</u>
<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 profit or loss				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	<u>\$ 110,709</u>	<u>\$ -</u>	<u>\$ 87,917</u>	<u>\$ 198,626</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Open-end fund</u>	<u>Listed (OTC) and emerging stocks</u>
Market quoted price	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, 2022 and 2021, 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, 2022 and 2021:

	Equity securities	
	2022	2021
At January 1	\$ 87,917	\$ 125,991
Acquired during the year	15,000	-
Disposals during the year	( 31,208)	( 41,529)
Loss recognised in other comprehensive income	( 5,976)	4,908
Effects of foreign exchange	6,370	( 1,453)
At December 31	<u>\$ 72,103</u>	<u>\$ 87,917</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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 57,103	Market comparable companies	Enterprise value to operating income ratio multiple	28.21~34.37 (28.21)	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
TV shows production investing sharing agreement	15,000	Discounted cash flow method	Weighted average cost of capital	13.26% (13.26%)	The higher the weighted average cost of capital, the lower the fair value
	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

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, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ -	\$ -
	Discount for lack of marketability	±1%	-	-	269	( 269)
	Weighted average cost of capital	±1%	150	( 150)	-	-
			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 instruments	Enterprise value to operating income ratio multiple	±1%	\$ -	\$ -	\$ 338	(\$ 338)
	Discount for lack of marketability	±1%	-	-	607	( 607)

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. OPERATING SEGMENT INFORMATION

(1) General information

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

(2) Assessment of segment information

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

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

The segment information on reportable segments provided to the chief operating decision-maker for the years ended December 31, 2022 and 2021 is as follows:

Year ended December 31, 2022

	Gamania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
Revenue from external customers	\$ 8,032,776	\$ 396,689	\$ 2,958,556	\$ 11,388,021	
Inter-segment revenue	95,809	783,345	984,839	1,863,993	Note 1
Segment operating profit	1,414,733	271,191	72,638	1,758,562	
Segment profit (loss), net of tax	1,279,696	297,591	( 299,180)	1,278,107	
Segment profit (loss) includes:					
Depreciation and amortisation	( 435,532)	( 8,107)	( 138,592)	( 582,231)	
Income tax expense	( 247,737)	( 66,626)	( 115,978)	( 430,341)	
Investment income (loss) accounted for under equity method	93,747	75,207	( 199,388)	( 30,434)	Note 2

Year ended December 31, 2021

	Gamania Digital Entertainment Co., Ltd.	Gash Point Company Limited and Gash Point (Hong Kong) Company Limited	Others	Total	
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 income (loss) accounted for under equity method	( 166,642)	( 32,166)	( 81,189)	( 117,619)	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) Reconciliation information of segment profit (loss)

Details are provided in Note 6(23).

The reportable segments of the Group are based on different companies. The reconciliation with Note 6(23) operating revenue is as follows:

	Year ended December 31, 2022			
	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) Company Limited	Others	Total
Online and mobile games revenue	\$ 7,898,564	\$ -	\$ 1,136,239	\$ 9,034,803
Service revenue	134,212	-	1,232,188	1,366,400
Sales revenue	-	-	530,759	530,759
Revenue from stored-values	-	396,689	59,370	456,059
	<u>\$ 8,032,776</u>	<u>\$ 396,689</u>	<u>\$ 2,958,556</u>	<u>\$ 11,388,021</u>

	Year ended December 31, 2021			
	Gamania Digital Entertainment Co., Ltd.	Gash Point and Gash Point (Hong Kong) 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>

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 9,542,562	\$ 3,736,715	\$ 9,659,101	\$ 3,257,600
Asia	1,845,459	118,937	1,713,376	50,952
	<u>\$ 11,388,021</u>	<u>\$ 3,855,652</u>	<u>\$ 11,372,477</u>	<u>\$ 3,308,552</u>

(7) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2022 and 2021.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Provision of endorsements and guarantees to others  
Year ended December 31, 2022

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed  Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	HaPod Digital Technology Co., Ltd.	2	\$ 585,203	\$ 70,862	\$ 67,558	\$ 30,708	\$ 30,708	1.21	\$ 5,852,032	Y	N	N	Note 3
0	The Company	JollyBuy Digital Technology Co., Ltd.	2	585,203	30,000	30,000	-	-	0.51	5,852,032	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	4	101,682	31,585	26,505	21,204	10,902	10.43	101,682	N	N	Y	Note 4
2	Achieve Made International (BVI)	Jollywiz Digital Technology Co., Ltd.	4	105,062	18,000	-	-	-	0.00	105,062	N	N	N	Note 4

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

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

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

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

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

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

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

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

December 31, 2022

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

As of December 31, 2022								
Securities held by	Type of marketable securities (Note 1)	Relationship with the security holders	General ledger account	Number of shares (in thousands)	Book value	Percentage	Market value (Note 2)	Footnote
The Company	XPEC Entertainment Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	4,907	\$ 26,941	2.68	\$ 26,941	
The Company	Pili International Multimedia Co., Ltd. - stock	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,958	54,040	3.82	54,040	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	420	6,438	1.76	6,438	
Gamania Asia Investment Co., Ltd.	Gokube Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	400	-	1.77	-	
Gamania International Holdings Ltd.	Vantage Metro Limited - stock	None	Financial assets at fair value through other comprehensive income - non-current	192	30,162	2.59	30,162	

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, 2022

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	\$ 465,506	53.36	Note	Note	Note	\$ 27,830	3.84	
Conetter Comarketing Co., Ltd.	The Company	Parent company	Service revenue	182,045	24.53	Note	Note	Note	51,721	54.89	
Digicentre Company Limited	The Company	Parent company	Sales revenue	295,269	37.58	Note	Note	Note	30,771	19.60	
Ants' Power Co., Ltd.	The Company	Parent company	Sales revenue	126,271	64.35	Note	Note	Note	21,965	57.39	
Digicentre Company Limited	Digicentre (HK) Company Limited	Fellow subsidiary	Sales revenue	144,978	18.45	Note	Note	Note	30,204	19.24	

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
 Receivables from related parties in excess of \$100 million or 20% of capital  
 Year ended December 31, 2022

Table 4

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of December 31, 2022	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	\$ 621,116	-	\$ -	-	\$ 621,116	\$ 39	Note 2	

Note 1: The subsequent collections represent collections from the balance sheet date to February 22, 2023.

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2022

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	\$ 19,053	Notes 4 and 5	0.18
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	93,067	Notes 4 and 5	0.82
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	37,256	Notes 4 and 5	0.33
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	621,116	Note 5	5.98
0	The Company	HaPod Digital Technology Co., Ltd.	1	Sales of services	11,010	Note 5	0.10
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	29,937	Note 5	0.29
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point Co., Ltd.	3	Accounts receivable	62,048	Note 5	0.60
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	18,555	Note 5	0.18
2	Gash Point Co., Ltd.	The Company	2	Accounts receivable	27,830	Note 5	0.27
2	Gash Point Co., Ltd.	The Company	2	Sales of services	465,506	Note 5	4.09
2	Gash Point Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Sales of services	24,677	Note 5	0.22
3	Ants' Power Co., Ltd.	The Company	2	Operating revenue	126,271	Note 5	1.11
3	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	21,965	Note 5	0.21
4	Gash Point (HK) Co., Ltd.	Gash Point Co., Ltd.	3	Other receivables	47,715	Note 5	0.46
5	Digicentre Company Limited	The Company	2	Accounts receivable	30,771	Note 5	0.30
5	Digicentre Company Limited	The Company	2	Operating revenue	295,269	Note 5	2.59
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	30,204	Note 5	0.29
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	144,978	Note 5	1.27
5	Digicentre Company Limited	Gash Point Co., Ltd.	3	Operating revenue	25,132	Note 5	0.22
5	Digicentre Company Limited	GAMA PAY Co., Ltd.	3	Operating revenue	30,516	Note 5	0.27
6	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	51,721	Notes 4 and 5	0.50

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
 Significant inter-company transactions during the reporting period  
 Year ended December 31, 2022

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	
6	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	\$ 182,045	Notes 4 and 5	1.60
7	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	12,809	Note 5	0.11

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, 2022

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 6

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2022			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 1,555,579	\$ 2,374,061	20,100,000	100.00	\$ 84,504	\$ 179,110	\$ 130,223	
The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	217,671	-	25,500,000	100.00	359,835	262,503	51,931	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	102,067	( 13,477)	( 13,477)	
The Company	Foundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	( 27)	( 27)	
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	620,000	540,000	32,600,000	98.89	62,181	( 67,298)	( 66,780)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	358,307	44,520	27,223	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	5,926	( 1,451)	( 740)	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	432,712	213,213	191,892	
The Company	Indiland Co., Ltd.	Taiwan	Third-party payment	69,000	60,000	5,000,000	100.00	15,333	( 11,938)	( 11,938)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	68,696	28,591	28,591	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	22,984	( 9,857)	( 3,256)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	210	14	14	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	6,736	111	104	
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	1	-	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	1,103,018	839,229	65,010,045	81.26	429,846	( 223,875)	( 160,494)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	535,342	494,303	41,052,015	79.44	180,737	( 74,820)	( 73,016)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,705	( 34)	( 34)	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	229,400	8,990,649	99.90	21,976	( 554)	( 554)	
The Company	4-Way Voice Cultural Co., Ltd.	Taiwan	Newspaper and magazine publishing	1,900	1,900	190,000	0.00	-	( 1,272)	( 483)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2022

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, 2022			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Percentage	Book value			
The Company	Hao-Ji film Ltd.	Taiwan	TV shows production	\$ 30,000	\$ -	3,000,000	42.86	\$ 30,021	\$ 56	\$ 21	
The Company	Walkermmedia Co., Ltd.	Taiwan	Publishing of magazines and general advertising services	30,000	30,000	3,000,000	30.00	5,105	( 19,669)	( 5,901)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Import of household furniture and retail of other home accessories	10,000	10,000	125,000	7.69	11,192	19,230	2,525	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,181	1,181	300,000	100.00	38,664	6,912	4,665	
Digicentre Company Limited	Hyper Smart Security Technology Pte. Ltd.	Singapore	Software services	30,710	30,710	1,000,000	51.00	15,299	( 9,459)	( 3,256)	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	Software services	-	53,743	-	0.00	-	( 182)	( 182)	
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	Sales and research and development of software	1,500	1,500	150,000	30.00	3,348	3,049	915	
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	49,485	4,932	2,417	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	63,702	48,931	2,067,867	29.54	7,224	( 43,770)	( 12,930)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	( 23)	( 23)	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	20	6,414	267	
Gamania Asia Investment Co., Ltd.	Otter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	6,045	( 19,008)	( 4,083)	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	32,536	32,536	600	100.00	27,551	1,452	1,307	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	13,990	13,990	750,000	100.00	222,331	84,378	75,940	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Information software and supply of electronic information services	11,662	11,662	138,268	100.00	25,924	3,890	3,501	
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	79,456	41,279	29,714	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	150,000	150,000	4,972,098	6.22	32,851	( 223,875)	( 18,214)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	130,000	6,703,125	8.38	44,317	( 223,875)	( 24,561)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2022

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, 2022			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Percentage	Book value			
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	\$ 1,503,408	\$ 1,503,408	50,400,000	100.00	\$ 118,433	\$ 179,233	\$ 179,233	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	812,324	812,324	33,497,476	98.85	5,320	213,475	211,009	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	121,305	121,305	30,701,775	100.00	5,125	( 3,230)	( 3,230)	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,766	9,766	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	213,514	213,514	7,297,649	45.40	109,559	( 8,467)	( 5,429)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,477	1,477	375,000	30.00	-	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	67,562	67,562	2,200,000	100.00	( 36,555)	( 19,781)	( 19,781)	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	263,338	263,338	343	49.00	( -)	( 29,087)	( 9,659)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	654,440	650,360	26,145,712	100.00	115,466	( 7,266)	( 3,299)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	204	6,414	2,791	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	150,479	150,479	4,900,000	100.00	7,074	25,114	11,402	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	31,973	31,973	39,600,000	100.00	3,986	( 7,855)	( 3,566)	
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	0.94	10,083	( 74,820)	( 703)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,213,659	1,213,659	39,520,000	100.00	( 1,114)	980	969	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	-	100,419	-	0.00	-	262,503	204,844	

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries  
Information on investments in Mainland China  
Year ended December 31, 2022

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, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the nine months ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,084,063	2	\$ 794,468	\$ -	\$ -	\$ 794,468	\$ 1,033	98.85	\$ 1,337	(\$ 2,771)	\$ -	Notes 3 and 6
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	2	46,065	-	-	46,065	-	-	-	-	-	Notes 4 and 7
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	121,305	2	121,305	-	-	121,305	17,918	45.40	8,278	6,724	-	Notes 3 and 8
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	22,040	2	-	-	-	-	19,792	45.40	11,469	( 8,242)	-	Notes 3 and 8
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural products	15,355	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) Fndirectly investment in Mainland China through companies registered in a third region.
- (3) Other methods.

Note 2: The accumulated remittance as of January 1, 2022, remitted or collected this year, accumulated as of December 31, 2022 was translated into New Taiwan dollars at the average exchange rate of NTD30.71 to US\$1 and NTD4.408 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company for the year ended December 31, 2022 was recognised based on their financial statements for the corresponding period, which were audited by R.O.C. parent company's CPA.

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, 2022.

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, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Jollywiz Digital Technology Co., Ltd.	121,305	121,305	152,598

Note: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or \$1,409,988 based on 30.71 spot exchange rate at December 31, 2022.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2022

Table 8

Name of major shareholders	Shares	Number of shares held	Ownership (%)
Liu, Po-Yuan		17,491,305	9.96%
Wanwin International Co., Ltd.		15,101,000	8.60%
Shiang Sheng Investment Ltd.		13,600,000	7.74%
Joy Develop Co., Ltd. Taiwan Branch		12,859,000	7.32%

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

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

## V. 2022 Individual Financial Report of the Company Audited and Certified by CPAs

### INDEPENDENT AUDITORS' REPORT

PWCR 22000550

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

#### *Opinion*

We have audited the accompanying parent company only balance sheets of Gamania Digital Entertainment Co., Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

#### *Basis for opinion*

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

#### *Key audit matters*

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

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

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

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

#### Description

Refer to Note 4(24) for accounting policies on revenue recognition, Note 5(2) for the critical accounting estimates and assumptions and Note 6(20) for the details of accounting applied on revenue recognition.

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

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

#### How our audit addressed the matter

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

- A. Assessed and tested the relevant internal controls over revenue recognition for online and mobile games revenue.
- B. Tested on a sample basis the consumption information generated from the Company's data collection systems and verified against the consumption report provided by the Company's accountant.
- C. Tested on a sample basis the virtual items information generated from the Company's data collection systems and verified against the advance receipts as shown in the trial balance sheet provided by the Company's accountant.

D. Tested on a sample basis the expected users' relationship periods as reflected in the data collection systems, and compared with expected consumption based on the Company's accounting policy.

### **Impairment assessment of premium on investments accounted for under equity method**

#### Description

Refer to Notes 4(13) and 4(17) for accounting policy on impairment assessment of investments accounted for under equity method, Notes 6(6) and 6(12) for details of impairment assessment of investments accounted for under equity method, and Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for under equity method.

As of December 31, 2022, the investments of Gamania Digital Entertainment Co., Ltd. in NOWnews Network Co., Ltd. and Digicentre Company Limited are material and there is a premium arising from goodwill. The future cash flows projections of the expected recoverable amount was calculated based on management's estimation and expectation of the future operations, which involve management's subjective judgement and significant estimation, and the result is significant to the financial statements. Thus, we consider impairment assessment of investments accounted for using equity method a key audit matter.

#### How our audit addressed the matter:

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

- A. Assessed whether the valuation models adopted by the Company are reasonable for the industry, environment and the valued assets of the Company;
- B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budget provided by the cash-generating units;
- C. Assessed the appointed external appraisers in conformity with the rules of qualification and independence, and evaluated the reasonableness of material assumptions, such as expected growth rates, operating profit margin and discount rates, by:
  - (1) Reviewing the appraisal method and calculation formulas used by the independent appraisal expert.
  - (2) Comparing the expected growth rate and operating profit margin with historical data;

(3) Reviewing the discount rate and comparing similar return on similar assets in the market.

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

***Other matter – Scope of the Audit***

As described in Note 6(6), we did not audit the financial statements of certain investments accounted for under the equity method and the related information disclosed in Note 13, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. For the years ended December 31, 2022 and 2021, the comprehensive income amounted to NT\$63,104 thousand and NT\$37,081 thousand, respectively, and the balance of investments accounted for under equity method amounted to NT\$1,075,658 thousand and NT\$860,190 thousand as of December 31, 2022 and 2021, respectively.

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

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

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

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

***Auditors' responsibilities for the audit of the parent company only financial statements***

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

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

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

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

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

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

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

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Lin, Yi-Fan

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Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2023

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 648,935	9	\$ 725,321	10
1136	Current financial assets at amortised cost		21,496	-	-	-
1170	Accounts receivable, net	6(2)	158,314	2	201,444	3
1180	Accounts receivable - related parties	7	683,256	9	670,836	9
1200	Other receivables		37,860	1	40,935	1
1210	Other receivables - related parties	7	21,905	-	28,965	-
1220	Current income tax assets		-	-	663	-
130X	Inventories	6(3)	590	-	250	-
1410	Prepayments	6(4)	115,215	2	112,962	2
1470	Other current assets	8	35,708	-	27,152	-
11XX	<b>Total current assets</b>		<u>1,723,279</u>	<u>23</u>	<u>1,808,528</u>	<u>25</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss		15,000	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	80,981	1	162,155	2
1550	Investments accounted for under equity method	6(6)	2,198,012	29	2,300,711	32
1600	Property, plant and equipment	6(7), 7 and 8	2,623,580	35	2,616,968	36
1755	Right-of-use assets	6(8)	50,698	1	67,883	1
1780	Intangible assets	6(10) and 7	733,244	10	157,569	2
1840	Deferred income tax assets	6(26)	84,936	1	127,055	2
1900	Other non-current assets	6(11)	20,956	-	19,086	-
15XX	<b>Total non-current assets</b>		<u>5,807,407</u>	<u>77</u>	<u>5,451,427</u>	<u>75</u>
1XXX	<b>Total assets</b>		<u>\$ 7,530,686</u>	<u>100</u>	<u>\$ 7,259,955</u>	<u>100</u>

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2130	Current contract liabilities	6(20)	\$ 402,288	6	\$ 473,290	6
2170	Accounts payable		318,378	4	265,789	4
2180	Accounts payable - related parties	7	58,645	1	46,888	1
2200	Other payables	6(13)	605,483	8	568,878	8
2220	Other payables - related parties	7	137,680	2	148,289	2
2230	Current income tax liabilities		97,014	1	190,598	2
2280	Current lease liabilities		17,067	-	18,137	-
2320	Long-term liabilities, current portion	6(14)	-	-	80,000	1
2399	Other current liabilities		6,788	-	4,574	-
21XX	<b>Total current liabilities</b>		<u>1,643,343</u>	<u>22</u>	<u>1,796,443</u>	<u>24</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(14)	-	-	-	-
2570	Deferred income tax liabilities	6(26)	1,218	-	-	-
2580	Lease liabilities - non-current		33,612	-	49,634	1
2600	Other non-current liabilities	6(6)	481	-	5,439	-
25XX	<b>Total non-current liabilities</b>		<u>35,311</u>	<u>-</u>	<u>55,073</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>1,678,654</u>	<u>22</u>	<u>1,851,516</u>	<u>25</u>
<b>Equity</b>						
Share capital						
		6(16)				
3110	Common stock		1,754,936	23	1,754,936	24
Capital surplus						
		6(17)				
3200	Capital surplus		1,354,763	18	1,335,163	19
Retained earnings						
		6(18)				
3310	Legal reserve		488,103	6	378,451	5
3320	Special reserve		505,352	7	551,904	8
3350	Unappropriated retained earnings		2,188,227	29	1,893,337	26
Other equity interest						
		6(19)				
3400	Other equity interest		(439,349)	(5)	(505,352)	(7)
3XXX	<b>Total equity</b>		<u>5,852,032</u>	<u>78</u>	<u>5,408,439</u>	<u>75</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>\$ 7,530,686</u>	<u>100</u>	<u>\$ 7,259,955</u>	<u>100</u>

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20) and 7	\$ 8,128,585	100	\$ 8,285,403	100
5000	Operating costs	6(3)(25) and 7	( 4,925,145)	( 60)	( 4,960,842)	( 60)
5950	Gross profit		<u>3,203,440</u>	<u>40</u>	<u>3,324,561</u>	<u>40</u>
	Operating expenses	6(25) and 7				
6100	Selling expenses		( 500,308)	( 6)	( 547,887)	( 6)
6200	General and administrative expenses		( 843,899)	( 10)	( 796,253)	( 10)
6300	Research and development expenses		( 444,504)	( 6)	( 329,363)	( 4)
6450	Impairment gain (expected credit impairment loss)		<u>4</u>	<u>-</u>	<u>( 3)</u>	<u>-</u>
6000	Total operating expenses		<u>( 1,788,707)</u>	<u>( 22)</u>	<u>( 1,673,506)</u>	<u>( 20)</u>
6900	Operating income		<u>1,414,733</u>	<u>18</u>	<u>1,651,055</u>	<u>20</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	5,321	-	632	-
7010	Other income	6(22) and 7	53,078	1	52,817	-
7020	Other gains and losses	6(23)	( 37,961)	( 1)	( 103,415)	( 1)
7050	Finance costs	6(24)	( 1,485)	-	( 3,791)	-
7070	Share of income (loss) of associates and joint ventures accounted for under equity method		<u>93,747</u>	<u>1</u>	<u>( 166,642)</u>	<u>( 2)</u>
7000	Total non-operating income and expenses		<u>112,700</u>	<u>1</u>	<u>( 220,399)</u>	<u>( 3)</u>
7900	Profit before income tax		<u>1,527,433</u>	<u>19</u>	<u>1,430,656</u>	<u>17</u>
7950	Income tax expense	6(26)	( 247,737)	( 3)	( 324,375)	( 4)
8200	Profit for the year		<u>\$ 1,279,696</u>	<u>16</u>	<u>\$ 1,106,281</u>	<u>13</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Actuarial gain on defined benefit plan	6(15)	\$ 10,765	-	\$ 5,108	-
8316	Unrealised (loss) income from investments in equity instruments measured at fair value through other comprehensive income	6(19)	( 49,966)	( 1)	47,250	1
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss		( 3,677)	-	11,561	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 2,153)	-	( 1,022)	-
8310	<b>Other comprehensive (loss) income that will not be reclassified to profit or loss</b>		<u>( 45,031)</u>	<u>( 1)</u>	<u>62,897</u>	<u>1</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		94,006	1	( 17,503)	-
8380	Share of other comprehensive (loss) of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(19)	11,996	-	( 9,059)	-
8399	Income tax relating to components of other comprehensive loss	6(26)	( 10,796)	-	2,721	-
8360	<b>Other comprehensive income (loss) that will be reclassified to profit or loss</b>		<u>95,206</u>	<u>1</u>	<u>( 23,841)</u>	<u>-</u>
8300	<b>Other comprehensive income for the year</b>		<u>\$ 50,175</u>	<u>-</u>	<u>\$ 39,056</u>	<u>1</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 1,329,871</u>	<u>16</u>	<u>\$ 1,145,337</u>	<u>14</u>
	Earnings per share (in dollars)	6(29)				
9750	Basic earnings per share		\$ 7.29		\$ 6.30	
9850	Diluted earnings per share		\$ 7.17		\$ 6.21	

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

Notes	Capital Reserves				Retained Earnings			Other Equity Interest		Total equity
	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>2021</u>										
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
Profit for the year	-	-	-	-	-	-	1,106,281	-	-	1,106,281
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,086	( 23,841 )	58,811	39,056
Total comprehensive income (loss) for the year	-	-	-	-	-	-	1,110,367	( 23,841 )	58,811	1,145,337
Appropriations and distribution of 2020 retained earnings 6(18)										
Legal reserve	-	-	-	-	113,664	-	( 113,664 )	-	-	-
Special reserve	-	-	-	-	-	379,928	( 379,928 )	-	-	-
Cash dividends	-	-	-	-	-	-	( 701,974 )	-	-	( 701,974 )
Changes in equity of associates and joint ventures accounted for under equity method	-	-	-	1,074	-	-	-	-	-	1,074
Change in ownership interest in subsidiaries	-	-	-	( 18,382 )	-	-	( 2,264 )	-	-	( 20,646 )
Disposal of investments in equity instruments designated 6(5) at fair value through other comprehensive income	-	-	-	-	-	-	( 11,582 )	-	11,582	-
Balance at December 31, 2021	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 75,487	\$ 378,451	\$ 551,904	\$ 1,893,337	(\$ 131,809 )	(\$ 373,543 )	\$ 5,408,439
<u>2022</u>										
Balance at January 1, 2022	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 75,487	\$ 378,451	\$ 551,904	\$ 1,893,337	(\$ 131,809 )	(\$ 373,543 )	\$ 5,408,439
Profit for the year	-	-	-	-	-	-	1,279,696	-	-	1,279,696
Other comprehensive income (loss) for the year	-	-	-	-	-	-	8,612	95,206	( 53,643 )	50,175
Total comprehensive income (loss) for the year	-	-	-	-	-	-	1,288,308	95,206	( 53,643 )	1,329,871
Appropriations and distribution of 2021 retained earnings 6(18)										
Legal reserve	-	-	-	-	109,652	-	( 109,652 )	-	-	-
Reversal of special reserve	-	-	-	-	-	( 46,552 )	46,552	-	-	-
Cash dividends	-	-	-	-	-	-	( 877,468 )	-	-	( 877,468 )
Change in ownership interest in subsidiaries	-	-	-	19,600	-	-	( 28,410 )	-	-	( 8,810 )
Disposal of investments in equity instruments designated 6(5) at fair value through other comprehensive income	-	-	-	-	-	-	( 24,440 )	-	24,440	-
Balance at December 31, 2022	\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603 )	(\$ 402,746 )	\$ 5,852,032

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,527,433	\$ 1,430,656
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8) and (25)	121,939	124,706
Amortisation	6(10) and (25)	313,593	615,972
(Impairment gain) expected credit impairment loss	12(2)	( 4 )	3
Interest expense	6(24)	1,485	3,939
Interest income	6(21)	( 5,321 )	( 632 )
Share of (profit) loss associates accounted for under equity method		( 93,747 )	166,642
Loss on disposal of investment	6(23)	8	-
Loss on disposal of property, plant and equipment	6(23)	24	5
Impairment loss on non-financial assets	6(10)(12) and (23)	44,550	100,247
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		43,130	16,492
Accounts receivable - related parties		( 12,415 )	( 369,955 )
Other receivables		3,075	4,481
Other receivables - related parties		7,060	( 3,433 )
Inventories		( 340 )	717
Prepayments		( 2,253 )	( 1,539 )
Other non-current assets		4,168	( 2,654 )
Changes in operating liabilities			
Contract liabilities		( 71,002 )	99,413
Notes payable		-	( 1,211 )
Accounts payable		52,589	40,764
Accounts payable - related parties		11,757	13,561
Other payables		27,857	( 192,139 )
Other payables - related parties		( 14,061 )	( 13,501 )
Other current liabilities		2,214	7,824
Other non-current liabilities		( 313 )	( 658 )
Cash inflow generated from operations		1,961,426	2,039,700
Interest received		5,321	632
Dividends received		137,111	112,284
Interest paid		( 1,485 )	( 3,939 )
Income tax paid		( 310,271 )	( 206,588 )
Net cash flows from operating activities		<u>1,792,102</u>	<u>1,942,089</u>

(Continued)

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 15,000 )	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	31,208	5,545
Increase in financial assets at amortised cost		( 21,496 )	-
Increase in other financial assets		( 8,556 )	( 22,152 )
Acquisition of investments accounted for under equity method	7	( 666,175 )	( 443,022 )
Proceeds from capital reduction of investments accounted for under equity method		819,643	-
Acquisition of property, plant and equipment	6(28)	( 99,670 )	( 65,423 )
Proceeds from disposal of property, plant and equipment		32	5
Acquisition of intangible assets	6(28)	( 946,281 )	( 185,193 )
Proceeds from disposal of intangible assets		14,137	-
Decrease (increase) in refundable deposits		<u>57</u>	<u>( 2,988 )</u>
Net cash flows used in investing activities		<u>( 892,101 )</u>	<u>( 713,228 )</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(29)	-	( 102,533 )
Payments of lease liabilities	6(29)	( 18,919 )	( 18,739 )
Repayment of long-term debt	6(29)	( 80,000 )	( 160,000 )
Cash dividends paid	6(18)	<u>( 877,468 )</u>	<u>( 701,974 )</u>
Net cash flows used in financing activities		<u>( 976,387 )</u>	<u>( 983,246 )</u>
Net (decrease) increase in cash and cash equivalents		( 76,386 )	245,615
Cash and cash equivalents at beginning of year		<u>725,321</u>	<u>479,706</u>
Cash and cash equivalents at end of year		<u>\$ 648,935</u>	<u>\$ 725,321</u>

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Gamania Digital Entertainment Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company is primarily engaged in software services of on-line game and sales of related merchandises.

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

The parent company only financial statements were authorised for issuance by the Board of Directors on March 9, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
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 Company’s financial condition and financial performance based on the Company’s assessment.

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements were prepared in accordance with 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared

under the historical cost convention:

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements of each of the Company are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities and associates that

have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

(4) Classification of current and non-current items

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

(5) Cash equivalents

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

(6) Financial assets at fair value through profit or loss

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

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

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

(8) Accounts receivable

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

(9) Impairment of financial assets

For accounts receivable that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment

provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

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

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

(11) 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.

(12) 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.

(13) Investments accounted for under the equity method – subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised profit (loss) arising from the transactions between the Company and subsidiaries have been offset. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, including any other unsecured receivables, the Company continues to recognise losses in proportion to its ownership.
- D. If changes in shareholdings in subsidiaries do not result to loss of control (transaction with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. The difference between the adjustment in non-controlling interest

and fair value of consideration paid or received is recognised in equity.

- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest.
- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

L. Pursuant to the “Rules Governing the Preparation of Financial Statements by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

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

Buildings	4~51 years
Machinery and equipment	4~8 years
Office equipment	2~8 years
Leasehold asset	4~5 years
Other equipment	4~8 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Company subsequently measures

the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost and the cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

A. Software

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

B. Licence fees

Licence fees for operating online game software are stated at cost and amortised based on the period of the contract or reversed in proportion of operating revenue after the online games are launched. Licence fees are amortised over their estimated useful lives of 1 ~ 5 years.

C. Other intangible assets

Other intangible assets with a finite useful life, including license applied in games and unamortised charges, are stated at cost and amortised under straight-line basis over their estimated useful life of 3~15 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets in accordance with IAS 36 'Impairment of assets' where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

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

(19) 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.

(20) 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.

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

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

sheet date are discounted to their present value.

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

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

(22) Income tax

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

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

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

(25) Revenue recognition

A. Online and mobile games revenue

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

B. Royalty income

The Company entered into a contract with a customer to grant a licence of agency to the customer. Given the licence is distinct from other promised goods or services in the contract, the Company recognises the revenue from licencing when the licence is transferred to a customer either at a point in time or over time based on the nature of the licence granted. The nature of the Company's promise in granting a licence is a promise to provide a right to access the Company's intellectual property if the Company undertakes activities that significantly affect the agency to which the

customer has rights, the customer is affected by the Company's activities and those activities do not result in the transfer of a good or a service to the customer as they occur. The royalties are recognised as revenue on a straight-line basis throughout the licencing period. In case the abovementioned conditions are not met, the nature of the Company's promise in granting a licence is a promise to provide a right to use the Company's agency and therefore the revenue is recognised when transferring the licence to a customer at a point in time. Some contracts require a sales-based royalty in exchange for a licence of agency. The Company recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

#### C. Sales of services

The Company provides customer, administrative and marketing services, which are recognised overtime based on the obligations against the substantial contents specified in the related contracts. The sales of services is based on the price stated in the contract. When the contract consideration includes variable consideration, the Group recognises the minimum amount that is highly likely to not reverse in the future period.

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

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

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

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

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

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

- A. The Company is primarily responsible for the provision of goods or services;
- B. The Company assumes the inventory risk before transferring the specified goods or services to the

customer or after transferring control of the goods or services to the customer.

C. The Company has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

The Company recognises the collections of payments for game stored-value card purchases or value-added by players as contract liabilities, and amortises those amounts as revenue over the expected users' relationship periods or the estimated delivery period of the virtual items, when they are actually used. The Company estimates the deferred amount and delivery period based on operating history and other known factors. Given that the Company has extensive list of virtual items spread across thousands of users and the estimation of delivery period for virtual items may be complex, the Company assesses the reasonableness of the estimation periodically. Please refer to Note 6(20) for more information.

B. Impairment assessment of licence fees

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

C. Impairment assessment of premium on investments accounted for under equity method

The Company assesses premium on investments accounted for under equity method annually. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

D. Impairment assessment of other intangible assets

The evaluation process for impairment of other intangible assets relies on the subjective judgment of the Company, including the future economic benefits, market conditions and industrial characteristics of these intangible assets in determining the recoverable amount.

DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 538	\$ 618
Demand deposits	364,149	724,703
Cash equivalents - time deposits	284,248	-
	<u>\$ 648,935</u>	<u>\$ 725,321</u>

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

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

(2) Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 158,314	\$ 201,444
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>158,314</u>	<u>201,444</u>
Overdue receivables (shown as other non-current assets)	98,239	98,239
Less: Loss allowance	<u>( 98,239)</u>	<u>( 98,239)</u>
	<u>-</u>	<u>-</u>
	<u>\$ 158,314</u>	<u>\$ 201,444</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 158,314	\$ 201,444

The above aging analysis was based on past due date.

B. As at December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables and overdue receivables from contracts with customers amounted to \$256,553, \$299,683 and \$316,181, respectively.

C. The Company does not hold any collateral. Further, the Company has no accounts receivable pledged to others as collateral.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$158,314 and \$201,444, respectively.

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

(3) Inventories

	<u>December 31, 2022</u>		
		Allowance for obsolescence and market value decline	
	Cost		Book value
Merchandise inventory	<u>\$ 3,411</u>	<u>(\$ 2,821)</u>	<u>\$ 590</u>
	<u>December 31, 2021</u>		
		Allowance for obsolescence and market value decline	
	Cost		Book value
Merchandise inventory	<u>\$ 2,863</u>	<u>(\$ 2,613)</u>	<u>\$ 250</u>

Expenses and losses incurred on inventories for the year:

	Years ended December 31,	
	2022	2021
Cost of goods sold	\$ 320	\$ 594
Loss on decline in market value	208	186
	<u>\$ 528</u>	<u>\$ 780</u>

(4) Prepayments

	December 31, 2022	December 31, 2021
Prepayments to distributors and suppliers	\$ 85,223	\$ 100,547
Prepaid expenses	17,222	10,371
Others	12,770	2,044
	<u>\$ 115,215</u>	<u>\$ 112,962</u>

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
OTC stocks	\$ 78,376	\$ 78,376
Unlisted, non-OTC and non-emerging stocks	392,378	448,026
	470,754	526,402
Valuation adjustment	( 389,773)	( 364,247)
	<u>\$ 80,981</u>	<u>\$ 162,155</u>

- A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$80,981 and \$162,155 as at December 31, 2022 and 2021, respectively.
- B. In 2022, in line with the Group's business development and resource allocation plan, the Group sold its 5.42% equity interest in Microprogram Information Co., Ltd., at fair value in the amount of \$31,208. The cumulative loss on disposal of Microprogram Information Co., Ltd. was \$24,440.
- C. In 2021, in line with the Company's business development and resource allocation plan, the Company sold its 6.9% equity interest in Life Plus Co., Ltd. at fair value in the amount of \$5,545 which resulted in a cumulative loss of \$24,455.
- D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2022	2021
Change of fair value recognised in other comprehensive income	\$ 49,966	\$ 47,250

	Years ended December 31,	
	2022	2021
Cumulative loss reclassified to retained earnings due to derecognition	(\$ 24,440)	(\$ 24,455)
Dividend income recognised in profit or loss held at end of the year	\$ -	\$ -

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

(6) Investments accounted for under the equity method

A. List of long-term investments

<u>Name of associates and subsidiaries</u>	December 31, 2022		December 31, 2021	
	Ownership percentage	Balance	Ownership percentage	Balance
<b>Subsidiaries:</b>				
Gamania Holdings Ltd. (GH)	100.00	\$ 84,504	100.00	\$ 768,672
Gamania Digital Entertainment (HK) Co., Ltd. (GHK) (Note 4)	100.00	359,835	-	-
Gamania Asia Investment Co., Ltd. (Gamania Asia)	100.00	102,067	100.00	119,222
Fundation Digital Entertainment Co., Ltd. (Fundation)	100.00	( 409)	100.00	( 383)
Jollybuy Digital Technology Co., Ltd. (Jollybuy)	98.89	62,181	97.23	49,677
Two Tigers Co., Ltd. (Two Tigers)	51.00	5,926	51.00	9,800
Gash Point Co., Ltd. (Gash Point)	90.00	432,712	90.00	300,813
Indiland Co., Ltd. (Indiland)	100.00	15,333	100.00	18,272
Ants' Power Co., Ltd. (Ants' Power)	100.00	68,696	100.00	77,821
Webackers Co., Ltd. (Webackers)	93.38	210	93.38	196
Coture New Media Co., Ltd. (Coture New Media)	93.08	6,736	93.08	6,633
MadSugr Digital Technology Co., Ltd. (MadSugr)	51.00	3,131	51.00	3,131
Coco Digital Technology Co., Ltd. (Coco) (Note 1)	-	-	-	-
GAMA PAY Co., Ltd. (GAMA PAY)	81.26	429,846	69.73	350,347
Ciirco Inc. (Ciirco)	99.90	21,976	99.90	22,036
Bean Go! Co., Ltd. (Bean Go!)	100.00	7,705	100.00	7,739

<u>Name of associates and subsidiaries</u>	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Ownership percentage</u>	<u>Balance</u>	<u>Ownership percentage</u>	<u>Balance</u>
NOWnews Network Co., Ltd. (NOWnews)	80.38	180,737	80.08	188,991
Digicentre Company Limited (Digicentre)	67.48	358,307	67.48	339,624
Associates:				
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.) (Note 2)	33.03	22,984	33.03	26,240
4-Way Voice Cultural Co., Ltd. (4-Way Voice)	-	-	38.00	491
Walkermedia Co., Ltd. (Walkermedia)	30.00	5,105	30.00	11,006
Hao-Ji film Ltd.(Hao-Ji)	42.86	<u>30,021</u>	-	<u>-</u>
		2,197,603		2,300,328
Classified as other non-current liabilities		<u>409</u>		<u>383</u>
		<u>\$ 2,198,012</u>		<u>\$ 2,300,711</u>

Note 1: The liquidation of Coco was completed in July 2021 while the capital had been remitted back.

Note 2: The Company maintains significant influence over the company as the Company holds one seat in the Board of Directors and participates in making strategic decisions.

Note 3: The liquidation of 4-Way Voice Cultural Co., Ltd. was completed in August 2022.

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

#### B. Subsidiaries

(a) For the subsidiaries' information, please refer to Note 4(3) of the Company's 2022 consolidated financial statements.

(b) The Company intends to continually support Foundation. The carrying amounts of investments in these companies amounted to (\$409) and (\$383) as of December 31, 2022 and 2021, respectively. Thus, the amounts were reclassified to other liabilities (shown as 'other non-current liabilities').

#### C. Associates

As of December 31, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$58,110 and \$37,737 respectively. The Company's share of the operating results are summarised below:

	Years ended December 31,	
	2022	2021
Loss for the year	(\$ 9,619)	(\$ 13,819)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(\$ 9,619)</u>	<u>(\$ 13,819)</u>

- D. Among investees accounted for under equity method for the year ended December 31, 2022, Digicentre, Gamania Digital Entertainment (H.K.) Co., Ltd., and the indirect subsidiaries and associates, Gash Point (Hong Kong) Company Limited, Achieve Made International Ltd., HaPod Digital Technology Co., Ltd. and Jollybuy Digital Technology Co., Ltd. were accounted for based on their financial statements audited by its appointed auditors.
- E. Among investees accounted for under equity method for the year ended December 31, 2021, Digicentre and the indirect subsidiaries and associates, Gamania Digital Entertainment (H.K.) Co., Ltd., Gash Point (Hong Kong) Company limited, Achieve Made International Ltd., HaPod Digital Technology Co., Ltd., Gungho Gamania Co., Ltd., and Jsdway Digital Technology Co., Ltd. were accounted for based on their financial statements audited by its appointed auditors.
- F. The related comprehensive income based on the financial statements audited by other auditors amounted to \$63,104 and \$37,081 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the balance of these investments totalled \$1,075,658 and \$860,190, respectively.
- G. The impairment assessment of premium on investments accounted for under equity method, is provided in Note 6(12).

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
<u>At January 1, 2022</u>								
Cost	\$ 2,140,661	\$ 496,391	\$ 189,462	\$ 31,677	\$ 29,235	\$ 39,928	\$ 8,091	\$ 2,935,445
Accumulated depreciation	-	( 157,511)	( 105,436)	( 12,772)	( 26,398)	( 16,360)	-	( 318,477)
	<u>\$ 2,140,661</u>	<u>\$ 338,880</u>	<u>\$ 84,026</u>	<u>\$ 18,905</u>	<u>\$ 2,837</u>	<u>\$ 23,568</u>	<u>\$ 8,091</u>	<u>\$ 2,616,968</u>
<u>2022</u>								
Opening net book amount as at January 1	\$ 2,140,661	\$ 338,880	\$ 84,026	\$ 18,905	\$ 2,837	\$ 23,568	\$ 8,091	\$ 2,616,968
Additions	-	7,754	49,735	17,453	11,243	8,167	15,243	109,595
Disposals	-	-	( 1)	( 55)	-	-	-	( 56)
Transfer	-	14,965	-	-	3,351	2,893	( 21,209)	-
Depreciation charge	-	( 37,173)	( 40,220)	( 9,473)	( 4,814)	( 11,247)	-	( 102,927)
Closing net book amount as at December 31	<u>\$ 2,140,661</u>	<u>\$ 324,426</u>	<u>\$ 93,540</u>	<u>\$ 26,830</u>	<u>\$ 12,617</u>	<u>\$ 23,381</u>	<u>\$ 2,125</u>	<u>\$ 2,623,580</u>
<u>At December 31, 2022</u>								
Cost	\$ 2,140,661	\$ 516,838	\$ 187,509	\$ 45,777	\$ 19,173	\$ 47,842	\$ 2,125	\$ 2,959,925
Accumulated depreciation	-	( 192,412)	( 93,969)	( 18,947)	( 6,556)	( 24,461)	-	( 336,345)
	<u>\$ 2,140,661</u>	<u>\$ 324,426</u>	<u>\$ 93,540</u>	<u>\$ 26,830</u>	<u>\$ 12,617</u>	<u>\$ 23,381</u>	<u>\$ 2,125</u>	<u>\$ 2,623,580</u>

	Land	Buildings	Machinery	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
<u>At January 1, 2021</u>								
Cost	\$ 2,140,661	\$ 476,044	\$ 219,747	\$ 42,808	\$ 28,713	\$ 57,208	\$ 8,895	\$ 2,974,076
Accumulated depreciation	-	( 122,261)	( 113,187)	( 26,868)	( 18,953)	( 31,714)	-	( 312,983)
	<u>\$ 2,140,661</u>	<u>\$ 353,783</u>	<u>\$ 106,560</u>	<u>\$ 15,940</u>	<u>\$ 9,760</u>	<u>\$ 25,494</u>	<u>\$ 8,895</u>	<u>\$ 2,661,093</u>
<u>2021</u>								
Opening net book amount as at January 1	\$ 2,140,661	\$ 353,783	\$ 106,560	\$ 15,940	\$ 9,760	\$ 25,494	\$ 8,895	\$ 2,661,093
Additions	-	8,986	24,135	10,166	693	5,697	12,335	62,012
Disposals	-	-	( 1)	( 8)	-	( 1)	-	( 10)
Transfer	-	11,362	-	-	-	1,777	( 13,139)	-
Depreciation charge	-	( 35,251)	( 46,668)	( 7,193)	( 7,616)	( 9,399)	-	( 106,127)
Closing net book amount as at December 31	<u>\$ 2,140,661</u>	<u>\$ 338,880</u>	<u>\$ 84,026</u>	<u>\$ 18,905</u>	<u>\$ 2,837</u>	<u>\$ 23,568</u>	<u>\$ 8,091</u>	<u>\$ 2,616,968</u>
<u>At December 31, 2021</u>								
Cost	\$ 2,140,661	\$ 496,391	\$ 189,462	\$ 31,677	\$ 29,235	\$ 39,928	\$ 8,091	\$ 2,935,445
Accumulated depreciation	-	( 157,511)	( 105,436)	( 12,772)	( 26,398)	( 16,360)	-	( 318,477)
	<u>\$ 2,140,661</u>	<u>\$ 338,880</u>	<u>\$ 84,026</u>	<u>\$ 18,905</u>	<u>\$ 2,837</u>	<u>\$ 23,568</u>	<u>\$ 8,091</u>	<u>\$ 2,616,968</u>

- A. The Company's property, plant and equipment are mainly owner-occupied.
- B. No borrowing cost was capitalised as part of property, plant and equipment.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements - lessee

- A. The Company leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 1 to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise building and multifunction printers. For the years ended December 31, 2022 and 2021, payments of lease commitments for short-term leases amounted to \$2,269 and \$2,105, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Book value	
	December 31, 2022	December 31, 2021
Buildings	\$ 48,707	\$ 64,780
Land improvements	1,669	1,610
Transportation equipment (Business vehicles)	322	1,493
	<u>\$ 50,698</u>	<u>\$ 67,883</u>

	Depreciation charge	
	Years ended December 31,	
	2022	2021
Buildings	\$ 16,073	\$ 15,940
Land improvements	1,651	1,453
Transportation equipment (Business vehicles)	1,288	1,186
	<u>\$ 19,012</u>	<u>\$ 18,579</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$1,827 and \$43,638, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 408	\$ 463
Expense on short-term lease contracts	<u>\$ 2,269</u>	<u>\$ 2,105</u>

- F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$21,596 and \$21,307, respectively.

(9) Leasing arrangements-lessor

- A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased

assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. Gain arising from operating lease agreements for the years ended December 31, 2022 and 2021 is as follows:

	Years ended December 31,	
	2022	2021
Rent income	\$ 39,811	\$ 41,212

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

	December 31, 2022	December 31, 2021
2022	\$ -	\$ 4,230
2023	38,533	3,925
2024	31,467	327
2025	914	-
2026	305	-
	<u>\$ 71,219</u>	<u>\$ 8,482</u>

(10) Intangible assets

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

Note: Impairment loss refer to Note 6(12).

	Licence fees	Software	Other intangible asset	Total
<u>At January 1, 2021</u>				
Cost	\$ 1,484,120	\$ 41,635	\$ 21,660	\$ 1,547,415
Accumulated amortisation	( 672,509)	( 20,326)	( 410)	( 693,245)
Accumulated impairment	( 45,259)	-	-	( 45,259)
	<u>\$ 766,352</u>	<u>\$ 21,309</u>	<u>\$ 21,250</u>	<u>\$ 808,911</u>
<u>2021</u>				
Opening net book amount as at January 1	\$ 766,352	\$ 21,309	\$ 21,250	\$ 808,911
Additions	139,790	45,837	1,173	186,800
Amortisation charge	( 578,343)	( 37,520)	( 109)	( 615,972)
Impairment loss (Note 1)	( 44,826)	-	-	( 44,826)
Reclassifications (Note 2)	( 4,296)	-	-	( 4,296)
Change in accounting estimates (Note 3)	( 173,048)	-	-	( 173,048)
Closing net book amount as at December 31	<u>\$ 105,629</u>	<u>\$ 29,626</u>	<u>\$ 22,314</u>	<u>\$ 157,569</u>
<u>At December 31, 2021</u>				
Cost	\$ 1,432,280	\$ 62,916	\$ 22,356	\$ 1,517,552
Accumulated amortisation	( 1,246,685)	( 33,290)	( 42)	( 1,280,017)
Accumulated impairment	( 79,966)	-	-	( 79,966)
	<u>\$ 105,629</u>	<u>\$ 29,626</u>	<u>\$ 22,314</u>	<u>\$ 157,569</u>

Note 1: Impairment loss refer to Note 6(12).

Note 2: It was other prepayment reclassified to Licence fees and Licence fees reclassified to other unearned revenue.

Note 3: 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 Company 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.

The details of amortisation are as follows:

	Years ended December 31,	
	2022	2021
Operating costs	\$ 260,745	\$ 579,017
Selling expenses	18,299	9,306
General and administrative expenses	18,595	13,900
Research and development expenses	15,954	13,749
	<u>\$ 313,593</u>	<u>\$ 615,972</u>

(11) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Overdue accounts receivable	\$ 98,239	\$ 98,239
Less: Allowance for doubtful accounts	( 98,239)	( 98,239)
Refundable deposits	14,861	14,918
Net defined benefit asset	6,095	-
Others	-	4,168
	<u>\$ 20,956</u>	<u>\$ 19,086</u>

(12) Impairment of non-financial assets

The Company recognised impairment loss of \$44,550 and \$100,247 for the years ended December 31, 2022 and 2021, respectively. Details are as follows:

	<u>Recognised in profit or loss</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Impairment loss-license fees	\$ 36,352	\$ 44,826
Impairment loss-Other intangible assets	8,198	-
Impairment loss-Investments accounted for under equity method	-	55,421
	<u>\$ 44,550</u>	<u>\$ 100,247</u>

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

B. (a) The Company assessed recoverable amount of investments accounted for under equity method, subsidiaries, NOWnews and Digicentre. The Company test impairment by comparing recoverable amount with carry amount, which determine the overall book value of the investments including Goodwill as a single asset.

The Company used value-in-use calculated by external appraiser to be the recoverable amount. The Company recognised an impairment loss on investments accounted for under equity method at December 31, 2022, because the value-in use was lower than the carrying amount. While the value-in use was higher than the carrying amount at December 31, 2021, no impairment loss was occurred. The main assumptions used in calculating value in use are set out below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Growth rate	2.4%~6.4%	2.5%~5.5%
Discount rate	14.0%~14.2%	13.2%~14.1%

(b) In addition, for the premium on investment accounted for under equity method, the recoverable amount was calculated using value-in-use. No impairment loss was occurred due

to the recoverable amount is higher than its carrying amount. The adopted value-in-use took into consideration operating profit margin, growth rate and discount rate.

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

(13) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Employees' compensation payable	\$ 179,478	\$ 183,533
Salary and annual bonus payable	110,296	105,512
Professional service fees payable	89,642	51,822
Payable for advertising	62,578	57,978
Payable on value-added tax and tax collection	49,112	70,928
Directors' remuneration payable	36,333	34,219
Payable on equipment and intangible assets (Note)	32,159	24,012
Payable for labor and health insurance fees	19,420	17,019
Others	26,465	23,855
	<u>\$ 605,483</u>	<u>\$ 568,878</u>

Note: The payment conditions and obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within two years after the signing of the contract. On December 31, 2020, the Company recognised the license fees and payable on intangible assets due to 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.

(14) Long-term borrowings

Years ended December 31, 2022: None.

<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>

(15) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.
- (b) The pension costs under the defined benefit pension plan of the Company for the years ended December 31, 2022 and 2021 were \$792 and \$839, respectively.
- (c) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 67,757)	(\$ 72,581)
Fair value of plan assets	<u>73,852</u>	<u>67,597</u>
Net defined benefit assets (liability) (shown as Other non-current assets / liabilities)	<u>\$ 6,095</u>	<u>(\$ 4,984)</u>

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

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (liability) asset
<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>

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-

counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 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,	
	2022	2021
Discount rate	1.40%	0.70%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory for the years ended December 31, 2022 and 2021.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 1,849)	\$ 1,918	\$ 1,706	(\$ 1,657)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 2,067)	\$ 2,144	\$ 1,900	(\$ 1,846)

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

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

(g) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$1,093.

B. Defined contribution plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were \$22,455 and \$20,781, respectively.

(16) 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.

B. The number of the Company’s ordinary shares (in thousands) outstanding does not require any reconciliation.

(17) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

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

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

(b) Donations.

(18) Unappropriated retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to pay all taxes and offset prior years’ operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and appropriate or reverse for special reserve as required by the operating needs of the Company or

regulations when necessary. The remainder, if any, to be retained or to be appropriated shall be proposed by the Board of Directors and to be resolved by the stockholders at the stockholders' meeting.

- B. The Company's dividend policy adopts conservatism principle, with consideration of the Company's profit, financial structure and future development plans. At least 10% of the Company's distributable earnings as of the end of the period shall be appropriated as cash dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. On August 5, 2021, the shareholders during their meeting resolved the 2020 appropriations of retained earnings as follows:

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

- F. On June 16, 2022, the shareholders during their meeting resolved the 2021 appropriations of retained earnings as follows:

	Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)
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>

G. On March 9, 2023, the board of directors meeting resolved the proposal of 2022 appropriations of retained earnings as follows:

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

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

I. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(25).

(19) Other equity items

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

	2021		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 107,968)	(\$ 443,936)	(\$ 551,904)
Revaluation - company	-	47,250	47,250
Revaluation - subsidiaries	-	11,561	11,561
Revaluation transferred to retained earnings - Company	-	24,455	24,455
Revaluation transferred to retained earnings-subsiidiaries	-	( 12,873)	( 12,873)
Currency translation differences:			
- Company	( 17,503)	-	( 17,503)
- Subsidiaries	( 6,338)	-	( 6,338)
At December 31	(\$ 131,809)	(\$ 373,543)	(\$ 505,352)

(20) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	\$ 8,128,585	\$ 8,285,403

A. Disaggregation of revenue from contracts with customers

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

Year ended December 31, 2022	Online and mobile games revenue	Service revenue	Other operating revenue	Total
Revenue from external customer contracts	\$ 7,898,564	\$ 138,970	\$ 91,051	\$ 8,128,585
Timing of revenue recognition				
At a point in time	\$ 7,175,141	\$ -	\$ 91,051	\$ 7,266,192
Over time	723,423	138,970	-	862,393
	\$ 7,898,564	\$ 138,970	\$ 91,051	\$ 8,128,585

Year ended December 31, 2021	Online and mobile games revenue	Service revenue	Other operating revenue	Total
Revenue from external customer contracts	\$ 7,979,709	\$ 174,738	\$ 130,956	\$ 8,285,403
Timing of revenue recognition				
At a point in time	\$ 7,356,689	\$ -	\$ 130,956	\$ 7,487,645
Over time	623,020	174,738	-	797,758
	<u>\$ 7,979,709</u>	<u>\$ 174,738</u>	<u>\$ 130,956</u>	<u>\$ 8,285,403</u>

#### B. Contract liabilities

(a) The Company recognised contract liabilities related to the contract revenue from sales amounting to \$402,288, \$473,920 and \$373,877 as of December 31, 2022 and 2021, and January 1, 2021, respectively. The Company's contract liabilities are mainly deferred revenue from points stored but unused or unconsumed in the online game or mobile game, and are amortised as revenue over the period of the services or the estimated useful period of the virtual items when they are actually used.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31,	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Revenue from games	\$ 473,290	\$ 373,877

#### (21) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 5,321	\$ 632

#### (22) Other income

	Years ended December 31,	
	2022	2021
Rental revenue	\$ 39,811	\$ 41,212
Other income	13,267	11,605
	<u>\$ 53,078</u>	<u>\$ 52,817</u>

(23) Other gains and losses

	Years ended December 31,	
	2022	2021
Net currency exchange gain (loss)	\$ 12,367	(\$ 269)
Loss on disposal of property, plant and equipment	( 24)	( 5)
Losses on disposal of investment	( 8)	-
Impairment loss on non-financial asset	( 44,550)	( 100,247)
Others	( 5,746)	( 2,894)
	<u>(\$ 37,961)</u>	<u>(\$ 103,415)</u>

(24) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 1,077	\$ 3,328
Lease liability	408	463
	<u>\$ 1,485</u>	<u>\$ 3,791</u>

(25) Employee benefits, depreciation and amortisation expense

	Years ended December 31,	
	2022	2021
Employee benefit expense		
Wages and salaries	\$ 640,604	\$ 611,470
Directors' remuneration	40,414	34,146
Labor and health insurance fees	40,915	38,358
Pension costs	23,247	21,620
Other personnel expenses	25,007	23,593
	<u>\$ 770,187</u>	<u>\$ 729,187</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 121,939</u>	<u>\$ 124,706</u>
Amortisation expense	<u>\$ 313,593</u>	<u>\$ 615,972</u>

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

B. (a) For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$173,572 and \$165,319, respectively; while directors' remuneration was accrued at \$34,714 and \$33,064, respectively. The aforementioned amounts were recognised in salary expenses.

- (b) For the years ended December 31, 2022, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2022 amounted to \$173,572 and \$34,700, respectively, as resolved at the meeting of the Board of Directors. The employees' compensation for 2022 as resolved by the Board of Directors was in agreement with those amounts recognised in the 2022 financial statements, and the difference of \$0 for employees' compensation and the difference of \$14 for directors remuneration between the amounts resolved at Board meeting and amounts recognised in the 2022 financial statements had been adjusted in the profit or loss for 2023.
- (c) For the year ended December 31, 2021, the employees' compensation and directors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 2021 amounted to \$163,299 and \$32,600, respectively, as resolved at the meeting of Board of Directors. The employees' compensation for 2022 as resolved by the Board of Directors was in agreement with those amounts recognised in the 2022 financial statements, and the difference of \$2,020 for employees' compensation and the difference of \$464 for directors' remuneration between the amounts resolved at the Board meeting and the amounts recognised in the 2021 financial statements had been adjusted in the profit or loss for 2022.
- C. Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors and stockholders will be posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profit for the year	\$ 230,410	\$ 281,589
Tax on undistributed earnings	7,798	16,079
Prior year income tax over estimation	( 20,859)	( 310)
Total current tax	<u>217,349</u>	<u>297,358</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>30,388</u>	<u>27,017</u>
Total deferred tax	<u>30,388</u>	<u>27,017</u>
Income tax expense	<u>\$ 247,737</u>	<u>\$ 324,375</u>

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

	Years ended December 31,	
	2022	2021
Remeasurement of defined benefit obligation	\$ 2,153	\$ 1,022
Currency translation differences	10,796	(2,721)
	<u>\$ 12,949</u>	<u>(\$ 1,699)</u>

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

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 305,487	\$ 286,131
Effect from items disallowed by tax regulation	18,550	47,256
Tax exempt income by tax regulation	(38,956)	(23,817)
Overseas investment income not recognised as deferred tax liabilities	(21,823)	(964)
Prior year income tax refund receivable	(2,460)	-
Prior year income tax over estimation	(20,859)	(310)
Tax on undistributed earnings	7,798	16,079
Income tax expense	<u>\$ 247,737</u>	<u>\$ 324,375</u>

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

	Year ended December 31, 2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Temporary differences					
Allowance for inventory obsolescence	\$ 524	\$ 42	\$ -	\$ -	\$ 566
Impairment loss on intangible assets	5,627	211	-	-	5,838
Investment loss accounted for under equity method	78,033	(14,607)	-	-	63,426
Compensation for unused leave	3,968	-	-	-	3,968
Deferred revenue	6,367	(594)	-	-	5,773
Pension	997	(62)	(935)	-	-
Unrealised exchange loss	418	(154)	-	-	264
Royalty payable	19,069	(15,224)	-	-	3,845
Currency translation differences	12,052	-	(10,796)	-	1,256
	<u>\$ 127,055</u>	<u>(\$ 30,388)</u>	<u>(\$ 11,731)</u>	<u>\$ -</u>	<u>\$ 84,936</u>
Deferred tax liabilities:					
Temporary differences					
Pension	-	-	(1,218)	-	(1,218)
	<u>\$ 127,055</u>	<u>(\$ 30,388)</u>	<u>(\$ 12,949)</u>	<u>\$ -</u>	<u>\$ 83,718</u>

	Year ended December 31, 2021				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Temporary differences					
Allowance for inventory obsolescence	\$ 487	\$ 37	\$ -	\$ -	\$ 524
Impairment loss on intangible assets	6,937	( 1,310)	-	-	5,627
Impairment loss on financial assets	1,971	( 1,971)	-	-	-
Investment loss accounted for under equity method	76,824	1,209	-	-	78,033
Compensation for unused leave	3,968	-	-	-	3,968
Deferred revenue	2,010	4,357	-	-	6,367
Pension	2,094	( 75)	( 1,022)	-	997
Unrealised exchange loss	311	107	-	-	418
Royalty payable	48,440	( 29,371)	-	-	19,069
Currency translation differences	9,331	-	2,721	-	12,052
	<u>\$ 152,373</u>	<u>(\$ 27,017)</u>	<u>\$ 1,699</u>	<u>\$ -</u>	<u>\$ 127,055</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible temporary differences	<u>\$ 172,125</u>	<u>\$ 281,242</u>

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

E. As of December 31, 2022, the Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(27) Earnings per share

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

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 company	\$ 1,106,281	175,494	\$ 6.30
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the company	\$ 1,106,281	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,752	
Profit attributable to ordinary shareholders of the company plus assumed conversion of all dilutive potential ordinary shares	\$ 1,106,281	178,246	\$ 6.21

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

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Acquisition of property, plant and equipment	\$ 109,595	\$ 62,012
Add: Opening balance of other payables-related parties	1,667	2,815
Add: Opening balance of other payables	18,147	20,410
Less: Ending balance of other payables-related parties	-	(1,667)
Less: Ending balance of other payables	(29,739)	(18,147)
Cash paid during the year	<u>\$ 99,670</u>	<u>\$ 65,423</u>

	Years ended December 31,	
	2022	2021
Purchase of intangible assets	\$ 947,955	\$ 186,800
Add: Opening balance of other payables	5,865	454,258
Add: Opening balance of other payables-related parties	-	-
Less: Ending balance of other payables	(2,420)	(5,865)
Less: Ending balance of other payables-related parties	(5,119)	-
Less: Ending balance of other payables-related parties	-	(450,000)
Cash paid during the year	<u>\$ 946,281</u>	<u>\$ 185,193</u>

(29) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the years ended December 31, 2022 and 2021 are as follows:

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

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities- gross
January 1, 2021	\$ 102,533	\$ 240,000	\$ 43,542	\$ 386,075
Changes in cash flow from financing activities	( 102,533)	( 160,000)	( 18,739)	( 281,272)
Changes in other non-cash items				
Increase in right-of-use assets	-	-	42,968	42,968
December 31, 2021	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 67,771</u>	<u>\$ 147,771</u>

Note: Including long-term loans due within one year or one business cycle.

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

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

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

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Gamania Digital Entertainment (H.K.) Co., Ltd.	Subsidiary
Gamania International Holdings Ltd.	"
Gash Point (Hong Kong) Company Ltd. (Gash Point (Hong Kong))	"
Gash Point (Japan) Co., Ltd.	"
Gash Point (Korea) Co., Ltd.	"
Gash Point Co., Ltd. (Gash Point)	"
Joymobee Entertainment Co., Ltd.	"
Foundation Digital Entertainment Co., Ltd.	"
Gamania Asia Investment Co., Ltd. (Gamania Asia)	"
Jollybuy Digital Technology Co., Ltd. (Jollybuy)	"
Two Tigers Co. Ltd.	"
Indiland Co., Ltd.	"
Coco Digital Technology Co., Ltd. (Coco)	"
Ciirco, Inc. (Ciirco)	"
Ants' Power Co., Ltd. (Ants' Power)	"
Coture New Media Co., Ltd. (Coture New Media)	"
Conetter Comarketing Co., Ltd. (Conetter)	"
GAMA PAY Co., Ltd. (GAMA PAY)	"
Achieve Made International Ltd.	"
Jollywiz Digital Technology Co., Ltd. (Jollywiz)	"
Jollywiz Digital Business Co., Ltd.	"

Names of related parties	Relationship with the Company
Gamania Digital Entertainment (Beijing) Co., Ltd.	Subsidiary
Bean Go! Co., Ltd. (Bean Go!)	"
We Backers Co., Ltd. (We Backers)	"
Hyperg Smart Security Technology Pte. Ltd.	"
Bjolly Co., Ltd.	"
Digicentre Company Limited (Digicentre)	"
NOWnews Network Co., Ltd. (NOWnews)	"
Aotter Inc.	Associate
Chuang Meng Shr Ji Co., Ltd.	"
Pri-one Commercial Production Co., Ltd.	"
GungHo Gamania Co., Limited	"
Jsdway Digital Technology Co., Ltd.	"
Walkermedia Co., Ltd. (Walkermedia)	"
Store Marais Co., Ltd. (Marais)	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"

(3) Significant transactions and balances with related parties

A. Sales-service revenue

	Years ended December 31,	
	2022	2021
Subsidiaries	\$ 126,435	\$ 121,253
Associates	9,054	20,193
Other related parties	1,133	1,038
	<u>\$ 136,622</u>	<u>\$ 142,484</u>

The above pertains to collections from subsidiaries and associates for customer services and administrative services. The terms and prices of services were negotiated based on different factors. There is no similar transaction to compare with. The collection terms were similar with third parties.

B. Other operating revenue (including royalty revenue and revenue from selling merchandise)

	Years ended December 31,	
	2022	2021
Subsidiaries		
GHK	\$ 86,760	\$ 126,080
Others	538	801
Other related parties	-	36
	<u>\$ 87,298</u>	<u>\$ 126,917</u>

The above represents on-line game royalty collected from the subsidiaries and the revenue from merchandise sold to subsidiaries and associates. Except for the price of merchandise revenue which is similar with third parties, others have no similar transactions to compare with.

C. Operating costs

	Years ended December 31,	
	2022	2021
Subsidiaries		
Gash point	\$ 629,729	\$ 529,806
Others	211,867	264,113
	<u>\$ 841,596</u>	<u>\$ 793,919</u>

The above represents service cost and cost of private network and IDC paid to subsidiaries, and the terms are in accordance with mutual agreements.

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

	Years ended December 31,	
	2022	2021
Subsidiaries		
Conetter	\$ 182,045	\$ 257,357
Others	236,401	161,666
Associates	18,374	18,911
Other related parties	29,152	5,248
	<u>\$ 465,972</u>	<u>\$ 443,182</u>

The above represents payments to subsidiaries and associates for advertisement, internet bandwidth service, customer service and donation to other related parties, and the terms are in accordance with mutual agreements.

E. Donation (shown in general and administrative expenses)

	Years ended December 31,	
	2022	2021
Other related parties		
Gamania Cheer Up Foundation	<u>\$ 19,000</u>	<u>\$ 17,500</u>

The Company made donations in support of projects for caring and empowering the youth which had been approved by the Board of Directors.

F. Rental revenue (shown in other income)

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries		
Gash Point	\$ 9,167	\$ 9,220
Ants' Power	3,913	4,135
GAMA PAY	6,463	6,503
Digicentre	9,060	8,066
NOWnews Network	4,496	3,939
Others	5,513	6,335
Associates	23	23
Other related parties	166	286
	<u>\$ 38,801</u>	<u>\$ 38,507</u>

Rent revenue is earned from the lease of warehouse and office to subsidiaries and associates. The amounts of rent are in accordance with mutual agreements. Payments for office rentals are collected in advance in the form of monthly postdated checks for one year or monthly in the form of telegraphic transfer, while payments for warehouse rentals are collected monthly in the form of checks. The receivables will offset with payable quarterly. The office lease contract is from February 1, 2019 to December 31, 2024.

G. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Gash Point	\$ 621,116	\$ 571,796
Gash Point (HK)	5,946	54,658
Others	38,979	36,321
Associates	16,982	7,936
Other related parties	272	168
	<u>683,295</u>	<u>670,879</u>
Allowance for doubtful accounts	( 39)	( 43)
	<u>\$ 683,256</u>	<u>\$ 670,836</u>

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

#### H. Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Digicentre	\$ 2,317	\$ 8,100
Gama Digital Entertainment (Beijing) Co., Ltd.	4,405	4,405
Gash Point	2,843	4,329
Others	10,074	10,054
Associates	2,234	2,045
Other related parties	32	32
	<u>\$ 21,905</u>	<u>\$ 28,965</u>

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

#### I. Account payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	<u>\$ 58,645</u>	<u>\$ 46,888</u>

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

#### J. Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 125,347	\$ 142,855
Associates	5,368	5,088
Other related parties	6,965	346
	<u>\$ 137,680</u>	<u>\$ 148,289</u>

Other payables consist of purchases of the subsidiaries' products which are sold to customers through the Company's distributors, expenses paid by related parties on behalf of the Company and payable to subsidiaries for advertising, internet service fees and purchase of equipment.

#### K. Property transactions

##### (a) Acquisition of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	<u>\$ 15,734</u>	<u>\$ 11,716</u>

As of December 31, 2022 and 2021, the unpaid amount was \$0 and \$1,667, respectively.

##### (b) Acquisition of intangible assets

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 15,609	\$ 14,709
Other related parties	14,090	-
	<u>\$ 29,699</u>	<u>\$ 14,709</u>

As of December 31, 2022 and 2021, the unpaid amount was \$5,119 and \$0.

(c) Acquisition of financial assets

		<u>Year ended December 31, 2022</u>		
		No. of shares (shares in thousands)	Object	Consideration
Subsidiaries	<u>Accounts</u>			
	Investments accounted for under equity method	25,000	GAMA PAY	\$ 263,789
"	"	25,500	GHK	217,672
"	"	4,700	JollyBuy	80,000
"	"	6,571	NOWnews	65,714
"	"	2,950	Indiland Co., Ltd.	9,000
Associates		3,000	Hao-Ji	30,000
				<u>\$ 666,175</u>
		<u>Year ended December 31, 2021</u>		
		No. of shares (shares in thousands)	Object	Consideration
Subsidiaries	<u>Accounts</u>			
	Investments accounted for under equity method	6,000	JollyBuy	\$ 60,000
"	"	6,302	NOWnews	63,022
"	"	3,000	Ciirco	30,000
"	"	27,000	GAMA PAY	270,000
"	"	2,000	Indiland Co., Ltd.	20,000
				<u>\$ 443,022</u>

L. Commitment

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

	<u>Year ended December 31, 2022</u>		<u>Year ended December 31, 2021</u>	
	Maximum outstanding endorsement/ guarantee amount during the year	Endorsement/ guarantee amount at the end of year	Maximum outstanding endorsement/ guarantee amount during the year	Endorsement/ guarantee amount at the end of year
Subsidiaries				
HaPod	\$ 70,862	\$ 67,558	\$ 41,715	\$ 41,535
Jollybuy	30,000	30,000	30,000	30,000
	<u>\$ 100,862</u>	<u>\$ 97,558</u>	<u>\$ 71,715</u>	<u>\$ 71,535</u>

(4) Key management compensation

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 177,356	\$ 146,990
Post-employment benefits	108	229
	<u>\$ 177,464</u>	<u>\$ 147,219</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value		Pledge purpose
	December 31, 2022	December 31, 2021	
Other current assets			
Demand deposits	\$ 5,000	\$ 5,000	Performance bond of on-line game card's standard contracts
Time deposits	30,708	22,152	Guarantee for short-term borrowing facility
Property, plant and equipment			
Land	2,140,662	2,140,662	Short-term and long-term loans / Credit lines
Buildings	215,229	220,205	Short-term and long-term loans / Credit lines
	<u>\$ 2,391,599</u>	<u>\$ 2,388,019</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On March 9, 2023, the Company's board of directors has approved the following significant events:

A. Please refer to Note 6(18) G. appropriation of retained earnings.

B. The company plan to increase shares issued by subsidiary, Jollybuy, by not over \$70,000 in times.

## 12. OTHERS

### (1) Capital risk management

The Company's principal objectives when managing capital are to maintain an integrity credit rating and a good capital structure to support operating and maximum stockholders' equity. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value	\$ 15,000	\$ -
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 80,981	\$ 162,155
<u>Financial assets at amortised cost</u>		
Cash and cash equivalents	\$ 648,935	\$ 725,321
Accounts receivable (including related parties)	841,570	872,280
Other receivables (including related parties)	59,765	69,900
Other current assets	35,708	27,152
Guarantee deposits paid	14,861	14,918
	<u>\$ 1,600,839</u>	<u>\$ 1,709,571</u>
<u>Financial liabilities</u>		
<u>Financial liabilities at amortised cost</u>		
Notes payable (including related parties)	\$ 377,023	\$ 312,677
Other payable (including related parties)	743,163	717,167
Long-term borrowings (including current portion)	-	80,000
Guarantee deposits received	72	72
	<u>\$ 1,120,258</u>	<u>\$ 1,109,916</u>
Lease liability	<u>\$ 50,679</u>	<u>\$ 67,771</u>

#### B. Financial risk management policies

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

C Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

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

(Foreign currency: Functional currency)	December 31, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD:NTD	\$ 16,706	27.680	\$ 462,422
HKD:NTD	27,810	3.549	98,698
<b><u>Non-monetary items</u></b>			
USD:NTD	27,770	27.680	768,672
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD:NTD	9,589	27.680	265,424
HKD:NTD	8,022	3.549	28,470

- iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021 amounted to \$12,367 and (\$269), respectively. Analysis of foreign currency market risk arising from significant foreign exchange rate fluctuations is as follows:

(Foreign currency: Functional currency)	Year ended December 31, 2022		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<b><u>Financial assets</u></b>			
USD:NTD	1%	\$ 2,589	\$ -
HKD:NTD	1%	302	-
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD:NTD	1%	3,193	-

(Foreign currency: Functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 4,624	\$ -
HKD:NTD	1%	987	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	2,654	-
HKD:NTD	1%	285	-

#### Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. However, the Company has set stop-loss amounts for those assets; therefore, no material market risk is expected. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant for the years ended December 31, 2022 and 2021, other comprehensive income classified as equity investment at fair value through other comprehensive income would have increased/decreased by \$810 and \$1,622, respectively.

#### Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from borrowings issued at variable rates and expose the Company to cash flow interest rate risk. The interest rate for short-term borrowings of the Company are mainly floating rate and for long-term borrowings are fixed and variable rates. During the years ended December 31, 2022 and 2021, the Company's borrowings at variable rate were denominated in NTD.
- ii. At December 31, 2022 and 2021, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, after-tax profit for the years ended December 31, 2022 and 2021 would have been \$3 and \$16 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the

clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on accounting and administrator segment ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk mainly arose from cash and cash equivalents and receivables generated from operating activity. Only banks and financial institutions with optimal credit ratings are accepted.
- iii. The Company adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. When the payment is past due 30 days based on the contract terms, there is a significant increase in credit risk on financial assets since initial recognition.
- iv. In line with credit risk management procedure, the default occurs when the Company expects that payment cannot be collected and reclassified as overdue receivables.
- v. The Company classifies customer's accounts receivable and contract assets in accordance with product types. The Company applies the simplified approach using the provision matrix to estimate expected credit loss.
- vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2022 and 2021, the Company had no written-off financial assets that are still under recourse procedures.
- vii. The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

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

	December 31, 2021		
	Expected loss rate	Total book value	Loss allowance
Not past due	0.01%	\$ 857,836	\$ 43
Up to 30 days	0%	9,147	-
31 to 60 days	0%	2,310	-
61 to 90 days	0%	2,221	-
91 to 120 days	0%	-	-
Over 121 days	0%	809	-
		<u>\$ 872,323</u>	<u>\$ 43</u>

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

viii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable (including overdue receivables) are as follows:

	2022	2021
At January 1	\$ 98,282	\$ 98,279
Recognise (reversal of) impairment loss	(4)	3
At December 31	<u>\$ 98,278</u>	<u>\$ 98,282</u>

Reversal of losses for the years ended December 31, 2022 and 2021, which was reversal of (recognized) expected credit gain (loss) arising from customers' contracts amounted to \$4 and (\$3), respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating units of the Company and aggregated by the capital management department. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs.
- ii. The table below is the Company's non-derivative financial liabilities which is presented based on the remaining period at the balance sheet date to the contract maturity date and undiscounted maturity amount based on the maturity date:

Non-derivative financial liabilities:

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

December 31, 2021	Less than 1 year	Between 1 and 3 years	Over 3 years
Accounts payable	\$ 265,789	\$ -	\$ -
Accounts payable - related parties	46,888	-	-
Other payables	568,878	-	-
Other payables - related parties	148,289	-	-
Lease liabilities	18,861	30,369	19,898
Long-term borrowings (including current portion)	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 Company's investment in listed, OTC and emerging stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in listed and OTC stocks of private placement is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value.

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, notes payable, accounts payable (including related parties) and other payables (including related parties), lease liabilities and guarantee deposits received approximate to their fair values.

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

<u>December 31, 2022</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 profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets measured at fair value through other comprehensive income - non-current TV shows production investing sharing agreement	\$ 54,040	\$ -	\$ 26,941	\$ 80,981
<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 measured at fair value through other comprehensive income - non-current Equity securities	\$ 101,424	\$ -	\$ 60,731	\$ 162,155

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed (OTC) and emerging shares</u>
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

(c) For highly complex financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of

financial instruments is provided in Notes 12(3) H and I.

- (d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- E. For the years ended December 31, 2022 and 2021, 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, 2022 and 2021:

	Equity securities	
	2022	2021
At January 1	\$ 60,731	\$ 74,240
Losses recognised in other comprehensive income	( 2,582)	( 7,964)
Acquired during the year	15,000	-
Disposal during the year	( 31,208)	( 5,545)
At December 31	<u>\$ 41,941</u>	<u>\$ 60,731</u>

- G. Treasury department segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 26,941	Market comparable companies	Enterprise value to operating income ratio multiple	29.24~34.37 (29.24)	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
TV shows production investing sharing agreement	15,000	Discounted cash flow method	Weighted average cost of capital	13.26% (13.26%)	The higher the weighted average cost of capital, the lower the fair value
	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	\$ 60,731	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

- I. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022			
			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%	\$ -	\$ -	\$ -	\$ -
	Discount for lack of marketability	±1%	-	-	269 (	269)
	Weighted average cost of capital	±1%	150 (	150)	-	-
			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%	-	-	608 (	608)

### 13. SUPPLEMENTAL DISCLOSURES

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

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales from or to related parties reaching \$100 million or 20% of paid-in capital or more: 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

Disclosure is not required.

Gamania Digital Entertainment Co., Ltd.  
Provision of endorsements and guarantees to others  
Year ended December 31, 2022

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed  Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	HaPod Digital Technology Co., Ltd.	2	\$ 585,203	\$ 70,862	\$ 67,558	\$ 30,708	\$ 30,708	1.21	\$ 5,852,032	Y	N	N	Note 3
0	The Company	JollyBuy Digital Technology Co., Ltd.	2	585,203	30,000	30,000	-	-	0.51	5,852,032	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	4	101,682	31,585	26,505	21,204	10,902	10.43	101,682	N	N	Y	Note 4
2	Achieve Made International (BVI)	Jollywiz Digital Technology Co., Ltd.	4	105,062	18,000	-	-	-	0.00	105,062	N	N	N	Note 4

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

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

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

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

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

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

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

Gamania Digital Entertainment Co., Ltd.

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

December 31, 2022

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, 2022				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	Pili International Multimedia Co., Ltd. - stock	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,958	54,040	3.82	54,040	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	420	6,438	1.76	6,438	
Gamania Asia Investment Co., Ltd.	Gokube Inc. - stock	None	Financial assets at fair value through other comprehensive income - non-current	400	-	1.77	-	
Gamania International Holdings Ltd.	Vantage Metro Limited - stock	None	Financial assets at fair value through other comprehensive income - non-current	192	30,162	2.59	30,162	

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

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

Gamania Digital Entertainment Co., Ltd.  
Purchases or sales of goods from or to related parties in excess of \$100 million or 20% of capital  
Year ended December 31, 2022

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	\$ 465,506	53.36	Note	Note	Note	\$ 27,830	3.84	
Conetter Comarketing Co., Ltd.	The Company	Parent company	Service revenue	182,045	24.53	Note	Note	Note	51,721	54.89	
Digicentre Company Limited	The Company	Parent company	Sales revenue	295,269	37.58	Note	Note	Note	30,771	19.60	
Ants' Power Co., Ltd.	The Company	Parent company	Sales revenue	126,271	64.35	Note	Note	Note	21,965	57.39	
Digicentre Company Limited	Digicentre (HK) Company Limited	Fellow subsidiary	Sales revenue	144,978	18.45	Note	Note	Note	30,204	19.24	

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.  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2022

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	\$ 19,053	Notes 4 and 5	0.18
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	93,067	Notes 4 and 5	0.82
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	37,256	Notes 4 and 5	0.33
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	621,116	Note 5	5.98
0	The Company	HaPod Digital Technology Co., Ltd.	1	Sales of services	11,010	Note 5	0.10
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	29,937	Note 5	0.29
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point Co., Ltd.	3	Accounts receivable	62,048	Note 5	0.60
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	18,555	Note 5	0.18
2	Gash Point Co., Ltd.	The Company	2	Accounts receivable	27,830	Note 5	0.27
2	Gash Point Co., Ltd.	The Company	2	Sales of services	465,506	Note 5	4.09
2	Gash Point Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Sales of services	24,677	Note 5	0.22
3	Ants' Power Co., Ltd.	The Company	2	Operating revenue	126,271	Note 5	1.11
3	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	21,965	Note 5	0.21
4	Gash Point (HK) Co., Ltd.	Gash Point Co., Ltd.	3	Other receivables	47,715	Note 5	0.46
5	Digicentre Company Limited	The Company	2	Accounts receivable	30,771	Note 5	0.30
5	Digicentre Company Limited	The Company	2	Operating revenue	295,269	Note 5	2.59
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	30,204	Note 5	0.29
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	144,978	Note 5	1.27
5	Digicentre Company Limited	Gash Point Co., Ltd.	3	Operating revenue	25,132	Note 5	0.22
5	Digicentre Company Limited	GAMA PAY Co., Ltd.	3	Operating revenue	30,516	Note 5	0.27
6	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	51,721	Notes 4 and 5	0.50

Gamania Digital Entertainment Co., Ltd.  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2022

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	
6	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	\$ 182,045	Notes 4 and 5	1.60
7	Hyperg Smart Security Technology Pte. Ltd.	Digicentre Company Limited	3	Sales of services	12,809	Note 5	0.11

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

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories ; fill in the number of category each case belongs to (if transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

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

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

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

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

Gamania Digital Entertainment Co., Ltd.

Information on investee companies (not including investees in Mainland China)

Year ended December 31, 2022

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 6

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at December 31, 2022			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 1,555,579	\$ 2,374,061	20,100,000	100.00	\$ 84,504	\$ 179,110	\$ 130,223	
The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	217,671	-	25,500,000	100.00	359,835	262,503	51,931	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	102,067	( 13,477)	( 13,477)	
The Company	Foundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	( 27)	( 27)	
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	620,000	540,000	32,600,000	98.89	62,181	( 67,298)	( 66,780)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	358,307	44,520	27,223	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	5,926	( 1,451)	( 740)	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	432,712	213,213	191,892	
The Company	Indiland Co., Ltd.	Taiwan	Third-party payment	69,000	60,000	5,000,000	100.00	15,333	( 11,938)	( 11,938)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	68,696	28,591	28,591	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	22,984	( 9,857)	( 3,256)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	210	14	14	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	6,736	111	104	
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	1	-	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	1,103,018	839,229	65,010,045	81.26	429,846	( 223,875)	( 160,494)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	535,342	494,303	41,052,015	79.44	180,737	( 74,820)	( 73,016)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,705	( 34)	( 34)	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	229,400	8,990,649	99.90	21,976	( 554)	( 554)	
The Company	4-Way Voice Cultural Co., Ltd.	Taiwan	Newspaper and magazine publishing	1,900	1,900	190,000	0.00	-	( 1,272)	( 483)	

Gamania Digital Entertainment Co., Ltd.  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2022

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, 2022			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Percentage	Book value			
The Company	Hao-Ji film Ltd.	Taiwan	TV shows production	\$ 30,000	\$ -	3,000,000	42.86	\$ 30,021	\$ 56	\$ 21	
The Company	Walkermedia Co., Ltd.	Taiwan	Publishing of magazines and general advertising services	30,000	30,000	3,000,000	30.00	5,105	( 19,669)	( 5,901)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Import of household furniture and retail of other home accessories	10,000	10,000	125,000	7.69	11,192	19,230	2,525	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,181	1,181	300,000	100.00	38,664	6,912	4,665	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	30,710	30,710	1,000,000	51.00	15,299	( 9,459)	( 3,256)	
Ciirco Inc.	Ciirco (HK) Co., Ltd.	Hong Kong	Software services	-	53,743	-	0.00	-	( 182)	( 182)	
Gamania Asia Investment Co., Ltd.	Pri-One Commercial Production Co., Ltd.	Taiwan	Sales and research and development of software	1,500	1,500	150,000	30.00	3,348	3,049	915	
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	49,485	4,932	2,417	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	63,702	48,931	2,067,867	29.54	7,224	( 43,770)	( 12,930)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	( 23)	( 23)	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	20	6,414	267	
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	6,045	( 19,008)	( 4,083)	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	32,536	32,536	600	100.00	27,551	1,452	1,307	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	13,990	13,990	750,000	100.00	222,331	84,378	75,940	
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	South Korea	Information software and supply of electronic information services	11,662	11,662	138,268	100.00	25,924	3,890	3,501	
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	79,456	41,279	29,714	
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	150,000	150,000	4,972,098	6.22	32,851	( 223,875)	( 18,214)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	130,000	6,703,125	8.38	44,317	( 223,875)	( 24,561)	

Gamania Digital Entertainment Co., Ltd.  
Information on investee companies (not including investees in Mainland China)  
Year ended December 31, 2022

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, 2022			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Percentage	Book value			
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	\$ 1,503,408	\$ 1,503,408	50,400,000	100.00	\$ 118,433	\$ 179,233	\$ 179,233	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	812,324	812,324	33,497,476	98.85	5,320	213,475	211,009	
Gamania International Holdings Ltd.	Joymobe Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	121,305	121,305	30,701,775	100.00	5,125	( 3,230)	( 3,230)	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,766	9,766	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	213,514	213,514	7,297,649	45.40	109,559	( 8,467)	( 5,429)	
Gamania International Holdings Ltd.	ACCI Group Limited	Hong Kong	Sales of agricultural products	1,477	1,477	375,000	30.00	-	-	-	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	67,562	67,562	2,200,000	100.00	( 36,555)	( 19,781)	( 19,781)	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	263,338	263,338	343	49.00	-	( 29,087)	( 9,659)	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	654,440	650,360	26,145,712	100.00	115,466	( 7,266)	( 3,299)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	204	6,414	2,791	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	150,479	150,479	4,900,000	100.00	7,074	25,114	11,402	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	31,973	31,973	39,600,000	100.00	3,986	( 7,855)	( 3,566)	
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	0.94	10,083	( 74,820)	( 703)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,213,659	1,213,659	39,520,000	100.00	( 1,114)	980	969	
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	-	100,419	-	0.00	-	262,503	204,844	

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

Gamania Digital Entertainment Co., Ltd.  
Information on investments in Mainland China  
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended December 31, 2022			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the nine months ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote (Note 2)
				Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,084,063	2	\$ 794,468	\$ -	\$ -	\$ 794,468	\$ 1,033	98.85	\$ 1,337	(\$ 2,771)	\$ -	Notes 3 and 6
MoNoKos Studio Technology Co., Ltd.	Research and development of software	-	2	46,065	-	-	46,065	-	-	-	-	-	Notes 4 and 7
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	121,305	2	121,305	-	-	121,305	17,918	45.40	8,278	6,724	-	Notes 3 and 8
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	22,040	2	-	-	-	-	19,792	45.40	11,469	( 8,242)	-	Notes 3 and 8
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd.	Sales of agricultural products	15,355	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, 2022, remitted or collected this year, accumulated as of December 31, 2022 was translated into New Taiwan dollars at the average exchange rate of NTD30.71 to US\$1 and NTD4.408 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company for the year ended December 31, 2022 was recognised based on their financial statements for the corresponding period, which were audited by R.O.C. parent company's CPA.

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, 2022.

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	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		
	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
The Company (Note)	\$ 840,533	\$ 1,409,988	\$ 3,511,219
Jollywiz Digital Technology Co., Ltd.	121,305	121,305	152,598

Note: The total investment amount approved by the Investment Commission, MOEA, was USD45,913 thousand or \$1,409,988 based on 30.71 spot exchange rate at December 31, 2022.

Gamania Digital Entertainment Co., Ltd.

Major shareholders information

December 31, 2022

Table 8

Name of major shareholders	Shares	Number of shares held	Ownership (%)
Liu, Po-Yuan		17,491,305	9.96%
Wanwin International Co., Ltd.		15,101,000	8.60%
Shiang Sheng Invesement Ltd.		13,600,000	7.74%
Joy Develop Co., Ltd. Taiwan Branch		12,859,000	7.32%

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

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

**VI. Impact of Financial Difficulties Encountered by the Company and Any of Its Affiliates on the Company's Financing Standing, If Any, in the Past Year Up to the publication Date of the Annual Report:** None.

**Seven. Discussion and Analysis of Financial Standing and Financial Performance and Risks**

**I. Financial Standing**

Unit: NTD thousand

Item \ Year	2022	2021	Difference		Variation Analysis (Note 1)
			Value	Ratio (%)	
Current assets	5,876,002	5,432,401	443,601	8.17	
Real estate, plants, and equipment	2,812,438	2,797,267	15,171	0.54	
Intangible assets	1,178,390	630,744	547,646	86.83	(note 2)
Other assets	520,035	612,103	(92,068)	(15.04)	
Total assets	10,386,865	9,472,515	914,350	9.65	
Current liabilities	3,938,168	3,459,294	478,874	13.84	
Non-current liabilities	159,735	161,168	(1,433)	(0.89)	
Total liabilities	4,097,903	3,620,462	477,441	13.19	
Capital stock	1,754,936	1,754,936	-	-	
Additional paid-in capital	1,354,763	1,335,163	19,600	1.47	
Retained earnings	3,181,682	2,823,692	357,990	12.68	
Other equities	(439,349)	(505,352)	66,003	(13.06)	
Non-controlling interests	436,930	443,614	(6,684)	(1.51)	
Total equity	6,288,962	5,852,053	436,909	7.47	

(Note 1) When the increase or decrease has reached 20% and the value involved has reached NTD 10,000,000.00, it shall be analyzed and explained.

(Note 2) Increase in intangible assets was mainly the result of the increase in dealership.

## II. Financial Performance

### (I) Financial Performance Comparative Analysis Table

Item	Year	2022	2021	Increased (Decreased) Value	Change
					ratio (%)
Operating income		11,388,021	11,372,477	15,544	0.14
Operating Cost		(6,705,911)	(6,615,392)	(90,519)	1.37
Operating gross profit		4,682,110	4,757,085	(74,975)	(1.58)
Operating expense		(2,923,548)	(3,022,990)	99,442	(3.29)
Operating loss or profit		1,758,562	1,734,095	24,467	1.41
Non-operating income and expenditure		(50,114)	(288,999)	238,885	(82.66)
Pre-tax net profit (loss)		1,708,448	1,445,096	263,352	18.22
(Expenditure) Profit from Income Tax		(430,341)	(435,981)	5,640	(1.29)
Net profit of current term		1,278,107	1,009,115	268,992	26.66
Other combined profits and losses		72,164	35,268	36,896	104.62
Sum of combined profits (losses) for the current term		1,350,271	1,044,383	305,888	29.29
Net profit attributable to the owner of the parent company		1,279,696	1,106,281	173,415	15.68
Net profit attributable to non-controlling interests		(1,589)	(97,166)	95,577	(98.36)
The sum of comprehensive income attributable to the owner of the parent company		1,329,871	1,145,337	184,534	16.11
Total combined profits or losses attributable to non-controlling interests		20,400	(100,954)	121,354	(120.21)
<p>Note 1: Information on the analysis of decreases or increases in the past two years (when the operating gross profit has changed by over 20%, the differential analysis table shall also be produced; when the changes are less than 20%, analysis may be waived):</p> <ol style="list-style-type: none"> <li>1. Decrease in non-operating income and expenditure: Mainly due to a decrease in impairment loss.</li> <li>2. Increase in other comprehensive loss: Mainly due to an increase in exchange differences on translation of foreign financial statements.</li> </ol> <p>Note 2: Reason for the change to the main scope of operation: There were no major changes to the Company's scope of operation and hence no analysis is intended.</p> <p>Note 3: Expected sales in the coming year and the rationale and major influential factors for the expected sales of the Company to keep growing or declining:</p> <ol style="list-style-type: none"> <li>1. Operating income of the Company includes the income from gaming software (online games, mobile services) and sales of goods. As we do not make financial forecast, no sales statistics are available.</li> <li>2. Possible impacts on the future financial operations of the Company and the countermeasures: The Company will continue to add gaming software and the payment service to its scope of operation for a growth in the operational scale and to fulfill the profitability goal.</li> </ol>					

(II) Analysis table of changes in gross operating profit: The gross operating profit did not change much, so no analysis is intended.

### III. Cash Flow

Balance of cash at start of term	Net cash flows from operating activities throughout the year	Net cash flows associated with investments and capital raising throughout the year	Remaining (Shortage in) cash	Remedies in case of cash shortage																															
				Investment plan	Wealth management plan																														
\$3,418,896	\$2,470,771	(\$2,152,348)	\$3,737,319	-	-																														
<p>1. Analysis of change in cash flows of the year:</p> <p>(1) Operating activities: Due to net cash inflow from normal operating activities.</p> <p>(2) Investment and fundraising activities: Mainly due to net cash outflow for acquiring intangible assets and distributing cash dividends.</p> <p>2. Remedies for shortage in cash and liquidity analysis:</p> <p>(1) No such situation.</p> <p>(2) Liquidity analysis: The ratio of current assets to current liabilities was 149.21%; the liquidity was in good condition.</p> <table border="1"> <thead> <tr> <th>Item \ Year</th> <th>December 31, 2022</th> <th>December 31, 2021</th> <th>Ratio of increase/decrease (%)</th> </tr> </thead> <tbody> <tr> <td>Cash flow ratio (%)</td> <td>62.74</td> <td>73.91</td> <td>-15.11</td> </tr> <tr> <td>Cash flow adequacy ratio (%)</td> <td>137.58</td> <td>136.12</td> <td>1.07</td> </tr> <tr> <td>Cash re-investment ratio (%)</td> <td>25.48</td> <td>29.53</td> <td>-13.71</td> </tr> </tbody> </table> <p>Information on decreases/increases:</p> <p>a. Cash flow ratio: Due to a decrease in current liabilities in the period.</p> <p>b. Cash flow adequacy ratio: Due to an increase in cash inflows from operating activities in the period.</p> <p>c. Cash reinvestment ratio: Due to a decrease in the net cash flow from operating activities.</p> <p>3. Analysis of cash liquidity for the coming year:</p> <table border="1"> <thead> <tr> <th rowspan="2">Balance of cash at start of term</th> <th rowspan="2">Net cash flows from operating activities throughout the year</th> <th rowspan="2">Net cash flows associated with investments and capital raising throughout the year</th> <th rowspan="2">Remaining (Shortage in) cash</th> <th colspan="2">Remedies in case of cash shortage</th> </tr> <tr> <th>Investment plan</th> <th>Wealth management plan</th> </tr> </thead> <tbody> <tr> <td>\$3,737,319</td> <td>\$2,900,000</td> <td>(\$2,200,000)</td> <td>\$4,437,319</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>(1) Analysis of change in cash flows of the year:</p> <p>a. Operating activities: the net cash inflows from normal operating activities.</p> <p>b. Investment activities: the net cash out-flows for long-term investments and for acquiring assets.</p> <p>(2) Remedies for expected cash shortfall and liquidity analysis: Not applicable.</p>						Item \ Year	December 31, 2022	December 31, 2021	Ratio of increase/decrease (%)	Cash flow ratio (%)	62.74	73.91	-15.11	Cash flow adequacy ratio (%)	137.58	136.12	1.07	Cash re-investment ratio (%)	25.48	29.53	-13.71	Balance of cash at start of term	Net cash flows from operating activities throughout the year	Net cash flows associated with investments and capital raising throughout the year	Remaining (Shortage in) cash	Remedies in case of cash shortage		Investment plan	Wealth management plan	\$3,737,319	\$2,900,000	(\$2,200,000)	\$4,437,319	-	-
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\$3,737,319	\$2,900,000	(\$2,200,000)	\$4,437,319	-	-																														

### IV. Impact of Major Capital Expenditure in the Past Year on Finance and Business: None.

## **V. Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year**

### **(I) Reinvestment Policy:**

All the Company's reinvestments using the equity method aimed at consolidating its core business and optimizing the transformation of its subsidiaries, and further improving the long-term strategic objectives of the Group's network ecosystem layout.

### **(II) Main Reasons for Profits or Losses and Improvement Plans**

The investment loss recognized by the Company using the equity method in 2022 was NT\$30,434, mainly due to the inability to that the operation of electronic payment and e-commerce businesses has not reached a profitable scale. In the future, we will implement the policy of restructuring, stabilize growth, and control expenses to improve business performance.

### **(III) Investment Plan for the Coming Year:**

The future reinvestments using the equity method will still adhere to the principle of long-term strategic investment and continuous careful evaluation will be carried out.

## **VI. Analysis and Evaluation of Risk Matters in the Past Year up to the Date the Annual Report was Printed:**

### **(I) Impact of Changes in Interest Rate, Exchange Rate and Inflation on the Company's Profits or Losses and Countermeasures in the Future:**

#### **1. Impacts of changes in interest rate on the Company's profits or losses and countermeasures in the future :**

In 2022, due to a number of significant interest rate hikes by the Federal Reserve, major central banks around the world competed to raise interest rates. However, the proportion of our interest income and expenses to operating profit and net profit before tax was not high, so the impact of interest rate changes on the Company was not significant. Our financial unit regularly evaluates bank interest rates and maintains close contact with banks to minimize the impact of interest rate changes on the Company by obtaining more favorable borrowing and deposit rates.

#### **2. Impacts of changes in exchange rate on the Company's profits or losses and countermeasures in the future:**

As far as foreign currency assets are concerned, the Financial Unit of the

Company stays in close contact with the foreign exchange department of each corresponding bank and pays attention to international finance at all times in order to keep track of the latest changes in exchange rate. Since loss or profit from exchange does not account for a large ratio in the operating profit or pre-tax net profit of the Company, changes in exchange rate do not have material impacts on the loss or profit of the Company.

3. Impacts of inflation on the Company's profits or losses and countermeasures in the future:

Current inflation has led to an increase in expenses on respective daily consumables. Entertainment-related spending, nevertheless, is a necessity in life. Meanwhile, the Company has not suffered significant impacts from inflation in terms of profit or loss according to prior experiences. As such, inflation has limited impacts on the Company's loss or profit.

(II) Policies on engagement in high-risk and high-leverage investments, lending of funds to others, endorsements and guarantees, and derivative transactions, main reasons for profits or losses, and countermeasures in the future:

1. The Group has had its Operating Procedure for Lending of Funds and Endorsement/Guarantee and Regulations Governing the Acquisition and Disposal of Assets, among others, approved through its shareholders' meeting to govern applicable operations.
2. The Group is not engaged in high-risk and high-leverage investments or transactions where lending of funds to others and derivatives are involved.

(III) Future research and development plans and expected R&D expenses

To maintain future competitive advantages, we will invest about NT\$420 million in R&D in 2023. In order to keep investing in the development of mobile games and mobile life Apps and also to answer to the maturing environment for opening up the third-party payment market to related cloud services now, the development of cross-platform transaction-related technologies and electronic payment systems between mobile games and online platforms will be significantly increased in the future.

(IV) Impact of important domestic and foreign policies and regulatory changes on the Company's finance and business, and countermeasures:

Currently, respective financial operations of the Group have been handled in

compliance with regulatory requirements. In addition, there are exclusive legal, financial, and accounting units inside the Group that have carefully evaluated respective laws and regulations and planned countermeasures in order to be compliant with regulatory requirements and to reduce their impacts on the financial operations of the Group. The financial operations of the Group had not suffered major negative impacts as a result of major changes to policies and laws domestically and internationally as of the date the Annual Report was printed.

(V) Impact of science and technology development (including cybersecurity risks) and industrial changes on the Company's finance and business, and countermeasures:

1. Impacts of technological and industrial changes on the Company's financial operations and countermeasures

Given the increasing popularity of network broadband and technology products, the constant breakthroughs in network communication technologies, and the constantly changing technological trends, Gamania makes comprehensive deployment in the hope to become a fully web-based flagship group that, with its robust gaming capabilities to comprehensive mobile life applications, takes on challenges and opportunities brought about by technological changes to satisfy the needs of customers.

2. Corporate information security risk and countermeasures

Corporate information security risks include not only external cyber attacks but also insufficient internal awareness and knowledge, viral threats that lead to abnormal or disrupted operations of systems, data alteration and damage; all of them are operational risk factors. Therefore, to ensure information security, besides defining that the information security policy shall be the highest guiding principle based on which applicable information security management organizations, regulations, and operating procedures shall be established, the Company has leaders to hold the management to call for the information security meeting periodically on a yearly basis where existing information security practice is reflected upon and the improvement plan is prepared. Information on possible risks facing the Company in its operation and the countermeasures are provided below.

- (1) Insufficient awareness about information security among employees  
Since the data, information, and systems processed by employees directly concern the Company's operation, any carelessness can be subject to downloading or infection of malware to undermine the

internal information security of the Company. Besides listing the online information security training that is prepared by the Company as a required course to take, related news on the Internet that has to do with information security is collected on a daily basis and information on the release of internal announcement on information security and implementation of drills is provided from time to time regarding information security attacks that pose relatively high risks at present and the safety protection to reinforce employee awareness about information security.

(2) Viral threat

Computer viruses can come from websites visited, emails containing malware, or mobile storage devices, downloading of malware, etc. In light of this, the Company builds multi-level protection and testing, comprehensively installs the international well-know anti-virus system, and imposes centralized monitoring and protection in order to reduce risks of infections or attacks by malware.

(3) Cyber attack

Internet hackers impact corporate operations the most directly. Therefore, besides imposing necessary preventive measures, such as separating important network segments and access control, firewalls, intrusion detection and blocking attacks, websites that offer external connections go through vulnerability and penetration testing periodically/from time to time. In addition, there are application protection and information security vulnerability reporting mechanism and repairing. All are meant to reduce loopholes and chances of attacks to a minimum. In addition, for malicious cyber attacks, related infringing behaviors and their impacts will be compiled and penalties will be imposed as required by law.

(4) Operational disruption

Necessary local/remote backup and recovery drills are organized for important operational services and data of the Company. In case of unavoidable damage to the main operating system or database or operational disruption, operation may be reinstated at different location within the specified timeframe.

(5) Protection of personal data

The Company cleaned up the date of members collected in the early days several years ago and has required that the principle of minimal operation be applied in the collection of related data and that

handling and protective measures be enforced for each segment in compliance with Personal Data Protection Act at respective operating units. Information security is ensured through the masking of confidential and sensitive data, field/database encryption, and the access control and warning mechanisms and ISO and PCI certifications are obtained. The legitimacy and rigidity at each node of the process are authenticated through audits.

Although distributed denial-of-service (DDoS) attacks and virus infection on a small number of equipment were detected in 2018, timely countermeasures (e.g., segment blocking, package cleaning, virus detection, scanning, and system reinstallation) were taken to settle the problems. In 2021, no material information security incident that may affect business continuity was reported.

(VI) Impacts of changes in the corporate image on the management of corporate risks and the countermeasures:

The Gamania Group has been maintaining robust operational performance over the long term, consolidating its core values, perfecting corporate governance, and devoted to seeking maximum benefits for its shareholders and its employees. Its corporate image has been good in the nation. The Company continues with its belief in “exploring infinite possibilities of delight”. Based on the games it creates to help people stay away from depression and remain ambitious and hopeful that are full of creativity to move the players, it has contributed to the long-term developments of the industry. Not only the international corporate image that has been boosted, improved competitive advantages of gaming contents from Taiwan internationally are also a goal.

The Group has its own brand center, customer service, global corporate marketing, investor relations, employee relations, risk management, internal control, and the Gamania Cheer Up Foundation to come together so that the Company can reach new heights on the basis of a good corporate image while at the same time having respective counter measures in place to eradicate and to keep any possible crisis under control.

(VII) Expected benefits and possible risks of mergers and acquisitions and the countermeasures: Not applicable.

(VIII) Expected benefits and possible risks of the expansion of plants and the countermeasures: Not applicable.

(IX) Risks associated with focused purchases or sales and the countermeasures:

For major sources of purchases and destinations of sales, refer to the descriptions provided in the preceding section. They reflect the characteristics of the gaming industry and phased operational strategies. In the future, goals of the Group will be adequately diversified reflective of the industrial growth pattern to decentralize the sources of purchases and destinations of sales and to hopefully maintain balanced and robust operational achievements.

(X) Impacts and risks of transfer or exchange of stock options in large quantities by directors, supervisors, or heavyweight shareholders holding more than 10% of all shares on the Company and the countermeasures: None.

(XI) Impacts and risks of the change in the management on the Company, risks, and countermeasures: Not Applicable.

(XII) Litigation or non-litigation events. List the major litigation, non litigation or administrative disputes that the Company and its directors, supervisors, president, substantive responsible persons, major shareholders holding more than 10% of its shares, and affiliated companies which have been adjudicated or are still under way, and the results which may have a significant impact on shareholders' equity or securities prices; disclose the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the key parties involved in the lawsuit and the handling status as of the date of publication of the annual report: None.

(XIII) Other important risks and countermeasures: None.

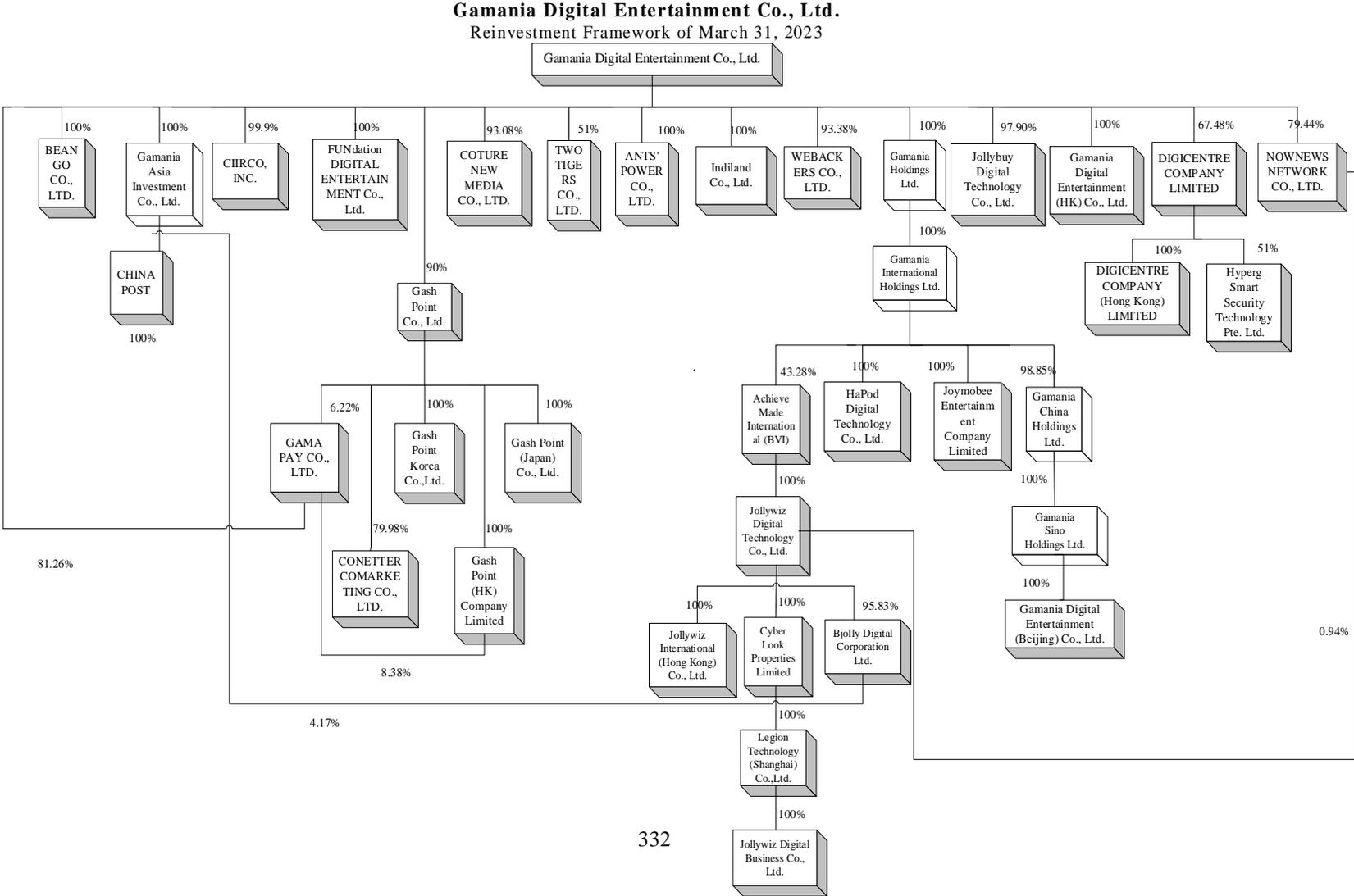
**VII. Other important matters:** None.

# Eight. Special Notes

## I. Information of Affiliates

### (I) Consolidated Business Report of Affiliated Enterprises

#### 1. Organizational Chart of Affiliates



## (2) Profile of respective affiliates

March 31, 2023

Name of affiliate	Date established	Address	Paid-in capital size	Main scope of operation or production
Gamania Holdings Ltd.	2001.04.13	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands	USD20,100 thousand	Reinvestment, shares held
Gamania International Holdings Ltd.	2001.04.13	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands	USD50,400 thousand	Reinvestment, shares held
Gamania China Holdings Ltd.	2001.04.13	PO Box 2775, Artemis House, 67 Fort Street, Grand Cayman, KY1-1111, Cayman Islands	USD33,889 thousand	Reinvestment, shares held
Gamania Sino Holdings Ltd.	2001.09.18	4F, One Capital Place, P.O. Box 847GT, Grand Cayman, Cayman Islands, British West Indies	USD 39,520 thousand	Reinvestment, shares held
Gamania Digital Entertainment (Beijing) Co., Ltd.	2002.07.02	Room 612, Block A, Jiahua Building, No. 9 Shangdi Third Street, Haidian District, Beijing	USD 35,300 thousand	Software development and distribution
Joymabee Entertainment Company Limited	2010.08.04	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong	HKD 30,702 thousand	Game software design and R&D
HaPod Digital Technology Co., Ltd.	2015.07.09	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong	USD 2,200 thousand	Information software service and distribution
Achieve Made International (BVI)	2006.09.01	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 176 thousand	Reinvestment, shares held
Jollywiz Digital Technology Co., Ltd.	2006.11.30	3F-3., No. 88, Ruihu Street, Neihu District, Taipei City	NT\$299,457 thousand	Electronic information supply
Cyber Look Properties Limited	2008.01.02	Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands	USD 4,900 thousand	Reinvestment, shares held
Jollywiz International (HK) Co., Limited	2015.06.11	18/F, Yue Hing Building, 103 Hennessy Road, Wan Chai, Hong Kong	USD 5,119 thousand	Electronic information supply
Jollywiz Digital Business Co., Ltd.	2010.03.24	Room 9D, Building 3, No. 269 Tongxie Road, Changning District, Shanghai	CNY 5,000 thousand	Electronic information supply
Legion Technology (Shanghai) Co., Ltd.	2008.12.05	Room A12-24, Floor 4A, No. 2300 Yangshupu Road, Yangpu District, Shanghai	USD 3,950 thousand	Electronic information supply

Name of affiliate	Date established	Address	Paid-in capital size	Main scope of operation or production
Gamania Asia Investment Co., Ltd.	2004.06.07	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 189,000 thousand	General investment
FUNDation DIGITAL ENTERTAINMENT Co., Ltd.	2007.01.24	No. 111, Ruihu Street, Neihu District, Taipei	NTD 3,165 thousand	Magazine and journal publishing
Gamania Digital Entertainment (HK) Co., Ltd.	2000.06.28	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong	HKD 25,500 thousand	Information software service and distribution
Jollybuy Digital Technology Co., Ltd.	2009.02.25	No. 111, Ruihu Street, Neihu District, Taipei	NT\$333,000 thousand	Electronic information supply
TWO TIGERS CO., LTD.	2010.12.09	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 12,292 thousand	Animation production
Gash Point Co., Ltd.	2011.02.11	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 150,000 thousand	Information software and electronic information supply
Gash Point (Japan) Co., Ltd.	2013.09.10	Tri-Seven Roppongi 8F,7-7-7 Roppongi, Minato-KU,Tokyo 106-0032 JAPAN	JPY 98,000 thousand	Information software and electronic information supply
Gash Point (Hong Kong) Company Limited	2010.12.09	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong	HKD 750 thousand	Information software and electronic information supply
Gash Point Korea Co., Ltd.	2001.11.16	Seoul, Kang-Nam Gu , Bongunsaro 84 Gil 8, 503 R	KRW 691,340 thousand	Information software and electronic information supply
CONETTER COMARKETING CO., LTD.	2014.11.18	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 32,820 thousand	Information software service and electronic information supply
GAMA PAY CO., LTD.	2014.11.06	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 800,000 thousand	e-Payment
DIGICENTRE COMPANY LIMITED	2009.02.24	No. 111, Ruihu Street, Neihu District, Taipei	NT\$237,328 thousand	Information software service
Digicentre (HK) Company Limited	2017.04.05	Unit 302B, 3/F, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong	HKD 300 thousand	Information software service
Hyperg Smart Security Technology Pte. Ltd.	2019.04.01	3 Temasek Avenue #18-22 Centennial Tower Singapore (039190)	USD 1,961 thousand	Information software service
Indiland Co., Ltd.	2012.05.31	No. 111, Ruihu Street, Neihu District, Taipei City	NT\$29,500 thousand	Third-party payment

Name of affiliate	Date established	Address	Paid-in capital size	Main scope of operation or production
CIIRCO, INC.	2013.05.20	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 90,000 thousand	Information software service and distribution
ANTS' POWER CO., LTD.	2013.12.17	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 10,000 thousand	Customer service
COTURE NEW MEDIA CO., LTD.	2014.12.24	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 14,125 thousand	TV program production and general advertising
WEBACKERS CO., LTD.	2014.09.15	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 4,000 thousand	Fund-raising platform
BEANGO CO., LTD.	2016.03.25	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 4,000 thousand	Communication software
CHINA POST	1982.12.28	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 5,000 thousand	Newspaper publishing
NOWNEWS NETWORK CO., LTD.	2006.06.08	3F., No. 160, Ruihu Street, Neihu District, Taipei City	NT\$547,850 thousand	TV program production and general advertising
Bjolly Digital Corporation Ltd.	2017.09.21	No. 111, Ruihu Street, Neihu District, Taipei City	NTD 10,909 thousand	Electronic information supply

3. Data of common shareholders inferred to have control or to be in a subordinate relationship: None.

4. Profile of directors, supervisors, and general managers of individual affiliates:

March 31, 2023  
Unit: Thousand shares

Name of affiliate	Position	Name or Representative	Shareholding	
			Shares	Holding ratio
Gamania Holdings Ltd.	Chairman	Liu, Po-Yuan	-	-
Gamania International Holdings Ltd.	Chairman	Gamania Holdings Ltd. Representative: Liu, Po-Yuan	-	-
Gamania China Holdings Ltd.	Chairman	Gamania International Holdings Ltd. Representative: Liu, Po-Yuan	-	-
Gamania Sino Holdings Ltd.	Chairman	Liu, Po-Yuan	-	-
Gamania Digital Entertainment ( Hong Kong ) Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Chang, Ya-Ling	-	-
Gamania Digital Entertainment (Beijing) Co., Ltd.	Director	Wang, Da-Wei	-	-
	Director	Liu, Po-Yuan	-	-
	Supervisor	Su, Hsin-Hung	-	-
Joymobee Entertainment Company Limited	Chairman	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Chang, Ya-Ling	-	-
HaPod Digital Technology Co., Ltd.	Director	Liu, Po-Yuan	-	-
Achieve Made International (BVI)	Director	Hung, Meng-Ting	-	-
	Director	Liu, Po-Yuan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Wang, Chi-Huang	-	-
	Director	Alibaba Taiwan Entrepreneurs Fund I, L.P.	-	-
Jollywiz Digital Technology Co., Ltd.	Chairman	Achieve Made International Limited Representative: Liu, Po-Yuan	29,946	100%
	Director	Achieve Made International Limited Representative: Hung, Meng-Ting	29,946	100%
	Director	Achieve Made International Limited Representative: Su, Hsin-Hung	29,946	100%

Name of affiliate	Position	Name or Representative	Shareholding	
			Shares	Holding ratio
	Supervisor	Achieve Made International Limited Representative: Wang, Chi-Huang	29,946	100%
Cyber Look Properties Limited	Director	Chang, Ting-Wei	-	-
Jollywiz International (HK) Co., Limited	Director	Chen, Po-Liang	-	-
Jollywiz Digital Business Co., Ltd.	Director	Chen, Po-Liang	-	-
Legion Technology (Shanghai) Co., Ltd.	Director	Chen, Po-Liang	-	-
Bjolly Digital Corporation Ltd.	Chairman	Jollywiz Digital Technology Co., Ltd. Representative: Liu, Po-Yuan	1,045	95.83%
	Supervisor	Chen, Po-Liang	-	-
Gamania Asia Investment Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	18,900	100.00%
FUNdation DIGITAL ENTERTAINMENT Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	317	100.00%
TWO TIGERS CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	627	51.00%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Hsieh, Chun-wei	627	51.00%
	Director	SOFA STUDIO, LTD. Representative: Kuo, Shou-Cheng	602	49.00%
	Director	SOFA STUDIO, LTD. Representative: Liu, Hsin-Yi	602	49.00%
	Supervisor	Su, Hsin-Hung	-	-
GAMA PAY CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	65,010	81.26%
	Director act concurrently as General Manager	Gamania Digital Entertainment Co., Ltd. Representative: Hung, Shao-Hsuen	65,010	81.26%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	65,010	81.26%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Chen, Shi-Ying	65,010	81.26%

Name of affiliate	Position	Name or Representative	Shareholding	
			Shares	Holding ratio
	Director	TAIWAN SECOM CO., LTD. Representative: Lin, Chien-Han	1,657	2.07%
	Supervisor	Chou, Fan-Hsiang	-	-
	Supervisor	Wang, Chi-Huang	-	-
Gash Point Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	13,500	90.00%
	Supervisor	Su, Hsin-Hung	200	1.33%
Gash Point (Japan) Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Director	Chen, Chin-Hua	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Wang, Chi-Huang	-	-
Gash Point (Hong Kong) Company Limited	Director	Liu, Po-Yuan	-	-
	Director	Wang, Chi-Huang	-	-
	Director	Su, Hsin-Hung	-	-
Gash Point Korea Co., Ltd.	Chairman	Liu, Po-Yuan	-	-
	Director	Wang, Chi-Huang	-	-
	Supervisor	Su, Hsin-Hung	-	-
CONETTER COMARKETING CO., LTD.	Chairman	Gash Point Co., Ltd. Representative: Liu, Po-Yuan	2,625	79.98%
	Director	Gash Point Co., Ltd. Representative: Cheng, Chi-Hung	2,625	79.98%
	Director	JSDWAY DIGITAL TECHNOLOGY CO., LTD. Representative: Huang, Chun-Jen	657	20.02%
	Supervisor	Su, Hsin-Hung	-	-
Jollybuy Digital Technology Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	32,600	97.90%
	Supervisor	Su, Hsin-Hung	-	-
DIGICENTRE COMPANY LIMITED	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	16,016	67.48%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	16,016	67.48%

Name of affiliate	Position	Name or Representative	Shareholding	
			Shares	Holding ratio
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Ting, Wei-Ming	16,016	67.48%
	Director	MERCURIES DATA SYSTEMS LTD. Representative: Chen Wen-Chu	6,864	28.70%
	Director	MERCURIES DATA SYSTEMS LTD. Representative: Chung, Cheng-Ping	6,864	28.70%
	Supervisor	Chen, Hsiang-Chung	-	-
	Supervisor	Wang, Chi-Huang	-	-
	Digicentre (HK) Company Limited	Director	Liu, Po-Yuan	-
Hyperg Smart Security Technology Pte. Ltd	Chairman	Ting, Wei-Ming	-	-
	Director	Wan, You-Shan	-	-
	Director	Su, Hsin-Hung	-	-
	Director	Soh Xiao Ling	-	-
Indiland Co., Ltd.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	2,950	100%
CIIRCO, INC.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	8,991	99.90%
	Supervisor	Su, Hsin-Hung	-	-
ANTS' POWER CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	1,000	100%
NOWNEWS NETWORK CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	43,520	79.44%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Huang, Chun-Jen	43,520	79.44%
	Director	Gamania Digital Entertainment Co., Ltd. Representative: Su, Hsin-Hung	43,520	79.44%
	Director	TAYA Venture Capital Representative: Chang, Chih-Hung	800	1.46%
	Director	Sinyi Realty Inc. Representative: Chou, Chuang-Yun	5,050	9.22%
	Supervisor	Wang, Chi-Huang	-	-

Name of affiliate	Position	Name or Representative	Shareholding	
			Shares	Holding ratio
CHINA POST	Chairman	Gamania Asia Investment Co., Ltd. Representative: Liu, Po-Yuan	500	100%
COTURE NEW MEDIA CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	1,315	93.08%
	Supervisor	Su, Hsin-Hung	-	-
WEBACKERS CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	374	93.38%
	Supervisor	Su, Hsin-Hung	-	-
BEANGO CO., LTD.	Chairman	Gamania Digital Entertainment Co., Ltd. Representative: Liu, Po-Yuan	400	100%

5. The scope of operation of the Company's affiliates as a whole is:

The Company's operation centers a robust game cornerstone that is extended to the mobile life platform, combing diversified solutions within the Group, namely games, payment, e-commerce, media, and digital commerce for a brand new "Gamania" and to realize the vision of a wonderful digital life.

6. Correlation in the scope of operation among respective affiliates:

Gamania continues to work with international well-known heavyweight gaming service provider. It introduces games that have been yearned for. Through the robust localized cultural operation capability, it precisely keeps track of the needs of players in order to enhance their loyalty and stickiness, which not only successfully leads its gaming products to become legendary but also makes optimal durability possible for the products. In addition, the Gamania Group has its reach covering solutions for e-commerce, payment, media, and digital commerce. Beanfun! was officially introduced in 2019 in a proactive effort to deploy a fully web-based corporate ecosystem.

## 7. Operational overview of respective affiliates

Name of affiliate	Paid-in Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Loss or profit of current term (After-tax)	Earnings per share (\$ (After-tax)
Gamania Digital Entertainment (H.K.) Co.	100,419	510,003	150,168	359,835	1,115,121	320,649	262,503	10
Gash Point Korea Co., Ltd.	17,007	26,998	1,074	25,924	5,949	3,872	3,890	28
Gamania Holdings Ltd.	617,271	139,927	0	139,927	0	(264)	179,110	9
Gamania International Holdings Ltd.	2,139,078	118,433	0	118,433	0	(277)	179,233	4
Gamania China Holdings Ltd.	1,040,728	5,384	2	5,382	0	(565)	213,475	6
Gamania Digital Entertainment (Beijing) Co., Ltd.	1,084,063	2,154	4,957	(2,803)	0	1,448	1,337	0
Gamania Sino Holdings Ltd.	1,213,659	(1,114)	0	(1,114)	0	(373)	980	0
Gamania Asia Investment Co., Ltd.	189,000	84,364	361	84,003	0	(113)	(13,477)	(1)
FUNDation DIGITAL ENTERTAINMENT Co., Ltd.	3,165	215	624	(409)	0	(27)	(27)	(0)
Jollybuy Digital Technology Co., Ltd.	333,000	106,899	44,022	62,877	28,034	(69,825)	(67,298)	(2)
Joymabee Entertainment Company Limited	120,904	6,354	1,229	5,125	8,665	(3,327)	(3,230)	(0)
TWO TIGERS CO., LTD.	12,292	11,628	9	11,619	0	(88)	(1,451)	(1)
Gash Point Co., Ltd.	150,000	2,284,093	1,783,836	500,257	872,379	156,442	213,213	14
Gash Point (HK) Company Limited	2,954	795,737	573,406	222,331	307,656	114,749	84,378	113
Indiland Co., Ltd.	29,500	17,838	2,505	15,333	121	(11,953)	(11,938)	(4)
CIIRCO, INC.	90,000	21,290	40	21,250	0	(48)	(554)	(0)
Gash Point (Japan) Co., Ltd.	22,775	36,816	9,265	27,551	63,534	1,833	1,452	2,420
ANTS' POWER CO., LTD.	10,000	119,981	51,285	68,696	196,237	34,130	28,591	29
WEBACKERS CO., LTD.	4,000	1,045	820	225	0	(36)	14	0
GAMA PAY CO., LTD.	800,000	730,230	201,318	528,912	10,601	(225,392)	(223,875)	(3)
CONETTER COMARKETING CO., LTD.	32,820	382,315	282,970	99,345	742,241	38,302	41,279	13
COTURE NEW MEDIA CO., LTD.	14,125	7,248	11	7,237	0	(30)	111	0
Achieve Made International Ltd.	5,394	263,386	732	262,654	0	(1,231)	(8,467)	(1)
Jollywiz Digital Technology Co., Ltd.	299,457	310,498	56,002	254,496	269,078	(36,009)	(7,359)	(0)
Cyber Look Properties Limited	150,479	15,582	0	15,582	0	(144)	25,114	5
Legion Technology (Shanghai) Co.,Ltd.	121,305	16,219	1,409	14,810	9,175	(1,620)	25,256	6
Jollywiz Digital Business Co., Ltd.	22,040	3,199,962	3,757,453	(557,491)	7,780,544	864,534	800,355	160
Jollywiz International (HK) Co., Limited	20,159	8,779	58	8,721	0	(35)	(263)	(0)
HaPod Digital Technology Co., Ltd.	67,562	10,703	47,258	(36,555)	63,231	37,103	(19,781)	(9)
BEANGO CO., LTD.	4,000	7,735	30	7,705	0	(37)	(34)	(0)
Bjolly Digital Corporation Ltd.	10,909	470	0	470	0	(45)	6,414	6
CHINA POST	5,000	213	1,708	(1,495)	0	(23)	(23)	(0)
NOWNEWS NETWORK CO., LTD.	547,850	89,032	36,455	52,577	75,620	(77,331)	(74,820)	(1)
DIGICENTRE COMPANY LIMITED	237,328	524,383	194,172	330,211	785,709	57,929	44,520	2
Digicentre (HK) Company Limited	1,181	125,726	87,062	38,664	555,464	9,755	6,912	23
Hyperg Smart Security Technology Pte.Ltd.	60,216	59,541	29,543	29,998	17,171	(13,768)	(9,459)	(5)

(II) Consolidated Financial Statements of Affiliates: Refer to page 141.

(III) Affiliation Report: The Company is not an affiliate of another company and hence it is not applicable.

**II. Private placement securities in the most recent year up to the publication date of the annual report:** None.

**III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year up to the publication date of the annual report:** None.

**IV. Other necessary supplementary information:** None.

**Nine. Matters with important impacts on shareholders' equity or prices of securities as indicated in subparagraph 2, paragraph 3, Article 36 of the Securities Exchange Act in the most recent year and up to the publication date of the annual report:** None.