

**GAMANIA DIGITAL ENTERTAINMENT CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
JUNE 30, 2023 AND 2022**

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

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR 23000093

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Gamania Digital Entertainment Co., Ltd. and subsidiaries (the “Group”) as at June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion on the consolidated financial statements as of and for the six months ended June 30, 2022

As explained in Notes 4(3)B. and 6(8), the financial statements of certain insignificant consolidated subsidiaries and the investments accounted for under equity method were not reviewed by independent auditors. Total assets of these subsidiaries (including the balance of certain investments accounted for under the equity method) amounted to NT\$1,009,467 thousand, constituting 10% of the consolidated total assets as at June 30, 2022, total liabilities amounted to NT\$198,961 thousand, constituting 4% of

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the consolidated total liabilities as at June 30, 2022, and the total comprehensive loss (including share of profit (loss) of associates and joint ventures accounted for under equity method) amounted to (\$121,305) thousand and (\$221,537) thousand, constituting (47%) and (28%) of the consolidated total comprehensive income for the three months and six months then ended, respectively.

Unqualified conclusion and qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors as described in the Basis for qualified conclusion on the consolidated financial statements as of and for the six months ended June 30, 2022 section above, based on our reviews, nothing has come to our attention that causes us to believe that the consolidated financial statements as of and for the six months ended June 30, 2023 and 2022 do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.



Yen, Yu-Fang



Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

August 7, 2023

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	June 30, 2023		December 31, 2022		June 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 4,092,553	39	\$ 3,737,319	36	\$ 4,225,338	40
1136	Financial assets at amortised cost - current	6(7) and 8	116,291	1	148,694	2	205,559	2
1150	Notes receivable, net	6(2)	51	-	11	-	12	-
1170	Accounts receivable, net	6(2)	671,645	6	785,366	8	989,175	9
1180	Accounts receivable - related parties, net	7	24,405	-	20,651	-	18,222	-
1200	Other receivables	6(3)	393,510	4	532,957	5	367,591	4
1210	Other receivables - related parties	7	3,014	-	2,571	-	2,244	-
1220	Current income tax assets		75,222	1	24,341	-	68,908	1
130X	Inventories	6(4)	106,146	1	128,927	1	129,373	1
1410	Prepayments	6(5)	357,887	3	321,577	3	387,701	4
1470	Other current assets	8	161,764	2	197,078	2	134,115	1
11XX	Total current assets		<u>6,002,488</u>	<u>57</u>	<u>5,899,492</u>	<u>57</u>	<u>6,528,238</u>	<u>62</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current		15,000	-	15,000	-	15,000	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	121,886	1	117,581	1	145,847	2
1550	Investments accounted for under equity method	6(8)	120,315	1	135,404	1	143,548	1
1600	Property, plant and equipment	6(9) and 8	2,794,358	26	2,812,438	27	2,811,973	27
1755	Right-of-use assets	6(10)	105,668	1	73,933	1	82,146	1
1780	Intangible assets	6(11)	1,146,913	11	1,178,390	11	546,970	5
1840	Deferred income tax assets		94,254	1	96,886	1	115,109	1
1900	Other non-current assets	6(12)	163,823	2	57,741	1	62,220	1
15XX	Total non-current assets		<u>4,562,217</u>	<u>43</u>	<u>4,487,373</u>	<u>43</u>	<u>3,922,813</u>	<u>38</u>
1XXX	Total assets		<u>\$ 10,564,705</u>	<u>100</u>	<u>\$ 10,386,865</u>	<u>100</u>	<u>\$ 10,451,051</u>	<u>100</u>

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	June 30, 2023		December 31, 2022		June 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(14)	\$ 71,531	1	\$ 91,760	1	\$ 143,176	1
2130	Current contract liabilities	6(21)	334,441	3	379,934	4	318,945	3
2170	Accounts payable		478,480	5	615,362	6	644,383	6
2180	Accounts payable - related parties	7	1,463	-	1,572	-	16,265	-
2200	Other payables	6(15)	3,157,091	30	2,217,043	21	2,794,345	27
2220	Other payables - related parties	7	461,351	4	351,676	3	302,051	3
2230	Current income tax liabilities		104,668	1	158,773	2	259,476	3
2280	Current lease liabilities		34,732	-	26,385	-	25,167	-
2399	Other current liabilities		93,879	1	95,663	1	64,738	1
21XX	Total current liabilities		<u>4,737,636</u>	<u>45</u>	<u>3,938,168</u>	<u>38</u>	<u>4,568,546</u>	<u>44</u>
Non-current liabilities								
2570	Deferred income tax liabilities		83,546	1	89,912	1	74,019	1
2580	Lease liabilities - non-current		71,176	1	47,718	-	56,987	-
2600	Other non-current liabilities		22,862	-	22,105	-	26,481	-
25XX	Total non-current liabilities		<u>177,584</u>	<u>2</u>	<u>159,735</u>	<u>1</u>	<u>157,487</u>	<u>1</u>
2XXX	Total liabilities		<u>4,915,220</u>	<u>47</u>	<u>4,097,903</u>	<u>39</u>	<u>4,726,033</u>	<u>45</u>
Equity attributable to owners of parent								
	Share capital	6(17)						
3110	Common stock		1,754,936	17	1,754,936	17	1,754,936	17
	Capital surplus	6(18)						
3200	Capital surplus		1,349,210	12	1,354,763	13	1,340,321	13
	Retained earnings	6(19)						
3310	Legal reserve		611,649	6	488,103	5	488,103	5
3320	Special reserve		439,349	4	505,352	5	505,352	5
3350	Unappropriated retained earnings		1,507,225	14	2,188,227	21	1,722,374	16
	Other equity interest	6(20)						
3400	Other equity interest		(428,546)	(4)	(439,349)	(4)	(510,186)	(5)
31XX	Equity attributable to owners of the parent		<u>5,233,823</u>	<u>49</u>	<u>5,852,032</u>	<u>57</u>	<u>5,300,900</u>	<u>51</u>
36XX	Non-controlling interest	6(29)	<u>415,662</u>	<u>4</u>	<u>436,930</u>	<u>4</u>	<u>424,118</u>	<u>4</u>
3XXX	Total equity		<u>5,649,485</u>	<u>53</u>	<u>6,288,962</u>	<u>61</u>	<u>5,725,018</u>	<u>55</u>
	Significant contingent liabilities and unrecorded contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 10,564,705</u>	<u>100</u>	<u>\$ 10,386,865</u>	<u>100</u>	<u>\$ 10,451,051</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
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

Items	Notes	Three months ended June 30,				Six months ended June 30,				
		2023		2022		2023		2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 2,085,608	100	\$ 2,424,900	100	\$ 5,119,832	100	\$ 5,833,450	100
5000	Operating costs	6(4)(26) and 7	(1,325,881)	(64)	(1,470,790)	(61)	(3,093,141)	(60)	(3,286,188)	(56)
5950	Gross profit		<u>759,727</u>	<u>36</u>	<u>954,110</u>	<u>39</u>	<u>2,026,691</u>	<u>40</u>	<u>2,547,262</u>	<u>44</u>
	Operating expenses	6(26)								
6100	Selling expenses		(330,754)	(16)	(314,537)	(13)	(625,897)	(12)	(617,988)	(11)
6200	General and administrative expenses		(246,718)	(12)	(266,812)	(11)	(606,613)	(12)	(656,314)	(11)
6300	Research and development expenses		(135,802)	(6)	(94,880)	(4)	(295,833)	(6)	(208,944)	(4)
6450	Expected credit impairment loss	12(2)	(1,777)	-	(1,029)	-	(3,103)	-	(1,221)	-
6000	Total operating expenses		(715,051)	(34)	(677,258)	(28)	(1,531,446)	(30)	(1,484,467)	(26)
6900	Operating income		<u>44,676</u>	<u>2</u>	<u>276,852</u>	<u>11</u>	<u>495,245</u>	<u>10</u>	<u>1,062,795</u>	<u>18</u>
	Non-operating income and expenses									
7100	Interest income	6(22)	16,468	1	2,083	-	24,358	-	2,890	-
7010	Other income	6(23)	4,559	-	5,478	-	9,422	-	8,772	-
7020	Other gains and losses	6(24)	448	-	10,530	-	714	-	(54,044)	(1)
7050	Finance costs	6(25)	(1,205)	-	(1,169)	-	(2,266)	-	(2,401)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(8)	(12,182)	(1)	(12,933)	-	(18,875)	-	(25,746)	-
7000	Total non-operating income and expenses		<u>8,088</u>	<u>-</u>	<u>3,989</u>	<u>-</u>	<u>13,353</u>	<u>-</u>	<u>(70,529)</u>	<u>(1)</u>
7900	Profit before income tax		<u>52,764</u>	<u>2</u>	<u>280,841</u>	<u>11</u>	<u>508,598</u>	<u>10</u>	<u>992,266</u>	<u>17</u>
7950	Income tax expense	6(27)	<u>14,816</u>	<u>1</u>	<u>(38,464)</u>	<u>(2)</u>	<u>(105,327)</u>	<u>(2)</u>	<u>(224,307)</u>	<u>(4)</u>
8200	Profit for the period		<u>\$ 67,580</u>	<u>3</u>	<u>\$ 242,377</u>	<u>9</u>	<u>\$ 403,271</u>	<u>8</u>	<u>\$ 767,959</u>	<u>13</u>

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

Items	Notes	Three months ended June 30,				Six months ended June 30,			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised loss on investments in equity instruments at fair value through other comprehensive income	\$ 4,622	-	(\$ 25,309)	(1)	\$ 3,883	-	(\$ 55,300)	(1)
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(57)	-	(7)	-	(106)	-	273	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss	4,565	-	(25,316)	(1)	3,777	-	(55,027)	(1)
Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	16,578	1	42,189	2	11,436	-	72,280	1
8399	Income tax relating to the components of other comprehensive loss	(1,468)	-	(3,253)	-	(600)	-	(5,648)	-
8360	Other comprehensive income that will be reclassified to profit or loss	15,110	1	38,936	2	10,836	-	66,632	1
8300	Total other comprehensive income for the period	<u>\$ 19,675</u>	<u>1</u>	<u>\$ 13,620</u>	<u>1</u>	<u>\$ 14,613</u>	<u>-</u>	<u>\$ 11,605</u>	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 87,255</u>	<u>4</u>	<u>\$ 255,997</u>	<u>10</u>	<u>\$ 417,884</u>	<u>8</u>	<u>\$ 779,564</u>	<u>13</u>
Profit (loss) attributable to:									
8610	Owners of the parent	\$ 67,115	3	\$ 248,028	9	\$ 403,300	8	\$ 769,453	13
8620	Non-controlling interest	465	-	(5,651)	-	(29)	-	(1,494)	-
<u>\$ 67,580</u> <u>3</u> <u>\$ 242,377</u> <u>9</u> <u>\$ 403,271</u> <u>8</u> <u>\$ 767,959</u> <u>13</u>									
Comprehensive income attributable to:									
8710	Owners of the parent	\$ 84,293	4	\$ 249,454	10	\$ 414,103	8	\$ 764,619	13
8720	Non-controlling interest	2,962	-	6,543	-	3,781	-	14,945	-
<u>\$ 87,255</u> <u>4</u> <u>\$ 255,997</u> <u>10</u> <u>\$ 417,884</u> <u>8</u> <u>\$ 779,564</u> <u>13</u>									
Earnings per share (in dollars)									
9750	Basic earnings per share	\$ 0.38		\$ 1.41		\$ 2.30		\$ 4.38	
9850	Diluted earnings per share	\$ 0.38		\$ 1.40		\$ 2.28		\$ 4.32	

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
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											
		Capital Reserves				Retained Earnings			Other Equity Interest		Total	Non-controlling interest	Total equity
		Ordinary share	Additional paid-in capital	Treasury stock transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income			
<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 period		-	-	-	-	-	-	769,453	-	-	769,453	(1,494)	767,959
Other comprehensive income (loss) for the period		-	-	-	-	-	-	-	50,193	(55,027)	(4,834)	16,439	11,605
Total comprehensive income (loss)		-	-	-	-	-	-	769,453	50,193	(55,027)	764,619	14,945	779,564
Appropriations of 2021 retained earnings	6(19)												
Legal reserve		-	-	-	-	109,652	-	(109,652)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(46,552)	46,552	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(877,468)	-	-	(877,468)	-	(877,468)
Change in equity of associates and joint ventures	6(8)												
accounted for under equity method		-	-	-	-	-	-	3,255	-	-	3,255	-	3,255
Change in ownership interest in subsidiaries		-	-	-	5,158	-	-	(3,103)	-	-	2,055	(15,844)	(13,789)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(18,597)	(18,597)
Balance at June 30, 2022		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 80,645	\$ 488,103	\$ 505,352	\$ 1,722,374	(\$ 81,616)	(\$ 428,570)	\$ 5,300,900	\$ 424,118	\$ 5,725,018
<u>2023</u>													
Balance at January 1, 2023		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 95,087	\$ 488,103	\$ 505,352	\$ 2,188,227	(\$ 36,603)	(\$ 402,746)	\$ 5,852,032	\$ 436,930	\$ 6,288,962
Profit (loss) for the period		-	-	-	-	-	-	403,300	-	-	403,300	(29)	403,271
Other comprehensive income for the period		-	-	-	-	-	-	-	7,026	3,777	10,803	3,810	14,613
Total comprehensive income		-	-	-	-	-	-	403,300	7,026	3,777	414,103	3,781	417,884
Appropriations of 2022 retained earnings	6(19)												
Legal reserve		-	-	-	-	123,546	-	(123,546)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(66,003)	66,003	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,017,863)	-	-	(1,017,863)	-	(1,017,863)
Change in ownership interest in subsidiaries		-	-	-	(5,553)	-	-	(8,896)	-	-	(14,449)	13,151	(1,298)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(38,200)	(38,200)
Balance at June 30, 2023		\$ 1,754,936	\$ 886,975	\$ 372,701	\$ 89,534	\$ 611,649	\$ 439,349	\$ 1,507,225	(\$ 29,577)	(\$ 398,969)	\$ 5,233,823	\$ 415,662	\$ 5,649,485

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

GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30,	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 508,598	\$ 992,266
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(26)	82,422	81,037
Amortisation	6(11)(26)	249,275	79,377
Expected credit impairment loss	12(2)	3,103	1,221
Interest expense	6(25)	2,266	2,401
Interest income	6(22)	(24,358)	(2,890)
Share of loss of subsidiaries and associates accounted for under equity method	6(8)	18,875	25,746
Loss on disposal of property, plant and equipment	6(24)	1	25
Loss on disposal of investments	6(24)	-	379
Impairment loss on non-financial assets	6(13)(24)	-	74,542
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(40)	740
Accounts receivable		114,235	(114,027)
Accounts receivable - related parties		(3,754)	(6,881)
Other receivables		137,760	(107,271)
Other receivables - related parties		(443)	(30)
Inventories		22,781	(6,791)
Prepayments		(40,264)	(35,675)
Other current assets		13,850	1,592
Changes in operating liabilities			
Contract liabilities		(45,683)	(66,071)
Accounts payable		(137,776)	80,256
Accounts payable - related parties		(109)	9,078
Other payables		(221,536)	137,944
Other payables - related parties		109,675	143,467
Other current liabilities		(2,065)	(30,522)
Other non-current liabilities		(2,024)	1,356
Cash inflow generated from operations		784,789	1,261,269
Interest received		24,358	2,890
Dividends received		746	622
Interest paid		(2,266)	(2,401)
Income tax paid		(214,647)	(211,490)
Net cash provided by operating activities		<u>592,980</u>	<u>1,050,890</u>

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GAMANIA DIGITAL ENTERTAINMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30,	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 15,000)
Decrease (increase) in financial assets as amortised cost		32,403	(18,092)
Decrease in other financial assets		21,464	43,755
Acquisition of investments accounted for under equity method	6(8)	(6,400)	(44,770)
Acquisition of property, plant and equipment		(74,312)	(77,188)
Proceeds from disposal of property, plant and equipment		19	79
Decrease (increase) in refundable deposits		9,074	(11,676)
Acquisition of intangible assets		(76,526)	(72,497)
(Increase) decrease in other non-current assets		(115,096)	6,563
Net cash used in investing activities		(209,374)	(188,826)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		(21,514)	36,736
Repayment of long-term borrowings		-	(80,000)
Increase (decrease) in guarantee deposits received		2,781	(3,641)
Payment of lease liabilities		(16,009)	(16,531)
Net cash used in acquiring subsidiaries		(4,366)	-
Decrease (increase) in subsidiaries capital from non-controlling interest		913	(13,789)
Cash dividends paid to non-controlling interest		-	(18,597)
Net cash used in financing activities		(38,195)	(95,822)
Effect of exchange rate changes on cash and cash equivalents		9,823	40,200
Net increase in cash and cash equivalents		355,234	806,442
Cash and cash equivalents at beginning of the period		3,737,319	3,418,896
Cash and cash equivalents at end of the period		\$ 4,092,553	\$ 4,225,338

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
SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on August 7, 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 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.

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

None.

(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
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with 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 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
			June 30, 2023	December 31, 2022	June 30, 2022	
Gamania Digital Entertainment Co., Ltd.	Gamania Holdings Ltd. (GH)	Holding company	100	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Digital Entertainment (HK) Co., Ltd.	Software services	100	100	-	Note 10
Gamania Holdings Ltd. (GH)	Gamania International Holdings Ltd. (GIH)	Investment and holding company	100	100	100	
Gamania International Holdings Ltd. (GIH)	Gamania China Holdings Ltd.	Investment and holding company	98.85	98.85	98.85	
Gamania International Holdings Ltd. (GIH)	Joymobee Entertainment Co., Ltd.	Software services	100	100	100	Note 13
Gamania International Holdings Ltd. (GIH)	Achieve Made International Ltd. (AMI)	Investment and holding company	43.28	45.40	45.40	Notes 1 and 7
Gamania International Holdings Ltd. (GIH)	HaPod Digital Technology Co., Ltd.	Software services and sales	100	100	100	Note 13
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Investment and holding company	100	100	100	Note 13
Gamania China Holdings Ltd.	Gamania Digital Entertainment (H.K.) Co., Ltd.	Software services and sales	-	-	100	Note 10
Gamania Sino Holdings Ltd.	Gamania Digital Entertainment (Beijing) Co., Ltd.	Research and development and sales of software	100	100	100	
Achieve Made International Ltd. (AMI)	Jollywiz Digital Technology Co., Ltd.	Supply of electronic information services	100	100	100	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	Investment and holding company	100	100	100	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Supply of electronic information services	100	100	100	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	95.83	95.83	95.83	Note 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	0.86	0.94	0.99	Notes 3, 5 and 13
Cyber Look Properties Ltd.	Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	100	100	100	
Legion Technology (Shanghai) Co., Ltd.	Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	100	100	100	
Gamania Digital Entertainment Co., Ltd.	Gamania Asia Investment Co., Ltd. (Gamania Asia)	Investment company	100	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Ciirco Inc. (Ciirco)	Software services	99.90	99.90	99.90	Note 13
Gamania Digital Entertainment Co., Ltd.	Fundation Digital Entertainment Co., Ltd. (Fundation)	Publishing of magazines and periodicals	100	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	JollyBuy Digital Tech. Co., Ltd. (JollyBuy)	Supply of electronic information services	98.71	98.89	97.67	Notes 8, 9 and 13
Gamania Digital Entertainment Co., Ltd.	Two Tigers Co., Ltd. (Two Tigers)	Animation production	51	51	51	Note 13
Gamania Digital Entertainment Co., Ltd.	Gash Point Co., Ltd. (Gash Point)	Information software and supply of electronic information services	90	90	90	
Gamania Digital Entertainment Co., Ltd.	Ants' Power Co., Ltd. (Ants' Power)	Customer service	100	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Indiland Co., Ltd. (Indiland)	Third party payment	100	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	We Backers Co., Ltd. (We Backers)	Crowd funding	93.38	93.38	93.38	Note 13
Gamania Digital Entertainment Co., Ltd.	BeanGo! Co., Ltd. (BeanGo!)	Software services	100	100	100	Note 13
Gamania Digital Entertainment Co., Ltd.	Coture New Media Co., Ltd. (Coture New Media)	Online media production	93.08	93.08	93.08	Note 13
Gamania Digital Entertainment Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	81.26	81.26	72.74	Note 6
Gamania Digital Entertainment Co., Ltd.	NOWnews Network Co., Ltd. (NOWnews)	Broadcast and TV shows production	81.16	79.44	80.27	Notes 3, 5 and 13

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Gamania Digital Entertainment Co., Ltd.	Digicentre Company Limited (Digicentre)	Software services	67.48	67.48	67.48	
Gamania Digital Entertainment Co., Ltd.	Walkermedia Co., Ltd. (Walkermedia)	Digital media platforms and general advertising services	30	-	-	Notes 4 and 13
Gash Point Co., Ltd.	Gash Point (Hong Kong) Company Limited	Information software and supply of electronic information services	100	100	100	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Information software and supply of electronic information services	100	100	100	Note 13
Gash Point Co., Ltd.	Gash Point Korea Co., Ltd.	Information software and supply of electronic information services	100	100	100	Note 13
Gash Point Co., Ltd.	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	6.22	6.22	9.04	Note 6
Gash Point Co., Ltd.	Conetter CoMarketing Co., Ltd. (Conetter)	Software services	79.98	79.98	79.98	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd. (GAMA PAY)	Electronic payment	8.38	8.38	12.19	Note 6
Ciirco Inc.	Ciirco (HK) Co., Ltd. (Ciirco HK)	Software services	-	-	100	Notes 11 and 13
Gamania Asia Investment Co., Ltd	The China Post Co., Ltd.	Newspaper and magazine publishing	100	100	100	Note 13
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd. (Bjolly)	Supply of electronic information services	4.17	4.17	4.17	Note 2
NOWnews Network Co., Ltd. (NOWnews)	Walkermedia Co., Ltd. (Walkermedia)	Digital media platforms and general advertising services	70	-	-	Notes 4, 12 and 13
Digicentre Company Limited	Digicentre (HK) Company Limited	Software services	100	100	100	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd. (Hyperg)	Software services	51	51	51	

- Note 1: The equity held by the Group was less than 50%. However, as the Group held half of the seats in the Board of Directors, the investee was included in the consolidated financial statements.
- Note 2: The Company's subsidiaries, Jollywiz Digital Technology Co., Ltd. and Gamania Asia, held a 95.83% and 4.17% equity interest in Bjolly, respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.
- Note 3: The Company and its subsidiary, Jollywiz Digital Technology Co., Ltd., held 81.16% and 0.86% equity interest in Nownews, respectively and had control over the investee, thus, the investee was included in the consolidated financial statements.
- Note 4: The Company and its subsidiary, NOWnews Network Co., Ltd. held a 30% and 70% equity interest in Walkermidia Co., Ltd., respectively, and had control over the investee, thus, the investee was included in the consolidated financial statements.
- Note 5: On May 9, 2022 and December 23, 2022, the Company participated in the capital increase. The Company acquired 0.47% equity interest in NOWnews. Accordingly, the equity interest in Jollywiz Digital Technology Co., Ltd. decreased to 0.94%. On June 2, 2023, the Company participated in the capital increase. The Company acquired 1.72% equity interest in NOWnews. Accordingly, the equity interest in Jollywiz Digital Technology Co., Ltd. decreased to 0.86%.
- Note 6: On December 28, 2022, the Company participated in the capital increase. The Company acquired 8.52% equity interest in GAMA PAY. Consequently, the equity interest in GAMA PAY of Gash Point Co., Ltd. and Gash Point (Hong Kong) Company Limited on December 31, 2022 decreased to 6.22% and 8.38%, respectively.
- Note 7: The subsidiary, AMI, issued ordinary shares without consideration in 2023. Therefore, the share ownership of the Group decreased by 2.12%.
- Note 8: The subsidiary, JollyBuy, increased capital by issuing new shares for cash in November 2022. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.12%. The subsidiary, JollyBuy, redeemed treasury in August 2022. Therefore, the share ownership increased by 1.1%
- Note 9: The subsidiary, JollyBuy, increased capital by issuing new shares for cash in January 2023 and June 2023. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership decreased by 0.18%.
- Note 10: 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 11: The liquidation of Ciirco HK was completed in November 2022.

Note 12: On June 30, 2023, the Board of Directors of the subsidiary, NOWnews Network Co., Ltd., resolved to acquire a 70% equity interest in Walkermmedia Co., Ltd., consisting of 7,000 thousand shares.

Note 13: The financial statements of the entity as of and for the six months ended June 30, 2022 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

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 June 30, 2023, December 31, 2022 and June 30, 2022, the non-controlling interest amounted to \$415,662, \$436,930 and \$424,118, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest						Description
		June 30, 2023		December 31, 2022		June 30, 2022		
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)	
AMI and subsidiaries	Taiwan and China	\$ 152,338	56.72%	\$ 150,240	54.60%	\$ 145,827	54.60%	Note
Digicentre Company Limited and subsidiaries	Taiwan, China and Singapore	123,604	32.52%	129,583	32.52%	131,517	32.52%	

Note: Registered location of AMI is British Virgin Islands.

Balance sheets

	AMI and subsidiaries		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 333,989	\$ 335,744	\$ 364,121
Non-current assets	45,412	67,718	56,938
Current liabilities	(107,525)	(123,067)	(142,052)
Total net assets	<u>\$ 271,876</u>	<u>\$ 280,395</u>	<u>\$ 279,007</u>

	Digicentre Company Limited and subsidiaries		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 427,442	\$ 372,937	\$ 318,445
Non-current assets	235,131	244,862	269,492
Current liabilities	(270,215)	(213,561)	(181,914)
Non-current liabilities	(37,692)	(36,268)	(45,629)
Total net assets	<u>\$ 354,666</u>	<u>\$ 367,970</u>	<u>\$ 360,394</u>

Statements of comprehensive income

	<u>AMI and subsidiaries</u>	
	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 179,818	\$ 124,207
Loss before income tax	(1,628)	(8,689)
Income tax benefit	-	-
Loss for the period	(1,628)	(8,689)
Other comprehensive loss, net of tax	(5,138)	(3,511)
Total comprehensive loss for the period	<u>(\$ 6,766)</u>	<u>(\$ 12,200)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 2,224)</u>	<u>(\$ 7,144)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	<u>AMI and subsidiaries</u>	
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 352,202	\$ 254,127
Loss before income tax	(5,967)	(7,994)
Income tax benefit	-	-
Loss for the period	(5,967)	(7,994)
Other comprehensive loss, net of tax	(4,467)	(6,945)
Total comprehensive loss for the period	<u>(\$ 10,434)</u>	<u>(\$ 14,939)</u>
Comprehensive loss attributable to non-controlling	<u>(\$ 1,934)</u>	<u>(\$ 9,681)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 302,280	\$ 291,052
Profit before income tax	19,461	14,943
Income tax expense	(5,182)	(4,647)
Profit for the period	14,279	10,296
Other comprehensive income, net of tax	531	1,560
Total comprehensive income for the period	<u>\$ 14,810</u>	<u>\$ 11,856</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 5,098</u>	<u>\$ 3,832</u>
Dividends paid to non-controlling interest	<u>\$ 11,575</u>	<u>\$ 5,402</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 622,437	\$ 600,816
Profit before income tax	35,986	30,084
Income tax expense	(10,087)	(9,298)
Profit for the period	25,899	20,786
Other comprehensive income, net of tax	111	2,844
Total comprehensive income for the period	<u>\$ 26,010</u>	<u>\$ 23,630</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 9,295</u>	<u>\$ 7,698</u>
Dividends paid to non-controlling interest	<u>\$ 11,575</u>	<u>\$ 5,402</u>

Statements of cash flows

	<u>AMI and subsidiaries</u>	
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Net cash provided by (used in) operating activities	\$ 11,531	(\$ 7,395)
Net cash provided by (used in) investing activities	5,778	(115)
Net cash (used in) provided by financing activities	(22,177)	17,756
Effect of exchange rate changes on cash and cash equivalents	(3,729)	(9,742)
(Decrease) increase in cash and cash equivalents	(8,597)	504
Cash and cash equivalents, beginning of period	101,662	128,873
Cash and cash equivalents, end of period	<u>\$ 93,065</u>	<u>\$ 129,377</u>

	<u>Digicentre Company Limited and subsidiaries</u>	
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Net cash provided by operating activities	\$ 54,484	\$ 32,509
Net cash used in investing activities	(12,293)	(10,882)
Net cash provided by (used in) financing activities	51	(28,166)
Effect of exchange rate changes on cash and cash equivalents	129	3,286
Increase (decrease) in cash and cash equivalents	42,371	(3,253)
Cash and cash equivalents, beginning of period	151,119	121,214
Cash and cash equivalents, end of period	<u>\$ 193,490</u>	<u>\$ 117,961</u>

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(6) Business combinations

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

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

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

There was no significant change in the reporting period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand	\$ 2,259	\$ 2,337	\$ 2,468
Demand deposits and checking accounts	2,262,657	2,677,247	3,101,349
Cash equivalents - time deposits	<u>1,827,637</u>	<u>1,057,735</u>	<u>1,121,521</u>
	<u>\$ 4,092,553</u>	<u>\$ 3,737,319</u>	<u>\$ 4,225,338</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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Notes receivable	<u>\$ 51</u>	<u>\$ 11</u>	<u>\$ 12</u>
Accounts receivable	\$ 720,795	\$ 832,665	\$ 1,037,244
Less: Loss allowance	(49,150)	(47,299)	(48,069)
	<u>671,645</u>	<u>785,366</u>	<u>989,175</u>
Overdue receivables (shown as other non-current assets)	103,557	114,261	113,916
Less: Loss allowance	(103,557)	(114,261)	(113,916)
	<u>\$ 671,645</u>	<u>\$ 785,366</u>	<u>\$ 989,175</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Not past due	\$ 611,320	\$ 760,730	\$ 947,839
Up to 30 days	42,232	19,759	23,678
31~60 days	12,357	2,622	14,420
61~90 days	3,573	2,914	3,591
91~120 days	2,553	169	2,101
Over 121 days	<u>48,760</u>	<u>46,471</u>	<u>45,615</u>
	<u>\$ 720,795</u>	<u>\$ 832,665</u>	<u>\$ 1,037,244</u>

The above ageing analysis was based on past due date.

B. As at June 30, 2023, December 31, 2022 and June 30, 2022, the Group has no notes receivable past due.

C. As at June 30, 2023, December 31, 2022, June 30, 2022 and January 1, 2022, the balances of receivables (including notes and overdue receivables) from contracts with customers amounted to \$824,403, \$946,937, \$1,151,172 and \$1,035,832, respectively.

- D. The Group does not hold any collateral. Further, the Group has no notes and accounts receivable pledged to others as collateral.
- E. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$51, \$11 and \$12, and accounts receivable was \$671,645, \$785,366 and \$989,175, respectively.
- F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Other receivables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other receivables	\$ 397,476	\$ 535,210	\$ 369,551
Less: Loss allowance	(3,966)	(2,253)	(1,960)
	<u>\$ 393,510</u>	<u>\$ 532,957</u>	<u>\$ 367,591</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Not past due	\$ 347,409	\$ 481,424	\$ 312,970
Up to 30 days	16,322	17,165	18,951
31 to 60 days	6,782	5,779	10,165
61 to 90 days	6,341	9,165	8,069
91 to 120 days	9,648	9,853	7,281
Over 121 days	10,974	11,824	12,115
	<u>\$ 397,476</u>	<u>\$ 535,210</u>	<u>\$ 369,551</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 June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's other receivables was \$393,510, \$532,957 and \$367,591, respectively.
- D. Information relating to credit risk of other receivables is provided in Note 12(2).

(4) Inventories

	<u>June 30, 2023</u>	
	<u>Cost</u>	<u>Allowance for obsolescence and market value decline</u>
		<u>Book value</u>
Merchandise inventory	<u>\$ 130,687</u>	<u>(\$ 24,541)</u>
		<u>\$ 106,146</u>

	December 31, 2022		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	\$ 147,349	(\$ 18,422)	\$ 128,927
	June 30, 2022		
	Cost	Allowance for obsolescence and market value decline	Book value
Merchandise inventory	\$ 147,376	(\$ 18,003)	\$ 129,373

Expenses and losses incurred on inventories for the period:

	Three months ended June 30,	
	2023	2022
Cost of goods sold	\$ 131,817	\$ 87,717
Loss on (gain on reversal of) decline in market value	2,094	(992)
	\$ 133,911	\$ 86,725
	Six months ended June 30,	
	2023	2022
Cost of goods sold	\$ 263,014	\$ 180,902
Loss on decline in market value	6,120	811
	\$ 269,134	\$ 181,713

(5) Prepayments

	June 30, 2023	December 31, 2022	June 30, 2022
Prepayments to suppliers	\$ 182,698	\$ 166,891	\$ 245,539
Prepaid expenses	99,553	81,718	70,512
Excess business tax paid	68,622	68,859	61,536
Others	7,014	4,109	10,114
	\$ 357,887	\$ 321,577	\$ 387,701

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

Items	June 30, 2023	December 31, 2022	June 30, 2022
Non-current items:			
Equity instruments			
OTC stocks	\$ 78,376	\$ 78,376	\$ 78,376
Emerging stocks	20,546	20,546	20,546
Unlisted, non-OTC and non-emerging stocks	425,894	425,894	481,542
	524,816	524,816	580,464
Valuation adjustment	(402,930)	(407,235)	(434,617)
	\$ 121,886	\$ 117,581	\$ 145,847

- 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 \$121,886, \$117,581 and \$145,847 as at June 30, 2023, December 31, 2022 and June 30, 2022, respectively.
- B. In 2022, in line with the Group's business development and resource allocation plan, the Group sold its 5.42% equity interest in Microprogram Information Co., Ltd. at fair value in the amount of \$31,208. The cumulative loss on disposal of Microprogram Information Co., Ltd. was \$24,440.
- C. Amounts recognised in profit or loss and other comprehensive income or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2023	2022
Change of fair value recognised in other comprehensive income	\$ 4,622	(\$ 25,309)
	Six months ended June 30,	
	2023	2022
Change of fair value recognised in other comprehensive income	\$ 3,883	(\$ 55,300)

- 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	June 30, 2023	December 31, 2022	June 30, 2022
Current items:			
Time deposit with maturity of more than three months	\$ 116,291	\$ 148,694	\$ 205,559

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

	Three months ended June 30,	
	2023	2022
Interest income	\$ 72	\$ 48

	Six months ended June 30,	
	2023	2022
Interest income	\$ 140	\$ 193

B. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$116,291, \$148,694 and \$205,559, respectively.

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

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

(8) Investments accounted for under equity method

	2023	2022
At January 1	\$ 135,404	\$ 121,309
Addition of investments accounted for under equity method	6,400	44,770
Transformation of subsidiary from associate (Note)	(1,791)	-
Share of loss of investments accounted for under equity method	(18,875)	(25,746)
Earnings distribution of investments accounted for under equity method	(746)	(622)
Changes in retained earnings	-	3,255
Changes in other equity items	(106)	273
Effects of foreign exchange	29	309
At June 30	\$ 120,315	\$ 143,548

Note: On June 30, 2023, the Group acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The related information of business combination is provided in Note 6(31).

A. List of long-term investments:

Name of associates	June 30, 2023		December 31, 2022		June 30, 2022	
	Ownership percentage	Balance	Ownership percentage	Balance	Ownership percentage	Balance
Jsdway Digital Technology Co., Ltd. (Jsdway)	37.18	\$ 50,049	37.18	\$ 49,485	37.18	\$ 49,808
Hao-Ji Film Ltd. (Hao-Ji)	42.86	25,566	42.86	30,021	42.86	29,988
Chuang Meng Shr Ji Co., Ltd. (Chuang Meng Shr J.)	33.03	21,970	33.03	22,984	33.03	24,393
Walkermedia Co., Ltd. (Walkermedia) (Note 5)	-	-	30.00	5,105	30.00	7,764
Aotter Inc. (Aotter)	21.48	3,148	21.48	6,045	21.48	6,881
Taiwan e-sports Co., Ltd. (Taiwan e-sports)	29.54	(1,264)	29.54	7,224	29.54	11,943
Store Marais Co., Ltd. (Marais) (Note 1)	7.69	11,590	7.69	11,192	7.69	10,455
Pri-One Marketing Co., Ltd. (Pri-One)	30.00	3,075	30.00	3,348	30.00	2,762
Entron Technology Co., Ltd. (Note 1)	14.16	6,181	-	-	-	-
4-Way Voice Cultural Co., Ltd. (4-Way Voice) (Note 3)	-	-	-	-	38.00	743
Gungho Gamania Co., Limited (Gungho Gamania)	49.00	-	49.00	-	49.00	(1,189)
Ju Shr Da Jiu (Shanghai) International Trading Co., Ltd. (Ju Shr Da Jiu) (Note 2)	30.00	-	30.00	-	30.00	-
ACCI Group Limited (ACCI) (Note 2) (Note 4)	-	-	-	-	30.00	-
Firedog creative Co., Ltd. (Note 2)	40.00	-	40.00	-	40.00	-
		<u>\$ 120,315</u>		<u>\$ 135,404</u>		<u>\$ 143,548</u>

The investments accounted for under equity method are based on financial statements of investees as of and for the six months ended June 30, 2023 and 2022 which were not reviewed by independent auditors.

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.

Note 5: On June 30, 2023, the Group acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The related information of business combination is provided in Note 6(31).

- B. As of June 30, 2023, December 31, 2022 and June 30, 2022, the carrying amount of the Group's individually immaterial associates amounted to \$120,315, \$135,404 and \$143,548, respectively. The Group's share of the operating results are summarised below:

	Three months ended June 30,	
	2023	2022
Loss for the period	(\$ 12,182)	(\$ 12,933)
Other comprehensive loss, net of tax	(49)	(7)
Total comprehensive loss	<u>(\$ 12,231)</u>	<u>(\$ 12,940)</u>
	Six months ended June 30,	
	2023	2022
Loss for the period	(\$ 18,875)	(\$ 25,746)
Other comprehensive (loss) income, net of tax	(49)	273
Total comprehensive loss	<u>(\$ 18,924)</u>	<u>(\$ 25,473)</u>

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

(9) Property, plant and equipment

	<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 and equipment under acceptance</u>	<u>Total</u>
<u>At January 1, 2023</u>									
Cost	\$ 2,246,082	\$ 558,612	\$ 424,299	\$ 1,245	\$ 102,697	\$ 26,301	\$ 53,130	\$ 2,125	\$ 3,414,491
Accumulated depreciation	-	(203,635)	(296,269)	(1,185)	(55,681)	(11,889)	(27,012)	-	(595,671)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 354,977</u>	<u>\$ 121,648</u>	<u>\$ 60</u>	<u>\$ 47,016</u>	<u>\$ 14,412</u>	<u>\$ 26,118</u>	<u>\$ 2,125</u>	<u>\$ 2,812,438</u>
<u>2023</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 354,977	\$ 121,648	\$ 60	\$ 47,016	\$ 14,412	\$ 26,118	\$ 2,125	\$ 2,812,438
Additions	-	9,865	19,405	-	9,607	179	966	7,831	47,853
Acquired from business combinations	-	-	-	-	436	-	-	-	436
Disposals	-	-	-	-	(20)	-	-	-	(20)
Depreciation charge	-	(20,429)	(28,658)	-	(8,605)	(2,612)	(6,042)	-	(66,346)
Net exchange differences	-	2	15	-	(17)	(3)	-	-	(3)
Closing net book amount as at June 30	<u>\$ 2,246,082</u>	<u>\$ 344,415</u>	<u>\$ 112,410</u>	<u>\$ 60</u>	<u>\$ 48,417</u>	<u>\$ 11,976</u>	<u>\$ 21,042</u>	<u>\$ 9,956</u>	<u>\$ 2,794,358</u>
<u>At June 30, 2023</u>									
Cost	\$ 2,246,082	\$ 568,089	\$ 411,478	\$ 1,210	\$ 108,750	\$ 26,497	\$ 47,204	\$ 9,956	\$ 3,419,266
Accumulated depreciation	-	(223,674)	(292,686)	(1,150)	(60,333)	(14,521)	(26,162)	-	(618,526)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 344,415</u>	<u>\$ 112,410</u>	<u>\$ 60</u>	<u>\$ 48,417</u>	<u>\$ 11,976</u>	<u>\$ 21,042</u>	<u>\$ 9,956</u>	<u>\$ 2,794,358</u>

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2022</u>									
Cost	\$ 2,246,082	\$ 536,582	\$ 429,755	\$ 1,226	\$ 92,428	\$ 36,134	\$ 44,122	\$ 8,091	\$ 3,394,420
Accumulated depreciation	-	(168,055)	(318,996)	(1,166)	(53,008)	(30,890)	(18,656)	-	(590,771)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 368,527</u>	<u>\$ 104,377</u>	<u>\$ 60</u>	<u>\$ 39,420</u>	<u>\$ 5,244</u>	<u>\$ 25,466</u>	<u>\$ 8,091</u>	<u>\$ 2,797,267</u>
<u>2022</u>									
Opening net book amount as at January 1	\$ 2,246,082	\$ 368,527	\$ 104,377	\$ 60	\$ 39,420	\$ 5,244	\$ 25,466	\$ 8,091	\$ 2,797,267
Additions	-	5,694	41,231	-	11,199	11,243	4,265	5,603	79,235
Disposals	-	-	-	-	(104)	-	-	-	(104)
Transfers	-	-	-	-	-	3,352	2,893	(6,245)	-
Depreciation charge	-	(19,030)	(29,818)	-	(7,126)	(2,920)	(5,734)	-	(64,628)
Net exchange differences	-	-	177	1	24	1	-	-	203
Closing net book amount as at June 30	<u>\$ 2,246,082</u>	<u>\$ 355,191</u>	<u>\$ 115,967</u>	<u>\$ 61</u>	<u>\$ 43,413</u>	<u>\$ 16,920</u>	<u>\$ 26,890</u>	<u>\$ 7,449</u>	<u>\$ 2,811,973</u>
<u>At June 30, 2022</u>									
Cost	\$ 2,246,082	\$ 542,224	\$ 431,930	\$ 1,253	\$ 99,551	\$ 26,228	\$ 49,383	\$ 7,449	\$ 3,404,100
Accumulated depreciation	-	(187,033)	(309,581)	(1,192)	(56,138)	(9,308)	(22,493)	-	(585,745)
Accumulated impairment	-	-	(6,382)	-	-	-	-	-	(6,382)
	<u>\$ 2,246,082</u>	<u>\$ 355,191</u>	<u>\$ 115,967</u>	<u>\$ 61</u>	<u>\$ 43,413</u>	<u>\$ 16,920</u>	<u>\$ 26,890</u>	<u>\$ 7,449</u>	<u>\$ 2,811,973</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 three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022, payments of lease commitments for short-term leases amounted to \$904, \$404, \$2,882 and \$2,909, respectively.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	Book value		
	June 30, 2023	December 31, 2022	June 30, 2022
Buildings	\$ 86,995	\$ 55,606	\$ 59,739
Land improvements	3,805	322	966
Transportation equipment (Business vehicles)	1,244	1,903	2,861
Machinery	13,624	16,102	18,580
	<u>\$ 105,668</u>	<u>\$ 73,933</u>	<u>\$ 82,146</u>

	Depreciation charge	
	Three months ended June 30,	
	2023	2022
Buildings	\$ 6,277	\$ 6,182
Land improvements	346	322
Transportation equipment (Business vehicles)	180	535
Machinery	1,239	1,238
	<u>\$ 8,042</u>	<u>\$ 8,277</u>

	Depreciation charge	
	Six months ended June 30,	
	2023	2022
Buildings	\$ 12,271	\$ 12,398
Land improvements	668	644
Transportation equipment (Business vehicles)	659	890
Machinery	2,478	2,477
	<u>\$ 16,076</u>	<u>\$ 16,409</u>

- D. For the six months ended June 30, 2023 and 2022, the additions to right-of-use assets were \$47,718 and \$3,514, respectively.

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

	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ <u>153</u>	\$ <u>196</u>
Expense on short-term lease contracts	\$ <u>904</u>	\$ <u>404</u>
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ <u>372</u>	\$ <u>409</u>
Expense on short-term lease contracts	\$ <u>2,882</u>	\$ <u>2,909</u>

F. For the six months ended June 30, 2023 and 2022, the Group's total cash outflow for leases were \$19,263 and \$19,849, respectively.

(11) Intangible assets

	<u>License fees</u>	<u>Software</u>	<u>Other intangible assets</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2023</u>							
Cost	\$ 1,140,099	\$ 98,023	\$ 179,132	\$ 10,090	\$ 197,132	\$ 386,238	\$ 2,010,714
Accumulated amortisation	(363,452)	(45,384)	(50,005)	-	(92,559)	-	(551,400)
Accumulated impairment	(46,631)	-	(85,369)	-	-	(148,924)	(280,924)
	<u>\$ 730,016</u>	<u>\$ 52,639</u>	<u>\$ 43,758</u>	<u>\$ 10,090</u>	<u>\$ 104,573</u>	<u>\$ 237,314</u>	<u>\$ 1,178,390</u>
<u>2023</u>							
Opening net book amount as at January 1	\$ 730,016	\$ 52,639	\$ 43,758	\$ 10,090	\$ 104,573	\$ 237,314	\$ 1,178,390
Additions	179,727	23,027	172	-	-	-	202,926
Acquired from business combinations	-	38	-	-	-	7,744	7,782
Reclassifications (Note)	-	4,286	-	-	-	-	4,286
Amortisation charge	(207,563)	(28,351)	(5,688)	-	(7,673)	-	(249,275)
Net exchange differences	1,636	447	721	-	-	-	2,804
Closing net book amount as at June 30	<u>\$ 703,816</u>	<u>\$ 52,086</u>	<u>\$ 38,963</u>	<u>\$ 10,090</u>	<u>\$ 96,900</u>	<u>\$ 245,058</u>	<u>\$ 1,146,913</u>
<u>At June 30, 2023</u>							
Cost	\$ 1,205,096	\$ 100,203	\$ 181,417	\$ 10,090	\$ 198,938	\$ 394,645	\$ 2,090,389
Accumulated amortisation	(454,616)	(48,117)	(56,496)	-	(102,038)	-	(661,267)
Accumulated impairment	(46,664)	-	(85,958)	-	-	(149,587)	(282,209)
	<u>\$ 703,816</u>	<u>\$ 52,086</u>	<u>\$ 38,963</u>	<u>\$ 10,090</u>	<u>\$ 96,900</u>	<u>\$ 245,058</u>	<u>\$ 1,146,913</u>

Note: From prepaid expense transferred to intangible assets.

	<u>License fees</u>	<u>Software</u>	<u>Other intangible assets</u>	<u>Trademark right</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2022</u>							
Cost	\$ 1,617,093	\$ 89,531	\$ 165,930	\$ 10,090	\$ 195,700	\$ 381,572	\$ 2,459,916
Accumulated amortisation	(1,425,861)	(40,438)	(38,264)	-	(72,543)	-	(1,577,106)
Accumulated impairment	(75,870)	-	(29,375)	-	-	(146,821)	(252,066)
	<u>\$ 115,362</u>	<u>\$ 49,093</u>	<u>\$ 98,291</u>	<u>\$ 10,090</u>	<u>\$ 123,157</u>	<u>\$ 234,751</u>	<u>\$ 630,744</u>
<u>2022</u>							
Opening net book amount as at January 1	\$ 115,362	\$ 49,093	\$ 98,291	\$ 10,090	\$ 123,157	\$ 234,751	\$ 630,744
Additions	7,643	33,644	26,819	-	-	-	68,106
Amortisation charge	(34,393)	(30,519)	(5,110)	-	(9,355)	-	(79,377)
Impairment loss (Note)	(36,353)	-	(38,189)	-	-	-	(74,542)
Net exchange differences	238	181	183	-	183	1,254	2,039
Closing net book amount as at June 30	<u>\$ 52,497</u>	<u>\$ 52,399</u>	<u>\$ 81,994</u>	<u>\$ 10,090</u>	<u>\$ 113,985</u>	<u>\$ 236,005</u>	<u>\$ 546,970</u>
<u>At June 30, 2022</u>							
Cost	\$ 352,286	\$ 93,464	\$ 196,841	\$ 10,090	\$ 196,206	\$ 384,242	\$ 1,233,129
Accumulated amortisation	(185,933)	(41,065)	(43,314)	-	(82,221)	-	(352,533)
Accumulated impairment	(113,856)	-	(71,533)	-	-	(148,237)	(333,626)
	<u>\$ 52,497</u>	<u>\$ 52,399</u>	<u>\$ 81,994</u>	<u>\$ 10,090</u>	<u>\$ 113,985</u>	<u>\$ 236,005</u>	<u>\$ 546,970</u>

Note: For impairment loss, refer to Note 6(13).

A. The details of amortisation are as follows:

	Three months ended June 30,	
	2023	2022
Operating costs	\$ 91,787	\$ 24,339
Selling expenses	10,101	4,820
General and administrative expenses	6,326	7,137
Research and development expenses	1,466	3,907
	<u>\$ 109,680</u>	<u>\$ 40,203</u>

	Six months ended June 30,	
	2023	2022
Operating costs	\$ 211,095	\$ 49,194
Selling expenses	15,455	9,591
General and administrative expenses	16,295	12,427
Research and development expenses	6,430	8,165
	<u>\$ 249,275</u>	<u>\$ 79,377</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:

	June 30, 2023	December 31, 2022	June 30, 2022
Goodwill:			
NOWnews	\$ 197,055	\$ 197,055	\$ 197,055
Digicentre	141,150	141,149	141,149
AMI	19,182	18,917	18,307
GIH	27,827	27,442	26,086
Walkermedia (Note)	7,744	-	-
Others	1,687	1,675	1,645
	<u>394,645</u>	<u>386,238</u>	<u>384,242</u>
Less: Accumulated impairment	(149,587)	(148,924)	(148,237)
	<u>\$ 245,058</u>	<u>\$ 237,314</u>	<u>\$ 236,005</u>
Trademark:			
NOWnews	\$ 10,090	\$ 10,090	\$ 10,090

Note: On June 30, 2023, the Group acquired a 70% equity interest in WalkerMedia, which became a subsidiary of the Group. The related information of business combination is provided in Note 6(31).

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, Digicentre and AMI was higher than the carrying amount at December 31, 2022, 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.

(12) Other non-current assets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Overdue receivables	\$ 103,557	\$ 114,261	\$ 113,916
Less: Loss allowance for overdue receivables	(103,557)	(114,261)	(113,916)
Refundable deposits	37,857	46,931	53,035
Prepayments for intangible assets	117,785	-	-
Others	8,181	10,810	9,185
	<u>\$ 163,823</u>	<u>\$ 57,741</u>	<u>\$ 62,220</u>

(13) Impairment of non-financial assets

The Group recognised impairment loss of \$0, \$0, \$0 and \$74,542 for the three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022, respectively. Details of such loss are as follows:

	<u>Recognised in profit or loss</u>	
	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Impairment loss - license fees	\$ -	\$ -
Impairment loss - other intangible assets	-	-
	<u>\$ -</u>	<u>\$ -</u>
	<u>Recognised in profit or loss</u>	
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Impairment loss - license fees	\$ -	\$ 36,353
Impairment loss - other intangible assets	-	38,189
	<u>\$ -</u>	<u>\$ 74,542</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(11).

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.

(14) Short-term borrowings

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank borrowings			
Secured borrowings	\$ 71,531	\$ 91,760	\$ 143,176
Credit lines	\$ 3,447,863	\$ 3,827,321	\$ 2,832,909
Interest rate range	<u>2.49%~5.60%</u>	<u>1.275%~5.80%</u>	<u>1.28%~5.80%</u>

(15) Other payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Store-value received on behalf of others	\$ 818,464	\$ 844,245	\$ 704,281
Accrued service cost	394,380	521,529	292,053
Salary and annual bonus payable	198,422	216,391	167,759
Employees' compensation payable	257,292	207,929	313,601
Electronic payment received on behalf of others	21,550	109,778	60,038
Commission payable	77,545	97,332	131,531
Payable on business tax and withholding tax	81,442	89,496	126,072
Payable on equipment and intangible assets (Note)	139,438	39,497	26,005
Directors' and supervisors' remuneration payable	11,917	36,333	22,479
Cash dividends payable	1,056,063	-	877,468
Others	100,578	54,513	73,058
	<u>\$ 3,157,091</u>	<u>\$ 2,217,043</u>	<u>\$ 2,794,345</u>

Note: The payment obligations of certain game license are to pay game developers license fees if the revenue reaches a certain amount within three years after the signing of the contract. The Group recognised the license fees and payable on intangible assets after assessing that the payment obligation is highly realisable on June 30, 2023.

(16) 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 three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022 were \$212, \$198, \$474 and \$396, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$872.

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 six months ended June 30, 2023 and 2022 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., 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 three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022 were \$13,743, \$11,354, \$24,813 and \$22,279, respectively.

(17) Common stock

As of June 30, 2023, the Company’s authorised capital was \$2,500,000, consisting of 250 million shares of ordinary stock (including 12 million shares reserved for employee stock options), and the paid-in capital was \$1,754,936 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(18) 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.

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

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

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

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

G. 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.

H. For the information relating to employees' compensation and directors' and supervisors' remuneration, refer to Note 6(26).

(20) Other equity

	2023		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 36,603)	(\$ 402,746)	(\$ 439,349)
Revaluation - Group	-	3,883	3,883
Revaluation - Associates	-	(106)	(106)
Currency translation differences:			
- Group	<u>7,026</u>	<u>-</u>	<u>7,026</u>
At June 30	<u>(\$ 29,577)</u>	<u>(\$ 398,969)</u>	<u>(\$ 428,546)</u>

	2022		
	Translation differences	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 131,809)	(\$ 373,543)	(\$ 505,352)
Revaluation - Group	-	(55,299)	(55,299)
Revaluation - Associates	-	272	272
Currency translation differences:			
- Group	50,193	-	50,193
At June 30	(\$ 81,616)	(\$ 428,570)	(\$ 510,186)

(21) Operating revenue

	Three months ended June 30,	
	2023	2022
Revenue from contracts with customers	\$ 2,085,608	\$ 2,424,900
	Six months ended June 30,	
	2023	2022
Revenue from contracts with customers	\$ 5,119,832	\$ 5,833,450

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:

Three months ended June 30, 2023	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 1,382,096	\$ 425,341	\$ 169,635	\$ 108,536	\$ 2,085,608
Timing of revenue recognition					
At a point in time	\$ 1,272,183	\$ 149,218	\$ 169,635	\$ 108,536	\$ 1,699,572
Over time	109,913	276,123	-	-	386,036
	\$ 1,382,096	\$ 425,341	\$ 169,635	\$ 108,536	\$ 2,085,608
Three months ended June 30, 2022	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	\$ 1,853,621	\$ 369,717	\$ 113,649	\$ 87,913	\$ 2,424,900
Timing of revenue recognition					
At a point in time	\$ 1,628,899	\$ 154,062	\$ 113,649	\$ 87,913	\$ 1,984,523
Over time	224,722	215,655	-	-	440,377
	\$ 1,853,621	\$ 369,717	\$ 113,649	\$ 87,913	\$ 2,424,900

Six months ended June 30, 2023	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 3,694,762</u>	<u>\$ 877,681</u>	<u>\$ 327,129</u>	<u>\$ 220,260</u>	<u>\$ 5,119,832</u>
Timing of revenue recognition					
At a point in time	\$ 3,315,612	\$ 365,066	\$ 327,129	\$ 220,260	\$ 4,228,067
Over time	<u>379,150</u>	<u>512,615</u>	<u>-</u>	<u>-</u>	<u>891,765</u>
	<u>\$ 3,694,762</u>	<u>\$ 877,681</u>	<u>\$ 327,129</u>	<u>\$ 220,260</u>	<u>\$ 5,119,832</u>
Six months ended June 30, 2022	Online and mobile games revenue	Service revenue	Sales revenue	Revenue from stored-values	Total
Revenue from external customer contracts	<u>\$ 4,756,825</u>	<u>\$ 672,249</u>	<u>\$ 244,505</u>	<u>\$ 159,871</u>	<u>\$ 5,833,450</u>
Timing of revenue recognition					
At a point in time	\$ 4,283,316	\$ 289,263	\$ 244,505	\$ 159,871	\$ 4,976,955
Over time	<u>473,509</u>	<u>382,986</u>	<u>-</u>	<u>-</u>	<u>856,495</u>
	<u>\$ 4,756,825</u>	<u>\$ 672,249</u>	<u>\$ 244,505</u>	<u>\$ 159,871</u>	<u>\$ 5,833,450</u>

B. Contract liabilities

- (a) The Group recognised contract liabilities related to the contract revenue from sales amounting to \$334,441, \$379,934, \$318,945 and \$385,016 as of June 30, 2023, December 31, 2022, June 30, 2022, and January 1, 2022, respectively. The Group's contract liabilities are mainly deferred revenue from points stored but unused or unconsumed in the online game or mobile game, and are amortised as revenue over the period of the services or the estimated useful period of the virtual items when they are actually used.
- (b) Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three months ended June 30,	
	2023	2022
Revenue from games	<u>\$ -</u>	<u>\$ -</u>
	Six months ended June 30,	
	2023	2022
Revenue from games	<u>\$ 379,934</u>	<u>\$ 385,016</u>

(22) Interest income

	Three months ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 16,396	\$ 2,035
Interest income from financial assets at amortised cost	<u>72</u>	<u>48</u>
	<u>\$ 16,468</u>	<u>\$ 2,083</u>

	Six months ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 24,218	\$ 2,697
Interest income from financial assets at amortised cost	140	193
	<u>\$ 24,358</u>	<u>\$ 2,890</u>

(23) Other income

	Three months ended June 30,	
	2023	2022
Rental revenue	\$ 285	\$ 276
Other income	4,274	5,202
	<u>\$ 4,559</u>	<u>\$ 5,478</u>

	Six months ended June 30,	
	2023	2022
Rental revenue	\$ 653	\$ 644
Other income	8,769	8,128
	<u>\$ 9,422</u>	<u>\$ 8,772</u>

(24) Other gains and losses

	Three months ended June 30,	
	2023	2022
Loss on disposal of property, plant and equipment	(\$ 1)	(\$ 26)
Foreign exchange gain	831	11,267
Other losses	(382)	(711)
	<u>\$ 448</u>	<u>\$ 10,530</u>

	Six months ended June 30,	
	2023	2022
Loss on disposal of property, plant and equipment	(\$ 1)	(\$ 25)
Loss on disposal of investments	-	(379)
Foreign exchange gain	1,810	22,054
Impairment loss	-	(74,542)
Other losses	(1,095)	(1,152)
	<u>\$ 714</u>	<u>\$ 54,044</u>

(25) Finance costs

	Three months ended June 30,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 1,052	\$ 973
Lease liability	153	196
	<u>\$ 1,205</u>	<u>\$ 1,169</u>
	Six months ended June 30,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 1,894	\$ 1,992
Lease liability	372	409
	<u>\$ 2,266</u>	<u>\$ 2,401</u>

(26) Employee benefit, depreciation and amortisation expense

	Three months ended June 30,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 271,292	\$ 267,747
Directors' remuneration	2,681	6,355
Labor and health insurance fees	15,216	21,070
Pension costs	13,955	11,552
Other personnel expenses	11,127	11,972
	<u>\$ 314,271</u>	<u>\$ 318,696</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 41,404</u>	<u>\$ 41,061</u>
Amortisation expense	<u>\$ 109,680</u>	<u>\$ 40,203</u>
	Six months ended June 30,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 575,494	\$ 591,396
Directors' remuneration	13,638	23,560
Labor and health insurance fees	30,504	43,254
Pension costs	25,287	22,675
Other personnel expenses	20,995	23,642
	<u>\$ 665,918</u>	<u>\$ 704,527</u>
Depreciation on property, plant and equipment (including right-of-use assets)	<u>\$ 82,422</u>	<u>\$ 81,037</u>
Amortisation expense	<u>\$ 249,275</u>	<u>\$ 79,377</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 three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022, employees' compensation was accrued at \$3,382, \$25,274, \$51,416 and \$104,301, respectively; while directors' remuneration was accrued at \$676, \$6,405, \$10,283 and \$23,560, respectively. The aforementioned amounts were recognised in salary expenses.
- (b) For the six months ended June 30, 2023, the employees' compensation and directors' remuneration were estimated and accrued based on the Company's Articles of Incorporation of distributable profit of current year as of the end of reporting period. Employees' compensation and directors' remuneration for 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 \$0 and \$14, respectively, had been adjusted in the profit or loss for 2023.
- C. Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors and stockholders will be posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Components of income tax expense:

(a) Components of income tax expense:

	Three months ended June 30,	
	2023	2022
Current tax:		
Current tax on profit for the period	(\$ 23,783)	\$ 48,812
Tax on undistributed earnings	-	7,798
Prior year income tax under (over) estimation	2,709 (	20,857)
Deferred tax:		
Origination and reversal of temporary differences	6,258	2,711
Income tax expense	(\$ 14,816)	\$ 38,464

	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Current tax:		
Current tax on profit for the period	\$ 105,485	\$ 210,002
Tax on undistributed earnings	-	7,798
Prior year income tax under (over) estimation	2,709	(19,878)
Deferred tax:		
Origination and reversal of temporary differences	(2,867)	26,385
Income tax expense	<u>\$ 105,327</u>	<u>\$ 224,307</u>

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

	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Currency translation differences	<u>\$ 1,468</u>	<u>\$ 3,253</u>

	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Currency translation differences	<u>\$ 600</u>	<u>\$ 5,648</u>

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

	<u>Latest Year Assessed by Tax Authority</u>
The Company, Digicentre, Gash Point, NOWnews, Bjolly, Two Tigers, Ants' Power, Indiland, Gamania Asia, Ciirco, WeBackers, BeanGo!, Foundation, GAMA PAY, Madsugr, Jollybuy, Jollywiz, The China Post, Walkermmedia	2021
Coture New Media, Conetter CoMarketing	2020

(28) Earnings per share

Three months ended June 30, 2023			
<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 67,115	175,494	\$ 0.38
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 67,115	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	628	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 67,115	176,122	\$ 0.38
Three months ended June 30, 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	\$ 248,028	175,494	\$ 1.41
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 248,028	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	1,637	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 248,028	177,131	\$ 1.40

Six months ended June 30, 2023			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 403,300	175,494	\$ 2.30
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 403,300	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	1,361	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 403,300	176,855	\$ 2.28
Six months ended June 30, 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	\$ 769,453	175,494	\$ 4.38
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 769,453	-	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	2,660	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 769,453	178,154	\$ 4.32

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.

(29) Transactions with non-controlling interest

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

A. The subsidiary, AMI, issued ordinary shares without consideration for the three months ended March 31, 2023. Therefore, the share ownership of the Group decreased by 2.12%. The subsidiaries, JollyBuy and NOWnews, issued new shares for the six months ended June 30, 2023. However, the Group did not acquire additional shares proportionately to its interest, thus, the share ownership increased by 0.18% and 1.64%, respectively. The impact of the transaction attributed to owners of parent is as follows:

	<u>JollyBuy</u>	<u>AMI</u>
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2023</u>
Cash	\$ 913	\$ -
Increase in carrying amount of non-controlling interest	(1,011)	(5,455)
Capital surplus - changes in parent's ownership interest in subsidiary	<u>(\$ 98)</u>	<u>(\$ 5,455)</u>
	<u>NOWnews</u>	
	<u>Six months ended</u>	
	<u>June 30, 2023</u>	
Cash	\$ 772	
Increase in carrying amount of non-controlling interest	(9,668)	
Retained earnings - changes in parent's ownership interest in subsidiary	<u>(\$ 8,896)</u>	

B. The liquidation of the subsidiary, MadSugr, was completed in the second quarter of 2023, which resulted in a decrease in the carrying amount of non-controlling interest by \$2,983.

C. The subsidiaries, JollyBuy, NOWnews and GAMA PAY, increased capital by issuing new shares for cash for the six months ended June 30, 2022. However, the Group did not acquire additional

shares proportionately to its interest, thus, the share ownership increased by 0.44%, 0.30% and 3.01%. The impact of the transaction attributed to owners of parent is as follows:

	<u>Jolly Buy</u>	<u>NOWnews</u>
	<u>Six months ended June 30,</u>	
	<u>2022</u>	<u>2022</u>
Cash	\$ -	\$ -
Increase in carrying amount of non-controlling interest	(934)	(865)
Retained earnings - changes in parent's ownership interest in subsidiary	<u>(\$ 934)</u>	<u>(\$ 865)</u>

	<u>GAMA PAY</u>
	<u>Six months ended</u>
	<u>June 30, 2022</u>
Cash	(\$ 13,789)
Increase in carrying amount of non-controlling interest	12,485
Retained earnings - changes in parent's ownership interest in subsidiary	<u>(\$ 1,304)</u>

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

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Acquisition of property, plant and equipment	\$ 47,853	\$ 79,235
Add: Opening balance of other payables	35,478	22,484
Less: Ending balance of other payables	(9,019)	(24,531)
Cash paid during the period	<u>\$ 74,312</u>	<u>\$ 77,188</u>

	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Acquisition of intangible assets	\$ 202,926	\$ 68,106
Add: Opening balance of other payables	4,019	5,865
Less: Ending balance of other payables	(130,419)	(1,474)
Cash paid during the period	<u>\$ 76,526</u>	<u>\$ 72,497</u>

B. Financing activities with no cash flow effects

	Six months ended June 30,	
	2023	2022
Dividends declared but yet to be paid	\$ 1,017,863	\$ 877,468
Dividends declared but yet to be paid - non-controlling interest	38,200	-
	<u>\$ 1,056,063</u>	<u>\$ 877,468</u>

(31) Business combinations

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

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

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

C. The operating revenue included in the consolidated statement of comprehensive income since June 30, 2023 contributed by WalkerMedia was \$0. WalkerMedia also contributed profit before income tax of \$0 over the same period. Had WalkerMedia been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$5,125,658 and profit before income tax of \$500,018.

(32) Changes in liabilities from financing activities

In accordance with amendments to IAS 7, 'Disclosure initiative', movements for the six months ended June 30, 2023 and 2022 are as follows:

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2023	\$ 91,760	\$ -	\$ 74,103	\$ 165,863
Changes in cash flow from financing activities	(21,514)	-	(16,009)	(37,523)
Business combinations	-	-	63	63
Impact of changes in foreign exchange rate	1,285	-	33	1,318
Changes in other non-cash items				
Increase in right-of-use assets	-	-	47,718	47,718
June 30, 2023	<u>\$ 71,531</u>	<u>\$ -</u>	<u>\$ 105,908</u>	<u>\$ 177,439</u>

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2022	\$ 100,164	\$ 80,000	\$ 95,667	\$ 275,831
Changes in cash flow from financing activities	36,736	(80,000)	(16,531)	(59,795)
Impact of changes in foreign exchange rate	6,276	-	85	6,361
Changes in other non-cash items				
Increase in right-of-use assets	-	-	3,514	3,514
Termination of right-of-use assets	-	-	(581)	(581)
June 30, 2022	<u>\$ 143,176</u>	<u>\$ -</u>	<u>\$ 82,154</u>	<u>\$ 225,330</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. (Note)	"
Store Marais Co., Ltd.	"
Gamania Cheer Up Foundation	Other related party
Wanwin International Co., Ltd.	"
Simsense Technology Sdn. Bhd.	"
Dapili International Marketing Co., Ltd.	"

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

(3) Significant transactions and balances with related parties

A. Operating revenue

	Three months ended June 30,	
	2023	2022
Sales of goods:		
Associates	\$ -	\$ 126
Other related parties	4,558	9,637
	<u>\$ 4,558</u>	<u>\$ 9,763</u>
Sales of goods:		
Associates	\$ 1,606	\$ 2,836
Other related parties	47,251	29,931
	<u>\$ 48,857</u>	<u>\$ 32,767</u>
	Six months ended June 30,	
	2023	2022
Sales of goods:		
Associates	\$ 6	\$ 206
Other related parties	9,456	17,597
	<u>\$ 9,462</u>	<u>\$ 17,803</u>
Sales of services:		
Associates	\$ 4,014	\$ 5,780
Other related parties	84,944	45,899
	<u>\$ 88,958</u>	<u>\$ 51,679</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

	Three months ended June 30,	
	2023	2022
Service costs:		
Associates	\$ -	\$ -
Other related parties	1,558	97
	<u>\$ 1,558</u>	<u>\$ 97</u>

	Six months ended June 30,	
	2023	2022
Service costs:		
Associates	\$ 10	\$ -
Other related parties	2,940	1,469
	<u>\$ 2,950</u>	<u>\$ 1,469</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)

	Three months ended June 30,	
	2023	2022
Associates	\$ 11,592	\$ 4,516
Other related parties	2,572	6,061
	<u>\$ 14,164</u>	<u>\$ 10,577</u>

	Six months ended June 30,	
	2023	2022
Associates	\$ 16,002	\$ 7,446
Other related parties	13,049	15,150
	<u>\$ 29,051</u>	<u>\$ 22,596</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)

	Three months ended June 30,	
	2023	2022
Other related party		
Gamania Cheer Up Foundation	<u>\$ 5,000</u>	<u>\$ 5,000</u>

	Six months ended June 30,	
	2023	2022
Other related party		
Gamania Cheer Up Foundation	<u>\$ 9,000</u>	<u>\$ 9,000</u>

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Accounts receivable:			
Associates	\$ 20,310	\$ 17,093	\$ 12,539
Other related parties	<u>4,095</u>	<u>3,558</u>	<u>5,683</u>
	<u>\$ 24,405</u>	<u>\$ 20,651</u>	<u>\$ 18,222</u>
Other receivables:			
Associates	\$ 2,981	\$ 2,539	\$ 2,208
Other related parties	<u>33</u>	<u>32</u>	<u>36</u>
	<u>\$ 3,014</u>	<u>\$ 2,571</u>	<u>\$ 2,244</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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Accounts payable:			
Associates	\$ 1	\$ 1	\$ -
Other related parties	<u>1,462</u>	<u>1,571</u>	<u>16,265</u>
	<u>\$ 1,463</u>	<u>\$ 1,572</u>	<u>\$ 16,265</u>
Other payables:			
Associates	\$ 5,578	\$ 5,441	\$ 2,335
Other related parties	<u>455,773</u>	<u>346,235</u>	<u>299,716</u>
	<u>\$ 461,351</u>	<u>\$ 351,676</u>	<u>\$ 302,051</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>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 7,369	\$ 22,219
Post-employment benefits	<u>27</u>	<u>27</u>
	<u>\$ 7,396</u>	<u>\$ 22,246</u>

	Six months ended June 30,	
	2023	2022
Short-term employee benefits	\$ 54,915	\$ 90,299
Post-employment benefits	54	54
	<u>\$ 54,969</u>	<u>\$ 90,353</u>

8. PLEGDED ASSETS

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

Pledged assets	Book value			Pledge purpose
	June 30, 2023	December 31, 2022	June 30, 2022	
Other current assets				
Demand deposits	\$ 148,280	\$ 169,744	\$ 126,816	Trusted electronic payment accounts
Financial assets at amortised cost-current				
Demand deposits	20,993	26,936	57,494	Performance bond of on-line game card's standard contracts, performance bond of stickers, guarantee for short-term borrowing facility
Time deposits	60,306	60,234	97,770	Guarantee for short-term borrowing facility and credit card merchant
Property, plant and equipment				
Land	2,246,082	2,246,082	2,246,082	Short-term and long-term loans / Credit lines
Buildings and structures	245,606	247,184	250,007	Short-term and long-term / Credit lines
	<u>\$ 2,721,267</u>	<u>\$ 2,750,180</u>	<u>\$ 2,778,169</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

None.

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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets designated at fair value through profit or loss	\$ 15,000	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 121,886	\$ 117,581	\$ 145,847
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,092,553	\$ 3,737,319	\$ 4,225,338
Financial assets at amortised cost	116,291	148,694	205,559
Notes receivable	51	11	12
Accounts receivable (including related parties)	696,050	806,017	1,007,397
Other receivables (including related parties)	396,524	535,528	369,835
Other financial assets	148,280	169,744	126,816
Guarantee deposits paid	37,857	46,931	53,035
	<u>\$ 5,487,606</u>	<u>\$ 5,444,244</u>	<u>\$ 5,987,992</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 71,531	\$ 91,760	\$ 143,176
Accounts payable (including related parties)	479,943	616,934	660,648
Other payables (including related parties)	3,618,442	2,568,719	3,096,396
Guarantee deposits received	18,005	15,224	13,323
	<u>\$ 4,187,921</u>	<u>\$ 3,292,637</u>	<u>\$ 3,913,543</u>
Lease liability	<u>\$ 105,908</u>	<u>\$ 74,103</u>	<u>\$ 82,154</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:

June 30, 2023

(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 22,850	31.140	\$ 711,549
HKD:NTD	3,109	3.974	12,355
HKD:USD (Note)	67,566	0.128	269,313
RMB:USD (Note)	41,772	0.138	179,508
NTD:USD (Note)	40,283	0.032	40,283
USD:HKD (Note)	7,625	7.836	237,445
<u>Non-monetary items</u>			
USD:NTD	10,558	31.140	328,781
KRW:NTD	1,129,333	0.024	27,104
JPY:NTD	122,563	0.215	26,351
HKD:NTD	113,391	3.974	450,615
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	9,060	31.140	282,128
HKD:USD (Note)	8,254	0.128	32,900
RMB:USD (Note)	16,267	0.138	69,905
USD:HKD (Note)	785	7.836	24,445

December 31, 2022

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

(Foreign currency: Functional currency)	June 30, 2022		
	Foreign currency		Book value (NTD)
	amount (in thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 21,760	29.720	\$ 646,707
HKD:NTD	12,204	3.788	46,229
HKD:USD (Note)	127,219	0.127	480,180
RMB:USD (Note)	21,187	0.149	93,822
MYR:USD (Note)	2,599	0.218	16,839
NTD:USD (Note)	10,421	0.034	10,421
USD:HKD (Note)	8,427	7.846	250,456
<u>Non-monetary items</u>			
USD:NTD	35,427	29.720	1,052,884
KRW:NTD	965,783	0.023	22,213
JPY:NTD	113,358	0.218	24,712
HKD:USD (Note)	55,397	0.128	210,738
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	14,399	29.720	427,938
HKD:NTD	17,099	3.788	64,771
JPY:NTD	62,013	0.218	13,519
HKD:USD (Note)	3,635	0.127	13,720
RMB:USD (Note)	17,506	0.149	77,521
USD:HKD (Note)	1,605	7.846	47,702

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 three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022 amounted to \$831, \$11,267, \$1,810 and \$22,054, respectively.

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

(Foreign currency: Functional currency)	Six months ended June 30, 2023		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
USD:NTD	1%	\$ 7,115	\$ -
HKD:NTD	1%	124	-
HKD:USD (Note)	1%	2,693	-
RMB:USD (Note)	1%	1,795	-
NTD:USD (Note)	1%	403	-
USD:HKD (Note)	1%	2,374	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	2,821	-
HKD:USD (Note)	1%	329	-
RMB:USD (Note)	1%	699	-
USD:HKD (Note)	1%	244	-

(Foreign currency: Functional currency)	Six months ended June 30, 2022		
	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%	\$ 6,467	\$ -
HKD:NTD	1%	462	-
HKD:USD (Note)	1%	4,802	-
RMB:USD	1%	938	-
MYR:USD	1%	168	-
NTD:USD	1%	104	-
USD:HKD (Note)	1%	2,505	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	4,279	-
HKD:NTD	1%	648	-
JPY:NTD	1%	135	-
HKD:USD (Note)	1%	137	-
RMB:USD (Note)	1%	775	-
USD:HKD (Note)	1%	477	-

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 six months ended June 30, 2023 and 2022 would have increased/decreased by \$150 and \$150, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income or loss for the six months ended June 30, 2023 and 2022 would have increased by \$1,219 and \$1,458,

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 six months ended June 30, 2023 and 2022, the Group's borrowings at variable rate were denominated in NTD.
- ii. At June 30, 2023, December 31, 2022 and June 30, 2022, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six months ended June 30, 2023 and 2022 would have been \$17 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 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 June 30, 2023, the Group has no written-off financial assets that are still under recourse procedures.
- vii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and other receivables. On June 30, 2023, December 31, 2022 and June 30, 2022, the provision matrix is as follows:

June 30, 2023			
	Expected loss rate	Total book value	Loss allowance
Not past due	0.02%~3.14%	\$ 958,729	\$ 596
Up to 30 days	0.9%~2.35%	58,554	194
31 to 60 days	0.56%~18.78%	19,139	246
61 to 90 days	0.61%~13.08%	9,914	581
91 to 120 days	1.48%~98.89%	12,201	2,551
Over 121 days	78.16%~100%	59,734	48,948
		<u>\$ 1,118,271</u>	<u>\$ 53,116</u>
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>
June 30, 2022			
	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%~3.20%	\$ 1,260,809	\$ 598
Up to 30 days	0.10%~17.29%	42,628	399
31 to 60 days	1.00%~20.93%	24,584	952
61 to 90 days	5.78%~29.36%	11,660	674
91 to 120 days	0.00%~0.00%	9,383	-
Over 121 days	34.68%~100%	57,731	47,406
		<u>\$ 1,406,795</u>	<u>\$ 50,029</u>

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

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable (including overdue receivables) and other receivables are as follows:

	2023		
	Accounts receivable	Other receivables	Total
At January 1	\$ 161,560	\$ 2,253	\$ 163,813
Provision for impairment loss	1,415	1,688	3,103
Write-offs	(10,635)	-	(10,635)
Effect of business combinations	37	-	37
Effect of exchange rate changes	330	25	355
At June 30	<u>\$ 152,707</u>	<u>\$ 3,966</u>	<u>\$ 156,673</u>

	2022		
	Accounts receivable	Other receivables	Total
At January 1	\$ 158,957	\$ 1,998	\$ 160,955
Provision for impairment loss	975	246	1,221
Write-offs	(47)	(404)	(451)
Effect of exchange rate changes	2,100	120	2,220
At June 30	<u>\$ 161,985</u>	<u>\$ 1,960</u>	<u>\$ 163,945</u>

For provisioned loss for the three months ended June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022, the impairment for losses arising from customers' contracts were \$1,777, \$1,029, \$3,103 and \$1,221, 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

June 30, 2023	Less than 1 year	Between 1 and 3 year(s)	Over 3 years
Short-term borrowings	\$ 71,531	\$ -	\$ -
Accounts payable	478,480	-	-
Accounts payable - related parties	1,463	-	-
Other payables	3,157,091	-	-
Other payables - related parties	461,351	-	-
Lease liabilities	38,060	53,738	16,763

December 31, 2022	Less than 1 year	Between 1 and 3 year(s)	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	29,872	46,091	13,631
June 30, 2022	Less than 1 year	Between 1 and 3 year(s)	Over 3 years
Short-term borrowings	\$ 143,176	\$ -	\$ -
Accounts payable	644,383	-	-
Accounts payable - related parties	16,265	-	-
Other payables	2,794,345	-	-
Other payables - related parties	302,051	-	-
Lease liabilities	28,823	44,348	13,139

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed, OTC and emerging stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in listed and OTC stocks of private placement is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other current assets, guarantee deposits paid, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities and guarantee deposits received, are approximate to the fair values.

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

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 64,361	\$ -	\$ 57,525	\$ 121,886
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss - TV shows production investing sharing agreement	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 60,478	\$ -	\$ 57,103	\$ 117,581
<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 15,000	\$ 15,000
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	\$ 59,683	\$ -	\$ 86,164	\$ 145,847

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 six months ended June 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six months ended June 30, 2023 and 2022:

	Equity securities	
	2023	2022
At January 1	\$ 72,103	\$ 87,917
Acquired during the period	-	15,000
Loss recognised in other comprehensive income	-	(3,756)
Effects of foreign exchange	422	2,003
At June 30	<u>\$ 72,525</u>	<u>\$ 101,164</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 June 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 57,525	Market comparable companies	Enterprise value to operating income ratio multiple	36.38 (36.38)	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	11.54% (11.54%)	The higher the weighted average cost of capital, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 57,103	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 June 30, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments					
Unlisted and non-OTC shares	\$ 86,164	Market comparable companies	Enterprise value to operating income ratio multiple	28.21~34.37 (31.46)	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	12.51%	The higher the weighted average cost of capital, the lower the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			June 30, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 269	(\$ 269)
	Weighted average cost of capital	±1%	150	(150)	-	-
			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 269	(\$ 269)
	Weighted average cost of capital	±1%	150	(150)	-	-

			June 30, 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%	\$ -	\$ -	\$ 300	(\$ 300)
	Discount for lack of marketability	±1%	-	-	570	(570)
	Weighted average cost of capital	±1%	150	(150)	-	-

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

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

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. OPERATING SEGMENT INFORMATION

(1) General information

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

(2) Assessment of segment information

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

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

The segment information on reportable segments provided to the chief operating decision-maker for the six months ended June 30, 2023 and 2022 is as follows:

Six months ended June 30, 2023

	<u>Game</u>	<u>Commerce</u>	<u>Payment</u>	<u>Others</u>	<u>Total</u>	
Revenue from external customers	\$ 3,699,512	\$ 432,298	\$ 222,595	\$ 765,427	\$ 5,119,832	
Inter-segment revenue	83,277	190,139	336,791	291,116	901,323	Note
Segment operating profit	486,903	34,476	10,423 (	36,557)	495,245	
Segment profit (loss), net of tax	467,568	25,899 (	3,402) (	86,794)	403,271	

Six months ended June 30, 2022

	<u>Game</u>	<u>Commerce</u>	<u>Payment</u>	<u>Others</u>	<u>Total</u>	
Revenue from external customers	\$ 4,769,532	\$ 407,817	\$ 161,323	\$ 494,778	\$ 5,833,450	
Inter-segment revenue	100,893	192,998	397,849	250,874	942,614	Note
Segment operating profit	1,028,559	29,096	23,901 (	18,761)	1,062,795	
Segment profit (loss), net of tax	833,887	20,786	1,810 (	88,524)	767,959	

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

(4) Reconciliation information of segment profit (loss)

The segment reports provided to the chief operating decision-maker are measured in a manner consistent with that used for the statement of comprehensive income. There is no difference between the presentation of segment report and income statement and accordingly, no reconciliation is required to be disclosed. The reportable segments of the Group are based on different companies. The reconciliation with Note 6(21) operating revenue is as follows:

	Six months ended June 30, 2023				
	<u>Game</u>	<u>Commerce</u>	<u>Payment</u>	<u>Others</u>	<u>Total</u>
Online and mobile games revenue	\$ 3,694,762	\$ -	\$ -	\$ -	\$ 3,694,762
Service revenue	4,750	432,298	2,335	438,298	877,681
Sales revenue	-	-	-	327,129	327,129
Revenue from stored-values	-	-	220,260	-	220,260
	<u>\$ 3,699,512</u>	<u>\$ 432,298</u>	<u>\$ 222,595</u>	<u>\$ 765,427</u>	<u>\$ 5,119,832</u>

	Six months ended June 30, 2022				
	<u>Game</u>	<u>Commerce</u>	<u>Payment</u>	<u>Others</u>	<u>Total</u>
Online and mobile games revenue	\$ 4,756,825	\$ -	\$ -	\$ -	\$ 4,756,825
Service revenue	12,707	407,817	1,452	250,273	672,249
Sales revenue	-	-	-	244,505	244,505
Revenue from stored-values	-	-	159,871	-	159,871
	<u>\$ 4,769,532</u>	<u>\$ 407,817</u>	<u>\$ 161,323</u>	<u>\$ 494,778</u>	<u>\$ 5,833,450</u>

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Six months ended June 30, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2023	Outstanding endorsement/ guarantee amount at June 30, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 5)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 5)	Provision of endorsements/ guarantees to the party in Mainland China (Note 5)	Footnote
0	The Company	HaPod Digital Technology Co., Ltd.	2	\$ 617,666	\$ 68,497	\$ 68,497	\$ 31,135	\$ 31,135	1.31	\$ 5,233,823	Y	N	N	Note 3
0	The Company	JollyBuy Digital Technology Co., Ltd.	2	617,666	30,000	30,000	-	-	0.57	5,233,823	Y	N	N	Note 3
1	Jollywiz Digital Technology Co., Ltd.	Jollywiz Digital Business Co., Ltd.	4	100,045	26,685	25,724	20,580	11,055	25.93	99,198	N	N	Y	Note 4

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

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

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

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

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

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

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

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

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

June 30, 2023

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 June 30, 2023				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	54,139	3.82	54,139	
Gamania Asia Investment Co., Ltd.	One Production Film Co., Ltd. - stock	None	Financial assets at fair value through other comprehensive income - non-current	420	10,222	1.76	10,222	
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	30,584	2.59	30,584	

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
Six months ended June 30, 2023

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 receivable (payable)		
Gash Point Co., Ltd.	The Company	Parent company	Service revenue	\$ 193,280	47.34	Note	Note	Note	\$ 25,772	5.00		
Digicentre Company Limited	The Company	Parent company	Sales revenue	135,352	34.58	Note	Note	Note	40,041	31.34		

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
 Six months ended June 30, 2023

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Name of creditor	Transaction parties	Relationship	Balance as of June 30, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	Footnote
					Amount	Action adopted for overdue accounts			
The Company	Gash Point Co., Ltd.	Subsidiary	\$ 497,288	-	\$ -	-	\$ 238,013	\$ 69	Note 2

Note 1: The subsequent collections represent collections from the balance sheet date to July 25, 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
Six months ended June 30, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Accounts receivable	\$ 16,054	Notes 4 and 5	0.15
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Revenue from royalties	22,047	Notes 4 and 5	0.43
0	The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	1	Sales of services	19,882	Notes 4 and 5	0.39
0	The Company	Gash Point Co., Ltd.	1	Accounts receivable	497,288	Note 5	4.71
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	The Company	2	Accounts receivable	23,951	Note 5	0.23
1	Gamania Digital Entertainment (H.K.) Co., Ltd.	Gash Point (HK) Co., Ltd.	3	Accounts receivable	32,362	Note 5	0.31
2	Gash Point Co., Ltd.	The Company	2	Accounts receivable	25,772	Note 5	0.24
2	Gash Point Co., Ltd.	The Company	2	Sales of services	193,280	Note 5	3.78
3	Ants' Power Co., Ltd.	The Company	2	Operating revenue	62,654	Note 5	1.22
3	Ants' Power Co., Ltd.	The Company	2	Accounts receivable	38,317	Note 5	0.36
4	Gash Point (HK) Co., Ltd.	Gash Point Co., Ltd.	3	Other receivables	40,951	Note 5	0.39
5	Digicentre Company Limited	The Company	2	Accounts receivable	40,041	Note 5	0.38
5	Digicentre Company Limited	The Company	2	Operating revenue	135,352	Note 5	2.64
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Accounts receivable	20,350	Note 5	0.19
5	Digicentre Company Limited	Digicentre (HK) Company Limited	3	Operating revenue	67,971	Note 5	1.33
5	Digicentre Company Limited	GAMA PAY Co., Ltd.	3	Operating revenue	20,899	Note 5	0.41
6	Conetter CoMarketing Co., Ltd.	The Company	2	Accounts receivable	23,171	Notes 4 and 5	0.22

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
 Significant inter-company transactions during the reporting period
 Six months ended June 30, 2023

Table 5

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
6	Conetter CoMarketing Co., Ltd.	The Company	2	Sales of services	\$ 95,479	Notes 4 and 5	1.86

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)
Six months ended June 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at June 30, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
The Company	Gamania Holdings Ltd.	Cayman Islands	Holding company	\$ 1,525,388	\$ 1,525,388	20,100,000	100.00	\$ 73,803	(\$ 7,091)	(\$ 5,158)	
The Company	Gamania Digital Entertainment (H.K.) Co., Ltd.	Hong Kong	Software services and sales	214,041	214,041	25,500,000	100.00	450,615	85,812	85,812	
The Company	Gamania Asia Investment Co., Ltd.	Taiwan	Investment company	239,549	239,549	18,900,000	100.00	95,407	(10,339)	(10,339)	
The Company	Foundation Digital Entertainment Co., Ltd.	Taiwan	Publishing of magazines and periodicals	220,000	220,000	316,522	100.00	-	(20)	(20)	
The Company	Jollybuy Digital Tech. Co., Ltd.	Taiwan	Supply of electronic information services	660,000	620,000	10,167,568	98.71	57,142	(45,905)	(44,940)	
The Company	Digicentre Company Limited	Taiwan	Software services	302,637	302,637	16,016,000	67.48	352,163	28,475	17,805	
The Company	Two Tigers Co. Ltd.	Taiwan	Animation production	6,269	6,269	626,892	51.00	5,928	5	3	
The Company	Gash Point Co., Ltd.	Taiwan	Information software and supply of electronic information services	169,000	169,000	13,500,000	90.00	335,356	83,591	75,232	
The Company	Indiland Co., Ltd.	Taiwan	Third-party payment	69,000	69,000	2,950,000	100.00	11,067	(4,266)	(4,266)	
The Company	Ants' Power Co., Ltd.	Taiwan	Customer services	10,000	10,000	1,000,000	100.00	59,403	16,433	16,433	
The Company	Chuang Meng Shr Ji Co., Ltd.	Taiwan	Venture Capital Industry	57,000	57,000	3,996,774	33.03	21,970	(3,372)	(1,015)	
The Company	WeBackers Co., Ltd.	Taiwan	Crowd funding	51,040	51,040	373,529	93.38	191	(20)	(19)	
The Company	Coture New Media Co., Ltd.	Taiwan	Producing TV programs and general advertising services	203,500	203,500	1,314,699	93.08	6,720	(18)	(17)	
The Company	GAMAY PAY Co., Ltd.	Taiwan	Electronical payment	1,103,018	1,103,018	65,010,045	81.26	360,639	(85,117)	(69,208)	
The Company	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	585,342	535,342	48,519,527	81.16	183,291	(39,721)	(38,551)	
The Company	BeanGo! Co., Ltd.	Taiwan	Communication software	214,000	214,000	400,000	100.00	7,694	(11)	(11)	
The Company	Ciirco Inc.	Taiwan	Sales and research and development of software services	229,400	229,400	8,990,649	99.90	21,996	21	20	
The Company	Hao-Ji film Ltd.	Taiwan	TV shows production	30,000	30,000	3,000,000	42.86	25,566	(9,087)	(4,456)	
The Company	Walkermedia Co., Ltd.	Taiwan	Newspaper and magazine publishing	30,000	30,000	3,000,000	30.00	1,792	(11,045)	(3,313)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Six months ended June 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at June 30, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
The Company	Entron Technology Co., Ltd.	Taiwan	Development of system platform	\$ 6,400	\$ -	400,000	14.16	\$ 6,181	(\$ 1,544)	(\$ 219)	
Jollybuy Digital Technology Co., Ltd.	Store Marais Co., Ltd.	Taiwan	Online retail of other	10,000	10,000	230,769	7.69	11,590	14,779	398	
NOWnews Network Co., Ltd. (NOWnews)	Walkermedia Co., Ltd. (Walkermedia)	Taiwan	Newspaper and magazine publishing	11,152	-	7,000,000	70.00	11,152	(11,045)	-	
Digicentre Company Limited	Digicentre (HK) Company Limited	Hong Kong	Software services	1,197	1,197	300,000	100.00	44,748	5,439	5,439	
Digicentre Company Limited	Hyperg Smart Security Technology Pte. Ltd.	Singapore	Software services	31,140	31,140	1,000,000	51.00	12,750	(5,258)	(2,682)	
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	3,075	1,767	530	
Gamania Asia Investment Co., Ltd.	Jsdway Digital Technology Co., Ltd.	Taiwan	Software information and supply of electronic services	55,125	55,125	5,250,000	37.18	50,049	1,571	584	
Gamania Asia Investment Co., Ltd.	Taiwan e-sports Co., Ltd.	Taiwan	E-sports	63,702	63,702	2,067,867	29.54	(1,264)	(28,732)	(8,487)	
Gamania Asia Investment Co., Ltd.	The China Post Co., Ltd.	Taiwan	Newspaper and magazine publishing	1	1	500,000	100.00	-	(9)	(9)	
Gamania Asia Investment Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	5,000	5,000	45,455	4.17	19	(19)	(1)	
Gamania Asia Investment Co., Ltd.	Aotter Inc.	Taiwan	Research and development of internet-related technology	25,000	25,000	170,473	21.48	3,148	(13,488)	(2,897)	
Gash Point Co., Ltd.	Gash Point (Hong Kong) Co., Ltd.	Hong Kong	Information software and supply of electronic information services	14,186	14,186	750,000	100.00	254,978	29,459	26,513	
Gash Point Co., Ltd.	Gash Point (Japan) Co., Ltd.	Japan	Information software and supply of electronic information services	30,100	30,100	600	100.00	26,351	909	818	
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	27,104	2,023	1,821	
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	59,784	12,490	8,990	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries
Information on investee companies (not including investees in Mainland China)
Six months ended June 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Company	Name of investee	Location	Main business activities	Original investment cost (Note 1)		Shares held as at June 30, 2023			Income (loss) incurred by the investee	Investment income (loss) recognised by the Company	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Percentage	Book value			
Gash Point Co., Ltd.	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	\$ 150,000	\$ 150,000	4,972,098	6.22	\$ 27,604	(\$ 85,117)	(\$ 4,765)	
Gash Point (Hong Kong) Company Limited	GAMA PAY Co., Ltd.	Taiwan	Electronic payment	130,000	130,000	6,703,125	8.38	37,185	(85,117)	(6,419)	
Gamania Holdings Ltd.	Gamania International Holdings Ltd.	Cayman Islands	Investment and holding company	1,447,881	1,447,881	50,400,000	100.00	105,479	(7,110)	(7,110)	
Gamania International Holdings Ltd.	Gamania China Holdings Ltd.	Cayman Islands	Investment and holding company	823,019	823,019	33,497,476	98.85	4,448	(1,107)	(1,094)	
Gamania International Holdings Ltd.	Joymobee Entertainment Co., Ltd.	Hong Kong	Design and research and development of software	123,003	123,003	30,701,775	100.00	2,722	(2,402)	(2,402)	
Gamania International Holdings Ltd.	Firedog Creative Co., Ltd.	Hong Kong	Design and research and development of software	9,856	9,856	992,000	40.00	-	-	-	
Gamania International Holdings Ltd.	Achieve Made International Ltd.	British Virgin Islands	Investment and holding company	216,504	216,504	7,383,711	43.28	100,951	(5,967)	(2,583)	
Gamania International Holdings Ltd.	HaPod Digital Technology Co., Ltd.	Hong Kong	Software services and sales	68,508	68,508	2,200,000	100.00	(37,840)	(758)	(758)	
Gamania International Holdings Ltd.	GungHo Gamania Co., Limited	Hong Kong	Operations of mobile games	267,026	267,026	343	49.00	-	(2,075)	-	
Achieve Made International Ltd.	Jollywiz Digital Technology Co., Ltd.	Taiwan	Supply of electronic information services	657,280	657,280	26,145,712	100.00	112,590	(5,752)	(2,611)	
Jollywiz Digital Technology Co., Ltd.	Bjolly Co., Ltd.	Taiwan	Supply of electronic information services	25,000	25,000	1,045,455	95.83	196	(19)	(8)	
Jollywiz Digital Technology Co., Ltd.	Cyber Look Properties Ltd.	British Virgin Islands	Investment and holding company	152,586	152,586	4,900,000	100.00	11,950	(11,471)	(5,208)	
Jollywiz Digital Technology Co., Ltd.	Jollywiz International (HK) Co., Ltd.	Hong Kong	Supply of electronic information services	32,290	32,290	39,600,000	100.00	3,983	70	32	
Jollywiz Digital Technology Co., Ltd.	NOWnews Network Co., Ltd.	Taiwan	Broadcast and TV shows services	10,000	10,000	515,000	0.86	9,813	(39,721)	(160)	
Gamania China Holdings Ltd.	Gamania Sino Holdings Ltd.	Cayman Islands	Investment and holding company	1,230,653	1,230,653	39,520,000	100.00	(2,110)	(1,130)	(1,117)	

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Six months ended June 30, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee for the six months ended June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	Footnote (Note 2)
					Remitted to Mainland China	Remitted back to Taiwan							
Gamania Digital Entertainment (Beijing) Co., Ltd.	Design and sales of software	\$ 1,099,242	2	\$ 805,592	\$ -	\$ -	\$ 805,592	(\$ 1,104)	98.85	(\$ 1,092)	(\$ 3,753)	\$ -	Notes 3 and 4
Legion Technology (Shanghai) Co., Ltd.	Supply of electronic information services	123,003	2	123,003	-	-	123,003	11,538	43.28	4,993	11,084	-	Notes 3 and 6
Jollywiz Digital Business Co., Ltd.	Supply of electronic information services	21,410	2	-	-	-	-	2,007	43.28	869	(6,787)	-	Notes 3 and 6

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

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in a third region.

(3) Other methods.

Note 2: The accumulated remittance as of January 1, 2023, remitted or collected this period, accumulated as of June 30, 2023 was translated into New Taiwan dollars at the average exchange rate of NTD31.14 to US\$1 and NTD4.282 to RMB\$1 at the balance sheet date.

Note 3: The investment loss of the investee company for the six months ended June 30, 2023 was recognised based on their financial statements for the corresponding period, which were reviewed by R.O.C. parent company's CPA.

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

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

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company (Note)	\$ 805,592	\$ 1,302,039	\$ 3,140,294
Jollywiz Digital Technology Co., Ltd.	123,003	123,003	148,797

Note: The total investment amount approved by the Investment Commission, MOEA, was USD41,812 thousand or \$1,302,039 based on 31.14 spot exchange rate at June 30, 2023.

Gamania Digital Entertainment Co., Ltd. and Subsidiaries

Major shareholders information

June 30, 2023

Table 8

Name of major shareholders	Shares	Number of shares held	Ownership (%)
Liu Po Yuan		17,491,305	9.96%
Wanwin International Co., Ltd.		15,101,000	8.60%
Joy Develop Co., Ltd. Taiwan Branch		14,883,000	8.48%
Shiang Sheng Invesement Ltd.		13,600,000	7.74%

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

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