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SOFT WORLD
智冠科技股份有限公司
SOFT-WORLD INTERNATIONAL CORPORATION
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I. A Message to the Shareholders

Thank you for joining us at the 2021 annual general meeting of shareholders.
Looking back on 2020, facing the rapidly changing markets and global challenges, Soft-World Group committed to evolve the core business of digital games, online marketing, and FinTech to provide comprehensive internet services. With diversified business strategies and all employees' efforts, we delivered an impressive performance in 2020, not only the steady contributions of Soft-World's game distribution business, also benefited from the new games great sales of subsidiary Game Flier International Corp. (Game Flier), the growing operation scale of EFun International Corp. (EFun) and Neweb Technologies Co., Ltd. (Neweb) to raise overall profitability. Consolidated revenue reached NT$7.268 billion, net profit attributable to shareholders of the parent was NT$944 million, an increase of 54.57% from the 2019 level. EPS (earnings per share) was NT$7.76, hits new record high in the recent decade.

Digital Games Business: focusing on IP licensing, game development, publishing and operation
With the global games market continuously growing, Soft-World has not only established the widest distribution channels in the Taiwan, Hong Kong and Macao, but also provided "MyCard" prepaid points and integrated marketing services for content providers. We will accelerate to extend the sales channels and services in Southeast Asia markets, offer the comprehensive promotion resources to boost the success and performance of games.

The game development subsidiary Chinese Gamer International Corp. (Chinese Gamer), has focused on reproducing its classic online games to mobile games. In 2020, Chinese Gamer launched the new mobile game "Huang Yi M" and released new versions of classic games such as "Wonderland Online: The Legend of Rhode Island" and "Wulin Online: The Heart of a Hero" to encouraging the gamers return. Chinese Gamer has been integrating R&D team and resources, through the management process, improving the game quality and development efficiency, to make the creating product has more marketability. This year, Chinese Gamer plan to launch the new mobile game "Back to the Past" which has a new and modern two-dimensional art style, and provides fluid combat and animated stories immersive experience. In the future, Chinese Gamer will also release the mobile game "Legend of Emperors M" adapt from the classic Hong Kong comics by Huang Yulang.

Last year, in terms of game publishing and operation, Gameflier and USERJOY Technology Co., Ltd. co-published the mobile game "The Legend of Three Kingdoms M" replicating the national war strategy gameplay which is popular with gamers. Gameflier provides specialized services by profound experience in gamers maintenance, and plans various marketing events, successfully achieved outstanding results. Another popular MMORPG game "Gujian Online" also attracted gamers with its plentiful worldview and gameplay. And launched HTML5 cross-platform game "Eternal Scarlet" to bring a different game genre option. During this year, we will operate the existing games, continue to import various featured games and start the operation services in Southeast Asia.

In 2021, the key IP licensing project of China's Zilong Game Limited's Strategic RPG mobile game "Kalpa of Universe," which launched in China on 11th March has made a good record. The game inherits the original plot, high-quality visuals, effects of battle, music and voice-acting from the well-known single-player game "Kalpa of Universe", and it will be subsequently launched in Taiwan, Hong Kong, Macao and other overseas markets. Featuring a game mode compatible with the original IP, the game received high praise from its players. We will also proactively launch collaborations with other classic IPs to create new opportunities for IPs that once had massive amounts of fans.

Online Marketing Business: continuously expand the latest digital advertising technology to quickly identify market trends
Facing on the global trend of digital transformation and the evolution of online marketing solutions, subsidiaries EFun and Re:Ad Media continuously expand the new frontier in technology and optimization strategy of digital advertising, and have dominated the highest market share on Facebook and Google in Taiwan. We cooperated with Facebook to provide technical services for

VIP clients, and developed the digital advertising platform “AdHero” in 2020. Base on years of accumulated advertising experience, “AdHero” combined the applications of Big Data, AI technology, creative analysis and information security, to assist partners identify market trends, precisely target audiences, and enhance the effectiveness of advertising. We service for hundreds of brands with all-in-one online marketing solutions, and won “2020 LINE Ads Platform Certified Partner Award” last year.

FinTech Business: Accelerate the cooperation of physical stores to establish a complete payment ecosystem from online to offline

Subsidiary Neweb Group’s volume of online payment transactions in 2020 has successfully contributed stable profits, and has been accelerating the cooperation with physical stores to expand the offline multiple collecting services of “ezAIO”. “ezAIO” all-in-one terminal device provides various payment methods such as credit cards, electronic stored value cards, mobile and cross-border payment, etc. Also, along with the powerful device, an integrated accounting system and terminal device management system to help store owner could easily check all the transaction records in one platform and improve store collection capabilities and management efficiency. Last year, “ezAIO” implemented in well-known stores, including consumer electronics stores, daily grocery stores, bookstores, cosmetics, sports and fitness, telecoms, hotels and private lodgings, restaurants and retails, and night markets. For electronic payment, Neweb begins the service in the transportation field, cooperated with Taiwan Taxi Co., Ltd. to accept the “ezPay” e-wallet payment for cab fares.

This year, we will continue to extend "ezAIO" cooperative stores and offer more value-added functions on terminal device, including voucher applications, membership reward points, taxi-hailing services, security systems, and can combined with electronic invoices, POS systems or delivery services. To create more sales opportunities and competitiveness for store by these comprehensive services. Through the increasing of cooperative stores to extend the “ezPay” e-wallet’s usage channel and member growth, realizing online to offline interconnected inclusive financial service, and establish a complete payment ecosystem development strategies.

Here, I would like to give thanks for the incessant efforts of all employees and the full support and trust of shareholders, directors, and supervisors. The results of our operations in 2020 and the business outlook for 2021 are as below.

I. The 2020 Business results

(I) 2020 Business Plan Result

The 2020 final account book was audited by Deloitte Taiwan. In 2020, the net consolidated revenue was NT$7,268 million; the net consolidated profit after tax attributed to owners of this parent was NT$944 million; and the EPS was NT$7.76.

(II) Budget execution in 2020

We did not disclose any financial forecast for 2020, and there is thus no budget performance.

(III) Financial income and expenditure, and profitability analysis in 2020

1. Financial Revenue and Expenditure

Unit: NTD thousands

Item	2020	2019	Increase (decrease) in amount	increase / decrease %
Operating revenue	7,268,092	5,828,654	1,439,438	24.70
Gross profit	3,738,887	3,181,095	557,792	17.53
Operating expenses	2,631,370	2,423,567	207,803	8.57
Net income	1,107,517	757,528	349,989	46.20
Net profit before taxation	1,245,218	832,722	412,496	49.54
Net income in current year	997,267	665,943	331,324	49.75
Net profit attributable to the Company	943,767	610,580	333,187	54.57
Net gain attributable to non-controlling interest	53,500	55,363	(1,863)	(3.37)

2. Profitability analysis

Item		2020	2019
Return on assets %		7.54	5.31
Return on shareholders' equity (%)		13.70	9.61
As a percentage of paid up capital (%)	Net income	86.88	59.43
	Net profit before taxation	97.68	65.32
Net profit margin (%)		13.72	11.43
After tax EPS (NT$)		7.76	5.00

(IV) Research and development

As a game development specialist, we mass produce games we develop and actively engage in the production of music and sound effects for games. In 2020, the consolidated R&D expenses were NT$383,230 thousand.

II. Summary of business plan in 2021

(I) Operating approaches and important production-marketing strategies

1. MyCard Channel Distribution:
   Soft-World's MyCard digital point platform provides a service model that combines digital payments, distribution channels and integrated marketing, in collaboration with a variety of video games to offer players a convenient way to store points, along with abundant gaming and virtual treasures as rewards. This is a solid leading platform among the Taiwan, Hong Kong and Macau markets. To connect with the global gaming trend, MyCard will speed up overseas expansion in Southeast Asia by gradual collaboration with the local payment service providers to build more comprehensive payment services for the local game manufacturers and players, and the diversified marketing resources reinforced by the conglomerate engagement will greatly boost the gaming business.
2. Soft-World's research and development of games:
   Chinese Gamer International, a subsidiary of Soft-World, is making new versions for the games operating in the market, in an effort to solicit players back for new gaming experiences and infuse new momentum to the operations. This year, the company will launch a self-developed well-known IP mobile game "Back to the Past M," presenting a brand new game content with further refined art manifestation, battle experience and gameplay design. And coming up are the classic games such as "Legends of Emperor M" and "Chinese Hero M" made into mobile facilities for players to enjoy and have fun!
3. Games distributorship:
   Game Flier International, another subsidiary of Soft-World, steadily operates its classic online popular game "The Legend of Three Kingdoms M," and works closely with the original game developer for exuberant content updates. This year, the company will continue to introduce games with a variety of featured themes for a diversified customer base and product line, meanwhile the Southeast Asia operations for HTML5 games is also launched.
4. IP authorizations
   Over the years, the Soft-World Group has accumulated hundreds of abundant IP assets of original creation, covering classic stand-alone games, martial art stories and light novels, gathering a large number of players and fans, and making it a shared memory in the Chinese gamers' circle. In addition to the games developed by the subsidiaries, the Company has also worked with many external game developers from home and abroad for IP authorization to develop mobile games with various gameplay styles, and to speed up mass production for profits sharing. This year, the auto chess war RPG mobile game "Kalpa of Universe" is launched and becomes a major hit. Meanwhile, the Company will also start collaboration for other IP classics, to authorize premium teams to produce exquisite games and elaborate the IP features. We are determined to bring the IP to the global stage, coupled with animation, films, and peripheral goods in different arenas to create diversified licensing opportunities.
5. Online advertising business:
   To go for the continuous growth of global digital advertising, Efun International, a Soft-World's subsidiary, has heavily engaged in the digital advertising business with its professional market consulting, multimedia fine art production, advertising technology, and big data analysis, bringing the most advanced advertising analysis technology and a complete media delivery platform to its global partners. It provides collaboration with major global network platforms such as Google, Facebook, YouTube, Yahoo, LINE, Apple Search Ads and TikTok for new media advertising, and is committed to developing scientific analysis and applications that combine AI and big data to build more competitive advertising edge. The accurate targeting of digital advertisement and marketing strategies create product success in co-branding.
6. Financial technology business:
   Soft-World's subsidiary Newweb Technologies has successively completed the financial infrastructure in recent years, and continued to grow the online payment transactions. To effectively increase the demand for offline payments and solve the complex payment collections of physical stores, the company officially launched the diversified payment mechanism "ezAIO" last year that integrates cash flow, POS, accounting and management on a single mobile phone. This year, the company will accelerate the expansion of collaborated physical channels to extend the e-wallet application of "ezPay" and boost the mobile payment business to recruit more members. This will fulfill the interconnection of online and offline

inclusion of financial services for the establishment of a complete O2O financial payment ecosystem. The company will also actively engage in the cross-border payment and financial innovation services, heading for the vision of diversified and open Internet financing.

(II) Expected sales volume and its basis

Our revenue sources include various types of game software (mobile/online/web/single user/HTML5 games), software magazines, royalty, processing, advertising, cloud technology service, fintech payment, event planning and implementation. In 2021, we will launch more types of new games and fintech payment applications and services. As we did not make any financial forecast for 2021, no sales statistics are available.

III. Future development strategy of the Company

(I) Consolidate capacity for the R&D and mass production of games and license independently developed products worldwide.

(II) Enhance competitiveness for game operations and consolidate market share in Taiwan, Hong Kong, and Macau.

(III) Strengthen the utility of digital content platforms and develop innovative service mechanisms.

(IV) Develop multifaceted marketing channels and platforms for web content and expand sales locations in Asia.

(V) Diversify IP licensing and applications and expand to China and overseas markets.

(VI) Deepen development in internet advertising and marketing and expand the scope of global digital advertising services.

(VII) Promote the fintech business fully to cultivate Taiwan, think globally, and develop ourselves towards multinational e-finance.

(VIII) Invest in potential and innovate teams of mobile application development and foster the development of digital content and cultural and creative industries.

IV. Impacts of the external competitive environment, regulatory environment, and the overall business environment

In view of the rapid development of global Internet industry and the complexity of overall business environment, Soft-World has adhered to flexible business strategies for growth momentum, and established an Internet group to provide services covering digital games, online advertising and marketing, as well as financial technology business. The Company has consolidated the development in various gaming sectors and built a complete industry service chain with channels, IP, R&D, distributorship, art, and music. In addition to continuous development of featured services, strengthening of competitive edge, and enhancement of core technical capacity, the Company in recent years has also actively extended the Internet community service experiences by investing more resources to deepen the engagement in the services of linking various related sectors for further reach into different industries, and we are meant to build wider consumer groups for ever better market opportunities. In addition, we will also pay close attention to the global 5G network, cloud gaming, new media marketing, and financial innovation, to keep up with the industrial development trend.

As to the potential legislations and legal changes at present and in the future, we will constantly keep track of them, update our regulations, and ensure compliance to protect the biggest interest of shareholders. When assessing investments and operational policies, we consider the status of industry and observe the macroeconomic trend to carefully access and select the optimal strategies.

We wish you all shareholders,

Health and prosperity in the future.

Chairman and President: WANG, CHIN-PO

Accounting Supervisor HUANG, YA-CHUAN

II. Company Profile

I. Date of foundation: July 15, 1983

II. Company History:

(I) Mergers and acquisitions of company, direct investment or reorganization of affiliates in the most recent year to the date this report was printed:

1. Merger and acquisition activities: NA
2. Reinvested affiliate: None.
3. Re-organization activities: NA

(II) Massive transfer or conversion of shares by directors, supervisors or dominant shareholders with over 10% of the stakes in the previous year and by the date of publication of this report: NA

(III) Management changes; significant changes in operations and business contents; and other important events that may affect the rights and interests of shareholders and their influence on the company in the previous year and by the date of publication of this report: NA

(IV) Other information:

Year	Important events
1983	Established Soft-World International Corporation.
1986	Signed agency contract for the Chinese version of single-player PC game *Heavy Crack* with SSI of the USA.
1989	Published *SoftWorld* magazine.
1990	Organized the first Golden Diskette Award Leisure Software Design Competition to discover domestic talented PC game designers.
1991	Published the first independently developed single-player PC game *Romance of the Three Kingdoms*.
1993	Published the first independently developed single-player PC game *The Smiling, Proud Wanderer* adapted from the novel by novelist Jin Yong.
1997	Published the first independently developed single-player PC game *Pili Phantom Arrow* based on the Taiwanese puppetry show.
1999	Published the independently developed single-player PC game *Play Through* adapted from the same-name novel by novelist Yee Wong.
2000	Established Chinesegamer International Corporation to start independent online game development in Taiwan and launched the first MMORPG *Romance of Three Kingdoms Online.*
2001	Listed on TPEx (stock code: 5478) at an IPO price of NT$100/share to become Taiwan's first listed game developer, with a market worth of up to NT$28.33 billion.
	Chinesegamer International launched the independently developed online game *Heroes of Jin Yong*.
2002	Established Gameflier International Corporation to enter the game agency business and launched *Ragnarok Online* independently developed game by Gravity of South Korea. The MMORPG created a record of up to 350,000 players online at the same time.
2003	Published the first 5-in-1 GTC "e-Play Card" in the game world.
	Chinesegamer International launched the independently developed online game *TS Online*.
	Chinesegamer International was listed on TPEx (stock code: 3083) at an IPO price of NT$100/share, with a market worth of up to NT$43.17 billion.
2005	Gameflier International launched *Nobunaga's Ambition Online* independently developed game by Koei of Japan.
	Established Game First International Corporation and launched *World of Warcraft*, an internationally famous online game by Blizzard of the USA.
	Chinesegamer International launched the independently developed online game

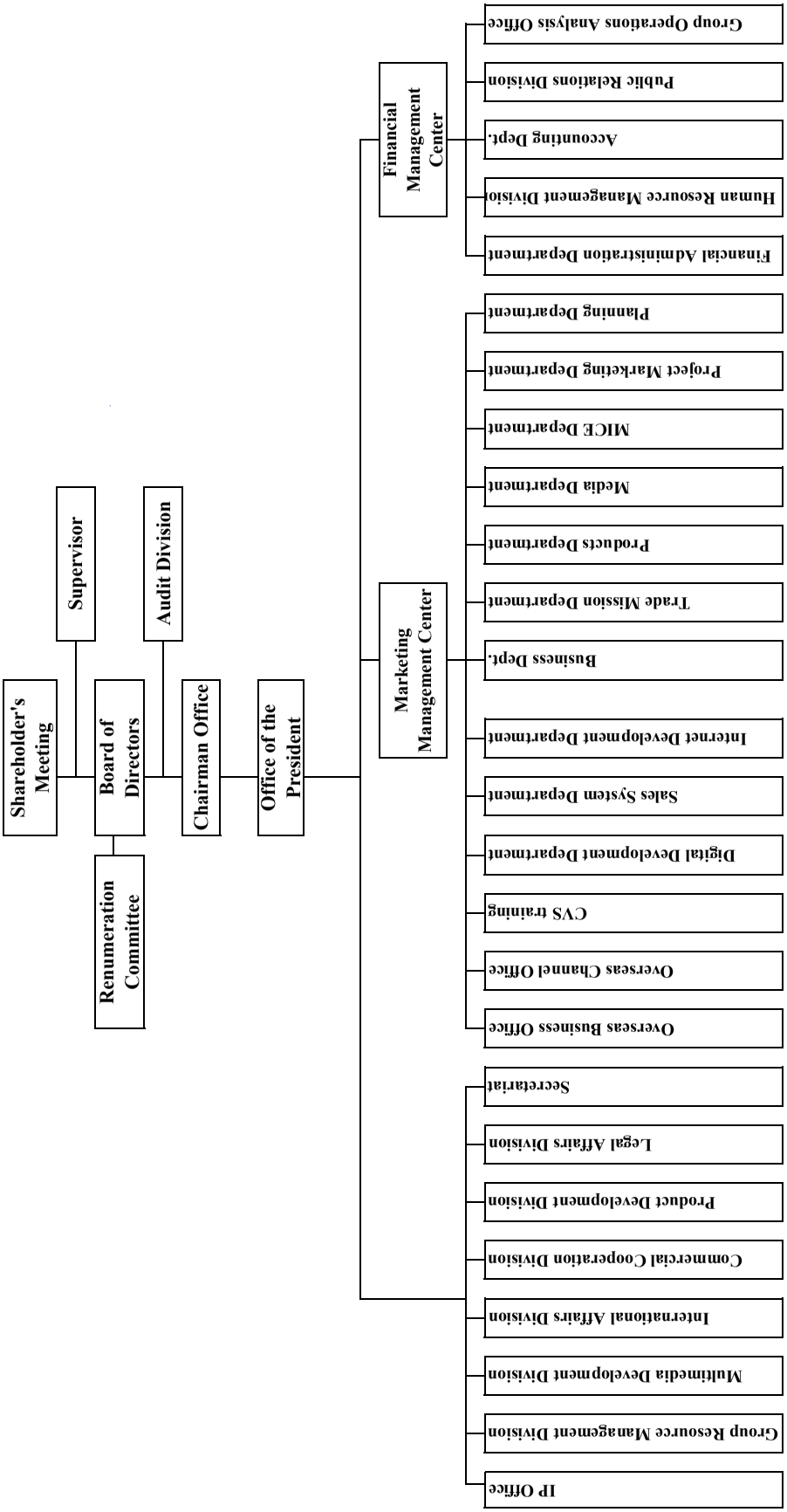
Year	Important events
	Wonderland Online.
2006	Gameflier International launched *Ghost Online*, the first free-to-play leisure game, to enter the free-to-play online game market.
	Chinesegamer International launched the independently developed 3D online game *Huang Yi Online*.
	Established "MyCard" platform and published the MyCard universal GTC.
	Gameflier International launched *Perfect world Online*, an independently developed game by Perfect World Co., Ltd. of China.
2007	Gameflier International launched *The Romance of the Three Kingdoms Web*, the first independently developed web game.
2008	Established Zealot Digital International Corporation to focus on game engine R&D.
	Gameflier International launched *Dragon Oath*, an independently developed game by Sohu, Inc. of China.
	Chinesegamer International launched the independently developed online game *Wu-Lin Heroes Online*.
2009	Chinesegamer International launched the independently developed online game *Chinese Hero Online* adapted from famous Hong Kong comics.
2010	Gameflier International launched *Monster Hunter* of Capcom, Japan.
	Launched the "e-PLAY" platform.
	Game First International signed an exclusive distribution contract for distributing the Traditional Chinese version of *StarCraft II: Wings of Liberty* in Taiwan, Hong Kong, and Macau with Blizzard Entertainment of the USA.
	Established "Kaohsiung Music Center" as the largest digital synchronous studio in Southeast Asia.
	Chinesegamer International launched the independently developed online game *Legends of Emperor Online* adapted from famous Hong Kong comics.
2011	Allied with Facebook to designate MyCard as the appointed cashflow partner in Asia Pacific.
	Won the "Best ROE" at the first Golden Laureate Award organized by Taipei Exchange.
	Established Fast Distributed Cloud Computing Co., Ltd. to enter the IT resource management and cloud computing service markets.
2012	Game First International signed an exclusive distribution contract for distributing the Traditional Chinese version of *Diablo III* in Taiwan, Hong Kong, and Macau with Blizzard Entertainment of the USA.
2013	Game First International signed an exclusive distribution contract for distributing the Traditional Chinese version of *StarCraft II: Heart of the Swarm* in Taiwan, Hong Kong, and Macau with Blizzard Entertainment of the USA.
	Zealot Digital International launched the independently developed game *Pili Shen Zhou Online.*
	Established Pay2go Technology Corporation to enter the third-party payment business.
	Acquired a cooperation license for LINE Corporation in Taiwan.
	Gameflier International launched *Dragon Nest Online* by Eyedentity Games of South Korea.
2014	Gameflier International launched the mobile game *Devil Maker* by PALMPLE of South Korea.
	Game First International signed an exclusive distribution contract for distributing *Diablo III: Reaper of Souls* in Taiwan with Blizzard Entertainment of the USA.
	Zealot Digital International launched the independently developed game *Authentic Heroes of Gu Long Online.*
	Zealot Digital International launched the mobile game *Pili Heroes* co-developed with

Year	Important events
	Dream² of China in Taiwan, Hong Kong, and Macau.
2015	Gameflier International launched the mobile game *One Hundred Thousand Bad Jokes* independently developed game by Linekong Interactive Group Co., Ltd. of China.
	Established Smartparth Digital Tech Corporation, a subsidiary for collection transfer.
	Established subsidiary Re:Ad Media Corporation through joint venture with Wisebirds of South Korea.
2016	Game First International signed an exclusive distribution contract for distributing the Windows PC version of *Overwatch* in Taiwan with Blizzard Entertainment of the USA.
	Gameflier International launched the online game *Shushan Online* independently developed game by Loong Entertainment of China.
	Zealot Digital International launched the independently developed AR mobile game *My Hero Go*.
2017	Pay2go e-Wallet app went live to start the e-payment business.
2018	Stock-for-stock merger between subsidiaries Pay2go Technology Corporation and Smartparth Digital Tech Corporation with Neweb Technologies Co., Ltd. of Chander Electronics Corporation, the first large-scale merger of two leading OTC-listed companies in Taiwan's mobile payment industry.
	Chinesegamer International launched the independently developed mobile game *TS M*.
	After merging with Pay2go Technology and Smartparth Digital Tech, Neweb Technologies continued operations in the name of Pay2Go, which was then renamed "ezPay Corporation."
	Neweb Technologies merged with Smartparth Digital Tech and continued operations in the name of Neweb Technologies.
2019	Chinesegamer created TS Online M and authorized it to ASIASOFT, a Southeast Asian operator, to release it in Thailand and Vietnam,in order to reach international gamers.
	Chinesegamer International launched the independently developed mobile game *Love Box M*.
	ezPay launched ezAIO, an all-in-one integrated collection service for physical stores.
	EFUN received the "2019 Google Premier Partner Awards Application Excellence Award".
2020	EFUN developed "AdHero," a digital advertising technology platform, and introduced data science and AI analysis application.
	Gameflier acted as an agency of Aurogon Info&Tech (Shanghai), a subsidiary of Wangyuan Shengtang, to release their game, GuJian Online.
	Gameflier collaborated with USERJOY to release The Legend of Three Kingdoms M, a mobile game created by USERJOY.
	Chinese gamer International launched the independently developed mobile game *Huang Yi M*.

Three. Corporate Gover

I.Organizational structu

(1) Organization structure



(2) The responsibilities of various divisions:

Department	Main business
Audit Division	1. Assistance in the establishment and revision of the internal control system. 2. Establishment of the annual audit program. 3. Effectiveness audit of the nine cycles in the internal control system and various documented systems. 4. Production of audit reports, timely proposition of improvement recommendations, and periodic reporting to BOD.
Office of the President	1. Administer overall strategic targets and supervise and coordinate all units. 2. Publicize and implement corporate policies and related regulations. 3. Draw up, review, and manage external contracts.
Financial Management Center	1. Bookkeeping. 2. Financial planning and fund management. 3. Personnel affairs and wage management, general affairs, and stock service. 4. Analysis of operating efficiency and operating costs. 5. Media public relations.
Marketing Management Center	Planning Department 1. Project marketing and strategic planning and internet campaigning. 2. Contacting the event planning projects out and implementation. 3. Planning, discussion, and implementation cross-sector events. Project Marketing Department 1. Production of game marketing projects, websites and webpages, ad banners, and commercial films for subsidiaries of the group. 2. Undertaking marketing campaigns including website design, internet marketing and ad serving, CF making and editing, and outdoor ads. 3. Operations planning, webpage production, color frames, CF making and sales for the triple channel interactive entertainment city. 4. Sales of outdoor video advertisement MICE Department 1. Professional department for planning creative events for the group. 2. Planning, design, and implementation of various exhibitions, press conferences, and large events. 3. The services include activity design, various space decoration, corporate image design, gift design and making, HR deployment Media Department 1. Cross-platform digital media content services. 2. Print gaming magazine 3. Video customization team 4. Customized dubbing resource 5. Promotion of advertising business. Products Department 1. Visual design planning, strategic topic copy planning. 2. Post-production of handbooks, covers, boxes, posters, and publicity materials. 3. Production and inventory management. 4. Product production. Trade Mission Department 1. Handling agent contracts. 2. Handling export sales.

Department	Main business
	Business Dept. 1. New product distribution, product check and replenishment, customer order handling and delivery, 2. Customer data processing and receivables management. 3. Domestic customer cultivation and market intelligence collection. Internet Development Department 1. MyCard website, APP operations and management. 2. Operation and promotion of MyCard member and membership. 3. Data control and relevant reports of MyCard 4. Development and promotion of online payment mechanisms. 5. Supplier connection management 6. Customer service management 7. Planning for relevant application mechanism Sales System Department 1. IT planning and management. 2. Construction and maintenance of IT systems. 3. Construction and management of websites and network systems. 4. Management and maintenance of computer hardware and software equipment. 5. Development and maintenance of financial, accounting, and business information systems. Digital Development Department 1. Researching and Developing APPs to reward download of digital games. 2. Market analysis of digital game download platforms, APP operations, digital diversification, planning and execution of marketing activities. 3. To keep pace with the latest digital promotion technologies and related applications in the market on a regular basis. 4. Continuously planning, developing, establishing and maintaining APPs in operation. CVS training 1. Working with Taiwan's four major convenience stores to sell MyCard debit cards and game packs. 2. Negotiations with superstores for cross-industry cooperation to provide marketing plans and acquire channel advertising resources as well as collaborated multi-products promotion. Overseas Channel Office Cooperation and expansion of overseas markets to introduce channel collaboration. Overseas Business Office 1. Responsible for negotiation with overseas regional manufacturers to publish games in Taiwan. 2. Providing channel marketing, KOL marketing services, video-audio services, creative ideas services, curatorial services, and cloud servers.
Legal Affairs Division	Legal consultation and support for subsidiaries within the group.
Product Development Division	Handling collaborative IP development with suppliers.
Commercial Cooperation Division	Cultivation, planning, and analysis of overseas business.

Department	Main business
International Affairs Division	Overseas market cultivation.
Multimedia Development Division	Audio service including music production, sound effects, voice, mixing, and tape mastering; and video service including the design and special effects of all types of videos for subsidiaries within the group and other companies.
Group Resource Management Division	1. Procurement and management of information equipment. 2. Procurement and management of general materials and equipment. 3. Planning and management of group resources utilization.
IP Office	Managing, authorizing and maintaining intellectual property (IP)

II. Background information of Directors, Supervisors, President, Vice Presidents, Assistant Managers, and the heads of various departments and branches:

(I) Directors and Supervisors:

1. Background of Directors and Supervisors

April 18, 2021

Title (Note 1)	Nationality or place of registration	Name	Gender	Election (Appointment) Date	Duration	Election (Appointment) Date (Note 2)	Shares at Election		Current shareholding		Current Shares Held by Spouse & Dependents		Shareholding under the title of a third party		Major (academic degree) experience (Note 3)	Current duties in The Company and in other companies	Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative			Remarks (Note 4)
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Chairman	Taiwan R.O.C.	WANG, CHIN-PO	Male	2018/6/14	3 years	1994/8/15	21,594,350	16.94%	21,594,350	16.94%	3,083,208	2.42%	0	0	Division of Chemical Engineering, National Kaohsiung University of Applied Sciences Chairman, Soft-World Co., Ltd.	Note 5	None	None	None	Note 6
Director	Taiwan R.O.C.	WANG, CHIUNG-FEN	Male	2018/6/14	3 years	2018/6/14	0	0	0	0	0	0	0	0	Bachelor of Law, National Chung Hsing University President, General Law Firm	Note 7	None	None	None	None
Director	Taiwan R.O.C.	CHEN, CHING-JUNG	Male	2018/6/14	3 years	2018/6/14	0	0	0	0	0	0	0	0	Bachelor of Electrical Engineering, Chinese Culture University Chairman, Hengshang Construction Co., Ltd	Note 8	None	None	None	None
Director	Taiwan R.O.C.	SHIH, MING-HAO	Male	2018/6/14	3 years	2018/6/14	11,110	0.01%	11,110	0.01%	21,781	0.02%	0	0	Master of Business Administration, Pennsylvania State University Chairman of Trade-Van Information Co., Ltd. Director of Central Investment Co., Ltd. Director of Chinese Gamer International Corporation Director, ThinFlex Corporation	Note 9	None	None	None	None
Director	Taiwan R.O.C.	WU, AI-YUN	Female	2018/6/14	3 years	2018/6/14	0	0	0	0	0	0	0	0	Bachelor of Accounting, Ming Chuan University Finance Director, Focus Technology Co., Ltd.	Note 10	None	None	None	None
Independent director	Taiwan R.O.C.	LI, MING-HSIEN	Male	2018/6/14	3 years	2018/6/14	0	0	0	0	0	0	0	0	Master of Accounting, National Chengchi University Adjunct Associate Professor, National Cheng Kung University Director of Greater China, PricewaterhouseCoopers Deputy Director, PwC Taiwan Chief of the Board, PwC Taiwan South Division Hosted Accountant, PwC Taiwan Executive Director, National Federation of CPA Associations of ROC	Note 11	None	None	None	None
Independent director	Taiwan R.O.C.	LIN, HSUAN-CHU	Male	2018/6/14	3 years	2018/6/14	0	0	0	0	0	0	0	0	PhD in Finance, New Jersey State University Master of Business Administration (MBA), New Jersey State University	Note 12	None	None	None	None
Supervisor	Taiwan R.O.C.	CHIEN, CHIN-CHENG	Male	2018/6/14	3 years	2018/6/14	0	0	0	0	0	0	0	0	PhD, Department of Accounting, New Jersey State University Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University	Note 13	None	None	None	None
Supervisor	Taiwan R.O.C.	CHANG, HUNG-YUAN	Male	2018/6/14	3 years	2009/06/18	0	0	0	0	0	0	0	0	Master of Accounting and MBA, St. John's University, New York City, USA Assistant Finance Director and Assistant Director, Interplex Industries Inc., New York,	Note 14	None	None	None	None

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															USA General Manager, Suftech Co., Ltd. Director of Accounting Department, Shih Hsin University Director of International Management School, Shih Hsu University Enterprise Management Foundation Director, Soochow University Director of Culture and Education Foundation, Mingdao High School Board Supervisor, Shih Hsin University Part-time Professor, Dept. of Business Administration, SooChow University					

Note 1: Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate shareholders should be noted) also, Table 1 should be filled out.

Note 2: Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.

Note 3: Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 4: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For instance, more independent directors shall be added, and over half of directors are not concurrently an employee or manager.)

Note 5: This Company: President.
Other companies: The Chairman of Chinesegamer International Corp. (legal representative of Soft World), the Chairman of Gameflier International Corporation (legal representative of Soft World), the Chairman of Game First International Corp. (legal representative of Soft World), Zealot Digital International Corp. (legal representative of Soft World), Neweb Technologies Co., Ltd. (legal representative of Neweb), the Chairman of ezPay Co.,Ltd. (legal representative of Neweb), the Director of Dyansty International Information Co., Ltd. (legal representative of Soft World), the Director of Soft World (Hong Kong) International Corporation Limited (legal representative of Soft World), the Director of Soft-World Technology Pte. Ltd. (legal representative of Soft World), the Chairman of CService Technology Co., Ltd. (legal representative of Neweb), the Chairman of Fast Distributed Cloud Computing (Taiwan) Co., Ltd. (legal representative of Soft World), the Chairman of Joy Children Technology Co., Ltd. (legal representative of Soft World), the Chairman of Compete!Games Interactive Entertainment Corporation (legal representative of Game First), the Chairman of Mobile Flier International Corporation (legal representative of Gameflier), the Chairman of Efun International Corporation (legal representative of Soft World), the Director of PLAYGAME SDN. BHD (legal representative of Global Concept Corporation), the Chairman of Taiwan Taomee Co., Ltd. (legal representative of PLAYGAME), the Chairman of Re:Ad Media (Taiwan) Corporation (legal representative of Ffun), the Director of Interactive Entertainment Technology Co.,Ltd. and the Chairman of Interactive Entertainment Technology Co., Ltd. (legal representative of Interactive Entertainment Technology)

Note 6: Our Chairman concurrently serves as the President to enhance operational efficiency and decision execution. To reinforce the independent of the Board, we have actively trained candidates for the President. In addition, the Chairman always closely communicates with all directors on recent operation and plan to implement company governance. We plan to add more independent directors to enhance the function and supervision competency of the Board. We have the following specific measures:
(1) The current directors and supervisors are experts in financial accounting and operational management, respectively. They can perform supervision effectively.
(2) Every year we arrange directors and supervisors to take professional director courses provided by external institutions, such as Securities & Futures Institute, to enhance the operation of the board.
(3) Members of the Board discuss on issues thoroughly and make suggestions for reference to implement company governance.
(4) No more than half of the board members are employees or executives.

Note 7: The Company: None
Other companies: Chairman, Chin Chih Fu Asset Management Co. Ltd., Chairman, Taiwan Steel Co., Ltd.; Chairman, Taiwan Netcom Investment Holding Corp.; Chairman, Gloria Material Technology Corp.; Chairman, S-Tech Corporation; Vice Chairman, Chunzu Machinery Co., Ltd.; Director, Taiwan Styrene Monomer Corporation; Director, Director of Cameo Communications, Inc.; Independent director, Huang Long Development Co., Ltd.

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Note 8: The Company: None
Other companies: Chairman, Hengshang Construction & Development Enterprise Corporation; Chairman, Dynasty International Information.

Note 9: The Company: None
Other companies: The partner of Pao Chou PE Fund

Note 10: The Company: None
Other companies: Director, Xingtian Technology Co., Ltd.; Director, Wayi International Digital Entertainment Co., Ltd.; Supervisor, Bonus Winner Online Entertainment Co., Ltd.; Supervisor, JFI Games Inc.

Note 11: The Company: None
Other associations: Adjunct Associate Professor of National Cheng Kung University, Deputy Director of Zicheng Joint Accounting Firm, Independent Director of JinYuan President Securities (Xiamen) Corporation, National Federation of CPA Associations, Chairman of Accountant Responsibility Appraisal Committee, Deputy Director of Accountant Business Valuation Committee, Deputy Chairman of Disciplinary Committee, Independent Director of Brogent Technologies, Independent Director of All Ring Tech, Independent Director of Poya International.

Note 12: The Company: None
Other companies: Independent Director, Chinesegamer International Corporation; Independent Director, Taiwan Cooperative Bank Co., Ltd.; Independent Director, Taiwan Cooperative Financial Holding Co., Ltd.; Professor, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University; Supervisor, Taiwan International Ports Logistics Corporation

Note 13: The Company: None
Other companies: Supervisor, Chinese Gamer Co., Ltd.; Independent Director and Remuneration Committee Member, GMTC Co., Ltd.; Independent Directors and Remuneration Committee Member, Ton Yi Industrial Corp.; Independent Director and Remuneration Committee Member, Taiwan Styrene Monomer Corporation; Independent Director and Remuneration Committee Member, S-Tech Corporation.

Note 14: The Company: None
Other companies: Independent Director, TPK Holding Co., Ltd.; Independent Director, Lu Hai Industrial Corp.; Full-time Professor, Department of Communications Management and Department of Business Administration, Shih Hsin University

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2. Corporate shareholders' main shareholders: None.

Note 1: Fill in the name of respective corporate investors when directors and supervisors are their representatives.

Note 2: Fill out the name of main shareholders (with top ten shareholding rate) and the shareholding ratio of the legal entity shareholder. Fill out Table 2 if the main shareholders are entities.

Note 3: If the legal entity shareholder is not in the company organization, the name and shareholding ratio of the said shareholder shall be disclosed is the name of the investor or donor and the percentage of their fund or donation.

3. Major Shareholders of Major Corporate Shareholder: None.

Note 1: Fill the name of respective corporations when major shareholders in Table 1 are corporate investors.

Note 2: Fill out the name of main shareholders (with top ten shareholding rate) and the shareholding ratio of the legal entity shareholder.

Note 3: If the legal entity shareholder is not in the company organization, the name and shareholding ratio of the said shareholder shall be disclosed is the name of the investor or donor and the percentage of their fund or donation.

4. Background of Directors and Supervisors

April 18, 2021

Condition / Name (Note 1)	Have more than 5 years of experience and the following professional qualifications			Status of independence (note 2)												Number of public companies where the person holds the title as independent director
	Lecturer (or above) of commerce, law, finance, accounting, or any subjects relevant to the company's operations in a public or private tertiary institution	Passed the qualification examination with proper licensing by the national Government Apparatus as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the Company	Commercial, legal, financial, accounting or other work experiences required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10	11	12	
Director WANG, CHIN-PO			✓						✓			✓	✓	✓	✓	0
Director WANG, CHIUNG-FEN		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Director CHEN, CHING-JUNG			✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	0
Director SHIH, MING-HAO			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Director WU, AI-YUN			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	0
Independent director LI, MING-HSIEN	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Independent director LIN, HSUAN-CHU	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Supervisor CHIEN, CHIN-CHENG	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	4
Supervisor CHANG, HUNG-YUAN	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2

Note 1: Adjust the number of columns according to actual needs.

Note 2: place a "✓" in the box below if the Director or Supervisor met the following conditions during the time of active duty and two years prior to the elected date.

(1) Not an employee of the Company or its affiliates.

(2) Not a director or supervisor of the Company or its affiliated companies (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).

(3) Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under Subparagraph (1) or any of the persons in Paragraph (2) and (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or that ranks among the top five in shareholdings or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).

(6) A majority of the Company's director seats or voting shares and those of any other company are not controlled by the same person who is a director, supervisor, or employee of that other company (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).

(7) The chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are not the same person or are not spouses who is a director (or governor), supervisor, or employee of that other company or institution (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).

(8) Not a director (or governor), supervisor, managerial officer, or a shareholder who holds 5% or more of the issued shares of another company or institution that conducts finance or business transactions with the Company (however, if a specific company or institution holds 20% or more and no more than 50% of the total number of issued shares of the Company and the independent directors appointed in accordance with the Act or the law and regulations of the local country concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent company, it is not subject to this requirement).

(9) Not a professional individual, or an owner, partner, director (or governor), supervisor or officer of a sole proprietorship, partnerships, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the last 2 years had received cumulative compensation exceeding NT$500,000, or a spouse thereof. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee or special committee for merger and acquisition, who exercises powers pursuant to the "Securities and Exchange Act" or to the "Business Mergers and Acquisition Act" or relevant laws and regulations.

(10) Not a spouse to or kin at the second pillar under the Civil Code to any other director.

(11) Not under any of the categories stated in Article 30 of the Company Act.

(12) No Government Apparatus agency, juristic person or its representative is elected under Article 27 of the Company Act.

(II) Information of the President, Vice President, associated director, and supervisor of the various units and branches

April 19, 2020

Title (Note 1)	Nationality	Name	Gender	Election (Appointment) Date	Status of shareholding		Shares Held by Spouse & Dependents		Shareholding under the title of a third party		Major (academic degree) experience (Note 2)	Positions with other companies	Spouse or kin within the second pillar under the Civil Code and who is a manager			Remarks (Note 3)
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
President	Taiwan R.O.C.	WANG, CHIN-PO	Male	1983/7/15	21,594,350	16.94%	3,083,208	2.42%	0	0	Division of Chemical Engineering, National Kaohsiung University of Applied Sciences Chairman and President, Soft-World Co., Ltd.	Other Company: Chairman of Chinese Gamer International Corporation (Institutional representative of Soft-World International Corporation) Chairman of Game Flier International Corporation (Institutional representative of Soft-World International Corporation) Chairman of Game First International Corporation (Institutional representative of Soft-World International Corporation) Chairman of Zealot Digital International Corporation (Institutional representative of Soft-World International Corporation) Director of Dynasty International Information Co., Ltd. (Institutional representative of Soft-World International Corporation) Chairman of Taiwan Taomee Co., Ltd. (Institutional representative of PLAYGAME) Chairman of Joy Children Technology Co., Ltd. (Institutional representative of Soft-World International Corporation) Chairman of Fast Distributed Cloud Computing (Taiwan) Co., Ltd. (Institutional representative of Soft-World International Corporation) Chairman of Efun International Corporation (Institutional representative of Soft-World International Corporation) Chairman of Neweb Technologies Co., Ltd. (Institutional representative of Soft-World International Corporation) Chairman of ezPay Co., Ltd. (Institutional representative of Neweb Technologies Co., Ltd.) Chairman of Neweb Technologies Co., Ltd. (Institutional representative of Neweb Technologies Co., Ltd.) The Chairman of CService Technology Co., Ltd. (legal representative of Neweb) Chairman of Compete!Games interactive entertainment corporation (Institutional representative of Game First International Corporation) Chairman of Re:Ad Media (Taiwan) Corporation (Institutional representative of Efun International Corporation) Chairman of Interactive Entertainment Technology (Taiwan) Co., Ltd. (Institutional representative of Interactive Entertainment) Director of Soft-World (Hong Kong) International Corporation (Institutional representative of Soft-World International Corporation) Director of Interactive Entertainment Technology Co.,Ltd Director of PLAYGAME SDN. BHD (Institutional representative of GLOBAL CONCEPT CORPORATION) Director of SOFT-WORLD TECHNOLOGY PTE . LTD (Institutional representative of Soft-World International Corporation)	None	None	None	Note 4
President, Group Financial Management Center	Taiwan R.O.C.	CHUNG, HSING-PO	Male	2004/6/1	256,202	0.20%	0	0	0	0	Department of Journalism & Communication Studies, Shih Hsin University Institute of Business and Management Department of Statistics, National Cheng Kung University Barits Securities Corporation V.P. of the Company	Other Company: Director of Funyours Technology (Institutional representative of Soft-World International Corporation) Director and President of Neweb Technologies Co., Ltd. (Institutional representative of Soft-World International Corporation) Director and President of ezPay Co., Ltd. (Institutional representative of Neweb Technologies Co., Ltd.) President of Neweb Technologies Co., Ltd. The President of CService Technology Co., Ltd. Chairman and President of We Can Financial Technology Co., Ltd. Supervisor of Taiwan Taomee Co., Ltd. Supervis of Joy Children Technology Co., Ltd. (Institutional representative of Soft-World International Corporation)	None	None	None	None

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Title (Note 1)	Nationality	Name	Gender	Election (Appointment) Date	Status of shareholding		Shares Held by Spouse & Dependents		Shareholding under the title of a third party		Major (academic degree) experience (Note 2)	Positions with other companies	Spouse or kin within the second pillar under the Civil Code and who is a manager			Remarks (Note 3)
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Shareholding Proportion			Title	Name	Relation	
Deputy General Manager of Sales Management Center Overseas Business	Taiwan R.O.C.	Kai Le Yuan	Female	2021/1/1	620	0	0	0	0	0	Department of Business Administration, Tungnan University	None	None	None	None	None
Commercial Group Deputy General Manager, General Manager Office	Korea	Shih Chen Li	Male	2021/1/1	0	0	0	0	0	0	Department of Chinese, Dankook University, South Korea	Chairman of Sky Touch Co., Ltd. (Institutional representative of Korean business Entermate co.,Ltd)	None	None	None	None
Corporate Governance Officer	Taiwan R.O.C.	Su Mei Huang	Female	2019/11/11	1,345	0	0	0	0	0	Department of Accounting, Fu Jen Catholic University	Director of We Can Financial Technology Co., Ltd. (Institutional representative of Soft-World International Corporation)	None	None	None	None
Assistant VP of Accounting Officer	Taiwan R.O.C.	HUANG, YA-CHUAN	Female	1000/1/1	112,944	0.09%	0	0	0	0	Accounting Department of Tung Hai University KPMG	None	None	None	None	None
V.P. of Audit Division	Taiwan R.O.C.	Ming-Fen Huang	Male	2000/7/1	5,000	0	93,986	0.07%	0	0	Graduate Institute of Business Administration, National Chengchi University	Supervisor of Dynasty International Information Co., Ltd. Director of Zealot Digital International Corporation	None	None	None	None

Note 1: Adjust the number of columns according to actual needs.

Note 2: place a "✓" in the box below if the Director or Supervisor met the following conditions during the time of active duty and two years prior to the elected date.

Note 4: Where the general manager and the chairperson of the board of directors or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For instance, more independent directors shall be added, and over half of directors are not concurrently an employee or manager.)

Note 4: Our Chairman concurrently serves as the President to enhance operational efficiency and decision execution. To reinforce the independent of the Board, we have actively trained candidates for the President. In addition, the Chairman always closely communicates with all directors on recent operation and plan to implement company governance. We plan to add more independent directors to enhance the function and supervision competency of the Board. We have the following specific measures:

1. The current directors and supervisors are experts in financial accounting and operational management, respectively. They can perform supervision effectively.
2. Every year we arrange directors and supervisors to take professional director courses provided by external institutions, such as Securities & Futures Institute, to enhance the operation of the board.
3. Members of the Board discuss on issues thoroughly and make suggestions for reference to implement company governance.
4. Over half of directors among the members of the Board are not concurrently serving as employees or managers.

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III. Remuneration paid to Directors, Supervisors, President, and the Vice President in the most recent year:

If any of the following applies to the company, it shall disclose the remuneration paid to each individual director and supervisor:

1. A company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years shall disclose the name of and the remuneration paid to individual “directors and supervisors”. This requirement, however, shall not apply if the company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
2. Disclose the remuneration paid to individual directors when their stakes are insufficient for three consecutive months in the previous year; disclose the remuneration paid to individual supervisors when their stakes are insufficient for three consecutive months in the previous year.
3. Disclose the remuneration paid to individual directors or supervisors with a mortgage ratio exceeding 50% in the month for any directors or supervisors with a mortgage ratio exceeding 50% for three consecutive months in the previous year.
4. Disclose the remuneration paid to individual directors or supervisors when the amount of remuneration for all directors and supervisors of the company in the financial statement exceeds 2% of the net income, and the of remuneration of individual directors or supervisors exceeds NT$15 million. (Note: The after-tax deficit shall be calculated based on the sum of “director's remuneration” and “supervisor’s remuneration” in the table. The abovementioned remuneration of director and supervisor does not include the remuneration for their concurrent position as an employee.）
5. A company listed on the Taiwan Stock Exchange (TWSE) or theTaipei Exchange (TPEx) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.
6. The average annual salary of the full-time non-supervisory employees in a TWSE or TPEx listed company is less than NT$500,000.

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(I) The remuneration of the general and individual director

The remuneration of the general and individual director:

Unit: NTD thousands

Title	Name	Remuneration to Directors								The sum of A, B, C and D as a percentage of after-tax profit (Note 10)		Remuneration in the capacity as employees								The sum of A, B, C, D, E, F and G in proportion to Earnings (Note 10)		Collect the remuneration from the reinvestment except the subsidiary or the remuneration from the parent company (Note 11).
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)		For services (Note 4)				Salaries, bonuses, special allowances etc (E) (Note 5)		Pension (F)		Remuneration to employees (G) (Note 6)						
																The Company		All companies mentioned in the financial statements (Note 7)				
		The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements (Note 7)	The Company	All companies mentioned in the financial statements (Note 7)	Cash	Stock	Cash	Stock	The Company	All companies mentioned in the financial statements	
Chairman	WANG, CHIN-PO	0	0	0	0	1,321	1,330	80	148	0.15	0.16	2,569	4,197	42	42	709	0	709	0	0.50	0.68	None
Director	WANG, CHIUNG-FEN	0	0	0	0	1,321	1,321	80	80	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	None
Director	CHEN, CHING-JUNG	0	0	0	0	1,321	1,321	80	80	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	None
Director	SHIH, MING-HAO	0	0	0	0	1,321	1,321	80	80	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	None
Director	WU, AI-YUN	0	0	0	0	1,321	1,321	80	80	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	None
Independent director	LI, MING-HSIEN	0	0	0	0	1,321	1,321	110	110	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	None
Independent director	LIN, HSUAN-CHU	0	0	0	0	1,321	1,321	110	470	0.15	0.19	0	0	0	0	0	0	0	0	0.15	0.19	None

1. Please state explicitly the remuneration policy, system, standard and structure of independent directors. Please state explicitly the correlation between the remuneration and the function and risk of the independent director, and the time the independent director engaged in, and pay the remuneration. The remuneration of the independent director is based on Article 6 of Remuneration Committee Charter. Article 6 stated that the performance assessments and compensation levels of directors, supervisors, and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also, to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation. We shall make recommendations and submit them to the board of directors for deliberation.
2. Pay for services (such as non-employee consultant) specified in the financial statements provided by directors in the previous year not specified above: None.

Note 1: The names of directors should be listed separately (the name of corporate shareholders representatives should be listed separately); the name of the general directors and independent directors should also be listed separately, and each payment amount should be disclosed in a summary manner. If the board director is also

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the President or Vice President of the Company, please fill in this table and table (3-1) or (3-2-1) and (3-2-2).

Note 2: Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).

Note 3: Please fill in the amount of remuneration to directors resolved in the most recent board meeting.

Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a footnote disclosure of the salaries made to these drivers, but do not count them as part of the beneficiaries' remuneration.

Note 5: Remunerations received by directors who have also worked in the capacity as employees (including the position of President, Vice President, mangers, and employees), including, salaries, subsidies, severance pay, bonus, awards, traveling subsidy, special subsidy, different forms of subsidies, accommodation, company car, and other supplies in kind. If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a footnote disclosure of the salaries made to these drivers, but do not count them as part of the beneficiaries' remuneration. The salary expense recognized in accordance with IFRS 2, “Share-Based Payment”, including ESO, RS, and participation in subscription of new shares for raising capital, etc.

Note 6: For the directors who are also employees (including President, Vice President, managers, and staff) of the Company in the most recent year with remuneration received (including stock and cash), the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.

Note 7: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's Directors.

Note 8: The amount of remuneration made by The Company to each Director is disclosed separately in amount ranges.

Note 9: The total amount of remunerations to each director of the Company under the consolidated financial statement (including the Company) shall be disclosed with the disclosure of the names of the directors falling in relevant brackets.

Note 10: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 11:

a. In this field, fill out the remuneration the company director collected from the reinvestment except the subsidiary or the parent company. (Fill out “None” if this is not available.)

b. When a director receives remuneration from an investee other than a subsidiary or from the parent, the amount of such remuneration shall be combined in column I of the Increments of Remuneration table, and the column shall be renamed “Parent or All Investees.”

c. Remuneration refers to any returns or the parent, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's Directors have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

* The basis of remuneration disclosed above is different to the basis required by the income tax law; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

(II) Supervisors' remuneration

Unit: NTD thousands

Title	Name	Remuneration to Supervisors						A. The sum of A, B, and C as a percentage of after-tax net profit (Note 8)		Collect the remuneration from the reinvestment except the subsidiary or the remuneration from the parent company (Note 9)
		Remuneration (A) (Note 2)		Remuneration (B) (Note 3)		Fees for services rendered (C) (Note 4)				
		The Company	All companies mentioned in the financial statements (Note 5)	The Company	All companies mentioned in the financial statements (Note 5)	The Company	All companies mentioned in the financial statements (Note 5)	The Company	All companies mentioned in the financial statements	
Supervisor	CHANG, HUNG-YUAN	0	0	1,321	1,321	90	90	0.15	0.15	None
Supervisor	CHIEN, CHIN-CHENG	0	0	1,321	1,321	90	500	0.15	0.19	None

Note 1: Supervisors' names should be presented separately (for corporate shareholders, state separately the name of the corporate shareholder and its representatives); the amount of benefits and allowances can be presented in aggregate sums.

Note 2: Refers to the remuneration (including salary, job-related allowance, severance pay, various bonuses, incentives, etc.) paid to the supervisors in the latest year.

Note 3: Please fill in the amount of remuneration to supervisors resolved in the most recent board meeting.

Note 4: Refers to compensations for Supervisors' services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a footnote disclosure of the salaries made to these drivers, but do not count them as part of the beneficiaries' remuneration.

Note 5: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's Supervisors.

Note 6: The amount of remuneration made by The Company to each Supervisor is disclosed separately in amount ranges.

Note 7: The amount of remuneration made by the consolidated entity as a whole (including The Company) to each Supervisor is disclosed separately in amount ranges.

Note 8: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 9:
a. this field must state any form of remuneration the Supervisor has received from The Company's invested businesses other than subsidiaries or from the parent (if not, please fill in "none").
b. When a supervisor receives remuneration from an investee other than a subsidiary or from the parent, the amount of such remuneration shall be combined in column D of the Increments of Remuneration table, and the column shall be renamed "Parent or All Investees."
c. Remuneration refers to any returns or the parent, compensation (including remuneration to employees, directors, and supervisors), professional fees etc which The Company's Supervisors have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

* The basis of remuneration disclosed above is different to the basis required by the income tax law; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

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(III) President's and Vice Presidents' remuneration

Unit: NTD thousands

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and allowances etc. (C) (Note 3)		Remuneration to the employees (D) (Note 4)				The sum of A, B, C and D as a percentage of after-tax profit (%) (Note 8)		Remuneration received from the invested companies other than the subsidiaries and the parent company (Note 9)
		The Company	All companies shown in the financial report (Note 5)	The Company	All companies mentioned in the financial statements (Note 5)	The Company	All companies mentioned in the financial statements (Note 5)	The Company		All companies shown in the financial report (note 5)		The Company	All companies mentioned in the financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	WANG, CHIN-PO	6,854	8,507	215	215	0	0	1,502	0	1,502	0	0.91	1.08	None
President, Group Financial Management Center	CHUNG, HSING- PO													

Note 1: Disregarding position titles. All such job positions including president, vice presidents (e.g., President, Chief Executive Officer (CEO), Superintendent….) shall be disclosed.

Classification of remuneration

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Name of Presidents and Executive Vice Presidents	
	The Company (Note 6)	All companies shown in the financial report (note 7) E
Less than 1,000,000	None	None
1,000,000(inclusive)~2,000,000 (exclusive)	None	None
2,000,000(inclusive)~3,500,000 (exclusive)	WANG, CHIN-PO	None
3,500,000(inclusive)~5,000,000 (exclusive)	None	WANG, CHIN-PO
5,000,000(inclusive)~10,000,000 (exclusive)	CHUNG, HSING- PO	CHUNG, HSING- PO
10,000,000(inclusive)~15,000,000 (exclusive)	None	None
15,000,000(inclusive)~30,000,000 (exclusive)	None	None
30,000,000(inclusive)~50,000,000 (exclusive)	None	None
50,000,000(inclusive)~100,000,000 (exclusive)	None	None
100,000,000 above	None	None
Total	2 persons	2 persons

Note 1: The names of the President and Vice Presidents should be presented separately; the amount of benefits and allowances can be presented in aggregate sums. If the board director is also the President or Vice President of the Company, please fill in this table and table above (1-1) or (1-2).

Note 2: Refers to salaries, work subsidies, and severance pay made to the President and Vice Presidents in the latest year.

Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the President and Vice Presidents. If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a

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footnote disclosure of the salaries made to these drivers, but do not count them as part of the beneficiaries' remuneration. The salary expense recognized in accordance with IFRS 2, “Share-Based Payment”, including ESO, RS, and participation in subscription of new shares for raising capital, etc.

Note 4: Please fill in the remuneration amount to the President and Vice President resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 5: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's President/Vice Presidents.

Note 6: The amount of remuneration made by The Company to its President/Vice Presidents is disclosed separately in amount ranges.

Note 7: The total remunerations to each President and Vice President of all companies in the consolidated financial statements (including the Company), and disclose the names of these Presidents and Vice Presidents in relevant brackets along the scale of remunerations.

Note 8: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 9:
a. This field must state any form of remuneration the President and Vice Presidents has received from The Company's invested businesses other than subsidiaries or from the parent (if not, please fill in “none”).
b. When a president or vice president receives remuneration from an investee other than a subsidiary, the amount of such remuneration shall be combined in column E of the Increments of Remuneration table, and the column shall be renamed “Parent and All Investees.”
c. Remuneration refers to any returns or the parent, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

* The basis of remuneration disclosed above is different to the basis required by the income tax law; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

Name of the managers received remuneration and the distribution of remuneration

December 31, 2020; Unit: NT$ thousand

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	As a percentage of net profit after tax (%)
Manager	President	WANG, CHIN-PO	0	2,505	2,505	0.27
	President, Group Financial Management Center	CHUNG, HSING- PO				
	Chief Accountant	HUANG, YA-CHUAN				
	Corporate Governance Officer	Su Mei Huang				

Note 1: The name and job title of each individual entities should be disclosed; however, the distribution of earnings can be disclosed aggregately.

Note 2: Please fill in the remuneration amount to the managers resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 3: According to Notice Tai-Tsai-Cheng-3-0920001301 dated March 27, 2003, the following managerial roles are subject to reporting:

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(1) President or equivalent
(2) Vice President or equivalent
(3) Assistant Manager or equivalent
(4) Head of Finance
(5) Head of Accounting
(6) Any other authorized signatories involved in The Company's administrative affairs

Note 4: If the Directors, President, and Vice President have received remuneration (including stock and cash), in addition to filling out Attachment 1-2, this form must be filled out as well.

(IV) Individually explain and compare the total remunerations to the directors, supervisors, presidents, and vice presidents of the Company and the companies in the consolidated financial statements in the last 2 years in proportion to the corporate earnings of individual entities or individual financial statements and the analysis and description of the policy, standard, and combination, decision-making procedure of the remunerations, and the association with operation performance and risks of the future.

1. The remuneration paid to directors and supervisors in 2019 and 2020 accounted for 1.83% and 1.70% of the company's net income after tax respectively. The remuneration paid to directors and supervisors of all companies in 2019 and 2020 accounted for 2.24% and 1.96% of the company's net income after tax respectively. If there is profit in the year, this company shall appropriate not more than 2% as the remuneration (profit sharing) for directors and supervisors. When there is a deficit in the year, this company shall retain the amount for compensation before appropriating the remuneration pro rata for directors and supervisors.
2. The remuneration paid to presidents and vice presidents in 2019 and 2020 accounted for 1.25% and 0.90% of the company's net income after tax respectively. The remuneration paid to directors and supervisors of all companies in 2019 and 2020 accounted for 1.52% and 1.08% of the company's net income after tax respectively.
3. The remuneration for presidents and vice presidents was appropriated and their salaries were adjusted in accordance with the company's regulations. In addition, the amount of profit sharing for employees was assessed carefully in accordance with the actual status of our operational performance.
4. In our procedure for stipulating the remuneration to directors, supervisors, President and Vice President, we perform appraisal based on our "Performance evaluation standard for directors, supervisors, and managers, and the policy, system, standard and structure of remuneration." Besides referring to the overall operation performance, future operational risk in industry and development trend, we offer reasonable remuneration based by referring to personal performance achievement rate and personal contribution to company performance. Relevant performance appraisal and remuneration rationality have been reviewed by the Remuneration Committee and the Board. We always review the remuneration system depending on the actual operation and relevant regulations at the right time to seek balance between corporate sustainable operation and risk control.

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IV. Corporate governance:

(I) The operation of the Board of Directors

The Board called 6 (A) meetings in the latest year. The attendance of directors is specified as follows:

Title	Name (Note 1)	Actual number of attendance (B)	Attend through proxy	Attendance rate (%) (B/A) (Note 2)	Remarks
Chairman	WANG, CHIN-PO	6	0	100	None
Director	WANG, CHIUNG-FEN	6	0	100	
Director	CHEN, CHING-JUNG	6	0	100	
Director	SHIH, MING-HAO	6	0	100	
Director	WU, AI-YUN	6	0	100	
Independent director	LI, MING-HSIEN	6	0	100	
Independent director	LIN, HSUAN-CHU	6	0	100	

Board meeting attendance of independent directors in 2020 ◎: Attended in person ☆: Attended through proxies *: Absent

2020	1st	2nd	3rd	4th	5th	6th	Remarks
LI, MING-HSIEN	◎	◎	◎	◎	◎	◎	None
LIN, HSUAN-CHU	◎	◎	◎	◎	◎	◎	None

Other notes:

I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:

(I) On issues stated in Article 14-3 of the Securities and Exchange Act

Date and session of board meetings	Agenda	Opinion of independent director	Address of opinions of independent directors
9th meeting of the 9th Board of Directors 2020/03/25	1. Proposal to approve the CPA audit fee for 2020. 2. The proposal for switching the certified public accountant for our financial statement	No objection	Not applicable
10th Meeting of the 9th Board of Directors 2020/05/11	1. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd."	No objection	Not applicable
12th meeting of the 9th	1. New addition of "Internal Control System" and "Internal Audit Regulations."	No objection	Not applicable

Board of Directors 2020/08/12	2. We amended the "Internal Control System and "Enforcement Rules of Internal Audit."		
13th meeting of the 9th Board of Directors 2020/11/11	1. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd."	No objection	Not applicable
	2. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd."		

All above proposals were passed as all attending directors expressed no objection at the Chairman's enquiry, and independent directors made no comment.

(II) Except for the aforementioned matters, the resolutions reached by the Board of Directors with the objections or reservations of the independent directors documented or declared in writing: None.

II. The avoidance of the conflict of interest by the Directors on related motions, specify the names of the Directors, the content of the motions, the principle of the avoidance of the conflict of interest, and the participation in casting the ballots: None.

III. Listed and OTC companies shall disclose the interval, period, scope, method and content of evaluation, of the self (or peer) evaluation, and fill out Table 2 (2) Board Evaluation:

(I) The Board of Directors shall carry out the internal board performance evaluation at least once a year, to be completed before the end of the first quarter of the following year, based on the evaluation procedure and indicators stipulated in the regulations.

(II) The execution of the internal board performance evaluation should be equipped with a clear understanding of the board operations, with a fair, objective and independent role.

(III) The performance evaluation is carried out in a way that after the end of the year, the meeting affairs team of the Board will determine the weighted average ratings of the Board performance based on the weighted indicators, and then report the result to the Board.

(IV) The indicators of the Board performance evaluation shall include at least the following five aspects:

1. The degree of participation in the company's operations.2. Improvement in the quality of decision making by the board of directors.3. The composition and structure of the board of directors.4. The election of the directors and their continuing professional education.5. Internal controls.

The items of board member's performance evaluation (self-evaluation and peer evaluation) to be measured shall at least include the following six aspects:

1. Alignment of the goals and mission of the company.2. Their recognition of director's duties.3. The degree of participation in the company's operations.

4. Their management of internal relationships and communication.5. Their professionalism and continuing professional education.6. Internal controls.

The indicators shall be established based on the corporate operations and business needs that determine the appropriate operational objectives suitable for the performance evaluation.

Implementation status of board evaluation

Evaluation cycle	Evaluation performed once a year
Evaluation period	January 1 to December 31, 2020
Evaluation scope	That will include the performance evaluation of the Board and its individual members.
Evaluation method	Self-evaluation by the Board and its members shall be taken.
Evaluation content	• Evaluation of the Board: Level of participation in the corporate operations, quality of decision-making, structural constituent, member appointment and continuous learning, and internal control. • Evaluation of individual Board members: Grasp of corporate goals and tasks, recognition of responsibilities, level of participation in corporate operations, internal relationship build-up and

	idea exchange, professionalism and continuous learning, and internal control etc. The 2020 Board evaluation was rated as "qualified."

IV. Evaluate goals and status of strengthening the board's job functions in the past few years.

1. Enhance BOD operating efficiency: On March 25, 2020, BOD passed the proposal to amend the "Procedural Rules for the Meeting of Board of Directors" to reinforce the implementation of the "Rules," convene board meetings according to the "Rules," maintain evidence with full-range recording, produce meeting minutes in detail, and keep constant track on the implementation of resolutions made by at the board meeting to demonstrate the efficiency of board meetings.
2. Enrich the professional knowledge of directors and supervisors: We proactively encourage directors to receive further education. Apart from informing directors and supervisors of the information regarding courses in relation to governance, we hire instructors to give courses for them at the company.
3. Establish the Remuneration Committee: We have established a remuneration committee. Committee members will assess the fairness of the salary and remuneration for directors and supervisors before submitting to BOD for review.
4. Enhance information transparency: We implement the spokesperson system and instantaneously disclose information that may affect shareholders and stakeholders in real time and update the information on the corporate website.

Note 1: For institutional Directors and Supervisors, disclose the names and the representative of institutional shareholders.

Note 2: (1) The date of resignation must be specified for Directors or Supervisors who had resigned prior to the close of the financial year. The percentage of actual attendance (%) should be calculated based on the number of Board of Directors meeting held during active duty and the number of actual attendance.

(2) Where an election may be held for filling the vacancies of director or supervisor before the end of the fiscal year, list out both the new and the discharged directors and supervisors, and specify if they are the former director or supervisor, or newly elected, re-elected and the date of the election.Their attendance (%) at the Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions they attended.

(II) Implementation of the Audit Committee or supervisors' participating in the operation of the Board of Directors:

1. The state of operations of the audit committee: We did not establish the audit committee. We have two supervisors.
2. Board meeting participation of supervisors: BOD held six board meetings (A) in the previous year, and the attendance of supervisors is as follows:

Title	Name	Actual number of attendance (B)	Attendance rate (%) (B/A) (Note)	Remarks
Supervisor	CHANG, HUNG-YUAN	6	100	None
Supervisor	CHIEN, CHIN-CHENG	6	100	None

Other notes:

I. The organization of supervisors and their duties:

(I) Communication (e.g., channels and methods of communication) between supervisors and employees and shareholders:

Description: Supervisors of this company are free to check on the company's sales and financial performance and communicate with employees and shareholders by phone, by email, or in person.

(II) Supervisors' communication with Internal Audit Officer and CPAs (for example, the matters, methods, and results of communication regarding the Company's finance, business operation, etc.)

Description: Supervisors of this company are free to communicate with the internal audit chief and accounting chief regarding the company's financial and sales performance and attend board meetings as a guest to listen to the business reports presented by

directors and the management and participate in discussion and decision-making.
The internal audit chief shall submit an audit report to the independent directors and supervisors in the next month after completing an audit. The audit chief shall attend board meetings as a guest to present an audit report.
Independent directors, supervisors, the internal audit chief, and accountants shall attend at least one regular meeting (or through official letters) each year to understand the audit planning and the key audit items and the financial status and internal audit control of the group, and independent directors and supervisors may contact the internal control chief and accountants any time.

1. Summary of communication between independent directors and supervisors and the internal audit chief:

Date	Main points of communication	Recommendations and results
2020/03/25	Internal control report on the defects audited between October 2019 and January 2020 and their improvements.	No objection.
2020/05/11	Internal control report on the defects audited between February 2020 to March 2020 and their improvements.	No objection.
2020/08/12	Internal control report on the defects audited between April 2020 to June 2020 and their improvements.	No objection.
2020/11/11	Internal control report on the defects audited between July 2020 to September 2020 and their improvements.	No objection.
2020/12/09	1. Effectiveness of the 2020 internal audit program 2. Issues for audit plans in 2021.	No objection.

2. Summary of communication between independent directors and supervisors and the accountant:

Date	Main points of communication	Recommendations and results
2020/06/18	Attend the shareholders' meeting.	None.
2020/12/09	1. Audit scope and approach. 2. Conglomerate audit. 3. 2020 risk assessment. 4. Fraud assessment. 5. Auditor independence report. 6. "Corporate Governance 3.0 – Sustainability Blueprint (2021–2023)."	No objection.

II. Where the supervisors shall attend the meetings of the Board as observers, and may have opinions, specify the date of the meeting, the term of the Board, the content of the motions, the resolutions of the Board, and the response to the opinions of the supervisors.
Notes: Not applicable.

Note:

* The date of resignation must be specified for Supervisors who had resigned prior to the close of the financial year. The percentage of actual attendance (%) should be calculated based on their attendance records during active duty.

* If a re-election of Supervisors had taken place prior to the close of the financial year, then Supervisors of both the previous and the current term must be listed; the remarks column must address the re-election date and whether the Supervisor was elected in the previous term, the new term, or both.Their attendance (%) to Board session shall be calculated on the basis of the actual number of sessions they attended during the term of office.

(III) How The Company's actual governance differs from The Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and why

Items for evaluation	Actual governance (Note)			Deviation and causes of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
1. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		To establish sound corporate governance, the Company has set forth the "Corporate Governance Code" and disclosed it on the Public Information Observatory and our corporate website.	No significant difference
2. Shareholding structure and shareholders' equity (1) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly? (2) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders? (3) Will the Company establish and implement the risk control and firewall mechanisms with the related parties? (4) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓ ✓ ✓ ✓		(1) Apart from establishing the Rules of Procedure for Shareholders Meetings' and hiring a stock transfer agent to handle shareholder service, we have assigned spokespersons, public relations staff, and stock service staff to handle related affairs. In case of legal affairs, we will refer them to the Legal Affairs Division. (2) We have hired a professional stock transfer agent to take care of the changes in the list of shareholders and maintain close contact with major shareholders. (3) Through the internal control system and the subsidiary supervision regulations, we review operations periodically. In addition, the audit unit supervises the effectiveness of implementation regularly. (4) We have established the "Code of Ethical Conduct." Insiders shall abide by laws and regulations in relation to insider trading and shall not engage in securities trade with undisclosed information.	No significant difference
3. The constitution and obligations of the board of directors (1) Will the Board of Directors have diversified policies regulated and implemented substantively according to the composition of the members?	✓		(1) Our "Regulations for Directorial and Supervisorial Elections" specify the directorial election and BOD structure shall be considered in accordance with the company's style of operations and the diversity of development needs, including, without limitation, gender, age, nationality, culture, professional background, professional skills, and field experience. BOD appoints employees by talent. Fulfillment of board members diversification: • The Board consists of seven directors (including two independent directors) and two supervisors. The ninth Board has one female member and all the directors and supervisors are Taiwanese nationals, who are all natural persons, and the two independent directors have a term of office less than three years. • The Board members have professional backgrounds in law, accounting and finance, and each of them possesses professional expertise of operational judgment, accounting and financial analysis, operation management, crisis handling, industrial knowledge, international market vision, as well as leadership and decision-making capabilities, to manifest a diversified complementary efficacy.	No significant difference

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<table>
<tr><th rowspan="2">Items for evaluation</th><th colspan="2">Actual governance (Note)</th><th rowspan="2">Summary</th><th rowspan="2">Deviation and causes of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td>(2) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?
(3) Has the Company formulated “The Procedures for the Company’s Board Performance Evaluation” and evaluation method, conducted a performance evaluation annually and regularly, reported the results of the performance evaluation to the Board of Directors, and applied it for reference in determining individual director’s remuneration and nomination for renewal?
(4) Will the Company have the independence of the public accountant evaluated regularly?</td><td>✓
✓
✓</td><td></td><td>
<table>
<tr><th rowspan="2">Type</th><th rowspan="2">Name</th><th rowspan="2">Gender</th><th colspan="8">Professional competency</th></tr>
<tr><th>Operating judgment</th><th>Accounting and financial analysis</th><th>Management</th><th>Crisis management</th><th>Knowledge of Industry</th><th>Understanding of International Markets</th><th>Leadership</th><th>Decision Making</th></tr>
<tr><td rowspan="5">Director</td><td>WANG, CHIN-PO</td><td>Male</td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>WANG, CHIUNG-FEN</td><td>Male</td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>CHEN, CHING-JUNG</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>SHIH, MING-HAO</td><td>Male</td><td>✓</td><td></td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>WU, AI-YUN</td><td>Female</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td rowspan="2">Independent director</td><td>LI, MING-HSIEN</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>LIN, HSUAN-CHU</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td rowspan="2">Supervisor</td><td>CHANG, HUNG-YUAN</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>CHIEN, CHIN-CHENG</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
</table>
(2) We have established the Remuneration Committee as required by law. We will establish other kinds of functional committees based on business needs.
(3) In accordance with the “Regulations on Board Evaluation” approved by the Board of Directors, the regular self-evaluation of the Board and its members was incepted in 2021, and the result will be submitted to the Board and used as a reference to the appointment or nomination of Board members.
(4) We hire CPAs from the Taiwan branch from one of the Big Four. BOD assesses the Independence of CPAs every year and requests them to submit a “Statement of Independence.” Currently, all CPAs in service are independent. Please see the CPA Independence Assessment Sheet in Note 1.</td><td></td></tr>
<tr><td>4. Does a public company equip an appropriate number of eligible governance personnel and assign the governance office to take charge of company’s governance affairs (including, without limitation, providing directors and supervisors with the data required for business operations, assistance for the legal compliance of directors and supervisors, handling affairs related to holding a board meeting or a general meeting of shareholders and</td><td>✓</td><td></td><td>To implement corporate governance and the function of the Board, the Board agrees to hire Huang Su Mei, the Assistant Vice President of Department of financial administration, as the corporate governance officer. Huang has over three years of experience in management work at public companies, including finance, stock affairs and discussion.
The corporate governance officer is primarily responsible for corporate governance matters and servers as the board secretary. The main responsibilities include “carrying out tasks associated with the Board and Shareholders’ Meeting according to the law,” “creating the meeting minutes of the Board and Shareholders’ Meeting,” “assisting directors and supervisors with taking</td><td>No significant difference</td></tr>
</table>

Items for evaluation	Actual governance (Note)			Deviation and causes of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
producing minutes for board meetings and general meetings of shareholders)?			office and continuing education," "providing information directors and supervisors needed for operation," "helping directors and supervisors with compliance," and "other tasks stipulated according to the articles of incorporation or contract." The following describes the implementation of company governance matters in 2020: 1. Assist directors and supervisors in carrying out their duties, provide them with the required data, and arrange further education for them. 2. We provide information directors and supervisors needed for operation and assist them with compliance. 3. Assist with the procedure of board meetings and meetings of shareholders and the legal compliance of resolutions. (1) Report the effectiveness of governance to the BOD, independent directors, and supervisors; confirm the legal compliance and compliance with the governance best practice principles of the convening of meetings of shareholders and board meetings. (2) Assist directors in legal compliance while carrying out their duty and making board resolutions, and remind directors of illegitimate resolutions. (3) Review the material information for disclosures on important resolutions after a board meeting and ensure the legitimacy and accuracy of material information to maintain information symmetry of investors. 4. Maintain investor relations: Arrange exchange and communication activities for directors and major shareholders, institutional investors, and general shareholders as necessary for investors to acquire sufficient information to assess the fair value of the enterprise in the capital market and maintain the rights and interests of shareholders. 5. Draw up the board meeting agenda and notify directors seven days in advance. Convene the board meeting and supply meeting data. Remind directors of proposals requiring avoidance of the conflict of interest. Complete the meeting minutes within 20 days after the board meeting. 6. Complete the advance registration of the date of the meeting of shareholders; and produce the meeting notice, handbook of the meeting of shareholders, and meeting minutes within the regulatory time limits; and complete the change registration after an amendment to the Articles of Incorporation and director re-election. 7. We open continuing education courses for shareholders and purchase liability insurance for our shareholders and important employees. The corporate governance executive's training: 21 hours of training since the date of assuming this job position including the time spent in 2020. Please see details in Note 3.	

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Items for evaluation	Actual governance (Note)			Deviation and causes of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
5. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		We have established a spokesperson system to address related matters. We have also set up a stakeholder section on the corporate website and assigned related departments and different entities (including stakeholders) to establish communication channels	No significant difference
6. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company has appointed Yuanta Securities Co., Ltd., an independence of professional stock service agent, to handle shareholders affairs.	No significant difference
7. Disclosure of information (1) Does the Company have a website setup and the financial business and corporate governance information disclosed? (2) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)? (3) Has the Company announced and declared its financial report within 2 months after the end of the fiscal year, and announced and declared the quarterly financial report of Q1, Q2, and Q3 and the monthly business report before the deadline?	 ✓ ✓	 ✓	 (1) We have established a corporate website to fully disclose information in relation of finance, sales, and governance. Website: http://www.soft-world.com (2) We have appointed responsible staff to gather and disclose information by law, hoping to instantaneously disclose information that may affect the decision-making of shareholders and stakeholders. We have also assigned suitable personnel to be the spokesperson and deputy spokesperson by law. (3) As statutorily regulated, the Company has announced and reported the financial statements for the first, second and third quarters, as well as the monthly operations, within the stipulated timeframe.	No significant difference
8. Is there any other material information (including, without limitation, the following) that will help stakeholders understand governance practices at the company? 1. Employees' rights 2. Care for the employees 3. Investor Relations 4. Supplier Relations 5. Stakeholders' rights 6. Continuing education of directors and supervisors 7. Implementation of risk management policies and risk measurement standards	✓		1. We have established an employee welfare system to maintain the rights and interests of employees. 2. We abide by the law and maintain employee safety: e.g. workplace safety and employee bodily safety. 3. We have established the Public Relations Division to maintain shareholders relations, protect the rights and interests of investors, and fulfill our responsibilities for shareholders. 4. We always maintain sound supplier relations. 5. We have set up a stakeholder section on the corporate website for stakeholders to communicate with and make recommendations for the company, in order to maintain their legal rights and interests. 6. Further education of directors and supervisors (see Note 2 for details). 7. Prior to implementing important proposals, such as important operational policies, investment projects, endorsements/guarantees, and lending, the responsible departments will assess and analyze such proposals and submit to BOD for approval. The Audit	No significant difference

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Items for evaluation	Actual governance (Note)			Deviation and causes of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary	
8. Implementation of customer policies 9. The liability insurance obtained for directors and supervisors by the Company			Division also draws up the annual audit program to exercise the supervision mechanisms and control and manage all kinds of risk. 8. We maintain sound customer relations to create profit for the company. 9. To enforce governance, protect the rights and interests of all shareholders, and to reduce operational risk, we have purchased liability insurance for directors, supervisors, and officers as of 30 October 2017 and report to BOD every year.	
9. Please describe the improvement performed according to the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in recent years, and propose the matters with priority for improvement and the respective measures. (The companies that are not subject to an evaluation do not need to fill out this form.) The Company has carried out corporate governance self-evaluation in accordance with the competent authority's requirements and will continue to strengthen the practice. In 2020, the Company had improved the items that were not given evaluation scores, and will continue to strengthen the practice.				

Note: Whether the company selects "Yes" or "No" in the operation condition, it should explain the situation in the summary space.

Note 1: CPA Independence Assessment Sheet

(1)	Did CPAs hired by this company work at this company two years before engagement or within one year after retirement?	□Yes ■No
(2)	Do CPAs hired by this company recommend the stocks or other securities issued by this company?	□Yes ■No
(3)	Are CPAs hired by this company financed or guaranteed by this company?	□Yes ■No
(4)	Do CPAs hired by this company co-invest or share profit with this company?	□Yes ■No
(5)	Are CPAs hired by this company a director, a supervisor, or an officer of this company or will this influence their duty significantly or conflict with the interest of this company?	□Yes ■No
(6)	Are CPAs hired by this company involved with the management with decision-making power of this company?	□Yes ■No
(7)	Have CPAs hired by this company a spouse, a lineal relative by blood or by marriage, or a collateral relative by blood within the second degree of a member of the management of this company?	□Yes ■No
(8)	Do CPAs hired by this company solicit business with direct or indirect suggestion of relationship of a specific kind or with interest?	□Yes ■No
(9)	Do CPAs hired by this company take commission from external companies or individuals in relation to the business of this company?	□Yes ■No
(10)	The Statement of Independence obtained from CPAs every year.	■Yes □No

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Note 2: Continued education of directors and supervisors

Title	Name	Training date		Organizer	Course name	Training hours	Total continuing education hours of the year	Whether the training had complied with policies
		Start	End					
Director	WANG, CHIN-PO	2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0	6.0	Yes
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Director	WANG, CHIUNG-FEN	2020/10/20	2020/10/20	Corporate Governance Association in Taiwan	Discourse of the three major codes: integrity, governance and CSR along with practical cases	3.0	9.0	Yes
		2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0		
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Director	CHEN, CHING-JUNG	2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0	6.0	Yes
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Director	SHIH, MING-HAO	2020/07/15	2020/07/15	Taiwan Listed Companies Association	The legal environment faced by Taiwan companies having business operations in the U.S. market	2.0	9.0	Yes
		2020/06/16	2020/06/16		Taiwan's post-pandemic national governance	2.0		
		2020/05/11	2020/05/11	Securities and Futures Development Foundation	Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
		2020/03/16	2020/03/16	Taiwan Listed Companies Association	Discourse of our country's environmental protection	2.0		
Director	WU, AI-YUN	2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0	6.0	Yes
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Independent director	LIN, HSUAN-CHU	2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0	6.0	Yes
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Independent director	LI, MING-HSIEN	2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0	6.0	Yes
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Supervisor	CHANG, HUNG-YUAN	2020/09/22	2020/09/22	Taiwan Securities Exchange Corporation	Agenda of listed companies summit on "Corporate Governance 3.0 – Sustainability Blueprint"	3.0	9.0	Yes
		2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0		
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
Supervisor	CHIEN, CHIN-CHENG	2020/10/20	2020/10/20	Corporate Governance Association in Taiwan	Discourse of the three major codes: integrity, governance and CSR along with practical cases	3.0	9.0	Yes
		2020/08/12	2020/08/12	Securities and Futures Development Foundation	Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0		
		2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		

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Note 3: Corporate governance executive's training

Training date		Organizer	Course name	Training hours	Total continuing education hours of the year	Whether the training had complied with policies
Start	End					
2019/12/12	2019/12/12	Securities and Futures Development Foundation	Analysis of early warnings and types of corporate financial crisis	3.0	21	Yes
2020/01/16	2020/01/16		The impact of the new "Labor Incident Act" and corresponding measures	3.0		
2020/05/11	2020/05/11		Analysis of international tax trends and corresponding measures under the new corporate governance blueprint	3.0		
2020/06/11	2020/06/11		Analysis of early warnings and types of corporate financial crisis	3.0		
2020/08/12	2020/08/12		The norms and practices of the audit committee	3.0		
2020/10/16	2020/10/16		Strategy and management of business upgrade and transformation – choice of merger/acquisition and alliance	3.0		
2020/07/15	2020/07/15	GreTai Securities Market	Advocacy meeting on corporate governance and business integrity for board directors and supervisors	3.0		

(IV) If the Company has established the Remuneration Committee, disclose the composition, function and state of operation

1. Information on the members of the Remuneration Committee

By identity (Note 1)	Condition / Name	Have more than 5 years of experience and the following professional qualifications			Status of independence (note 2)										Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies	Remarks
		Lecturer (or above) of commerce, law, finance, accounting, or any subjects relevant to the company's operations in a public or private tertiary institution	Passed the qualification examination with proper licensing by the national Government Apparatus as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the Company	Required Work experience in commerce, law, finance, accounting or others required by the company	1	2	3	4	5	6	7	8	9	10		
Independent director	Convener LI, MING-HSIEN	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	
Independent director	Committee LIN, HSUAN-CHU	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	
Others	Committee SHYU, SO-DE	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

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Note 1: Identity is known as director, independent director or others.
Note 2: place a "✓" in the box below if the member met the following conditions during the time of active duty and two years prior to the elected date.

(1) Not an employee of the Company or its affiliates.
(2) Not a director or supervisor of the Company or its affiliated companies (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).
(3) Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under Subparagraph (1) or any of the persons in Paragraph (2) and (3).
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or that ranks among the top five in shareholdings or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).
(6) A majority of the Company's director seats or voting shares and those of any other company are not controlled by the same person who is a director, supervisor, or employee of that other company (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).
(7) The chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are not the same person or are not spouses who is a director (or governor), supervisor, or employee of that other company or institution (but if the independent director is appointed in accordance with the "Securities and Exchange Act" or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).
(8) Not a director (or governor), supervisor, managerial officer, or a shareholder who holds 5% or more of the issued shares of another company or institution that conducts finance or business transactions with the Company (however, if a specific company or institution holds 20% or more and no more than 50% of the total number of issued shares of the Company and the independent directors appointed in accordance with the Act or the law and regulations of the local country concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent company, it is not subject to this requirement).
(9) Not a professional individual, or an owner, partner, director (or governor), supervisor or officer of a sole proprietorship, partnerships, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the last 2 years had received cumulative compensation exceeding NT$500,000, or a spouse thereof. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee or special committee for merger and acquisition, who exercises powers pursuant to the "Securities and Exchange Act" or to the "Business Mergers and Acquisition Act" or relevant laws and regulations. ◦
(10) Not under any of the categories stated in Article 30 of the Company Act.

2. Information on the operation of the Remuneration Committee
   (1) The Remuneration Committee of the Company is consisted of 3 persons.
   (2) The tenure of current members of the committee: August 12, 2018 to June 13, 2021. The committee has held 2 sessions lately in 2020 (A). The qualification of the members and attendance to meetings are shown below:

Title	Name	Actual number of attendance (B)	Attend through proxy	Attendance rate (%) (B/A) (Note)	Remarks
Convener	LI, MING-HSIEN	2	0	100	None
Committee	SHYU, SO-DE	2	0	100	None
Committee	LIN, HSUAN-CHU	2	0	100	None

3. The duties of the Remuneration Committee
   The Committee shall exercise the due care of a good administrator to faithfully execute the following job functions and submit proposals to

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the Board for discussion. However, the remunerations of supervisors shall be proposed to the Board for discussion.

(1) Establish the performance evaluation standards for directors, supervisors and executives, as well as the policies, systems, standards and structure of salaries and remunerations, to be disclosed in the annual report.

(2) Establish and regularly review the salaries and remunerations of directors, supervisors and executives, and the individual salary and remuneration shall be determined based on the evaluation results by the standards.

Other notes:

1. The Board may not accept the recommendations of the Remuneration Committee, or revise the recommendations, specify the date of the Board meeting, the term, the content of the motion, the resolution of the Board, and the response of the Board towards the opinions of the Remuneration Committee (e.g., the remuneration package passed by the Board is superior to the recommendation of the Remuneration Committee, specify the difference and the reasons):
2. Where members of the Remuneration Committee may have adverse opinions or qualified opinions in their resolutions on record or in written declaration, specify the date and session of the committee, the content of the motion, the opinions of all other members, and the responses to the adverse opinions.
3. Important Remuneration Committee resolutions:

Date	RE:	Resolution
4th meeting of the 4th Remuneration Committee 2020/03/25	1. We amended the "Remuneration Committee Charter." 2. Review of the proposal on the 2019 earnings distribution for directors, supervisors, and employees.	All members attended the meeting passed the proposal as is.
5th meeting of the 4th Remuneration Committee 2020/11/11	1. Assess the policy, system, standard, and structure of the performance evaluation and remuneration of directors and supervisors. 2. Assess the policy, system, standard, and structure of the performance evaluation and remuneration of officers. 3. Discussion the 2021 work plan of the Remuneration Committee.	
6th meeting of the 4th Remuneration Committee 2021/03/17	1. Review of the proposal on the 2020 earnings distribution for directors, supervisors, and employees.	

Note:

(1) If specific member of the Remuneration Committee resigned before the end of the fiscal year, specify the date of departure in the field of Remarks, the attendance rate to committee meetings (%) basing on the actual attendance to committee meetings during his or her term of office in proportion to the total number of committee meetings held in the same period.

(2) Before the end of the fiscal year, new members were elected to the Remuneration Committee to fill the vacancies left behind by the members with tenure expired. Specify both the details of the new and former members of the committee in the field of "Remarks" as original term, new term, or renewed term, and the date of the election. The actual attendance rate (%)shall be calculated on the basis of the total number of meetings and the actual number of meetings attended by the member during his/her term of employment.

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(V) Performance of corporate social responsibility: The systems of the Company in environmental protection, community participation, social contribution, social service, social charity, consumer rights, human rights, safety and health, and other aspects of corporate social responsibility and the state of pursuit:

In addition to game development, we spare no effort to implement corporate social responsibilities, such as consumer rights and interest and social welfare, in order to contribute to society in a timely fashion.

Items for evaluation	Actual governance (Note 1)			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary (Note 2)	
1. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management? (Note 3)	✓		We integrated the risks of environmental, social and corporate governance issues associated with operation into operational strategy, including company policy, internal operational management and business execution.	No significant difference
2. Does the Company have a specific (or part-time) unit set up to promote corporate social responsibility, have the management been authorized by the Board of Directors to handle matters and report the processing results to the Board of Directors?	✓		The financial management center is in charge of promotion of measures on protection for workplace and personal safety. The President Office is in charge of environment protection, social welfare and consumer rights.	No significant difference
3. Environmental Issues				No significant difference
(1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		(1) We ensure the utilization efficiency of various resources to reduce the impact of environmental loads.	
(2) Is the Company committed to enhance the utilization efficiency of resources and use renewable materials that are with low impact on the environmental?	✓		(2) When selecting major production materials, we use only the non-hazardous substances listed by the RoHS to reduce environmental impacts. We are a manufacturer, and ISO 140001 thus does not apply to this company.	
(3) Does the Company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related issues?	✓		(3) We are not in manufacturing industry. The main potential risks we encountered are in environmental and operational aspects. To mitigate and adapt with changes incurred by climate changes, we adopt equipment with higher efficiencies to lower the operational cost.	
(4) Did the Company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the company established policies for energy conservation, carbon reduction, GHG reduction, water conservation, and waste management?	✓		(4) We stipulated the management policies for energy saving and carbon reduction, GHG reduction, water use reduction or other policies of waste management to comply with policies of energy saving, carbon reduction and GHG reduction.	
4. Social issues				No significant difference
(1) Does the Company have the relevant management policies	✓		(1) We establish management policies and procedures in accordance with	

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and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?			relevant laws and the International Bill of Human Rights.	
(2) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	✓		(2) We stipulate all kinds of salary and welfare measures according to the "Labor Standards Act" and relevant regulations. We provide market competitive welfare to encourage employees. Besides, we perform regular appraisal and give performance bonus to share our surplus with employees.	
(3) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		(3) We provide employees with a safe and healthy workplace and arrange workplace health and safety training regularly in compliance with OHS laws and regulations. We also arrange health examinations for employees every year and enhance workplace safety and health.	
(4) Does the Company have an effective career capacity development training program established for the employees?	✓		(4) We encourage employees of all departments to apply for external professional training to enrich their career skills. We also encourage employees to assess their interest, skills, value, and goals to make future career planning.	
(5) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	✓		(5) We established the customer service unit, policy for consumer rights protection and appeal procedure. We set up a stakeholder section to provide customers with a channel for inquiry, appeal and suggestion, which are handled with care and feedback is provided according to the principle of good faith to ensure customer rights.	
(6) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?	✓		(6) We do not include our CSR policy in contracts signed with suppliers. However, after detecting their involvement with a violation of our CSR policy that may cause significant impacts to the environment and society, we will consider suspend or terminate business with them.	
5. Did the company, following internationally recognized guidelines, prepare and publish reports such as its corporate social responsibility report to disclose non-financial information of the company? Did the company apply for assurance or guarantee of such reports to a third-party certification body?		✓	We have not acquired the affirmation or guarantee opinion from a third-party certification unit, however we have formulated the "Corporate Social Responsibility Best Practice Principles", implemented corporate social responsibility and put stakeholders' interests into consideration. In addition, we treat customers fairly and reasonably, and require suppliers to comply with the guidelines for corporate social responsibility practices.	No significant difference
6. For companies who had established corporate responsibility code of conducts in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies", please describe the current practice and any deviations from the code of conduct: No significant difference.				
7. Other important information that help understand the CSR operation: (1) As a domestic game developer, we encourage more talent to join technology and art creation in recognition of Kwoh-ting Li's contribution to Taiwan's economic miracle.				

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Aiming to capacitate the industry, we began to sponsor all cash prizes for the digital game category of the KT Awards for technology and art creation competitions in 2014 has been eight consecutive years, in order to cultivate technology and art talent, and promote game industry innovation and creative talent.

(2) We are devoted to enhancing the local industry in Kaohsiung and cultivate professional technical talents. Since 2018, we have collaborated with 20 universities on academia industry internship three years in a row, including National Pingtung University, National Yunlin University of Science & Technology, National Kaohsiung Normal University, National Kaohsiung University of Science and Technology, National Taitung University, National Chiayi University, National Formosa University, Tainan National University of the Arts, Wenzao Ursuline University of Languages, Cheng Shiu University, Tungfang Design University, Southern Taiwan University of Science and Technology, Kun Shan University, Chang Jung Christian University, Shih Chien University Kaohsiung Campus, Shu-Te University, Yu Da University of Science and Technology and Ling Tung University. We recruited 36 students in the first year (academic year of 2018) for the one-year internship in 3D game arts. Besides teaching students professional knowledge in the industry and providing them chances with hands-on practice, we offer all kinds of welfare, including scholarship, free dormitory, allowance and group insurance. Through solid courses, we focus our in-depth training on competencies required for industrial talents. Interns can work in Soft-World Group once they pass the internship completion appraisal. A total of 12 students became full-time employees in the first year (academic year of 2018), 30% of all the interns. We helped these interns achieve seamless transition from graduation to employment. We recruited 38 students in the second year (academic year of 2019) for the one-year internship. In addition to 3D game arts, our training covers multimedia production and music composition. We expect to bridge the industry academia gap significantly, and cultivate new industrial talents in the long run, to cultivate work-ready industrial professionals and increase overall competitiveness. In the meantime, we built a new base for international game design in Southern Taiwan and achieve a three-win situation for schools, students and corporations. Despite the epidemic, 17 students were recruited for the third term (the 2020 school year), and after a full year of internship, the students have received not only the training of "3D game art," but also an additional "audio production" and, as a result, the music and songs continue to play under the global pandemic, making remarkable contributions to cultivate a new momentum to the gaming industry. (3) To fulfill our environmental CSR, we ban hazardous substances in RoHS in the major raw materials for production and disseminate this message to all departments to ensure our products can comply with the regulatory and customer requirements.

(4) In times of social emergency, we initiate donations and encourage employees to participate in social assistance.

Note 1: If the status of operation is checked "Yes," please explain the key policies, strategies, measures and implementations adopted. If checked "No," please explain the reasons and relevant policies, strategies and measures to be adopted in the future.

Note 2: If a CSR report is published, state the methods to access the CSR report or replace it with a report index in the operation status.

Note 3: The materiality principle refers to the environmental, social and corporate governance issues which have a significant influence on the Company's investors and other interested parties.

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(VI) The Company's integrity and measures taken to ensure service integrity:

Items for evaluation	Actual governance (Note)			Difference with other companies listed in TWSE/GTSM in best-practice principles of business integrity
	Yes	No	Summary	
1. The policy and plan of business integrity (1) Has the company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	✓		(1) To implement ethical corporate management. Therefore, we established the "Soft-World International Ethical Corporate Management Best Practice Principles" to prevent unethical conduct, prohibit any and all forms of bribery, corruption, extortion and embezzlement and prevent individual behaviors from damaging the interest and goodwill of the company, and ensure compliance with related laws and regulations and the code of ethical conduct for business. Our senior management and Board members are responsible for supervision based on integrity when performing the operation to create an operating environment for sustainable development.	No significant difference
(2) Has the company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies?"	✓		(2) The company is committed to implementing the unethical conduct prevention plan. Our "code of practice" specified unethical conducts including the "opportunistic, concealment, swindling, seeking of illegal profit." We have adopted preventive measures and promoted unethical conduct prevention to carry out the ethical management policy.	
(3) Has the company explicitly specify the operating procedure, code of conduct, punishment and grievance system for violation in the unethical conduct prevention plan? Has the company implemented the aforementioned operating procedure, code of conduct, punishment and grievance system for violation? Does the company review and amend the abovementioned plan regularly?	✓		(3) To prevent the risk of unethical behavior in business activities, we prohibit the offering and acceptance of bribes and illegal policy contribution. In the "Work Rules," we specify that employees will be dismissed when they "charge on credit in the name of the company for reasons unrelated to work," "embezzle transaction payments," or "procure in the name of the company or privately."	
2. The Materialization of Business Integrity (1) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		(1) We do not include ethical conduct terms in business contracts. However, we do engage in business activities in conformity with the Company Act and other laws and regulations or laws and regulations in relation to business	No significant difference

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Items for evaluation	Actual governance (Note)			Difference with other companies listed in TWSE/GTSM in best-practice principles of business integrity
	Yes	No	Summary	
			activities.	
(2) Has the company set up a unit responsible for promotion of corporate ethical management under the Board? Does the company report its ethical management policy, unethical conduct prevention plan, and relevant supervision and implementation regularly (at least once a year)?	✓		(2) The President Office instructed relevant units to carry out corporate ethical management and report the implementation to the Board. No valid case of external or employee whistleblowing was handled and no major unethical conduct occurred in 2020.	
(3) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		(3) We perform all of the operating activities according to law. We announce major news for information transparency as required by law. For proposals in the Board, the directors associated with the proposals strictly comply with the rules for avoidance of conflict of interest and do not participate in discussion or voting.	
(4) Has the company built an effective accounting system or internal control system for implementation of ethical management? Has our internal audit unit drawn up relevant audit plans based on the result for evaluation of risk of unethical conduct? Has our internal audit unit checked the compliance to unethical conduct prevention plan according to the audit plan or authorized an accountant to perform the check?	✓		(4) Our internal audit unit regularly analyzes and evaluates the risk of unethical conduct (annual self-evaluation report). We formulate relevant audit plans according to the result and schedule specialized check by accountants for exceptional situation.	
(5) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		(5) We establish the employee training plan every year and arrange courses involving governance and ethnical corporate management. In 2020, we arranged up to 50 hours of courses involving ethnical corporate management for 100 employees.	
3. The operations of the Company's Report System			Punishment is specified in the Work Rules.	No significant difference
(1) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	✓		(1) Employees can report unethical behaviors to the "suggestion box" or the "whistleblowing email" for the responsible personnel of the Financial Management Center to take over a case.	
(2) Has the Company established the standard operation procedures for the investigation of complaints as reported, follow-up actions after the investigation, and related mechanisms for confidentiality?	✓		(2) Our document and data, and the record and archive after survey, are treated as confidential documents. All staffs handled these information are responsible for full confidentiality on the process with their participation.	
(3) Has the Company taken proper measures to protect the	✓		(3) We ensure the anonymity of whistleblowers and that they are not treated	

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Items for evaluation	Actual governance (Note)			Difference with other companies listed in TWSE/GTSM in best-practice principles of business integrity
	Yes	No	Summary	
whistle-blowers from suffering any consequence of reporting an incident?			improperly.	
4. Enhancing Information Disclosure Has the company disclose the contents of the integrity management rules and its implementation effectiveness on its website and the Market Observation Post System?	✓		We have disclosed our the “Soft-World International Ethical Corporate Management Best Practice Principles” and related information on the corporate website and MOPS.	No significant difference
5. Where the Company may have establish its own business integrity best-practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”, and shall elaborate the practice of business integrity and the variations from the aforementioned regulation: No significant difference.				
6. Other important information about the corporate integrity operations: according to the decree issued by the Financial Supervisory Commission in the letter Jinguanzheng Fazi No. 1080307434 dated May 16, 2019, the Board approved the revision of the Corporate Integrity Code on March 25, 2020. (Such as the review and revision of the Corporate Integrity Code)				

Note: Whether the company selects “Yes” or “No” in the operation condition, it should explain the situation in the summary space.

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(IX) Internal control:

1. Declaration of Internal Control Policies

Soft-World International Corporation

Statement of Declaration of Internal Control System

Date: March 17, 2021

The Company's 2020 Internal Control System Declaration is declared as follows in accordance with the self-assessment results:

I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities The Company's board of directors and managers. These policies were implemented throughout The Company. The purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with the relevant law and regulations.

II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within The Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. The Company has based on the criteria of the internal control system effectiveness in the "Regulations Governing the Establishment of Internal Control System by Public Companies" (referred to as the "Regulations" hereinafter) to determine the effectiveness of the internal control system design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.

IV. The Company adopted the abovementioned criteria to evaluate the effectiveness of its policy design and execution.

V. The Company based on the assessment results in the preceding paragraph believes that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2020, including the achievement of operating effectiveness and efficiency, reporting matters with reliability, timeliness, transparency, and compliance with the relevant specifications, and the compliance with the relevant law and regulations, and the related internal control system design and implementation, is effective and is able to reasonably ensure achieving the above objectives.

VI. This declaration forms part of the main contents of the company's annual report and prospectus, and shall be disclosed to the public. Any misrepresentation or concealment of the aforementioned disclosures shall be liable to violation of Articles 20, 32, 171 and 174 of the Securities and Exchanges Act and the legal consequences thereof.

VII. The "Internal Control System Declaration" was resolved in the Board of Directors meeting on March 17, 2021 without any objection from any of the seven (7) attending Board Directors. The attending Board Directors approved the "Internal Control System Declaration" unanimously.

Soft-World International Corporation

Chairman and President: WANG, CHIN-PO

2. For the CPAs specifically commissioned to review the internal control system, the Independent Auditor’s Report should be disclosed: None.

(X) Major resolutions from general shareholders' meetings and board of directors meetings during the latest financial year, up to the publication date of this annual report: none.

(XI) Important Resolution of the Board of Directors as of the Publication Date of the Annual Report:

1. Major shareholders' meeting resolutions:
   The 2020 annual general meeting of shareholders (AGM) was held at 9.30am on (Thursday) June 18, 2020 at the Kaohsiung Ambassador Hotel Building (20F, No. 202, Minsheng 2nd Road, Kaohsiung City).
   ◎ Important resolutions
   (1) Adoption of the 2020 final accounting books.
   (2) Acknowledging the Company's 2020 Earnings Distribution.
   (3) The proposal to amend the rules of procedure for the shareholders meeting was passed by votes.
   (4) The proposal to amend the rules of procedure for electing board directors and supervisors was passed by votes.
   ◎ Status of implementation:
   (1) Implementation of the important resolutions made at the board meetings were completed.
   (2) The 2019 earnings distribution proposal: cash dividend at NT$4 per shares. The base date of distribution was set at September 5, 2020. Cash dividend was distributed on September 18, 2020.
2. Major Board of Directors resolutions:

Time	Important resolutions
9th Meeting of the 9th Board of Directors 2020/03/25	1. We amended the "Remuneration Committee Charter." 2. The 2019 effectiveness evaluation of the internal control system and the Statement of Internal Control System. 3. Proposal to approve the CPA audit fee for 2020. 4. The proposal for switching the certified public accountant for our financial statement 5. Review of the proposal on the 2019 earnings distribution for directors, supervisors, and employees. 6. The 2019 business report, individual financial statements, and consolidated financial statements. 7. The Company's 2019 Earnings Distribution. 8. Amendments to Corporate Governance Best Practice Principles. 9. Amendments to Ethical Corporate Management Best Practice Principles 10. Amendments to Corporate Social Responsibility Best Practice Principles 11. Amendments to Rules of Procedure for Shareholders Meetings. 12. Amendments to Regulations for Directorial and Supervisorial Elections. 13. We made discussion and, in our announcement, we explicitly specified that we are willing to handle proposals from shareholders holding at least 1% of shares. 14. Discussion of the date and place of the 2020 AGM 15. Operational Plan for year 2020. 16. We amended the Rules and Procedures of Board of Directors Meetings. 17. We performed the treasury stock operation for the ninth time to offer stocks to employees.
10th Meeting of the 9th Board of Directors 2020/05/11	1. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd." 2. Ratification of the ninth revision of rules for transferring repurchased shares to employees.
11th Meeting of the 9th Board of Directors 2020/06/18	1. The proposal made by the subsidiary "Game Flier International" to restructure the revenue sharing on the "The Legend of Three Kingdoms M – Mobile Game Joint Operating Agreement" signed with "UserJoy Technology." 2. The proposal to invest in "Archosaur Games Inc."

Time	Important resolutions
12th Meeting of the 9th Board of Directors 2020/08/12	1. The proposal for the 2019 cash distribution and ex-dividend date and the change of dividend payout ratio due to the treasury stock measure. 2. Setting up the "Treasury Stock Repurchase Procedure." 3. New addition of "Internal Control System" and "Internal Audit Regulations." 4. We amended the "Internal Control System and "Enforcement Rules of Internal Audit."
13th Meeting of the 9th Board of Directors 2020/11/11	1. Assess the policy, system, standard, and structure of the performance evaluation and remuneration of directors and supervisors. 2. Assess the policy, system, standard, and structure of the performance evaluation and remuneration of officers. 3. The proposal to extend the expired performance bond limit. 4. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd." 5. We endorse and guarantee the contract renewal for our subsidiary "Neweb Technologies Co., Ltd." 6. Independence and suitability assessment of CPAs. 7. Issues for audit plans in 2021.
14th Meeting of the 9th Board of Directors 2020/12/30	1. The proposal to appoint a Deputy General Manager as a promotion. 2. The proposal to appoint a Deputy General Manager as a promotion.
15th Meeting of the 9th Board of Directors 2021/03/17	1. The 2020 effectiveness evaluation of the internal control system and the Statement of Internal Control System. 2. Replacement of the CPA that does the Company's external audit, due to the accounting firm's internal job rotation. 3. Review of the proposal on the 2020 earnings distribution for directors, supervisors, and employees. 4. The Company's 2020 Business Report and Financial Statements. 5. The Company's 2020 Earnings Distribution. 6. Amendments to the "Articles of Incorporation". 7. Amendments to Rules of Procedure for Shareholders Meetings. 8. Amendments to Regulations for Directorial and Supervisorial Elections. 9. Procedures for Election of Directors. 10. Motion of cancelling the non-compete restriction on the newly-elected directors 11. Acceptance of the proposals and nomination made by shareholders holding 1% of shares. 12. Discussion of the date and place of the 2021 general shareholders meeting. 13. Operational Plan for year 2021. 14. We amended the Rules for Performance Evaluation of the Board. 15. The proposal to set up the Audit Committee Charter.

(XII) If the directors or supervisors have different opinions on the resolutions reached by the Board of Directors with a record or written statement made in the most recent year and up to the printing date of the annual report, please state the content of the opinion: None.

(XIII) The summary of the resignation or dismissal of the Company's Chairman, President, Accounting Officer, Finance Officer, Internal Audit Officer, Corporate Governance Officer and R&D Director in the most recent year and up to the printing date of the annual report: None.

V. Disclosure of CPAs' remuneration:

Firm Name	CPA Name		Duration of Audit	Remarks
Deloitte & Touche	Chen-li Chen	Jia-ling Jiang	2020.01.01-2020.12.31	

Note: If the accountant or accounting firm has been changed this year, the review period shall be listed and the reason of change shall be noted in the remark column.

Fee levels \ Fee items		Auditing fee	Non-Auditing fee	Total
1	Below NT$2,000 thousand		V	
2	NT$2,000 thousand (inclusive) ~ NT$4,000 thousand			
3	NT$4,000 thousand (inclusive) ~ NT$6,000 thousand	V		
4	NT$6,000 thousand (inclusive) ~ NT$8,000 thousand			V
5	NT$8,000 thousand (inclusive) ~ NT$10,000 thousand			
6	Over NT$10,000 thousand (inclusive)			

(I) If the non-auditing fee paid to the attestation CPAs, attestation CPA Firm, and the affiliated enterprises is for an amount more than one fourth of the auditing fee, the auditing amount, non-auditing amount, and the contents of the non-auditing service must be disclosed: None.

(II) If the commissioned CPAs Firm is replaced and the auditing fee paid in the year of replacement is less than the auditing-fee paid in the prior year, the auditing fee before and after the replacement and the root cause should be disclosed: None.

(III) If the audit fees are more than 10% less than the previous year, the reduced amount, proportion and reasons shall be disclosed: the reason for the decrease this year is because the fees of the previous year covering some subsidiaries.

Monetary Unit: NT$ Thousand

Firm Name	CPA Name	Non-Auditing fee					The duration of the audit	Remarks
		System design	Corporate Registration	Human Resources	Others (Note 2)	Subtotal		
Deloitte & Touche	Chen-li Chen Jia-ling Jiang	0	0	50	1,343	1,393	2020.01.01~ 2020.12.31	Other are transfer prices.

Note 1: If there is any CPA or CPA Firm being replaced in current year, the auditing period should be indicated separately and the reason for such replacement should be detailed in the remark column; also, the information regarding the audit and non-audit fee paid should be disclosed.

Note 2: Non-audit remuneration should be listed separately by service category. If the "Other" category amounts to 25% of total non-audit remuneration, then services must be detailed in the remark's column.

VI. Change of CPA:

(I) About the former CPA:

Date of replacement	A resolution by the Board on March 25, 2020.		
Reason for replacement and note	The Company's external auditing CPAs from Deloitte & Touche Wu Chiu-Yen and Chiang Jia-Ling were placed by Chen Chen-Li and Chiang Jia-Ling due to the accounting firm's internal job rotation.		
Termination or appointment rejection by the appointer or CPAs	Interested party / Condition	Certified Public Accountant	Appointer
	Active termination	Not applicable	Not applicable
	Appointment/reappointment rejection	Not applicable	Not applicable
Opinions in and reason for audit reports issued other than unqualified opinion in the last two years	None		
Disagreement with the issuer (Yes/No)	There is no disagreement		
Other disclosures (Disclosures deemed necessary under Item 1-4 and 1-7, Subparagraph 6, Article 10 of The Guidelines)	None		

(II) New CPAs:

Name of CPA firm	Deloitte & Touche
CPA Name	Chen-li Chen and Jia-ling Jiang
Date of appointment	Approval by the Board resolution on March 25, 2020.
Consultancy and result before appointment concerning the accounting practices or principles for specific transactions and the opinions possibly offered on financial statements	Not applicable
New CPA's written opinion on the matters on which the former CPA had different opinions	Not applicable

(III) The former CPAs reply to the issues concerning Item 1 and 2-3, Subparagraph 6, Article 10 of this Standard: No concerns.

VII. Any of the Company's Chairman, General Manager, or managers involved in financial or accounting affairs being employed by the auditor's firm or any of its affiliated company within the recent year: None.

VIII. Shareholding transfers and share collateralization within the latest year, up till the publication date of this annual report, initiated by directors, supervisors, managers and shareholders with more than 10% ownership interest:

(I) Shareholding changes of directors, supervisors, managers, and major shareholders

Title	Name	2020		By April 18 of the year.	
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares
Chairman and President, major shareholder	WANG, CHIN-PO	0	0	0	0
Director	WANG, CHIUNG-FEN	0	0	0	0
Director	CHEN, CHING-JUNG	0	0	0	0
Director	SHIH, MING-HAO	0	0	0	0
Director	WU, AI-YUN	0	0	0	0
Independent director	LI, MING-HSIEN	0	0	0	0
Independent director	LIN, HSUAN-CHU	0	0	0	0
Supervisor	CHIEN, CHIN-CHENG	0	0	0	0
Supervisor	CHANG, HUNG-YUAN	0	0	0	0
President, Group Financial Management Center	CHUNG, HSING- PO	0	0	0	0
Chief accountant	HUANG, YA-CHUAN	0	0	0	0
Corporate Governance Officer	Su Mei Huang	0	0	0	0
Vice President	Kai Le Yuan	-	-	0	0
Vice President	Shih Chen Li	-	-	0	0

(II) The counterparty of equity transfer is a related party:

1. Shares transfer by directors, supervisors, officers, and shareholders holding over 10% of the outstanding shares: NA.

(III) The counterparty of equity pledge is a related party: None.

IX. Relationships among The Company's top ten shareholders including spouses, second degree relatives or closer:

Information on the relationship between the top ten shareholders April 18, 2021

Name (Note 1)	Own shareholdings		Shares Held by Spouse & Dependents		Shareholdings under the title of a third party		Spouse, Relative Of Second Degree Or Closer, Or Related Parties Defined In Statement Of Financial Accounting Standards No. 6 Among The Top Ten Shareholders; State Their Names And Relationships. (Note 3)		Remarks
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Name	Relation	
WANG, CHIN-PO	21,594,350	16.94%	3,083,208	2.42%	0	0	Xiu-yan Ke WANG, SHU-CHUAN Jun-xong Wang	Husband and wife Brother and sister Brothers	None
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	12,013,000	9.42%	0	0	0	0	None	None	None
Zilong Venture Capital Co., Ltd.	8,913,000	6.99%	0	0	0	0	None	None	None
Zilong Venture Capital Co., Ltd. Representative: WANG, LEE-JUNG	166,428	0.13%	0	0	0	0	None	None	None
Taiwan Branch, Belize Yiqiao Development Co., Ltd.	6,880,000	5.40%	0	0	0	0	None	None	None
Taiwan Branch, Belize Yiqiao Development Co., Ltd. Representative: WANG, CHIN-MING	0	0%	0	0	0	0	None	None	None
Boju Financial Holdings Corporation Investment Account in Custody of Union Bank of Taiwan Co., Ltd.	3,322,000	2.61%	0	0	0	0	None	None	None
Xiu-yan Ke	3,083,208	2.42%	21,594,350	16.94%	0	0	WANG, CHIN-PO	Husband and wife	None
Special Account for Investment of the Central Bank of Norway in custody of Citibank(Taiwan)	1,894,084	1.49%	0	0	0	0	None	None	None
Wanin International Co., Ltd.	1,828,000	1.43%	0	0	0	0	None	None	None
Wanin International Corporation Representative: Zheng-hao Xiao	16,000	0.01%	0	0	0	0	None	None	None
WANG, SHU-CHUAN	1,657,324	1.30%	0	0	0	0	WANG, CHIN-PO Jun-xong Wang	Brother and sister Brother and sister	None
Jun-xong Wang	1,629,512	1.28%	0	0	0	0	WANG, CHIN-PO WANG, SHU-CHUAN	Brothers Brother and sister	None

Note 1: Illustrate the top-ten shareholders. The name of the corporate shareholders and the name of its representative should be illustrated separately.

Note 2: The calculation of shareholding ratio refers to the shareholding ratio calculated in accordance with the shareholding of the shareholders, spouse, minor children, and in the name of others.

Note 3: Disclose the interrelationship of the shareholders listed above, including corporate investors and natural investors.

X. Investments jointly held by The Company, The Company's directors, supervisors, managers, and enterprises directly or indirectly controlled by The Company. Calculate shareholding in aggregate of the above parties:

Proportion of overall shareholding

Expressed in shares; NT$ thousands; % December 31, 2020

Investee (Note)	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Combined investment	
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding
Chinese Gamer International Corporation	41,880,205	48.63%%	1,207,346	1.40%	43,087,551	50.03%
Game Flier International Corporation	28,332,800	98.5%	0	0	28,330,027	98.5%
Soft-World (Hong Kong) International Corporation	3,883,558	100%	0	0	3,883,558	100%
Game First International Corporation	16,684,063	70%	0	0	16,684,063	70%
Global Concept Corporation	9,631,253	100%	0	0	9,631,253	100%
Zealot Digital International Corporation	8,904,162	99%	49,287	0.55%	8,953,449	99.5%
Zilong Venture Capital Co., Ltd.	10,182,500	13%	0	0	10,182,500	13%
Soft-World Technology Pte. Ltd.	390,000	100%	0	0	390,000	100%
Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	2,135,628	90%	0	0	2,135,628	90%
Interactive Entertainment Technology Co., Ltd.	480,000	80%	0	0	480,000	80%
Dynasty International Information Co., Ltd.	1,460,610	86%	0	0	1,460,610	86%
Sofaman Technologies Co., Ltd.	936,600	60%	0	0	936,600	60%
Zealot Digital Pte. Ltd. Note 2	-	-	0	0	-	-

Investee (Note)	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Combined investment	
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding
Neweb Technologies Co., Ltd.	38,104,043	50%	1,549,984	6.5%	39,654,027	56.9%
Efun International Corporation	16,016,347	80%	0	0	16,016,347	80%
Lung Hsiang Investment Co., Ltd	25,000,000	44%	0	0	25,000,000	44%
Celad Taiwan Inc.	1,750,000	32%	0	0	1,750,000	32%
Joy Children Technology Co., Ltd.	2,051,153	32%	0	0	2,051,153	32%
We Can Financial Technology Co., Ltd.	5,106,000	51%	0	0	5,106,000	51%

Note 1: Investments using the equity method
Note 2: The settlement was completed in 2020.

Four. Funding Status

I. The Company's capital stock and stock shares

(I) Capital Sources

1. Process where the share capital was formatted

Year and month	Issuing price	Authorized shares capital		Paid-in shares capital		Remarks		
		Quantity	Amount	Quantity	Amount	Sources of shares and dividends	Paid in properties other than cash	Others
February 1983	Note 1	Note 1	5,000,000	Note 1	5,000,000	Cash	-	-
December 1989	Note 1	Note 1	25,000,000	Note 1	25,000,000	Issuance of common stock for cash $20,000,000	-	-
June 1996	10	5,100,000	51,000,000	5,100,000	51,000,000	Issuance of common stock for cash $26,000,000	-	-
September 1996	10	7,000,000	70,000,000	7,000,000	70,000,000	Issuance of common stock for cash $19,000,000	-	-
October 1997	10	12,000,000	120,000,000	12,000,000	120,000,000	Issuance of common stock for cash $50,000,000	-	-
September 1998	13	19,000,000	190,000,000	19,000,000	190,000,000	Issuance of common stock for cash $70,000,000	-	-
June 1999	10	20,900,000	209,000,000	20,900,000	209,000,000	Recapitalization of earnings $19,000,000	-	Note 2
October 2000	10	26,229,500	262,295,000	26,229,500	262,295,000	Recapitalization of earnings $31,350,000 Capital surplus transferred to capital $16,720,000 Capital increased by employees' bonus $5,225,000	-	Note 3
October 2001	10	65,000,000	650,000,000	37,560,000	375,600,000	Recapitalization of earnings $104,918,000 Capital increased by employees' bonus $8,387,000	-	Note 4
November 2002	10	52,560,000	525,600,000	37,644,000	376,440,000	Convertible corporate bonds Converted to ordinary shares $840,000	-	Note 5
November 2002	10 10 82 10	90,000,000	900,000,000	63,108,327	631,083,270	Recapitalization of earnings $93,900,000 Capital increased by employees' bonus $9,605,500 Issuance of common stock for cash $150,000,000 Convertible corporate bonds Converted to ordinary shares $1,137,770	-	Note 6
January 2003	10	90,000,000	900,000,000	63,332,603	933,326,030	Convertible corporate bonds Converted to ordinary shares $2,242,760		Note 7

March 2003	10	90,000,000	900,000,000	63,397,152	633,971,520	Convertible corporate bonds Converted to ordinary shares $645,490	-	Note 8
September 2003	10	120,000,000	1,200,000,000	78,009,344	780,093,440	Recapitalization of earnings $114,114,870 Capital increased by employees' bonus $12,500,000 Convertible corporate bonds Converted to ordinary shares $19,507,050	-	Note 9
October 2003	10	120,000,000	1,200,000,000	78,114,108	781,141,080	Convertible corporate bonds Converted to ordinary shares $1,047,640	-	Note 10
January 2004	10	120,000,000	1,200,000,000	78,210,918	782,109,180	Convertible corporate bonds Converted to ordinary shares $968,100	-	Note 11
March 2004	10	120,000,000	1,200,000,000	78,490,742	784,907,420	Convertible corporate bonds Converted to ordinary shares $2,798,240	-	Note 12
October 2004	10	126,690,000	1,266,900,000	94,695,281	946,952,810	Recapitalization of earnings $141,283,330 Capital increased by employees' bonus $19,900,000 Convertible corporate bonds Converted to ordinary shares $862,060	-	Note 13
January 2005	10	126,690,000	1,266,900,000	94,698,858	946,988,580	Convertible corporate bonds Converted to ordinary shares $35,770	-	Note 14
October 2005	10	152,000,000	1,520,000,000	105,591,344	1,055,913,440	Recapitalization of earnings $93,924,860 Capital increased by employees' bonus $15,000,000	-	Note 15
May 2006	10	152,000,000	1,520,000,000	105,591,344	1,055,913,440	Merger with Yuding Investment Co., Ltd.	-	Note 16
October 2006	10	152,000,000	1,520,000,000	111,459,057	1,114,590,570	Recapitalization of earnings $51,971,170 Capital increased by employees' bonus $6,705,960	-	Note 17
April 2007	10	152,000,000	1,520,000,000	112,730,557	1,127,305,570	Shares conversion with employee stock warrants $12,715,000	-	Note 18
July 2007	10	180,000,000	1,800,000,000	112,754,057	1,127,540,570	Shares conversion with employee stock warrants $235,000	-	Note 19
October 2007	10	180,000,000	1,800,000,000	112,769,057	1,127,690,570	Shares conversion with employee stock warrants $150,000	-	Note 20

October 2007	10	180,000,000	1,800,000,000	122,783,301	1,227,833,010	Recapitalization of earnings $89,342,440 Capital increased by employees' bonus $10,800,000	-	Note 21
April 2008	10	180,000,000	1,800,000,000	123,382,301	1,233,823,010	Shares conversion with employee stock warrants $5,990,000	-	Note 22
August 2008	10	180,000,000	1,800,000,000	123,406,551	1,234,065,510	Shares conversion with employee stock warrants $242,500	-	Note 23
October 2008	10	180,000,000	1,800,000,000	123,426,551	1,234,265,510	Shares conversion with employee stock warrants $200,000	-	Note 24
November 2008	10	180,000,000	1,800,000,000	125,039,565	1,250,395,650	Recapitalization of earnings $6,130,140 Capital increased by employees' bonus $10,000,000	-	Note 25
April 2009	10	180,000,000	1,800,000,000	125,661,815	1,256,618,150	Shares conversion with employee stock warrants $6,222,500	-	Note 26
July 2009	10	180,000,000	1,800,000,000	125,681,065	1,256,810,650	Shares conversion with employee stock warrants $192,500	-	Note 27
November 2009	10	180,000,000	1,800,000,000	126,900,001	1,269,000,010	Recapitalization of earnings $6,209,850 Capital increased by employees' bonus $5,979,510	-	Note 28
October 2010	10	180,000,000	1,800,000,000	127,527,131	1,275,271,310	Recapitalization of earnings $6,271,300	-	Note 29
October 2011	10	180,000,000	1,800,000,000	128,161,332	1,281,613,320	Recapitalization of earnings $6,342,010	-	Note 30
December 2011	10	180,000,000	1,800,000,000	127,474,332	1,274,743,320	Capital reduction at $6,870,000 by cancellation of treasury stock.	-	Note 31

Note 1: The number of shares was not disclosed as we were a company of limited liabilities.

Note 2: Approved by the Securities and Futures Institute (SFI) of MOF with Letter (88) Tai-Cai-Zheng-(1) No. 63885 on 13 Jul 1999.

Note 3: Approved by the Securities and Futures Institute (SFI) of MOF with Letter (89) Tai-Cai-Zheng-(1) No. 83821 on October 9, 2000.

Note 4: Approved by the Securities and Futures Institute (SFI) of MOF with Letter (90) Tai-Cai-Zheng-(1) No. 003176 on July 31, 2001.

Note 5: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 0910460360 on 12 Nov 2002.

Note 6: Approved by MOF-SFI with Letter Tai-Cai-Zheng-(1) No. 0910144569 on 12 Aug 2002; MOF-SFI with Letter Tai-Cai-Zheng-(1) No. 0910144570 on 20 Aug 2002; and MOEA with Letter Jing-Sho-Shang-Zi No. 0910472470 on 21 Nov 2002.

Note 7: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09201018880 on January 17, 2003.

Note 8: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09201082170 on March 20, 2003.

Note 9: Approved by MOF-SFI with Letter Tai-Cai-Zheng-(1) No. 0920131967 on 16 Jul 2003 and MOEA with Letter Jing-Sho-Shang-Zi No. 09201271790 on 18 Sep 2003.

Note 10: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09201293940 on 17 Oct 2003.

Note 11: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09301006880 on January 20, 2004.

Note 12: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09301044360 on March 26, 2004.

Note 13: Approved by MOF-SFI with Letter Jing-Guan-Zheng-(1) No. 0930136080 on 13 Aug 2004 and MOEA with Letter Jing-Sho-Shang-Zi No. 09301193630 on 11 Oct 2004.
Note 14: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09401008700 on January 24, 2005.
Note 15: Approved by Financial Supervisory Commission (SFC) of the Executive Yuan with Letter Jing-Guan-Zheng-(1) No. 0940140986 on 16 Sep 2005 and MOEA with Letter Jing-Sho-Shang-Zi No. 09401218300 on 2 Nov 2005.
Note 16: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09501113330 on June 26, 2006.
Note 17: Approved by SFC with Letter Jing-Guan-Zheng-(1) No. 0950142803 on 13 Sep 2006 and MOEA with Letter Jing-Sho-Shang-Zi No. 09501246500 on 1 Nov 2006.
Note 18: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09601101320 on May 11, 2007.
Note 19: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09601202150 on August 22, 2007.
Note 20: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09601263770 on October 26, 2007.
Note 21: Approved by SFC with Letter Jing-Guan-Zheng-(1) No. 0960050206 on 11 Sep 2007 and MOEA with Letter Jing-Sho-Shang-Zi No. 09601291580 on 27 Nov 2007.
Note 22: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09701099560 on April 25, 2008.
Note 23: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 0971202310 on August 13, 2008.
Note 24: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09701271370 on October 24, 2008.
Note 25: Approved by SFC with Letter Jing-Guan-Zheng-(1) No. 0970052282 on 3 Oct 2008 and MOEA with Letter Jing-Sho-Shang-Zi No. 09701298050 on 21 Nov 2008.
Note 26: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09801084640 on April 30, 2009.
Note 27: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09801172710 on July 30, 2009.
Note 28: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 09801258540 on November 6, 2009.
Note 29: Approved by SFC with Letter Jing-Guan-Zheng-(1) No. 0990044721 on 24 Aug 2010 and MOEA with Letter Jing-Sho-Shang-Zi No. 09901242820 on 29 Oct 2010.
Note 30: Approved by SFC with Letter Jing-Guan-Zheng-(1) No. 1000038480 on August 19, 2011 and MOEA with Letter Jing-Sho-Shang-Zi No. 10001250530 on November 7, 2011.
Note 31: Approved by MOEA with Letter Jing-Sho-Shang-Zi No. 10001285300 on 20 Dec 2011.

2. Disclose the information regarding the amount and securities to be and have been issued with approval for issuing securities through collective reporting: NA.

3. Type of shares

Stock Type	Authorized shares capital			Remarks
	Outstanding shares (OTC)	Unissued Shares	Total	
Common stock	127,474,332	52,525,668	180,000,000	GTSM-listing companies stock

(II) Shareholders structure

April 18, 2021

Composition of Shareholders / Amount	Government Apparatus	Financial Institution	Other Juridical	Individual	Foreign institutions and foreigners	Total
No. of Person	1	3	141	22,846	173	23,164
Shares	80,000	1,108,000	13,569,069	69,598,099	43,119,164	127,474,332
Ratio of Shareholding	0.06%	0.87%	10.64%	54.6%	33.83%	100.00%

Note 1: IPO companies and emerging listed companies shall disclose the proportion of PRC investments. PRC investments refer to the investments made by the citizens, companies, groups, other organizations, or the companies they invest in a third region as specified in Article 3 of the Regulations Governing Permission for People from the Mainland Area to Invest in Taiwan.

(III) Ownership diversification

1. Ordinary shares

Diversification of Shareholdings

NTD10/share **April 18, 2021**

Range of Shares		No. of Shareholders	Shares	Ratio of Shareholding (%)
1 -	999	15,521	527,,966	0.41%
1,000 -	5,000	6,572	11,330,435	8.89%
5,001 -	10,000	529	3,859,787	3.03%
10,001 -	15,000	172	2,048,654	1.61%
15,001 -	20,000	87	1,552,054	1.22%
20,001 -	30,000	79	1,936,666	1.52%
30,001 -	50,000	64	2,478,214	1.94%
50,001 -	100,000	51	3,533,542	2.77%
100,001 -	200,000	27	3,737,794	2.93%
200,001 -	400,000	20	5,592,580	4.39%
400,001 -	600,000	12	5,760,760	4.52%
600,001 -	800,000	1	756,000	0.59%
800,001 -	1,000,000	6	5,378,550	4.22%
1,000,001 and above		23	78,981,330	61.96%
	Total	23,164	127,474,332	100.00%

2. Preference shares: None.

(IV) List of major shareholders: shareholders with shareholding exceeding 5% with top 10 shareholding percentages

April 18, 2021

Stock / Name of Principle shareholder	Shares	Ratio of Shareholding
WANG, CHIN-PO	21,594,350	16.94%
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	12,013,000	9.42%
Zilong Venture Capital Co., Ltd.	8,913,000	6.99%
Taiwan Branch, Belize Yiqiao Development Co., Ltd.	6,880,000	5.40%
Boju Financial Holdings Corporation Investment Account in Custody of Union Bank of Taiwan Co., Ltd.	3,322,000	2.61%
Xiu-yan Ke	3,083,208	2.42%
Special Account for Investment of the Central Bank of Norway in custody of Citibank(Taiwan)	1,894,084	1.49%
Wanin International Co., Ltd.	1,828,000	1.43%
WANG, SHU-CHUAN	1,657,324	1.30%
Jun-xong Wang	1,629,512	1.28%

(V) Market price, net value, earnings, dividend per share and related information in the last 2 years

Information regarding the market price per share, total value, earnings, and dividends

Item \ Year			2019	2020	As of March 31, 2021
Market Price Per Share (Note 1)	The Highest		85.5	129	131.5
	The Lowest		64.6	59.5	93.6
	Average		76.44	102.74	111.95
Net Value Per Share (Note 2)	Before Distribution		46.86	49.55	-
	After Distribution		Note 9	Note 9	Note 9
Earnings per share (Note 3)	Weighted average shares		122,145 thousand shares	121,610 thousand shares	121,610 thousand shares
	Cum-dividend		5.00	7.76	-
	Ex-dividend		5.00	Note 9	-
Dividend Per Share	Cash dividends		4.0	Note 9	-
	Free-Gratis Dividends	Note 9	0	Note 9	-
		Note 9	0	Note 9	-
	Cumulative undistributed dividends (Note 4)		0	Note 9	-
Return on investment Analysis	P/E ratio (Note 5)		15.29	13.24	-
	Price to dividends ratio (Note 6)		19.11	Note 9	-
	Cash dividend yield (Note 7)		5.23%	Note 9	-

* If there is increased capital by recapitalization of earnings and capital surplus, the information on market prices and cash dividends retroactively adjusted in accordance with the number of shares issued should be disclosed.

Note 1: Disclose the highest and lowest market price of each year and calculate average market price in accordance with the annual transaction value and volume.

Note 2: It is based on the outstanding shares at year end and the distribution proposal resolved in the shareholders' meeting in the following year.

Note 3: If a retroactive adjustment is needed due to stock dividend, the earnings per share before and after the adjustment must be disclosed.

Note 4: If the unappropriated dividend can be accumulated for distribution in the year with earnings subject to the equity securities issuance conditions, the cumulative unpaid dividends for the year ended shall be separately disclosed.

Note 5: Price-Earnings Ratio = Average closing price per share of current year / Earnings per share

Note 6: Dividend Yield = Average closing price per share of current year / Cash dividend per share

Note 7: Cash Dividend Yields = Cash dividend per share / Average closing price per share of current year

Note 8: Net worth per share and earnings per share should be based on audited (auditor-reviewed) data as at the latest quarter before the publishing date of this annual report. For all other fields, data should be provided as at the end of their respective years.

Note 9: The 2020 dividend per share shall be distributed after the approval of the 2021 general shareholders meeting.

(VI) The company's dividend policies and execution:

1. Dividend Policy:

When there are net earnings after the account is closed, apart from paying the income tax by law, this company shall compensate for the deficits in previous years and then appropriate 10% to the legal reserve, except when the amount of legal reserve has reached the amount of paid-in capital. In addition, this company shall appropriate or reverse the special reserve by law or as necessary. Earnings shall be

distributable earnings of the year. Others will be combined with the beginning undistributed earnings as accumulated undistributed earnings. BOD shall present a earnings distribution proposal to the AGM for approval prior to distribution.
In consideration of the need for future expansion and R&D and coordination with the macro environment and industry characteristics for sustainable development and long-term profits for shareholders, dividends are appropriated based on the accumulated distributable earnings, provided the amount shall not be lower than 15% of the distributable earnings of the year under our dividend policy. However, no dividend will be distributed when the amount of accumulated distributed earnings is lower than 25% of the amount of paid-in capital. Dividends are released in either cash or stock, provided the amount of cash dividend shall not be lower than 10% of the total amount of dividends.

2. Dividend distribution proposed for the next annual general meeting:
   (1) In 2020, NT$761,479,992 was appropriated from the distributable earnings as dividend released in cash at NT$6 per share.
   (2) In the event that the Company recovers and cancel the employee restricted shares or buys back the company's shares or transfers treasury stock on a later date to an extent that it affects the number of outstanding shares circulating in the market and the dividend distribution ratio, the AGM is advised to authorize the BOD to adjust the ratio of dividends.
3. There is no significant change in the dividend policy.

(VII) Impacts on business performance and earnings per share if the stock dividend proposal is approved during the annual general meeting

Unit: NTD

Item \ Year			Year 2021 (Forecast)
Beginning paid-in capital			1,274,743,320
Stock Dividend in the current period	Cash dividend per share		6.00 (Note 1)
	Number of shares per share allocated from capitalization with retained earnings		0 (Note 1)
	Number of shares per share allocated from capitalization with capital reserves		0
Changes in business performance	Operating profit		(Note 2)
	Proportion of change in the operating income from the same period of the previous year (%)		(Note 2)
	Income after taxation		(Note 2)
	Proportion of change in the after-tax net profit from the same period of the previous year (%)		(Note 2)
	Earnings per share		(Note 2)
	Proportion of change in EPS from the same period of the previous year (%)		(Note 2)
	Annual average of ROI (annual average P/E reciprocal)		(Note 2)
Pro forma EPS and P/E ratio	If the retained earnings for capitalization into new shares were switched to payment of a cash dividend in the full amount	*Pro forma* earnings per share (EPS)	(Note 2)
		Pro forma annual average ROI	(Note 2)
	If there was no capitalization of additional paid-in capital	*Pro forma* earnings per share (EPS)	(Note 2)
		Pro forma annual average ROI	(Note 2)
	Cash dividends will be released when no there is capitalization with retained earnings or capitalization with capital reserves.	*Pro forma* earnings per share (EPS)	(Note 2)
		Pro forma annual average ROI	(Note 2)

Note 1: To be approved at the upcoming AGM.
Note 2: Impacts of the stock grants proposed by the current AGM on the company's operations and EPS: Not applicable as we do not need to make a financial forecast for this year.

(VIII) Remuneration to employees, directors, and supervisors

1. The percentage or scope of remuneration to the employees, Directors, and Supervisors as stated in the Articles of Incorporation:
   This company shall appropriate a minimum of 2% and a maximum of 2% of net earnings of profit as profit sharing for employees and directors/supervisors respectively. The distribution proposal shall be submitted to AGM for approval. However, if the Company still as accumulated losses, the amount shall be retained for compensation, and then appropriated as remuneration to employees, directors and supervisors based on the percentages mentioned above.
2. The estimation basis of remuneration to employees, directors and supervisors for the current period, and the accounting process when there is discrepancy between the calculation basis and actual distribution amount of employee remuneration distributed by shares and the estimated value:
   (1) The amount of profit sharing for employees and directors/supervisors of this year has been estimated based on the possible amount of release in the past.
   (2) The amount of the 2020 profit sharing for employees has been estimated based on the basis for calculating the shares as profit sharing for employees and the actual amount of distribution. The difference between this amount and the estimated amount shall be recognized as 2021 gains/losses.
3. Remuneration to be distributed as resolved in the board of directors:
   (1) When the amount of profit sharing for employees, directors, and supervisors is different from the estimated amount recognized in the year, disclose the amount, cause(s), and treatment of the difference.
   The amount of the 2020 profit sharing for employees, directors, and supervisors has been approved by BOD, including NT$59,461,000 as profit sharing for employees and NT$11,892,209 as profit sharing for directors and supervisors. This amount is the same as that of the estimated amount recognized in the year.
   (2) The amount of payment to employees in the form of stocks in proportion to the net income stated in the separate financial statements in proportion to the total amount of remuneration to the employees:
   All 2020 profit sharing for employees will be distributed in cash, and there will be no stock as profit sharing for employees.
   (3) The imputed earnings per share of NT$6 after distributing the remuneration to employees, directors, and supervisors is to be proposed for distribution.
4. Actual status of distributing remuneration to employees, directors and supervisors in the previous year (including the number of shares distributed, amount and share price), difference number, reasons and process status if there is discrepancy between the actual amount and the amount recognized: Not applicable.

(IX) Buy-back of the Company's shares by the company:

Re-purchase term	9th time
Purpose of re-purchase	Transferred to employees
Re-purchase period	March 26, 2020 to May 25, 2020
Re-purchase price range	NT$50 to NT$100
Type and volume of shares re-purchased	Common stock / 561,000 share
Amount of shares re-purchased	NT$ 43,492,330
Ratio of repurchased shares to shares repurchase planned	37.4%
Number of shares cancelled and transferred	0 share
Accumulated shareholdings of the Company	561,000 share
Ratio of accumulated shareholdings of the Company to total issued shares (%)	0.44%

II. Disclosure relating to corporate bonds: none.

III. Disclosure relating to preference shares: none.

IV. Disclosure relating to depository receipts: none.

V. Employee stock options/warrants and restricted stock awards (RSA): none.

VI. Disclosure on new shares issued in exchange of other company shares: None.

VII. Progress on the use of funds: none.

Five. Operation Profile

I. Content of business:

(I) Scope of business:

1. Principal business activities:

F218010 Retail Sale of Computer Software
CC01110 Computer and Peripheral Equipment Manufacturing
F118010 Wholesale of Computer Software
I301010 Information Software Services
F113070 Wholesale of Telecommunication Apparatus
I301030 Electronic Information Supply Services
E701010 Telecommunications Engineering
F401010 International Trade
J303010 Magazine (Periodical) Publishing
I401010 General Advertisement Service
J602010 Performing Arts Activities
J305010 Audio Publishing
F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
JZ99050 Agency Services
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business weightage:

Unit: NTD thousands

Product portfolio	2020		2019	
	Amount of operating revenue	Business weightage	Amount of operating revenue	Business weightage
Revenue from online game software	4,303,824	59.22	3,469,513	59.53
Others	2,964,268	40.78	2,359,141	40.47
Total	7,268,092	100.00	5,828,654	100.00

3. Current products (services):
   A. We release MyCard points for interfacing with game products and digital content service products.
   B. We release online games, develop our own mobile games, and serve as operation agencies and distributors.
   C. e-PLAY, a sales platform for physical stores, provides entertainment products such as game point cards, virtual item packages, game peripherals, and entertainment and tourism tickets.
   D. Interactive video platform advertising push service
   E. Exhibition design and implementation
   F. Cloud information service
   G. Digital marketing and online ad-serving service
   H. Cash flow application and value-added service for collection and payment and mobile payment
4. Planning for product (service) development:
   The R&D Department of Soft-World never stops developing game software and peripherals to increase the added value of the game and bring infinite business opportunities to us.
   (1) Expansion of MyCard distribution channel:
   Soft-World's MyCard digital point platform provides a service model that combines digital payments, distribution channels and integrated marketing, in collaboration with a variety of video games to offer players a convenient way to store points, along with abundant gaming and virtual treasures as rewards. This is a solid leading platform among the Taiwan, Hong Kong and Macau markets. To connect with the global gaming

trend, MyCard will speed up overseas expansion in Southeast Asia by gradual collaboration with the local payment service providers to build more comprehensive payment services for the local game manufacturers and players, and the diversified marketing resources reinforced by the conglomerate engagement will greatly boost the gaming business.

(2) Research and self-development of games:
Chinese Gamer International, a subsidiary of Soft-World, is making new versions for the games operating in the market, in an effort to solicit players back for new gaming experiences and infuse new momentum to the operations. This year, the company will launch a self-developed well-known IP mobile game "Back to the Past M," presenting a brand new game content with further refined art manifestation, battle experience and gameplay design. And coming up are the classic games such as "Legends of Emperor M" and "Chinese Hero M" made into mobile facilities for players to enjoy and have fun!

(3) Distribution and operations of games:
Game Flier International, another subsidiary of Soft-World, steadily operates its classic online popular game "The Legend of Three Kingdoms M," and works closely with the original game developer for exuberant content updates. This year, the company will continue to introduce games with a variety of featured themes for a diversified customer base and product line, meanwhile the Southeast Asia operations for HTML5 games is also launched.

(4) IP licensing collaboration:
Over the years, the Soft-World Group has accumulated hundreds of abundant IP assets of original creation, covering classic stand-alone games, martial art stories and light novels, gathering a large number of players and fans, and making it a shared memory in the Chinese gamers' circle. In addition to the games developed by the subsidiaries, the Company has also worked with many external game developers from home and abroad for IP authorization to develop mobile games with various gameplay styles, and to speed up mass production for profits sharing. This year, the auto chess war RPG mobile game "Kalpa of Universe" is launched and becomes a major hit. Meanwhile, the Company will also start collaboration for other IP classics, to authorize premium teams to produce exquisite games and elaborate the IP features. We are determined to bring the IP to the global stage, coupled with animation, films, and peripheral goods in different arenas to create diversified licensing opportunities.

(5) Online advertising and marketing business:
To go for the continuous growth of global digital advertising, Efun International, a Soft-World's subsidiary, has heavily engaged in the digital advertising business with its professional market consulting, multimedia fine art production, advertising technology, and big data analysis, bringing the most advanced advertising analysis technology and a complete media delivery platform to its global partners. It provides collaboration with major global network platforms such as Google, Facebook, YouTube, Yahoo, LINE, Apple Search Ads and TikTok for new media advertising, and is committed to developing scientific analysis and applications that combine AI and big data to build more competitive advertising edge. The accurate targeting of digital advertisement and marketing strategies create product success in co-branding.

(6) Financial technology business:
Soft-World's subsidiary Newweb Technologies has successively completed the financial infrastructure in recent years, and continued to grow the online payment transactions. To effectively increase the demand for offline payments and solve the complex payment collections of physical stores, the company officially launched the diversified payment mechanism "ezAIO" last year that integrates cash flow, POS, accounting and management on a single mobile phone. This year, the company will accelerate the expansion of collaborated physical channels to extend the e-wallet application of "ezPay" and boost the mobile payment business to recruit more members. This will fulfill the interconnection of online and offline inclusion of financial services for the establishment of a complete O2O financial payment ecosystem. The company will also actively engage in the cross-border payment and financial innovation services, heading for the vision of diversified and open Internet financing.

(II) Industry overview:

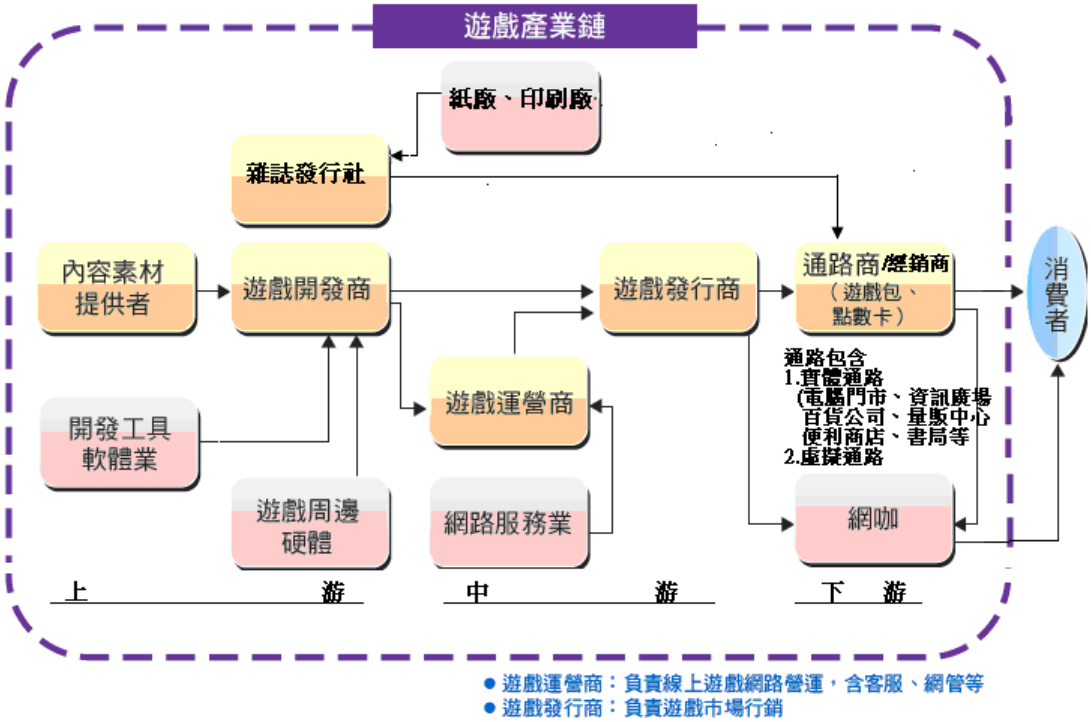
1. Current situation and development of industry:

The global game industrial market is still rising. Gaming becomes the core of entire entertainment industry due to international situation and strongman politics around the world, appealing for nationalism and protective policy. Development of 5G network and new carrier is on the rise. The mobile game on a broad scale (including the ones for smart phone and tablet) is still the largest market in game industry. Under the attack from host platform and mobile platform, computer platform has the slowest growth in game industry. Although the size of computer platform business is decreasing, computer is still the most important field of development and investment considering innovation and game talent cultivation.

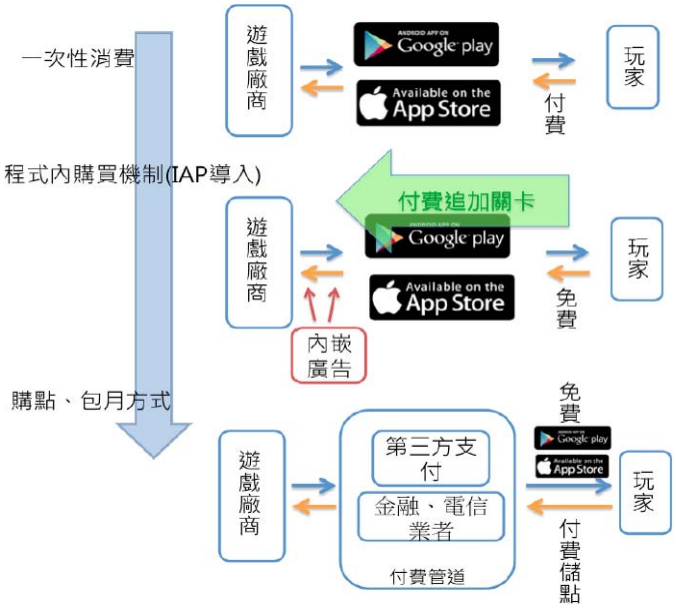
Specializing in digital game development, we have expanded to the internet media marketing and financial technology (fintech) industries. To diversify the group's operations, each subsidiary in the group specializes in a different type of business, including game development, agency operations, internet integrated marketing, and financial payment innovation in order to form our company into a multisector internet group.

Since 2020, the outbreak of the COVID-19 pandemic has stirred the global economy into chaos, and the game industry, like others, has been facing tremendous challenges. The situation has led to an unprecedented increase of consumer demands for brand new patterns of entertainment. This is a time when the Taiwan gaming market has become highly matured, and with gameplay styles pretty much fixed, game suppliers are endeavoring to grow the players' consuming appetite, which has led to the growth of Taiwan's mobile gaming market against the wind.

2. Association between upstream, midstream, and downstream industry participants



Mobile game companies no longer need to find local agencies. They can install the Traditional Chinese system to release and launch a product on the two international mobile game platforms (Google Play and iOS). Therefore, they can reach consumers without agencies. Consumers can buy a game simply by downloading. With the help of social platform and advertisement such as Facebook and LINE, game companies can reach Taiwanese consumers without entrusting Taiwanese agencies to post advertisement on local media. Mobile game market in Taiwan has become a large international competition. All good, fun games around the world can reach Taiwanese consumers. Local game companies in Taiwan no longer have advantage in localization. They must compete with other international game products once they launch the products.



We mainly act as a developer, publisher and distributor and publish game magazines. We edit and promote the magazine ourselves, explore platform management and develop all-round integrated marketing services, including app marketing, exhibition organizing and print video multimedia. We also enter the business of online marketing media, and provide professional digital ad-serving on three global social networks, Facebook, Instagram and Google. Furthermore, we expand our service to corporate brand application in all industries and maximize online business opportunities. Therefore, our business crosses upstream, midstream and downstream fields.

Industrial supply chain	Orientation of gaming industry	Remark
Upstream	Developer	The developer focuses on planning, art design, music, program and software developer required for game product development. The key competition factors are planning, art design and programming. The market reaction to a game depends on the working quality of game development team.
Midstream	Operating publisher	The operating publisher is in a game industry that focuses on product agency. The key competition factor is marketing competency and operational management.
Downstream	Distributor	The distributor is in charge of marketing and point card sales. It has to take the risk that whether the distributed products would be favored by consumers.

3. Diverse development trend and competition of product

A. Trend of product development

The mobile game market continues to prosper. Game companies around the world strive for globalized operation. However, numerous mobile games are released and gameplay types gradually become homogenized. IP games are popular and attract the attention of gamers with abundant storylines. It is easy for target groups to become emotionally connected to IP games, enhance game coherence, extend product life cycle and acquire better business performance. We must focus on continuous enhancement of R&D technology and product innovation and breakthrough. We integrate the IP and create market differentiation. We meet user demand, keep track of market change, act as the agency in domestic and international markets, and authorize cooperation and release diverse products in domestic and international markets at the right time, and highlight the characteristics of localized operation. That is how we consolidate the existing advantage in local market and expand the overseas market.

B. Industrial competition

With the advent of rapid development of the global gaming market, the intense competition with so many different game products filled in the market has made the

business environment as a whole very complicated. The Company, however, has adhered to flexible business strategies to create growth momentum, and established the conglomerate Internet services covering digital games, online advertising and marketing, as well as financial technology business. In addition to consolidating the development in various gaming sectors, we have also built a complete industry service chain consisting of channels, IP, R&D, distributorship, art, and music, and continued to develop featured services, to strengthen core technologies for further competitive edge. In recent years, we have also actively extended the Internet community service experiences by investing more resources to deepen the engagement in the services of linking various related sectors for further reach into different industries, and we are meant to build wider consumer groups for ever better market opportunities. In addition, we will also pay close attention to the global 5G network, cloud gaming, new media marketing, and financial innovation, to keep up with the industrial development trend.

(III) Technology and R&D overview:

1. Technical level and research development

(1) Multi-platform product development

Existing popular platforms and devices on the market: Our main direction focuses on mobile platform (e.g., smart phone and tablet), SNS platform (e.g., Facebook and LINE), wearable (e.g. iWatch), motion sensor device (e.g. AR/VR/MR/XR) and cloud gaming. For these products, we developed the underlying core engine and game production integration tool required for game production. We can effectively establish main development projects through game innovation, VR/AR game presentation, realization of game planning and creation, and motion sensor UI design including intuitive/perceptional motion sensor, platform membership interfacing, marketing resource interfacing and big data analysis system.

(2) Cross-platform integration of products

Besides carrying out product and research development for popular or latest platform and device on the market as described above, we reinforce the connection with the games on existing PC and mobile platform and integrate the immersive experience provided by somatosensory technology (AR/VR/MR/XR) and cooperate with 5G opening. We provide diverse gameplay, abundant content, varied interfaces and surreal, exciting experiences, and create a higher added value for games. This relies on the ability to master the technical core of all platforms and real-time integration of cross-platform data transfer and conversion. It is the key to win the competition of next gen games.

(3) Innovation and breakthrough of plan

The fun of game product comes from innovation and creativity of plan. The key of a plan is knowing the fun of the game, the sense of achievement players can find in a product, and the enthusiasm for self-challenge. We can find inspiration from the characteristics of gamers on different game platforms, and the creativity and breakthrough for different topics and game planning to come up with the idea close to the thought of gamers nowadays. With the support of platform for game technology development, we can efficiently develop game products with chances of making profit.

(4) Operational support system

We built a business model, and planned for and came up with new items with the consideration of current product operation mechanism. We analyze the mechanism and process for matching the current business model with marketing operation. Through the integration with dynamic data analysis of gamer, and introduction of AI, block chain, big data analysis, VTuber and cloud computing, we can effectively, instantly keep track of operation performance of game and how much gamers enjoy the game. Therefore, we can make quick response to adjust product content and operation marketing strategy, and improve product competitiveness and profitability.

2. The R&D expenditure we have invested in during the last year and by the date of publication of annual report, and the R&D expenditure we have invested in for the technology or product we successfully developed:

The following shows the R&D expenditure in the consolidated financial statement and the proportion of the R&D expenditure to revenue in the past two years and up to March 31, 2021.

Unit: NTD thousands

Term:	R&D budget	Proportion in sales
2019	417,410	7%
2020	383,230	5%
March 31, 2021	2: As of the date on which the annual report was printed, there was not financial data for 2021Q1 that has been audited by CPAs.	

3. Recent annual R&D achievement

Soft World Group focuses on game products all the time. We make our own games and actively invest in production of music and music effect. Mobile game becomes mainstream and AR/VR/MR/XR games emerge. The need of IP increases gradually. Soft-World International has been established for nearly 38 years. Since then, the Company has been operating some of the most popular Chinese classic IP games, either co-developed such as "Pili Heros" or self-developed such as "Falling Sakura," "My Hero Dream Go" and "TS M" adapted from a masterpiece terminal game of the same name, all of which have achieved good market success, and the "Huang Yi M" has even connected the players' memories together To continue the market success, the authorized masterpiece of stand-alone martial art game adapted from the "Kalpa of Universe" will be launched in the near future, followed by more than a hundred classic IP games to be launched in the global Chinese markets, and this is expected to create a new peak of Taiwan's cultural and creative industry.

(IV) Short and long-term business development plan:

Short term development:

A. Marketing strategy:
   ① The channel market of game software becomes diverse. To enhance systemization and efficiency of channel structure, we keep adding new channel locations, and keep reviewing and improving the logistics structure and method of overall channel, to become the most effective software distributor.
   ② We reinforce cross-industry alliance through traditional, physical channels and networks. On the other hand, we promote our attraction through powerful, borderless network and hope to become the largest game website in Chinese-speaking community. We hope that our website can become an important weapon for competition when we promote products.
   ③ We implement diverse marketing. Besides hiring a celebrity spokesperson, we collaborate with drink, network and tourism and leisure companies for marketing.

B. Production policy: We reinforce communication and coordination with contract suppliers, speed-up product production, and accelerate product shipment.

C. Product development: We invested a lot in specialized game arts and music composition. Vitalize IP resources and cultivate multiple licensing opportunities.

D. Operating scale: Focus on mobile games R&D through transplanting PC games and enhancing our own R&D capacity and local utility.

E. Financial adaptation: We built a diverse fund-raising channel to reduce the cost of fund-raising.

2. Long term development:

A. Marketing strategy:
   ① We lower market concentration rate and distribute global marketing locations to avoid impact of domestic economic situation on company growth.
   ② We reinforce the strategic alliance with domestic and international software development companies and actively expand domestic and international channel deployment and marketing.
   ③ We actively develop the e-commerce market and put in full efforts in operation while facing the turbulent new Internet trend, hoping to build another largest new domestic channel of game software network.

B. Production policy:
   ① We cultivate talents in digital 3D art design that we need, and enhance the software and hardware equipment for current staffs to reduce the time for product development and the cost for development.
   ② We develop standardized, modular development tools or software parts and

introduce the concept of "software factory" to gain benefits of economy of scale.

C. Product development:

① We aim to expand overseas markets. We provide multi-language versions for existing products based on the variance among local languages, customs, cultures and habits. We also develop new products with exclusive regional culture. We release new products in multiple languages at the same time to enter the international market and become the mainstream of global market for computer game software.

② We recruit outstanding youths all around the world to form an R&D team for new game software. We aim to maintain our leadership among Chinese game software development suppliers and become the core supplier for global game software development.

③ We reinforce the strategic alliance with famous domestic and international game software development companies and our competency in product development. Besides providing good game software we developed and designed ourselves, we actively acquire the agency of more good products from other suppliers. The purpose is to strengthen the depth and breadth of product and create more choices for customers and consumers.

④ We actively collaborate with other platforms, participate in the development of game product and explore the market opportunity.

⑤ Based on the need in joint development of game technology engine, we evaluate whether to establish a JV to actively promote game development technology and expand the game R&D team.

D. Business scope:

① We reinforce the collaboration with suppliers in the same industry, and cooperate with the promotion plans of agencies and distributors. We seek topics for game development on behalf of suppliers in the same industry. We enhance collaboration with these suppliers and facilitate growth for each other.

② To adapt with expansion of overall business, we focus on operating business in diverse aspects and put adequate efforts into the development of video game console and entertainment multimedia peripherals.

E. Financial adaptation

① We raise funds for future operation with minimum cost in consideration of the cost for releasing all kinds of financial products.

② We perform reinvestment beneficial to overall operation with limited funds.

II. Market and sales overview:

(I) Market analysis

1. Sales (provide) areas of main products (service)

Unit: NTD thousands

Year / Region	2020		2019	
	Amount	%	Amount	%
Taiwan	6,145,150	84.55	4,640,260	79.61
Mainland China	717,930	9.88	820,077	14.07
Others	405,012	5.57	368,317	6.32
Total	7,268,092	100.00	5,828,654	100.00

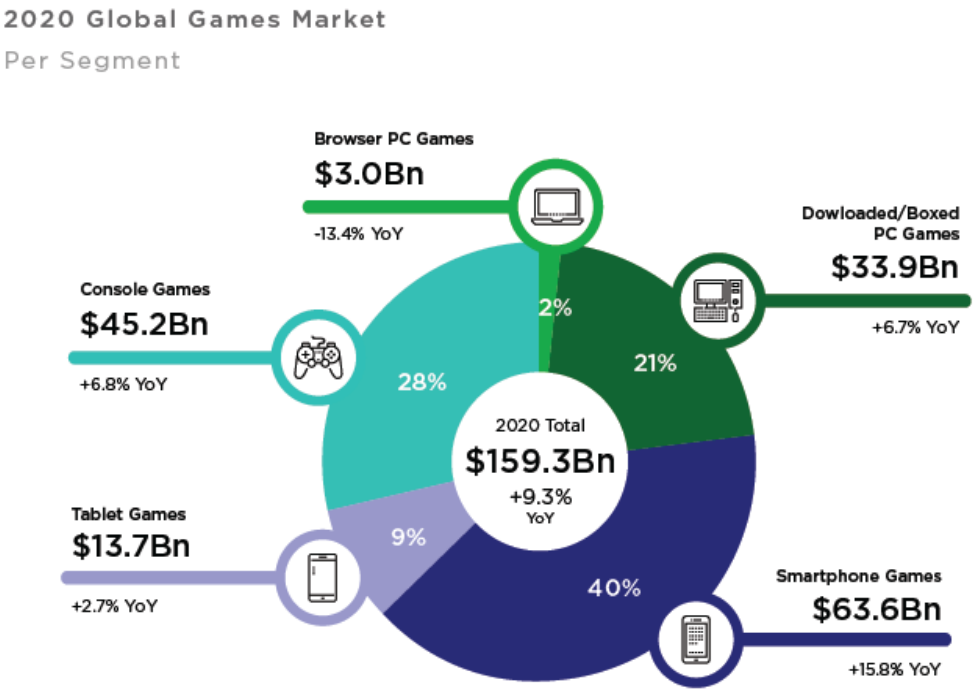
2. Market share, and the supply and demand and growth of market in future

A. Market share

The 2020 sales from our game business grew steadily. Our featured product MyCard, a game time card (GTC) that offers several different kinds of game products and an online top-up service, has attracted over 6.2 million members, and is ranked top in Taiwan, Hong Kong, and Macau. We actively develop platform-based solutions by offering integrated marketing service covering e-PLAY marketing and promotion, app marketing, interactive video platforms, organizing exhibitions and conferences, and 2D video and multimedia, in order to become the first choice of distribution channel for domestic and international game developers.

B. The supply and demand and growth of market in future

According to Newzoo, a game research and survey agency, the global gaming market size this year is about US$159.3 billion, a 9.3% increase from the previous year. The gaming revenues of the Asia-Pacific markets in 2020 reached US$78.4 billion, nearly half that of the global scale.



Global game market size (Source/Newzoo)

As for the expected market growth, Newzoo predicts that global players will exceed 3 billion in 2023, among them 800 million will be console players, 1.3 billion PC-preference players, and mostly 2.5 billion mobile players

Global game market size (Source/Newzoo)

3. The favorable and unfavorable factors and countermeasures for competitive niche and prospect

A. Competitive niche

(1) Channel business: Soft-World's MyCard digital point platform provides a service model that combines digital payments, distribution channels and integrated marketing, in collaboration with a variety of video games to offer players a

convenient way to store points, along with abundant gaming and virtual treasures as rewards. This is a solid leading platform among the Taiwan, Hong Kong and Macau markets.

(2) Gaming business: IP authorization, R&D, and distributorship

Game R&D: The subsidiary Chinese Gamer International is endeavoring to create its replica classic IP mobile games, to reinforce its existing game operating capacity and solicit its old players back. Chinese Gamer has also been actively integrating R&D resources, improving game quality and development efficiency through process management, and launching high-quality works that are more competitive in the market.

Game distribution: The subsidiary Game Flier International has many years of intimate operations on player interaction, coupled with diversified marketing activities, to create major hits of mobile games from time to time.

We have focused on the development of gaming customer service, integrated marketing, community management and e-Sports services. Game First assisted Korean mobile games to enter the European, American and Southeast Asian markets, and planned to host multiple gaming events to provide international-level gaming services. Game First will expand its customer service team this year by cultivating multilingual customer service talent to fully meet the needs of customers, and

Game art and music production services: The Company also continues to develop the services of Zealot Digital game art and Soft-World music production, offering the game developers needed resources for a complete service chain covering the upstream, midstream and downstream of the gaming industry.

IP authorization: The Company is also engaged in collaboration for classic IPs to create new opportunities for the IPs used to have a large base of fan players.

(3) Digital advertising: In response to the worldwide trend of digital transformation, new online marketing applications are continuously being introduced as subsidiaries EFun and Re:Ad Media aren't just leaders in market share for digital advertising on Facebook and Google, but both companies also continue to improve advertising analysis technology. In addition to providing customers with more in-depth Facebook tech services, the subsidiaries launched the digital advertising optimization tool "AdHero" in 2020 using years of accumulated advertising experience, combining data science, Artificial Intelligence, creative analysis and information security to help partners quickly understand market trends, find accurate audience users, and improve advertising reach effectiveness. The team has so far cooperated with hundreds of corporate brands to provide a full range of digital advertising marketing services. Last year, the team received recognition with LINE's "2020 LINE Ads Platform Certified Partner Award.

(4) Financial technology: Subsidiary Neweb Technologies' online collection and transaction scale in 2020 has successfully created a stable profitable foundation, and accelerated the placement of brick-and-mortar stores last year to promote the diversified payment services of "ezAIO" to establish an open cash flow platform where one device can support payment methods such as credit cards, e-tickets, mobile payments, and cross-border payments and other payment tools. ezAIO also integrates accounting transactions and terminal equipment systems to greatly improve store collection capabilities and management efficiency, and has gradually been introduced to many well-known electronic store chains, daily grocery stores, and bookstores. It has also been introduced to other consumer channels such as well-known beauty, sports and fitness brands, telecommunication companies, hotels, restaurants and retail businesses, and night market business districts. For electronic payments, Neweb Technologies cooperated with Taiwan Taxi in 2020 to launch the "ezPay" e-wallet to pay for cab fares and expand services in the transportation field.

(II) Intended use and production processes of the main products

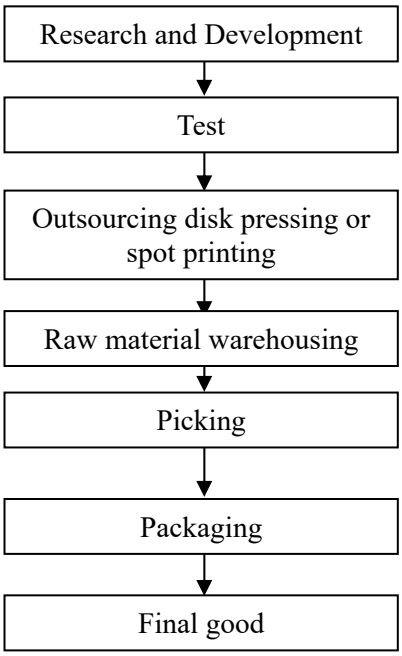
1. Major use of main products:

Computer game software: This provides recreation, brainstorming, enlightenment and

entertainment. We hope to provide a new, lively interactive guided reading method to consumers interested in Chinese culture through edutainment.

2. Production process:

A. Production process of computer game software:



(III) Supply of main raw materials:

Item	Name of manufacturers	Remark
CD	Bokun	The supply is good and the quality and source are stable.
Paper	Pingcheng and Kingstate	They always adjust their delivery time for us and provide good quality. They always deliver goods to printing houses on time.

(IV) The name of the customers with their purchase and sales accounting for over 10% of total purchase and sales in any year over the last two years, and the amount and percentage of their purchase and sales:

1. Purchase **Information on main suppliers in the past two years** Unit: NTD thousands; %

	2020				2019			
Item	Name	Amount	Ratio to the annual net purchases amount [%]	Relationship with the issuer	Name	Amount	Ratio to the annual net purchases amount [%]	Relationship with the issuer
1	A	824,456	23.36	None	A	634,497	23.97	None
2	C	732,162	20.75	None	B	366,138	13.83	None
3	B	442,246	12.53	None	C	316,601	11.96	None
4					D	298,738	11.28	
	Others	1,530,341	43.36		Others	1,031,585	38.96	
	Purchase - net	3,529,205	100.00		Purchase - net	2,647,559	100.00	

Note: The name of the suppliers with amount of purchase accounting for over 10% of the total purchase over the last two years, and the amount and percentage of their purchase, are listed explicitly.

Most of companies above are game, advertising and cash flow companies. The change of supplier is primarily affected by product diversity. The name of Customers A to D shall not be disclosed according to the contract and these customers are not our affiliates. Therefore, these customers are indicated by

code.
According to IFRS15, the MyCard business is the recognized revenue of agency. Starting from 2018, the accounting principle applicable to income recognition is switched from total amount to net recognition.

2. Sales: **The main customers for sales within the last two years** Unit: NTD thousands; %

	2020				2019			
Item	Name	Amount	Ratio to the annual net sales amount [%]	Relationship with the issuer	Name	Amount	Ratio to the annual net sales amount [%]	Relationship with the issuer
	None				None			

Note: The name of the suppliers with amount of purchase accounting for over 10% of the total purchase over the last two years, and the amount and percentage of their purchase, are listed explicitly. However, the contract specified that the name of the customer, or the trading partner is an individual but not an affiliated person shall be indicated by code.
According to the IFRS 15 standard, the Company's revenues from MyCard business is of an agent-based recognition, and therefore by the accounting principles it has been the net revenues other than the gross recognized since 2018; moreover, the Company has no customers with sales more than 10% of total corporate sales volume.

(V) Recent secondary net production:

Unit: Number of software and magazines in thousands/NT$ thousand

Year / Production volume & value / Main Products	2020			2019		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Game software and magazine		164	12,017	-	139	12,771
Others		106	2,944	-	113	2,697
Total		270	14,961	-	252	15,468

Note 1. Productivity refers to the production generated under normal operation by using existing production equipment after a company put necessary shutdown and holiday shutdown into consideration. However, the main processes of our products are outsourced. The definition of productivity does not apply.

Note 2. Yield refers to the number of processed semi-finished products packaged by the production department of a company.

(VI) Recent secondary net sales:

Unit: NTD thousands

Year / Sales volume and amount / Main Products	2020				2019			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Game software and magazine		3,360,329		943,495	-	2,519,575		949,938
Others		2,784,821		179,447	-	2,120,685		238,456
Total		6,145,150		1,122,942	-	4,640,260		1,188,394

III. The percentage of practitioners, and the average seniority, age and educational attainment of practitioners, in the last two years and by the date of publication of annual report:

Year		2019	2020	As of March 31, 2021
Employee No.	R&D	402	316	318
	General staff	713	758	772
	Production staff	34	10	10
	Total	1,149	1,084	1,100
Average age		35.29	33.83	33.64
Average seniority		6.55	6.75	6.71
Education distribution (%)	Doctoral Degree	0.17%	0.18%	0.18%
	Master	6.18%	5.72%	6.04%
	College	81.55%	82.48%	81.06%
	Senior High School	11.49%	11.16%	12.17%
	Below Senior High School	0.61%	0.46%	0.55%

IV. Environmental Protection Expenditure:

(I) Our countermeasures and possible expenditure in future for the loss incurred from pollution and total types of punishment during the last year and by the date of publication of annual report: Not applicable.

(II) We shall apply for the permit of anti-pollution facilities or pollutant emission, pay for pollution control, or designate staffs for units responsible for environmental protection as required by law. We have not applied for any permit, made any payment or designated any staff for aforementioned units: Not applicable.

(III) Investment in main equipment for pollution control, and the purpose and possible benefit of main equipment: We are a pollution-free business. We have no investment required for pollution control.

(IV) Information on our improvement of pollution in the last two years and up to the date of publication of the annual report, any pollution dispute, and explanation on our way of handling: No pollution dispute occurred.

(V) Current pollution condition, improvement of impact on our surplus, competitive position and CapEx, and expected major environmental capital expenditure in the next two years: We are a pollution-free business. We have no major capital expenditure required for environmental protection.

V. Employer and employee relationships:

(I) All kinds of employee welfare measures, continuing education, training, retirement system and its implementation, labor agreement, and all kinds of employee rights protection measures:

1. Welfare

(1) Cash gift: Cash gift for birthday, cash gift for Dragon Boat Festival, cash gift for Mid-Autumn Festival, cash gift for kick-off, cash gift for Christmas, cash gift for Labor Day, cash gift for wedding and funeral, maternity allowance, quarter gathering allowance, team trip allowance and cultural event allowance.

(2) Insurance and pension: We buy labor, health and group insurance for all employees and allocate reserve fund every month.

(3) Medical insurance: employee group health insurance, annual health check-ups, welfare contracted medical institutions, and monthly health consultations.

(4) Facility: Staff canteen, employee area, parking space and contract hotel.

(5) Other benefits: Robust promotion channel, year-end bonus based on business operation,

performance bonus, year-end-party raffle, festival gift and children education subsidy.

2. OJT and training system for employees:
   We encourage employees to receive continuing education, improve competence, overall manner and business performance of employee, and train talents in R&D and operational management.
   (1) External training: We appoint employees to take professional seminars organized by educational training institutions and government agencies depending on their job.
   (2) System skill training: We introduce our information system, promote the system and offer skill training courses for staffs who need to use this system.
   (3) Professional skill training: To enhance overall employee competency, we encourage employees to take courses on professional skill training.

Items in 2020	Number of participants	Total training hours
Orientation organized by the company	100	200
Workplace safety and health courses organized by the company	100	300
External training courses organized by external institutions	39	321
Total	239	821

3. Retirement system and implementation:
   We comply with the pension system specified in the Labor Pension Act. We follow the guidelines for defined contribution pension plan. We allocate six percent of monthly salary to personal pension account in the Bureau of Labor Insurance.
   We comply with the pension system specified in the Labor Standards Act. We follow the guidelines for defined benefit plan. The employee pension is paid based on seniority and the average salary (base) of the last six months before approved date of retirement. We allocate two percent of monthly salary as the employee pension fund and authorize the Labor Retirement Reserve Fund Supervision Committee to deposit the employee pension fund to personal pension account in Bank of Taiwan in the name of the Labor Retirement Reserve Fund Supervision Committee.
4. Labor agreement:
   We always care about employee rights and maintain labor-management harmony. We care about employee opinions. Employees can communicate with the HR Department or suitable senior executives to maintain a good relationship via opinion mailbox, sexual harassment appeal mailbox and whistleblower mailbox. No major labor dispute occurred so far.
5. Protection measures for all kinds of employee rights:
   We comply with government decrees and protect relevant employee rights. We offer counseling and assistance to employees in need.
   (1) Workplace protection measures
      A. We perform sanitation, monitoring and management regularly for workplace, air and water quality to maintain the workplace.
      B. Numerous specialized cleaners provide a clean, comfortable workplace.
      C. We monitor the workplace 24-hour to provide a safe workplace.
      D. We built a complete fire system according to the fire regulations.
   (2) Personal safety protection measures
      A. We offer regular health checkup to protect employee health.
      B. We buy labor, health and group insurance for all employees
      C. We build an internal appeal system to prohibit workplace violence.

(II) The loss incurred from labor dispute and disclosure of current amount or estimated amount in future and countermeasures during the last year and by the date of publication f annual report: None.

VI. Major contracts: None.

Six. Financial summary

I. Summary balance sheet and comprehensive income statement for the last 5 years:

(1) Information of condensed statements of financial positions and statement of comprehensive income--IFRS

1. Brief Consolidated Balance Sheet- IAS

Unit: NTD thousands

Item \ Year		Financial information from the past five years (Note 1)					Current year financial information up to March 31, 2021
		2016	2017	2018	2019	2020	
Current assets		9,901,376	10,158,265	10,780,940	11,164,456	12,088,944	No related information. (Note 4)
Property, plant, and equipment (Note 2)		392,946	390,129	423,285	400,700	386,835	
Intangible assets		38,062	127,709	518,941	490,894	484,199	
Other assets (Note 2)		968,506	631,283	672,527	712,629	753,788	
Total assets		11,300,890	11,307,386	12,395,693	12,768,679	13,713,766	
Current liabilities	Before Distribution	4,702,424	4,781,359	5,483,499	5,429,170	5,944,236	
	After Distribution	4,447,475	4,526,410	5,203,055	4,919,273	(Note 3)	
Non-current liabilities		119,771	107,086	162,472	235,115	310,135	
Total liabilities	Before Distribution	4,822,195	4,888,445	5,645,971	5,664,285	6,254,371	
	After Distribution	4,567,246	4,633,496	5,365,527	5,154,388	(Note 3)	
Equity of the parent company		5,697,077	5,673,225	5,670,266	5,973,763	6,316,235	
Capital stock		1,274,743	1,274,743	1,274,743	1,274,743	1,274,743	
Capital surplus		1,521,190	1,529,865	1,744,934	1,753,876	1,781,028	
Retained earnings	Before Distribution	2,573,165	2,735,203	2,936,814	3,266,641	3,699,174	
	After Distribution	2,318,216	2,480,254	2,656,370	2,756,744	(Note 3)	
Other equity		327,979	133,414	163,078	127,806	71,683	
Treasury stock		0	0	(449,303)	(449,303)	(510,393)	
Non-controlling interest		781,618	745,716	1,079,456	1,130,631	1,143,160	
Total equity	Before Distribution	6,478,695	6,418,941	6,749,722	7,104,394	7,459,395	
	After Distribution	6,223,746	6,163,992	6,469,278	6,594,497	(Note 3)	

Note 1: The financial statements of every fiscal year have been audited and reviewed by Deloitte Taiwan.
Note 2: After a revaluation, disclose the date of revaluation and the revaluation gain amount.
Note 3: The proposal on 2020 net earnings distribution is pending resolution by meeting of shareholders.
Note 4: As of the date on which the annual report was printed, there was not financial data for 2021Q1 that has been audited by CPAs.

2. Condensed Consolidated Statement of Comprehensive Income -IFRS

(expressed in NT$ thousands, except for EPS at NT$1/share)

Item \ Year	Financial information from the past five years (Note 1)					Current year financial information up to March 31, 2021
	2016	2017	2018	2019	2020	
Operating revenue	15,541,915	15,611,929	5,552,667	5,828,654	7,268,092	No related information. (Note 2)
Gross profit	2,923,359	2,703,321	3,101,350	3,181,095	3,738,887	
Operating gains and losses	311,625	411,494	585,826	757,528	1,107,517	
Non-operating revenues and expenses	155,198	82,053	67,054	75,194	137,701	
Net profit before taxation	466,823	493,547	652,880	832,722	1,245,218	
Current year profit of continuing business units	367,573	367,278	472,019	665,943	997,267	
gain(loss) from discontinued operations	0	0	0	0	0	
Net income	367,573	367,278	472,019	665,943	997,267	
Other comprehensive income for the period (post-tax profit or loss)	20,415	(190,042)	28,011	(43,805)	(64,785)	
Cumulative Comprehensive Income in current period	387,988	177,236	500,030	622,138	932,482	
Net profit attributable to parent company	420,962	417,558	461,322	610,580	943,767	
Net profit (loss) attributable to non-controlling interest	(53,389)	(50,280)	10,697	55,363	53,500	
Total comprehensive income attributable to owners of the parent company	449,816	222,422	486,224	574,999	886,307	
Comprehensive income, gross, attributable to non-controlling interest	(61,828)	(45,186)	13,806	47,139	46,175	
Earnings per share	3.30	3.28	3.70	5.00	7.76	

* The Company has prepared individual financial statement; therefore, the below condensed individual balance sheets and Income Statement within five years are provided otherwise.

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table (2) of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: The financial statements of every fiscal year have been audited and reviewed by Deloitte Taiwan.

2: As of the date on which the annual report was printed, there was not financial data for 2021Q1 that has been audited by CPAs.

(II) Condensed individual statement of financial position and statement of comprehensive income-IFRS

1. Brief Individual Balance Sheet- IAS

Unit: NTD thousands

Item \ Year		Financial information from the past five years (Note)					Current year financial information up to March 31, 2021
		2016	2017	2018	2019	2020	
Current assets		5,859,514	5,914,722	6,075,148	5,928,878	5,909,431	We adopt IFRS without producing the individual financial statements for Q1. This indicator is thus not applicable.
Property, plant, and equipment		348,327	354,512	351,923	347,497	342,987	
Intangible assets		4,038	3,319	27,151	18,326	10,009	
Other assets		3,836,632	3,425,263	3,387,784	3,490,534	3,792,427	
Total assets		10,048,511	9,697,816	9,842,006	9,785,235	10,054,854	
Current liabilities	Before Distribution	4,242,292	6,075,148	4,063,128	3,689,336	3,557,521	
	After Distribution	3,987,343	3,669,637	3,782,684	3,179,439	(Note 2)	
Non-current liabilities		109,142	100,005	108,612	122,136	181,098	
Total liabilities	Before Distribution	4,351,434	4,024,591	4,171,740	3,811,472	3,738,619	
	After Distribution	4,096,485	3,769,642	3,891,296	3,301,575	(Note 2)	
Capital stock		1,274,743	1,274,743	1,274,743	1,274,743	1,274,743	
Capital surplus		1,521,190	1,529,865	1,744,934	1,753,876	1,781,028	
Retained earnings	Before Distribution	2,573,165	2,735,203	2,936,814	3,266,641	3,699,174	
	After Distribution	2,318,216	2,480,254	2,656,370	2,756,744	(Note 2)	
Other equity		327,979	133,414	163,078	127,806	71,683	
Treasury stock		0	0	(449,303)	(449,303)	(510,393)	
Total equity	Before Distribution	5,697,077	5,673,225	5,670,266	5,973,763	6,316,235	
	After Distribution	5,442,128	5,418,276	5,389,822	5,463,866	(Note 2)	

Note 1: The financial statements of every fiscal year have been audited and audited by Deloitte Taiwan.

Note 2: The proposal on 2020 net earnings distribution is pending resolution by meeting of shareholders.

2. Brief Individual Income Statement- IAS

(expressed in NT$ thousands, except for EPS at NT$1/share)

Year / Item	Financial information for the latest 5 years (Note 1)					Current year financial information up to March 31, 2021
	2016	2017	2018	2019	2020	
Operating revenue	14,123,658	14,425,722	2,402,463	2,335,588	2,719,262	We adopt IFRS without producing the individual financial statements for Q1. This indicator is thus not applicable.
Gross profit	1,979,922	1,927,353	1,993,919	2,006,539	2,287,179	
Operating gains and losses	350,231	512,193	522,683	567,776	711,931	
Non-operating revenues and expenses	153,766	4,429	65,394	178,941	402,867	
Net profit before taxation	503,997	516,622	588,077	746,717	1,114,798	
Current year profit of continuing business units	420,962	417,558	461,322	610,580	943,767	
gain(loss) from discontinued operations	0	0	0	0	0	
Net income	420,962	417,558	461,322	610,580	943,767	
Other comprehensive income for the period (post-tax profit or loss)	28,854	(195,136)	24,902	(35,581)	(57,460)	
Current period other comprehensive income (Gross)	449,816	222,422	486,224	574,999	886,307	
Earnings per share	3.30	3.28	3.70	5.00	7.76	

Note 1: The financial statements of every fiscal year have been audited and audited by Deloitte Taiwan.

(III) Condense balance sheets and statements of income - The ROC Financial Accounting Standards:

We adopted IFRS in 2013, and this indicator is thus not applicable.

(IV) Names of financial statement auditors in the last 5 years, and their audit opinions:

Year	Firm Name	Name of auditor	Opinion
2016	Deloitte & Touche	Qiu-yan Wu and Jia-ling Jiang	Unqualified opinion
2017	Deloitte & Touche	Qiu-yan Wu and Jia-ling Jiang	Unqualified opinion
2018	Deloitte & Touche	Qiu-yan Wu and Jia-ling Jiang	Unqualified opinion
2019	Deloitte & Touche	Qiu-yan Wu and Jia-ling Jiang	Unqualified opinion
2020	Deloitte & Touche	Chen-li Chen, Jia-ling Jiang	Unqualified opinion

II. Financial analysis for the latest 5 years:

(I) Consolidated Financial analysis - The ROC Financial Accounting Standards:

Analytical items \ Year		Financial Analysis for the most recent five years					As of March 31, 2021
		2016	2017	2018	2019	2020	
Financial structure (%)	Debt to assets ratio	42.67	43.23	45.55	44.36	45.61	No related information (Note 7)
	Ratio of long-term capital to property, plant and equipment	1,679.23	1,672.79	1,632.99	1,831.67	2,008.49	
Solvency (%)	Current ratio	210.56	212.46	196.61	205.64	203.37	
	Liquid ratio	206.81	209.53	191.61	199.97	199.52	
	Interest coverage ratio	0	0	238.00	326.92	656.38	
Operating ability	Account receivable turnover (times)	6.21	6.43	16.44	14.83	15.54	
	Days sales in account receivable	59	57	22	24.61	23.48	
	Inventory turnover (times)	118.86	187.03	47.87	14.54	29.44	
	Account payable turnover (times)	5.98	5.45	1.81	8.33	8.84	
	Average days in sales	3	2	8	25.10	12.39	
	Rate of real estate, plant buildings and equipment turnover (times)	47.49	39.87	13.65	14.15	18.46	
	Total assets turnover (times)	1.44	1.38	0.47	0.46	0.55	
Profitability	ROA (%)	3.40	3.25	4.00	5.31	7.54	
	ROE (%)	5.75	5.70	7.17	9.61	13.70	
	Percentage of net profit before tax to the paid-in capital (%)	36.62	38.72	51.22	65.32	97.68	
	Net profit rate (%)	2.37	2.35	8.50	11.43	13.72	
	Earnings per share (NTD)	3.30	3.28	3.70	5.00	7.76	
Cash flow (%)	Cash flow ratio (%)	27.61	18.05	18.68	19.35	28.23	
	Cash flow adequacy ratio (%)	167.89	181.56	206.32	206.43	280.03	
	Cash flow reinvestment ratio (%)	18.16	9.79	12.54	11.80	17.24	
Leverage	Operating leverage	3.43	2.88	2.08	1.93	1.85	
	Financial leverage	1.00	1.00	1.00	1.00	1.00	

Please describe the reasons for the changes in the financial ratios over the last two years (Effort for analysis may be dispensed with in case of increase/decrease change is below 20%)

1. TIE: It is primarily associated with the increase of income before tax in 2020.
2. Inventory turnover rate: mainly due to the increased cost of goods sold.
3. Average days of sales: The decrease is mainly due to the increased inventory turnover rate.
4. Property, plant and equipment turnover rate: mainly due to the increased revenues.
5. ROA (%): as the 2020 net revenue increased.
6. ROE (%): as the 2020 net revenue increased.
7. The profit before tax to capital stock (%): as the 2020 net revenue increased.
8. The net profit rate (%): as the 2020 net revenue increased.
9. EPS: It is primarily associated with the increase of net profit in 2020.
10. The cash reinvestment ratio (%): as the net operating cash flow increased.
11. Cash flow adequacy ratio (%): as the net operating cash flow increased.

The Company has prepared individual financial statement; therefore, the below financial ratios analysis is provided otherwise.

Note 1: The financial reports for each year were audited by the CPAs.

Note 2: If available, disclose and analyze the financial data certified or reviewed by a CPA in the previous period of a listed company or its shares traded at a securities company by the date of publication of this report.

Note 3: The following equation shall be identified at the end of the annual report:

1. Financial structure
   (1) Liabilities to total assets =Total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant and equipment＝(Total equities＋noncurrent liabilities) /property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio＝(current assets－inventories－prepaid expense) /current liabilities
   (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period.
3. Operating ability
   (1) Receivable (including accounts receivable and notes receivable arising from business operation) Turnover = Net sales / average receivable (including accounts receivable and notes receivable arising from business operation) balance
   (2) Days sales in account receivable = 365 / Account receivable turnover (times)
   (3) Inventory turnover (times) = Cost of goods sold / average inventory amount
   (4) Payable (including accounts payable and notes payable arising from business operation) Turnover = Cost of goods sold / Average payable (including accounts payable and notes payable arising from business operation) balance
   (5) Average days in sales = 365 / Inventory turnover (times)
   (6) Property, plant, and equipment turnover (times) = Net sales / Net average property, plant, and equipment
   (7) T Total assets turnover (times) = Net sales / Average total assets
4. Profitability
   (1) Return on assets = (after tax net profit + interest expenses x (1- tax rate)) / average asset balance.
   (2) Return on shareholders' equity = after tax net profit/ total average equity.
   (3) Profit ratio＝net income/net sales
   (4) Earnings per share＝(profits or loss attributable to owners of the parent company－preferred stock dividend) /weighted average stock shares issued (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
   (2) Cash flow adequacy ratio=net cash flow from operating activities within five years/ (capital expenditure + inventory increase + cash dividend) within five years
   (3) Cash re-investment ratio＝(net cash flow from operating activity－cash dividend) /(gross property , plant, and equipment＋long-term investment＋other noncurrent assets＋working capital) (Note 5)
6. Leverage:
   (1) Operating leverage = (Net operating income - Changes in operating cost and expense) / Operating profit (Note 6)
   (2) Financial leverage = Operating profit / (Operating profit - interest expense)

Note 4: The calculation of earnings per share in the preceding paragraph should be with the following matters taken into consideration for measurement:

1. Weighted average quantity of shares is on the basis of common stock, not the outstanding shares as of the end of the year.
2. The quantity of new shares for raising new capital or treasury stock trade shall be included in the weighted average quantity of shares during their effective term.
3. Where the shares may be issued through the capitalization of retained earnings or capital surplus, make adjustment in proportion to the quantity of shares issued in calculating the semi-annual or annual EARNINGS PER SHARE of the year. The period for the release of such new shares may be omitted.
4. If the prefer stock is inconvertible cumulative preferred stock, the current stock divided (regardless distributed or not) should be deducted from the net income or added to the net loss. If the prefer stock is not cumulative, the current stock divided should be deducted from the net income, if any, but without the need of making any adjustment if there is net loss instead of net income.

Note 5: Consider the followings in conducting cash flow analysis:

1. Net cash flow from operation refers to net cash inflow from operation as stated in the Statement of Cash Flow.
2. Capital spending refers to the cash outflow to annual capital investments.
3. Increase in inventory will be counted only when the ending inventory amount exceeding the beginning inventory amount. The decrease in inventory at yearend will be treated as zero change.
4. Cash Dividends includes the dividends in cash paid to holders of common shares and preferred shares.
5. The gross property, plant, and equipment refer to the total amount of property, plant, and equipment before deducting the accumulated depreciation.

Note 6: The issuer should have the operating cost and operating expense classified as fixed and variable by the nature of operation. If it involves estimates or subjective judgments made, please pay attention to its rationality and consistency.

Note 7: As of the date on which the annual report was printed, there was not financial data for 2021Q1 that has been audited by CPAs.

(II) Individual Financial analysis - The ROC Financial Accounting Standards:

Analytical items \ Year		Financial Analysis for the most recent five years					As of March 31, 2021
		2016	2017	2018	2019	2020	
Financial structure (%)	Debt to assets ratio	43.30	41.50	42.39	38.95	37.18	We adopt IFRS without producing the individual financial statements for Q1. This indicator is thus not applicable.
	Ratio of long-term capital to property, plant and equipment	1,666.89	1,628.50	1,640.61	1,754.23	1,894.34	
Solvency (%)	Current ratio	138.12	150.71	149.69	160.70	166.11	
	Liquid ratio	136.93	148.46	149	156.26	162.48	
	Interest coverage ratio	0	0	0	3,661.38	3,597.12	
Operating ability	Account receivable turnover (times)	6.13	6.36	18.33	19.95	32.20	
	Days sales in account receivable	59.54	57	20	18.29	11.33	
	Inventory turnover (times)	191.30	310.47	7.69	6.54	7.79	
	Account payable turnover (times)	5.24	4.84	0.29	1.59	3.26	
	Average days in sales	2	1	47	55.81	46.85	
	Rate of real estate, plant buildings and equipment turnover (times)	50.81	41.06	7	6.68	7.88	
	Total assets turnover (times)	1.48	1.46	0.25	0.24	0.27	
Profitability	ROA (%)	4.42	4.23	4.72	6.22	9.52	
	ROE (%)	7.56	7.34	8.13	10.49	15.36	
	Percentage of net profit before tax to the paid-in capital (%)	39.54	40.53	46.13	58.58	87.45	
	Net profit rate (%)	2.98	2.89	19.07	26.14	34.71	
	Earnings per share (NTD)	3.30	3.28	3.70	5.00	7.76	
Cash flow (%)	Cash flow ratio (%)	22.66	14.25	17.76	12.80	23.62	
	Cash flow adequacy ratio (%)	151.52	151.98	141.94	133.98	150.18	
	Cash flow reinvestment ratio (%)	14.34	5.53	8.58	3.33	5.40	
Leverage	Operating leverage	3.43	2.88	2.08	1.93	1.85	
	Financial leverage	1	1	1	1	1	

Please describe the reasons for the changes in the financial ratios over the last two years (Effort for analysis may be dispensed with in case of increase/decrease change is below 20%)

1. Accounts receivable turnover rate: mainly due to the increased revenues and decreased accounts receivable.
2. Days sales in account receivable: Mainly caused by the increased revenues and the increased accounts receivable turnover rate.
3. Accounts payable turnover: It is primarily associated with the decrease of accounts payable.
4. Return on assets (%): mainly due to the increased revenues in 2020.
5. ROE (%): as the 2020 net revenue increased.
6. The profit before tax to capital stock (%): as the 2020 net revenue increased.
7. The net profit rate (%): as the 2020 net revenue increased.
8. EPS: It is primarily associated with the increase of net profit in 2020.
9. The cash reinvestment ratio (%): as the net operating cash flow increased.
10. The cash reinvestment ratio (%): as the net operating cash flow increased.

Note 1: The individual financial statements of all years have been certified by CPAs.

Note 2: If available, disclose and analyze the financial data certified or reviewed by a CPA in the previous period of a listed company or its shares traded at a securities company by the date of publication of this report.

Note 3: The following equation shall be identified at the end of the annual report:

1. Financial structure
   (1) Liabilities to total assets =Total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant and equipment＝(Total equities＋noncurrent liabilities) /property, plant and equipment.
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   (1) Current ratio = current assets / current liabilities.
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   (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period.
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   (1) Receivable (including accounts receivable and notes receivable arising from business operation) Turnover = Net sales / average receivable (including accounts receivable and notes receivable arising from business operation) balance
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   (5) Average days in sales = 365 / Inventory turnover (times)
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4. Profitability
   (1) Return on assets = (after tax net profit + interest expenses x (1- tax rate)) / average asset balance.
   (2) Return on shareholders' equity = after tax net profit/ total average equity.
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   (4) Earnings per share＝(profits or loss attributable to owners of the parent company－preferred stock dividend) /weighted average stock shares issued (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
   (2) Cash flow adequacy ratio=net cash flow from operating activities within five years/ (capital expenditure + inventory increase + cash dividend) within five years
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6. Leverage:
   (1) Operating leverage = (Net operating income - Changes in operating cost and expense) / Operating profit (Note 6)
   (2) Financial leverage = Operating profit / (Operating profit - interest expense)

Note 4: The calculation of earnings per share in the preceding paragraph should be with the following matters taken into consideration for measurement:

1. Weighted average quantity of shares is on the basis of common stock, not the outstanding shares as of the end of the year.
2. The quantity of new shares for raising new capital or treasury stock trade shall be included in the weighted average quantity of shares during their effective term.
3. Where the shares may be issued through the capitalization of retained earnings or capital surplus, make adjustment in proportion to the quantity of shares issued in calculating the semi-annual or annual EARNINGS PER SHARE of the year. The period for the release of such new shares may be omitted.
4. If the prefer stock is inconvertible cumulative preferred stock, the current stock divided (regardless distributed or not) should be deducted from the net income or added to the net loss. If the prefer stock is not cumulative, the current stock divided should be deducted from the net income, if any, but without the need of making any adjustment if there is net loss instead of net income.

Note 5: Consider the followings in conducting cash flow analysis:

1. Net cash flow from operation refers to net cash inflow from operation as stated in the Statement of Cash Flow.
2. Capital spending refers to the cash outflow to annual capital investments.
3. Increase in inventory will be counted only when the ending inventory amount exceeding the beginning inventory amount. The decrease in inventory at yearend will be treated as zero change.
4. Cash Dividends includes the dividends in cash paid to holders of common shares and preferred shares.
5. The gross property, plant, and equipment refer to the total amount of property, plant, and equipment before deducting the accumulated depreciation.

(III) Financial analysis - Taiwan financial reporting standards:
We adopted IFRS in 2013, and this indicator is thus not applicable.

III. Supervisor's report on the review of the latest financial reports:

Soft-World International Corporation
Supervisors' Review Report

The 2020 individual financial statements and consolidated financial statements made by the BOD have been audited by Deloitte Taiwan. The audit report issued by Deloitte Taiwan and the business report and earnings distribution proposal have been submitted to the supervisor for audit. As there was no nonconformance found against Article 219 of the Company Act, the report is presented as above.

Please review the information.

To:
2021 Annual General Meeting

Supervisor: CHIEN, CHIN-CHENG

Supervisor: CHANG, HUNG-YUAN

March 17, 2021

Soft-World International Corporation
Supervisors' Review Report

The 2020 individual financial statements and consolidated financial statements made by the BOD have been audited by Deloitte Taiwan. The audit report issued by Deloitte Taiwan and the business report and earnings distribution proposal have been submitted to the supervisor for audit. As there was no nonconformance found against Article 219 of the Company Act, the report is presented as above.

Please review the information.

To:
2021 Annual General Meeting

Supervisor: CHIEN, CHIN-CHENG

Supervisor: CHANG, HUNG-YUAN

March 17, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Soft-World International Corporation

Opinion

We have audited the accompanying consolidated financial statements of Soft-World International Corporation (the "Corporation") and its subsidiaries (collectively known as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is described as follows.

Revenue Recognition - MyCard transactions

The Corporation is an agent in its exclusive card (MyCard) transactions. Net service revenue is recognized at the time customers use MyCard in exchange for game points. Please refer to Notes 4 and 23 to the consolidated financial statements for more details. We considered the risk of material misstatement of the recognition of revenue as the risk of incorrect calculation of the aforementioned game points and the amount needed to be transferred to the related game operators. Therefore, we focused on the accuracy of revenue recognized from MyCard transactions.

The main audit procedures performed by us included the following:

1. We understood and tested the operating effectiveness of the internal controls of the MyCard internet platform and the interface control between MyCard and the ERP system;

2. We implemented computer-assisted audit techniques to test the process by which MyCard points which are deposited, exchanged and consumed. We also verified the amount from MyCard points exchanged and needed to be transferred to the related game operators, and confirmed that the net service revenue amounts had been recorded appropriately.

Other Matter

We have also audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Li Chen and Jia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020 Amount	%	December 31, 2019 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 5,074,336	37	$ 5,001,765	39
Notes receivable (Note 7)	4,025	-	4,071	-
Accounts receivable, net (Notes 7 and 31)	574,498	4	352,614	3
Other receivables (Notes 7 and 31)	1,745,983	13	1,879,244	15
Current tax assets (Note 25)	6,747	-	7,441	-
Inventories (Note 8)	41,326	-	27,939	-
Other financial assets - current (Notes 9 and 32)	4,442,006	32	3,589,585	28
Other current assets	200,023	2	301,797	2
Total current assets	12,088,944	88	11,164,456	87
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 10)	103,050	1	-	-
Financial assets at fair value through other comprehensive income - noncurrent (Note 11)	402,774	3	444,658	4
Investments accounted for using the equity method (Note 13)	38,641	-	47,477	-
Property, plant and equipment (Notes 14 and 32)	386,835	3	400,700	3
Right-of-use assets (Note 15)	54,283	1	49,794	1
Investment properties (Note 16)	42,219	-	45,740	-
Goodwill	457,621	4	457,621	4
Other intangible assets (Note 17)	26,578	-	33,273	-
Deferred tax assets (Note 25)	36,040	-	56,534	1
Prepayments for equipment	-	-	1,777	-
Refundable deposits	28,219	-	24,768	-
Net defined benefit assets (Note 21)	21,611	-	20,571	-
Other financial assets - noncurrent (Note 9)	25,389	-	18,595	-
Other noncurrent assets	1,562	-	2,715	-
Total noncurrent assets	1,624,822	12	1,604,223	13
TOTAL	$ 13,713,766	100	$ 12,768,679	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 23)	$ 202,293	2	$ 348,260	3
Notes payable (Notes 18 and 31)	7,616	-	14,609	-
Accounts payable (Notes 18 and 31)	500,894	4	276,324	2
Other payables (Notes 19 and 31)	2,891,250	21	2,918,342	23
Current tax liabilities (Note 25)	68,098	1	64,771	-
Lease liabilities - current (Note 15)	35,951	-	26,608	-
Other financial liabilities - current (Note 20)	2,207,710	16	1,745,827	14
Other current liabilities	30,424	-	34,429	-
Total current liabilities	5,944,236	44	5,429,170	42
NONCURRENT LIABILITIES				
Deferred tax liabilities (Note 25)	123,820	1	56,021	-
Lease liabilities - noncurrent (Note 15)	18,534	-	23,141	-
Net defined benefit liabilities (Note 21)	83,638	-	81,969	1
Guarantee deposits received	84,143	1	73,984	1
Total noncurrent liabilities	310,135	2	235,115	2
Total liabilities	6,254,371	46	5,664,285	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Share capital	1,274,743	9	1,274,743	10
Capital surplus	1,781,028	13	1,753,876	14
Retained earnings				
Legal reserve	1,037,835	8	976,777	8
Special reserve	30,984	-	120,524	1
Unappropriated earnings	2,630,355	19	2,169,340	17
Total retained earnings	3,699,174	27	3,266,641	26
Other equity	71,683	1	127,806	1
Treasury shares	(510,393)	(4)	(449,303)	(4)
Total equity attributable to owners of the Corporation	6,316,235	46	5,973,763	47
NON-CONTROLLING INTERESTS (Note 22)	1,143,160	8	1,130,631	9
Total equity	7,459,395	54	7,104,394	56
TOTAL	$ 13,713,766	100	$ 12,768,679	100

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 23 and 31)	$ 7,268,092	100	$ 5,828,654	100
OPERATING COSTS (Notes 8, 24 and 31)	3,529,205	49	2,647,559	45
GROSS PROFIT	3,738,887	51	3,181,095	55
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	1,903,295	26	1,615,076	28
General and administrative expenses	343,985	5	349,864	6
Research and development expenses	383,230	5	417,410	7
Expected credit loss (Note 7)	860	-	41,217	1
Total operating expenses	2,631,370	36	2,423,567	42
OPERATING INCOME	1,107,517	15	757,528	13
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	39,284	-	42,132	1
Other income (Note 24)	55,293	1	51,935	1
Other gains and losses (Note 24)	48,180	1	(5,742)	-
Finance costs (Note 24)	(1,900)	-	(2,555)	-
Share of loss of associates accounted for using the equity method (Note 13)	(3,156)	-	(10,576)	-
Total non-operating income and expenses	137,701	2	75,194	2
PROFIT BEFORE INCOME TAX	1,245,218	17	832,722	15
INCOME TAX EXPENSE (Note 25)	247,951	3	166,779	3
NET PROFIT FOR THE YEAR	997,267	14	665,943	12
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	(2,366)	-	156	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	(41,884)	(1)	(21,335)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	473	-	(31)	-
	(43,777)	(1)	(21,210)	-

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 22)	$ (25,394)	-	$ (25,832)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 25)	4,386	-	3,237	-
	(21,008)	-	(22,595)	(1)
Other comprehensive loss for the year, net of income tax	(64,785)	(1)	(43,805)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 932,482	13	$ 622,138	11
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 943,767	13	$ 610,580	10
Non-controlling interests	53,500	1	55,363	1
	$ 997,267	14	$ 665,943	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 886,307	12	$ 574,999	10
Non-controlling interests	46,175	1	47,139	1
	$ 932,482	13	$ 622,138	11
EARNINGS PER SHARE (Note 26)				
Basic	$ 7.76		$ 5.00	
Diluted	$ 7.72		$ 4.98	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
			Retained Earnings			Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Treasury shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	$ 1,274,743	$ 1,744,934	$ 930,645	$ 25,117	$ 1,981,052	$ (11,367)	$ 174,445	$ 163,078	$ (449,303)	$ 5,670,266	$ 1,079,456	$ 6,749,722
Appropriation of 2018 earnings (Note 22)												
Legal reserve	-	-	46,132	-	(46,132)	-	-	-	-	-	-	-
Special reserve	-	-	-	95,407	(95,407)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(280,444)	-	-	-	-	(280,444)	-	(280,444)
	-	-	46,132	95,407	(421,983)	-	-	-	-	(280,444)	-	(280,444)
Cash dividends distributed by subsidiaries (Note 22)	-	-	-	-	-	-	-	-	-	-	(4,897)	(4,897)
Net profit in 2019	-	-	-	-	610,580	-	-	-	-	610,580	55,363	665,943
Other comprehensive loss in 2019, net of income tax	-	-	-	-	(309)	(17,734)	(17,538)	(35,272)	-	(35,581)	(8,224)	(43,805)
Total comprehensive income (loss) in 2019	-	-	-	-	610,271	(17,734)	(17,538)	(35,272)	-	574,999	47,139	622,138
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	11,726	-	-	-	-	-	-	-	11,726	-	11,726
Changes in percentage of ownership interests in subsidiaries	-	(2,784)	-	-	-	-	-	-	-	(2,784)	2,784	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	6,149	6,149
BALANCE AT DECEMBER 31, 2019	1,274,743	1,753,876	976,777	120,524	2,169,340	(29,101)	156,907	127,806	(449,303)	5,973,763	1,130,631	7,104,394
Appropriation of 2019 earnings (Note 22)												
Legal reserve	-	-	61,058	-	(61,058)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(509,897)	-	-	-	-	(509,897)	-	(509,897)
Reversal of special reserve	-	-	-	(89,540)	89,540	-	-	-	-	-	-	-
	-	-	61,058	(89,540)	(481,415)	-	-	-	-	(509,897)	-	(509,897)
Cash dividends distributed by the subsidiaries (Note 22)	-	-	-	-	-	-	-	-	-	-	(10,642)	(10,642)
Net profit in 2020	-	-	-	-	943,767	-	-	-	-	943,767	53,500	997,267
Other comprehensive loss in 2020, net of income tax	-	-	-	-	(1,337)	(18,929)	(37,194)	(56,123)	-	(57,460)	(7,325)	(64,785)
Total comprehensive income (loss) in 2020	-	-	-	-	942,430	(18,929)	(37,194)	(56,123)	-	886,307	46,175	932,482
Purchase of treasury shares (Note 22)	-	-	-	-	-	-	-	-	(43,492)	(43,492)	-	(43,492)
Purchase of the Corporation's shares by subsidiaries (Note 22)	-	-	-	-	-	-	-	-	(17,598)	(17,598)	(11,496)	(29,094)
Adjustments of capital surplus for Corporation's cash dividends received by subsidiaries	-	21,960	-	-	-	-	-	-	-	21,960	-	21,960
Difference between consideration and carrying amount of subsidiaries acquired or disposed of (Note 12)	-	(171)	-	-	-	-	-	-	-	(171)	-	(171)
Changes in percentage of ownership interests in subsidiaries	-	5,363	-	-	-	-	-	-	-	5,363	(5,363)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,145)	(6,145)
BALANCE AT DECEMBER 31, 2020	$ 1,274,743	$ 1,781,028	$ 1,037,835	$ 30,984	$ 2,630,355	$ (48,030)	$ 119,713	$ 71,683	$ (510,393)	$ 6,316,235	$ 1,143,160	$ 7,459,395

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

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,245,218	$ 832,722
Adjustments for:		
Income and expenses		
Depreciation expenses	69,892	65,630
Amortization expenses	48,061	61,436
Expected credit loss recognized on accounts receivable	860	41,217
Gain on financial assets at fair value through profit or loss	(44,190)	-
Finance costs	1,900	2,555
Interest income	(39,284)	(42,132)
Dividend income	(2,977)	(2,934)
Share of loss of associates accounted for using the equity method	3,156	10,576
Gain (loss) on disposal of investments	(15,781)	197
Others	2,643	2,885
Changes in operating assets and liabilities		
Notes receivable	46	4,089
Accounts receivable	(195,246)	42,337
Other receivables	136,108	141,679
Inventories	(11,995)	9,450
Other current assets	103,741	(40,622)
Contract liabilities	(146,025)	20,568
Notes payable	(6,993)	(8,554)
Accounts payable	223,590	(45,344)
Other payables	(37,165)	(234,113)
Other financial liabilities	461,883	331,239
Other current liabilities	(4,089)	(5,310)
Net defined benefit liabilities	(1,737)	(10,890)
Cash generated from operations	1,791,616	1,176,681
Interest received	36,018	40,130
Dividends received	2,977	14,660
Interest paid	(1,900)	(2,962)
Income tax paid	(150,778)	(177,848)
Net cash generated from operating activities	1,677,933	1,050,661
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	-	(1,588)
Purchase of financial assets at fair value through other comprehensive income	(58,860)	-
Acquisition of investments accounted for using equity method	-	(2,275)
Net cash inflow on acquisition of subsidiaries	3,183	-
Proceeds from disposal of subsidiaries	2,513	-
Payments for property, plant and equipment	(19,838)	(10,755)
Proceeds from disposal of property, plant and equipment	7,745	2,347
Increase in refundable deposits	(3,451)	(9,196)

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SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Acquisition of intangible assets	$ (43,842)	$ (33,477)
Proceeds from disposal of intangible assets	2,476	90
Increase in other financial assets	(859,215)	(635,115)
Increase in other noncurrent assets	(85)	(532)
Net cash used in investing activities	(969,374)	(690,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(105,059)
Increase in guarantee deposits received	9,460	29,958
Repayment of the principal portion of lease liabilities	(38,439)	(34,731)
Cash dividends distributed	(487,937)	(280,444)
Payments to acquire treasury shares	(43,492)	-
Acquisition of the parent company's shares held by subsidiaries	(17,598)	-
Disposal of ownership interests in subsidiaries without losing control	3,891	-
Changes in non-controlling interests	(42,488)	4,036
Net cash used in financing activities	(616,603)	(386,240)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(19,385)	(26,556)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72,571	(52,636)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,001,765	5,054,401
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 5,074,336	$ 5,001,765

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Soft-World International Corporation (the Corporation) was incorporated in July 1983, The Corporation is mainly engaged in the production, sales and provides agency services of entertainment and commercial software; editing, printing and publishing of game magazines; commercial advertising services; and purchase and sale of entertainment products and accessories of game software.

The Corporation's shares have been trading on the Taipei Exchange since March 2001.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 17, 2021.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies:

Amendments to IFRS 3 "Definition of a Business"

The Group applies the amendments to IFRS 3 to transactions that occur on or after January 1, 2020. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To determine whether an acquired process is substantive, different criteria apply, depending on whether there are outputs at the acquisition date. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether or not an acquired set of activities and assets is a business.

The initial application of the amendments to IFRS 3 did not have a material impact on the Group's financial statements in 2020.

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of other standards and interpretations would not have a significant impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or

after January 1, 2023.

1) Amendments to IFRS 10 and IAS 28

The amendments stipulate that, when the Group sells or contributes assets that constitutes a business (as defined in IFRS 3) to an associate or a joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary or a joint venture that contains a business but retains significant influence, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or a joint venture, i.e. the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or a joint venture, i.e. the Group's share of the gain or loss is eliminated.

2) Amendments to IFRS 3 "'Reference to the Conceptual Framework"

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 "Levies" to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

a) accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

b) the Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

c) not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) the Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) the Group chose the accounting policy from options permitted by the standards;

c) the accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) the accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or

e) the accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

For details on the percentages of ownership and main operating activities of the subsidiaries, refer to Note 12, Table 7 and Table 8.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual group entity in the Group, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Group (including subsidiaries and associates operating in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

g. Inventories

Inventories consist of raw materials, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

h Investments accounted for using the equity method

The Group uses the equity method to account for its investments in associates. An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent that interests in the associate are not related to the Group.

i. Property, plant, and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Land is not depreciated.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant component is depreciated separately. If the lease term of an item of property, plant and equipment is shorter than its useful life, such asset is depreciated over its lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Other intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the

financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category of financial assets

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, other financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable and other receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable and other receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i Internal or external information show that the debtor is unlikely to pay its creditors.

ii When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The Group estimates sales returns and allowances based on historical experience and different contracts. To account for the transfer of products with a right of return, the Group recognizes revenue and in the meantime, the Group also recognizes refund liabilities (classified under other current liabilities) and rights to recover a product (classified under other current assets).

1) Sale of goods

Revenue from the sale of goods comes from sales of game points and game magazines. Based on the contract, when game points and game magazines, etc. are transferred to the customer, the customer has full discretion in the determination of prices, has the right of use, has the primary responsibility for sales to future customers, and assumes significant risk of ownership of the goods. The Group recognizes the related revenue and accounts receivable at the point of time the goods were transferred. Advance receipts of selling merchandise are recognized as "Contract liabilities".

2) Revenue from games operated by the Corporation

Refers to the revenue from game items redeemed by the consumers on the MyCard platform (generally known as 'virtual goods'), where revenue is recognized over time as the virtual goods are

consumed or over the estimated usable period of the goods. If the sales obligations have not been fulfilled, the revenue should be deferred, and recognized under contract liabilities.

3) Rendering of services

a) Sales of exclusive card (MyCard) points issued by the Corporation, are recognized as "Other financial liabilities" before the specified goods or services are transferred to the customers. The Corporation is the agent in the MyCard transaction because the Corporation has not obtained control of the specified goods or services. When the consumers use MyCard in exchange for specified goods or services via the online platform, the Corporation recognizes service revenue for the net amount, after deducting receipts needed to be transferred to the related game operators.

b) Fee income from electronic payments and the third-party payments, is obtained from providing services to customers on online cash flow platforms and is recognized as revenue when cash has been received and the process of gaining profit has been mostly completed.

c) Other revenue from the rendering of services

Other services refer to the services of advertising design and exhibition marketing projects, etc. and revenue is recognized when the project has been completed and transferred to the customer. Advance receipts of services are recognized as "Contract liabilities".

4) Licensing revenue

When the nature of the Group's promises in granting the licences meets all of the following criteria which means providing the Group with the right to access the intellectual property, the Group shall recognize revenue over time. Conversely, if that granting of the licence is the right to access the intellectual property existing at point in time at which the licence is granted, the Group shall recognize revenue when the licence granted is transferred; Advance receipts of royalty is recognized as "Contract liabilities".

a) The customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights.

b) The rights granted by the licence directly expose the customer to any positive or negative effects of the entity's activities identified in the above the Group's activity; and

c) Those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If those activities above are expected to significantly change the form or the functionality of customers' intellectual property, or customers' abilities to obtain benefit from the intellectual property is substantially derived from, or dependent upon, those activities, the Group's activity will significantly influence customers' rights.

Revenue is recognized when royalty is received based on customers' sales.

p. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as the current year's expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination or the acquisition of a subsidiary, the tax effect is included in the accounting for business combination or investments in the subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Assessment of goodwill from business combinations

Determining whether goodwill from the subsidiary, Neweb Technologies, is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Income taxes

As of December 31, 2020 and 2019, the carrying amount of deferred tax assets in relation to unused tax losses and temporary differences were $447,904 thousand and $538,343 thousand, respectively.
The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is more than expected, material deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a recognition takes place.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand	$ 1,716	$ 1,780
Bank deposits	2,807,676	2,478,230
Cash equivalents		
Time deposits with original maturities of less than 3 months	2,264,944	2,521,755
	$ 5,074,336	$ 5,001,765

7. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
Operating	$ 4,025	$ 4,071
Accounts receivable (including related parties)		
Operating - at amortized cost		
Gross carrying amount	$ 578,019	$ 382,221
Less: Allowance for impairment loss	(3,521)	(29,607)
	$ 574,498	$ 352,614
Other receivables (including related parties)		
Receivables for receipts under custody	$ 1,609,987	$ 1,846,545
Less: Allowance for impairment loss - receivables for receipts under custody	(66,627)	(62,164)
	1,543,360	1,784,381
Others	237,658	122,190
Less: Allowance for impairment loss - others	(35,035)	(27,327)
	202,623	94,863
	$ 1,745,983	$ 1,879,244

a. Notes receivable

At the end of the reporting period, there were no past due notes receivable on which the Group did not recognize an allowance for impairment loss.

b. Accounts receivable

The average credit period is 30 to 120 days. The Group adopted a policy of only dealing with entities that have good credit ratings, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions. The loss allowance is further distinguished according to the Group's different customer segments based on the aging of accounts receivable or past due status.

The Group writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the accounts receivable are past due. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable:

December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
Customer segment A					
Expected credit loss rate (%)	-	0-3	15-30	100	
Gross carrying amount	$ 511,596	$ 806	$ 722	$ 324	$ 513,448
Loss allowance (Lifetime ECLs)	-	(6)	(108)	(324)	(438)
Amortized cost	$ 511,596	$ 800	$ 614	$ -	$ 513,010

	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due 270 Days	Total
Customer segment B						
Expected credit loss rate (%)	-	0-7	0-10	0-50	0-100	
Gross carrying amount	$ 53,131	$ 3,186	$ 1,675	$ 1,786	$ 4,793	$ 64,571
Loss allowance (lifetime ECLs)	(182)	-	(3)	(76)	(2,822)	(3,083)
Amortized cost	$ 52,949	$ 3,186	$ 1,672	$ 1,710	$ 1,971	$ 61,488

December 31, 2019

	Customers Without Signs of Default				Customers With Signs of Default	
	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Less than 90 Days	Total
Customer segment A						
Expected credit loss rate (%)	-	0-3	15-30	100	100	
Gross carrying amount	$282,228	$ 1,635	$ 2,610	$ 1,192	$ 25,790	$313,455
Loss allowance (lifetime ECLs)	-	-	(45)	(978)	(25,790)	(26,813)
Amortized cost	$282,228	$ 1,635	$ 2,565	$ 214	$ -	$286,642

	Not past due	Past due 1-90 Days	Past due 91-180 Days	Past due 181-270 Days	Past due 270 Days	Total
Customer segment B						
Expected credit loss rate (%)	-	0-7	0-10	0-50	0-100	
Gross carrying amount	$ 46,671	$ 1,760	$ 2,352	$ 2,496	$ 15,487	$ 68,766
Loss allowance (lifetime ECLs)	(179)	-	(4)	(55)	(2,556)	(2,794)
Amortized cost	$ 46,492	$ 1,760	$ 2,348	$ 2,441	$ 12,931	$ 65,972

Of the accounts receivable that were past due as of December 31, 2020 and 2019, $7,441 thousand and $18,173 thousand were respectively due to the agreements signed between the Group and its counterparties. Set-off clauses are written into the agreements to reduce the Group's risk from the lenders' breach of contracts by giving them the right to offset the liabilities payable to the counterparties when credit events occur.

c. Other receivables

Receipts under custody receivables are from the sale of the Corporation's exclusive card (MyCard). The Corporation sold MyCard to customers by cooperative channels (see Note 23), and the average credit period of receivables for channels was 30 to 120 days.

The following table details the loss allowance of receipts under custody receivables for MyCard:

December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 1,485,229	$ 45,018	$ 24,699	$ 55,041	$ 1,609,987
Loss allowance (Lifetime ECLs)	-	(1,384)	(10,202)	(55,041)	(66,627)
Amortized cost	$ 1,485,229	$ 43,634	$ 14,497	$ -	$ 1,543,360

December 31, 2019

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1 year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 1,720,382	$ 48,675	$ 26,150	$ 51,338	$ 1,846,545
Loss allowance (Lifetime ECLs)	-	(1,466)	(9,360)	(51,338)	(62,164)
Amortized cost	$ 1,720,382	$ 47,209	$ 16,790	$ -	$ 1,784,381

The movements of the loss allowance of accounts receivable and other receivables were as follows:

	For the Year Ended December 31, 2020		
	Accounts Receivable	Other Receivables	Total
Balance at January 1	$ 29,607	$ 89,491	$ 119,098
Add: Impairment losses recognized (reversed) in accounts receivable and other receivables	(25,167)	26,027	860
Less: Amounts written off	(922)	(14,101)	(15,023)
Foreign exchange gains and losses	3	245	248
Balance at December 31	$ 3,521	$ 101,662	$ 105,183

	For the Year Ended December 31, 2019		
	Accounts Receivable	Other Receivables	Total
Balance at January 1	$ 10,607	$ 91,628	$ 102,235
Add: Impairment losses recognized in accounts receivable and other receivables	26,263	14,954	41,217
Less: Amounts written off	(7,256)	(16,464)	(23,720)
Foreign exchange gains and losses	(7)	(627)	(634)
Balance at December 31	$ 29,607	$ 89,491	$ 119,098

8. INVENTORIES

	December 31	
	2020	2019
Raw materials	$ -	$ 109
Finished goods	154	174
Merchandise	41,172	27,656
	$ 41,326	$ 27,939

9. OTHER FINANCIAL ASSETS

	December 31	
	2020	2019
Pledged demand deposits (Note 32)	$ -	$ 352
Pledged time deposits (Note 32)	37,000	37,000
Restricted trust deposits	667,546	855,477
Restricted bank deposits	25,389	18,595
Time deposits with original maturities of more than 3 months	3,737,460	2,696,756
	$ 4,467,395	$ 3,608,180
Current	$ 4,442,006	$ 3,589,585
Noncurrent	25,389	18,595
	$ 4,467,395	$ 3,608,180

The Group applied business trust to pledge the temporary receipts from third-party and electronic payments. For the proxy receipts and store-value received, the Group assigned a dedicated bank account as a trust account that was included in “Other financial assets - restricted trust deposits”.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS - NONCURRENT - DECEMBER 31, 2020

	Amount
Mandatorily classified as at FVTPL	
Foreign listed shares	$ 103,050

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT

	December 31	
	2020	2019
Listed shares	$ 127,962	$ 130,995
Emerging market shares	28,156	34,554
Private - placement shares of listed companies	230,540	261,189
Domestic unlisted shares	16,116	17,920
	$ 402,774	$ 444,658

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2020	Proportion of Ownership (%) December 31 2019	Remark
The Corporation	Chinese Gamer International Corporation (Chinese Gamer)	Online game service	49	49	Note 1
	Soft-World Technology Pte. Ltd.	Trading of game software	100	100	
	Game Flier International Corporation	Online game service	98	98	
	Global Concept Corporation (Global Concept)	Investment related business	100	100	
	Game First International Corporation	Online game service	70	70	
	Efun International Co., Ltd. (Efun)	Investment related business	-	-	Note 2
	Zealot Digital International Corporation	Development and sales of game software	99	99	
	Zealot Digital Pte. Ltd. (Zealot)	Development and sales of game software	-	100	Note 3
	Soft-World International (Hong Kong) Corporation (Soft-World (Hong Kong))	Trading of game software	100	100	
	Dynasty International Information Co., Ltd.	Design, development and trading of computer software	86	86	
	Jhih Long Venture Capital Corporation (Zhi Long)	Investment related business	13	13	
	Sofaman Corporation (Sofaman)	Development and sales of game software	60	60	Note 4
	Re: Ad Media Corporation (Re: Ad)	Investment related business	-	-	Note 2
	Interactive Entertainment Technology Co., Ltd (Interactive Entertainment)	Investment related business	80	80	
	Fast Distributed Cloud Computing Co., Ltd (Fast Distributed Cloud)	Retail, wholesale and service of information software	90	100	Note 5
	Neweb Technologies Corporation Ltd. (Neweb Technologies)	Information software wholesale and retail and electronic data supply services	50	50	Note 6

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2020	Proportion of Ownership (%) December 31 2019	Remark
	Efun International Corporation (Efun)	Information software and data processing services	80	80	Note 7
	Long Xiang Investment Co., Ltd. (Long Xiang Investment)	Investment related business	44	44	
	CELAD Game Corporation (Celad)	Online game service	32	32	Note 8
	Re: Ad Media (Taiwan) Corporation (Re: Ad Media (Taiwan))	General advertising service	-	-	Note 7
	We Can Financial Technology Co., Ltd. (We Can)	Development of financial system and equipment, etc.	51	38	Note 9
Chinesegamer International Corporation	Taichigamer (B.V.I.) Co., Ltd. (Taichigamer)	Investment related business	100	100	
	Walkfun International Corporation (Walkfun)	Network authentication, data processing services and electronic information providing services	100	100	
	CELAD Game Corporation (Celad)	Online game service	68	50	Note 10
	Super Game Corporation (Super Game)	Online game service	88	50	Note 10
	Jhih Long Venture Capital Corporation (Jhih Long)	Investment related business	13	13	
	Star Diamond Universal Corporation (Star Diamond)	Investment related business	100	100	
	Fun Bear Corporation (Fun Bear)	Online game service	100	50	Note 10
	Game Topia Co., Ltd. (Game Topia)	Online game service	65	50	Note 10
	Oriental Dragon Digital Co., Ltd. (Oriental Dragon)	Online game service	100	53	Note 10
	Long Xiang Investment Co., Ltd. (Long Xiang Investment)	Investment related business	30	30	
Taichigamer	Transasiagamer (B.V.I.) Co., Ltd. (Transasiagamer)	Investment related business	100	100	
Transasiagamer	You Long Online (Beijing) Technology Corporation (You Long Beijing Online)	Online game service	100	100	
Star Diamond	Dragon Gamer (Hong Kong) Co., Ltd. (Dragon Gamer)	Online game service	100	100	
Game Topia	Game Topia (Hong Kong) Technology Corporation (Hong Kong Game Topia)	Information service industry	100	100	
Game Flier	Soft-Orient Corporation (Soft-Orient)	Investment related business	100	100	
	Game Flier (Malaysia) Sdn. Bhd. (Malaysia Game Flier)	Game software development, manufacturing and selling	-	100	Note 3
	Mobile Flier International Corporation (Mobile Flier)	Development of smart mobile games	-	100	Note 3
Global Concept	Value Central Corporation (Value Central)	Investment related business	100	100	
	Gamers Grande Corporation (Gamers Grande)	Investment related business	100	100	
Value Central	Picked United Development Ltd (Picked United Development)	Acquisition and authorization of game software	100	100	
Gamers Grande	Game Flier (Beijing) Sdn. Bhd. (Beijing Game Flier)	Information processing and supply services	100	100	
Game First	Compete ! Games Interactive Entertainment Corporation	Agent and operation of sports type of games	100	100	
Soft - World (Hong Kong)	Soft-World International (Guangzhou) Corporation (Soft-World (Guangzhou))	Design, development, production and sales of computer hardware and software	-	100	Note 11
Interactive Entertainment	Interactive Entertainment Technologies Corporation (Interactive Entertainment)	Wholesale and service of information software	100	100	
Neweb Technologies	ezPay Taiwan Co., Ltd. (ezPay)	Third party payment service	100	100	
	Newebpay Corporation. (Newebpay)	Electronic data supply service	100	100	
	CService Technology Co., Ltd.	Information software	100	100	
Efun International Corporation	Re: Ad Media Corporation. (Re: Ad)	General advertising service	100	100	Note 7
Long Xiang Investment	Jhih Long Venture Capital Corporation (Jhih Long)	Investment related business	74	74	

(Concluded)

1) A subsidiary with material non-controlling interests, listed on the mainboard of the Taipei Exchange. Since the Corporation can direct the company's relevant activities due to its holding of an absolute majority of the company's voting rights, the company is recognized as a subsidiary.

2) Completed liquidation procedures in 2019.

3) Completed liquidation procedures in 2020.

4) Sofaman has ceased operations and is currently closed.

5) The Corporation sold some of its shares held of Fast Distributed Cloud for $3,771 thousand, leading to a decrease in its shareholding ratio from 100% to 90%. The difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal was recorded as capital surplus of $218 thousand.

6) In September 2020, Neweb Technologies carried out a capital reduction for offsetting its accumulated deficits of $359,414 thousand.

7) In May 2019, Efun International Corporation issued new shares for $26,000 thousand in exchange for the Corporation's 51% equity in the subsidiary, Re: Ad Media (Taiwan), and the remaining outstanding shares of Re: Ad Media (Taiwan). As a result, Re: Ad Media (Taiwan) became Efun International Corporation's 100%-owned subsidiary, and the Corporation's ownership percentage of Efun International Corporation decreased from 89% to 80%.

8) In June 2019, CELAD implemented a capital increase in cash and issued shares, for which the Corporation subscribed for $7,500 thousand. However, since the shares were not acquired based on the Corporation's original shareholding percentage, the ownership percentage increased from 25% to 32%.

9) The Corporation acquired the shares of We Can for $1,710 thousand and $2,275 thousand in the first quarter of 2020 and 2019, respectively. The Corporation obtained control over the investee since March 2020, and the investee had been included in the consolidated financial statements since then. For the related information, refer to Note 27: Business Combinations. In addition, the Corporation disposed of We Can's shares in May 2020, resulting in the decrease of the shareholding ratio from 52% to 51%. The disposal price was $120 thousand, and the difference between the disposal price and book value was recognized as capital surplus - the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal of $47 thousand.

10) The subsidiaries of Chinese Gamer acquired the equity of non-controlling interests for $31,806 thousand in 2020. The net asset book value of the subsidiary shall be recognized as non-controlling interests of $30,485 thousand based on the calculation of the relative changes in equity.

11) Soft-World (Hong Kong) disposed of Soft-World (Guangzhou) in 2020. Please refer to Note 28: Disposal of subsidiaries for the details.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)	
	December 31	
Name of Subsidiary	2020	2019
Chinese Gamer International Corporation (%)	51	51

For information on the main operating locations and countries of incorporation of the subsidiaries, refer to Table 7.

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31 2020	2019	Non-controlling Interests December 31 2020	2019
Chinese Gamer International Corporation	$ 6,499	$ 43,509	$ 593,795	$ 585,872

The summarized financial information below represents amounts before intragroup eliminations.

Chinese Gamer International Corporation and Chinese Gamer International Corporation's subsidiaries

	December 31 2020	2019
Current assets	$ 927,287	$ 991,823
Noncurrent assets	461,172	481,199
Current liabilities	(100,674)	(157,721)
Noncurrent liabilities	(14,278)	(23,690)
Equity	$ 1,273,507	$ 1,291,611
Equity attributable to:		
The Corporation	$ 649,274	$ 647,127
Non-controlling interests of Chinese Gamer International Corporation	593,795	585,872
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	30,438	58,612
	$ 1,273,507	$ 1,291,611
Revenue	$ 458,040	$ 662,928
Profit for the year	$ 13,529	$ 83,747
Other comprehensive loss for the year	(8,209)	(14,308)
Total comprehensive income for the year	$ 5,320	$ 69,439
Profit (loss) attributable to:		
The Corporation	$ (5,447)	$ 35,340
Non-controlling interests of Chinese Gamer International Corporation	6,499	43,509
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	12,476	4,898
	$ 13,528	$ 83,747
Comprehensive income (loss) attributable to:		
The Corporation	$ (9,179)	$ 28,472
Non-controlling interests of Chinese Gamer International Corporation	2,436	36,323

(Continued)

	December 31	
	2020	2019
Non-controlling interests of Chinese Gamer International Corporation's subsidiaries	$ 12,063	$ 4,644
	$ 5,320	$ 69,439
Cash flow		
Operating activities	$ (16,392)	$ 106,071
Investing activities	(66,665)	(23,130)
Financing activities	(10,408)	(11,223)
Net cash inflow (outflow)	$ (93,465)	$ 71,718

(Concluded)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in associates - associates that are not individually material	$ 38,641	$ 47,477

Aggregate information of associates that are not individually material:

	December 31	
	2020	2019
The Group's share of:		
Total loss and other comprehensive loss for the year	$ (3,156)	$ (10,576)

14. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2020

	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
Cost						
Balance at January 1, 2020	$ 215,321	$ 220,605	$ 254,562	$ 32,198	$ 19,688	$ 742,374
Acquisitions through business combinations	-	-	2,470	14,239	1,232	17,941
Additions	-	-	9,176	8,230	3,699	21,105
Disposals	-	-	(16,373)	(27,451)	(1,398)	(45,222)
Disposal of subsidiaries	-	(20,363)	-	-	-	(20,363)
Effect of foreign currency exchange differences	-	191	1,487	27	(130)	1,575
Balance at December 31, 2020	$ 215,321	$ 200,433	$ 251,322	$ 27,243	$ 23,091	$ 717,410

(Continued)

	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
Accumulated depreciation						
Balance at January 1, 2020	$ -	$ 82,390	$ 230,126	$ 13,765	$ 15,393	$ 341,674
Acquisitions through business combinations	-	-	1,313	14,239	698	16,250
Disposals	-	-	(15,727)	(20,935)	(1,398)	(38,060)
Depreciation expense	-	4,960	14,780	6,185	1,844	27,769
Disposal of subsidiaries	-	(18,327)	-	-	-	(18,327)
Effect of foreign currency exchange differences	-	164	1,350	(153)	(92)	1,269
Balance at December 31, 2020	$ -	$ 69,187	$ 231,842	$ 13,101	$ 16,445	$ 330,575
Carrying amounts at December 31, 2020	$ 215,321	$ 131,246	$ 19,480	$ 14,142	$ 6,646	$ 386,835

(Concluded)

For the year ended December 31, 2019

	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
Cost						
Balance at January 1, 2019	$ 215,321	$ 222,882	$ 282,142	$ 32,102	$ 20,937	$ 773,384
Additions	-	-	5,159	253	2,557	7,969
Disposals	-	-	(28,578)	(84)	(3,581)	(32,243)
Transfers to investment properties	-	(823)	-	-	-	(823)
Effect of foreign currency exchange differences	-	(1,454)	(4,161)	(73)	(225)	(5,913)
Balance at December 31, 2019	$ 215,321	$ 220,605	$ 254,562	$ 32,198	$ 19,688	$ 742,374
Accumulated depreciation						
Balance at January 1, 2019	$ -	$ 79,049	$ 247,873	$ 7,609	$ 15,568	$ 350,099
Additions	-	-	(28,165)	(82)	(2,163)	(30,410)
Disposals	-	5,014	14,250	6,305	2,143	27,712
Transfers to investment properties	-	(562)	-	-	-	(562)
Effect of foreign currency exchange differences	-	(1,111)	(3,832)	(67)	(155)	(5,165)
Balance at December 31, 2019	$ -	$ 82,390	$ 230,126	$ 13,765	$ 15,393	$ 341,674
Carrying amounts at December 31, 2019	$ 215,321	$ 138,215	$ 24,436	$ 18,433	$ 4,295	$ 400,700

The reconciliation of additions and the payments from the statements of cash flows of the above items of property, plant and equipment is as follows:

	For the Year Ended December 31	
	2020	2019
Investing activities impacting cash and non-cash items at the same time		
Additions in property, plant and equipment	$ 21,105	$ 7,969
Increase (decrease) in prepayments for equipment	(1,777)	1,016
Decrease in payables for equipment	510	1,770
Cash payments for purchasing property, plant and equipment	$ 19,838	$ 10,755

The following items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-55 years
Equipment	2-10 years
Miscellaneous Equipment	3-5 years
Others	3-6 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amount		
Buildings	$ 54,283	$ 49,794

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 44,652	$ 47,247
Depreciation of right-of-use assets		
Buildings	$ 38,737	$ 34,404

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 35,951	$ 26,608
Noncurrent	$ 18,534	$ 23,141

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Buildings (%)	1.95-2.63	2.11-2.63

c. Material lease activities and terms

The Group's leases relate to buildings with lease terms successively expiring in May 2023. The Group is able to renew the leases when they expire.

d. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ 7,418	$ 9,456
Expenses relating to low-value asset leases	$ 3,168	$ 2,791
Total cash outflow for leases	$ 50,382	$ 48,112

The Group has elected to apply the recognition exemption for leases which qualify as short-term leases and low-value asset leases and thus did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

For the year ended December 31, 2020

	Buildings
Cost	
Balance at January 1, 2020	$ 99,850
Effect of foreign currency exchange differences	(367)
Balance at December 31, 2020	$ 99,483
Accumulated depreciation	
Balance at January 1, 2020	$ 54,110
Depreciation expenses	3,386
Effect of foreign currency exchange differences	(232)
Balance at December 31, 2020	$ 57,264
Carrying amount at December 31, 2020	$ 42,219

For the year ended December 31, 2019

	Buildings
Cost	
Balance at January 1, 2019	$ 102,506
Transfers from property, plant and equipment	823
Effect of foreign currency exchange differences	(3,479)
Balance at December 31, 2019	$ 99,850
Accumulated depreciation	
Balance at January 1, 2019	$ 51,881
Transfers from property, plant and equipment	562
Depreciation expenses	3,514
Effect of foreign currency exchange differences	(1,847)
Balance at December 31, 2019	$ 54,110
Carrying amount at December 31, 2019	$ 45,740

The investment properties were leased out for 1 to 3 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. However, under equal terms, the Group has the priority right of lease.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2020	**2019**
Year 1	$ 21,302	$ 17,024
Year 2	15,370	10,758
Year 3	6,545	2,507
	$ 43,217	$ 30,289

Investment properties are depreciated using the straight-line method over their estimated useful lives which average 20 to 30 years.

The fair value of investment properties as of December 31, 2020 and 2019 was $600,000 thousand and $500,000 thousand, respectively. Management of the Group had assessed and determined the fair value based on market prices of similar properties in the vicinity.

17. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2020

	Computer Software	**Copyright and Royalty for Game Software**	**Total**
Cost			
Balance at January 1, 2020	$ 101,779	$ 5,776	$ 107,555
Additions	12,290	31,552	43,842
Disposals	(3,734)	-	(3,734)
Write-off	(59,158)	(16,420)	(75,578)
Effect of foreign currency exchange differences	19	-	19
Balance at December 31, 2020	$ 51,196	$ 20,908	$ 72,104
Accumulated amortization			
Balance at January 1, 2020	$ 72,456	$ 1,826	$ 74,282
Amortization expenses	25,049	23,012	48,061
Disposals	(1,258)	-	(1,258)
Write-off	(59,158)	(16,420)	(75,578)
Effect of foreign currency exchange differences	19	-	19
Balance at December 31, 2020	$ 37,108	$ 8,418	$ 45,526
Carrying amount at December 31, 2020	$ 14,088	$ 12,490	$ 26,578

For the year ended December 31, 2019

	Computer Software	Copyright and Royalty for Game Software	Total
Cost			
Balance at January 1, 2019	$ 191,062	$ 25,558	$ 216,620
Additions	19,317	14,160	33,477
Disposals	(104)	-	(104)
Write-off	(108,451)	(33,942)	(142,393)
Effect of foreign currency exchange differences	(45)	-	(45)
Balance at December 31, 2019	$ 101,779	$ 5,776	$ 107,555
Accumulated amortization			
Balance at January 1, 2019	$ 144,308	$ 10,992	$ 155,300
Amortization expenses	36,660	24,776	61,436
Disposals	(16)	-	(16)
Write-off	(108,451)	(33,942)	(142,393)
Effect of foreign currency exchange differences	(45)	-	(45)
Balance at December 31, 2019	$ 72,456	$ 1,826	$ 74,282
Carrying amount at December 31, 2019	$ 29,323	$ 3,950	$ 33,273

The above intangible assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
Copyright and royalty for game software	1-3 years

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Group's notes payable and accounts payable are generated from operating activities. The average credit period on purchases of goods is around 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms, and therefore there was no interest charged on the outstanding balance.

19. OTHER PAYABLES

	December 31	
	2020	2019
Payables for receipts under custody	$ 2,105,890	$ 2,252,968
Payables for circulation	144,179	157,526
Payables for salaries or bonuses	179,298	141,636
Payables for agency transactions	161,850	114,812
Payables for compensation of employees, board of directors and supervisors	77,994	52,846
Payables for annual leave	23,012	21,212

(Continued)

	December 31	
	2020	2019
Payables for royalty	$ 9,333	$ 10,058
Others	189,694	167,284
	$ 2,891,250	$ 2,918,342

(Concluded)

Payables for receipts under custody are receipts needed to be transferred to the game operators as the Group provides services for the usage of MyCard online platform and from the sale of points.

20. OTHER FINANCIAL LIABILITIES - CURRENT

	December 31	
	2020	2019
Temporary receipts from the sale of MyCard	$ 797,522	$ 714,624
Temporary receipts from third-party payments and electronic payments	1,410,188	1,031,203
	$ 2,207,710	$ 1,745,827

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Foreign subsidiaries in the Group are required to make contributions to the central provident fund of the country of operations and retirement insurance for being a part of the state-managed retirement benefit plan. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plans adopted by the Corporation and its domestic subsidiaries are in accordance with the Labor Standards Law of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation and domestic subsidiaries of the Group contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	$ 161,325	$ 161,673
Fair value of plan assets	(99,190)	(100,159)
Deficit	62,135	61,514
Net defined benefit assets	21,611	20,571
Other payables	(108)	(116)
Net defined benefit liabilities	$ 83,638	$ 81,969

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2019	$ 161,719	$ (89,139)	$ 72,580
Service cost			
Current service cost	1,013	-	1,013
Gain on settlement	(946)	-	(946)
Interest expense (income)	1,991	(1,150)	841
Recognized in profit or loss	2,058	(1,150)	908
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,955)	(2,955)
Actuarial loss - changes in demographic assumptions	2,860	-	2,860
Actuarial loss - changes in financial assumptions	7,810	-	7,810
Actuarial gain - experience adjustments	(7,871)	-	(7,871)
Recognized in other comprehensive income (loss)	2,799	(2,955)	(156)
Contributions from the employer	-	(11,818)	(11,818)
Benefits paid	(4,903)	4,903	-
Balance at December 31, 2019	161,673	(100,159)	61,514
Service cost			
Current service cost	1,045	-	1,045
Interest expense (income)	1,409	(910)	499
Recognized in profit or loss	2,454	(910)	1,544
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,010)	(3,010)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss - changes in demographic assumptions	$ 799	$ -	$ 799
Actuarial loss - changes in financial assumptions	7,481	-	7,481
Actuarial gain - experience adjustments	(2,904)	-	(2,904)
Recognized in other comprehensive income (loss)	5,376	(3,010)	2,366
Contributions from the employer	-	(1,555)	(1,555)
Benefits paid			
Paid from plan assets	(6,444)	6,444	-
Paid from company assets	(1,734)	-	(1,734)
	(8,178)	6,444	(1,734)
Balance at December 31, 2020	$ 161,325	$ (99,190)	$ 62,135

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk

   The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

   The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rate(s)	0.500	0.750-1.000
Expected rate(s) of salary increase	2.250-3.000	2.250-3.000

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate(s)		
Increase 0.25%	$ (4,424)	$ (5,312)
Decrease 0.25%	$ 5,270	$ 4,556
Expected rate(s) of salary increase		
Increase 0.25%	$ 5,095	$ 4,395
Decrease 0.25%	$ (4,283)	$ (5,184)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
Expected contributions to the plans for the next year	$ 1,785	$ 2,620
Average duration of the defined benefit obligation (in years)	9.61-19.10	10.50-19.80

22. EQUITY

a. Ordinary share capital

	December 31	
	2020	2019
Number of shares authorized (in thousands)	180,000	180,000
Shares authorized	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	127,474	127,474
Shares issued	$ 1,274,743	$ 1,274,743

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and the right to dividends.

b. Capital surplus

	December 31	
	2020	2019
May be used to offset deficits, distributed as cash dividends or transferred to share capital (see 1 below)		
Issuance of ordinary shares	$ 1,229,758	$ 1,229,758
Conversion of bonds	245,975	245,975
Treasury share transactions	81,770	59,810

(Continued)

	December 31	
	2020	2019
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	$ 59,180	$ 59,351
May be used to offset deficits only (see 2 below)		
Changes in percentage of ownership interests in subsidiaries	157,390	152,027
Changes in percentage of ownership interests in associates	6,955	6,955
	$ 1,781,028	$ 1,753,876

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries/ associates resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries/associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, until the legal reserve equals the Corporation's paid-in capital. Besides, the profit shall be set aside or reversed as a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 24(g) Employees' compensation and remuneration of directors and supervisors.

The dividends policy of the Corporation considers expanding the scale of operations and developing research plans, based on the overall environment and the features of the industry in order to pursue sustainable operations and long-term benefits for shareholders. The dividends to shareholders shall be not less than 15% of the distributable earnings each year, but if the accumulated distributable earnings is less than 25% of the Corporation's paid-in capital, the Corporation should not make an appropriation for dividends. The dividends to shareholders can be paid in cash or issued as shares, but cash dividends shall be not less than 10% of the total dividends.

The legal reserve may be used to offset a deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490, Rule No. 1030006415 issued by FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2019 and 2018, which were proposed and approved in the shareholders' meetings on June 18, 2020 and 2019, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2019	2018	2019	2018
Legal reserve	$ 61,058	$ 46,132		
(Reversal of) Special reserve	(89,540)	95,407		
Cash dividends	509,897	280,444	$ 4.00	$ 2.20
	$ 481,415	$ 421,983		

The appropriation of earnings for 2020, which had been proposed by the board of directors on March 17, 2021, is as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 94,243	
Reversal of special reserve	(5,867)	
Cash dividends	761,480	$ 6.00
	$ 849,856	

The appropriation of earnings for 2020 are subject to the resolution of the shareholders in the shareholders' meeting to be held in June 2021.

d. Special reserve

Upon initial application of IFRSs, the amount of cumulative translation adjustments transferred to retained earnings was $25,117 thousand, and the Group had set aside an equal amount of special reserve. In June 2020 and 2019, the shareholders approved the recognition of the difference between the market price (lower than the carrying amount) and the carrying amount of the shares of the Corporation held by its subsidiaries at the end of 2019 of $89,540 thousand as reversal of special reserve and at the end of 2018 of $95,407 thousand as special reserve, respectively, which was calculated based on the Corporation's combined shareholding ratio. Should the market price increase in the future, the increase can be subsequently reversed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ (29,101)	$ (11,367)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(23,315)	(20,971)
Related income tax arising from exchange differences	4,386	3,237
Balance, end of year	$ (48,030)	$ (29,101)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ 156,907	$ 174,445
Recognized for the year		
Unrealized gain (loss) - equity instruments	(37,194)	(17,538)
Balance, end of year	$ 119,713	$ 156,907

f. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ 1,130,631	$ 1,079,456
Share in profit for the period	53,500	55,363
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign operations	(2,079)	(4,861)
Unrealized gain on financial assets at FVTOCI	(4,690)	(3,797)
Actuarial loss on defined benefit plans	(556)	434
Cash dividends distributed by subsidiaries	(10,642)	(4,897)
Shares held by the subsidiaries considered as treasury shares	(11,496)	-
Employees of subsidiaries exercise share options	11,456	-
Acquisition of non-controlling interests in Chinese Gamer's subsidiaries (Note 12)	(30,485)	
Increase in non-controlling interests	7,521	8,933
Balance, end of year	$ 1,143,160	$ 1,130,631

g. Treasury shares

	Thousand Shares			December 31	
Purpose of Treasury Shares	Beginning of the Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2020					
Shares of the Corporation held by subsidiaries	5,330	245	-	5,575	$ 466,901
Transfer shares to employees	-	561	-	561	$ 43,492
For the year ended December 31, 2019					
Shares of the Corporation held by subsidiaries	5,330	-	-	5,330	$ 449,303

The Corporation's shares acquired and held by subsidiaries for the purpose of investment are accounted for as treasury shares.

As of December 31, 2020 and 2019, the market value of the treasury shares calculated based on the combined shareholding percentage was $590,987 thousand and $443,436 thousand, respectively.

23. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2020	2019
Rendering of services	$ 4,789,479	$ 4,150,710
Sale of goods	1,206,256	594,997
Operation of games	1,001,017	816,049
Licensing revenue	271,340	266,898
	$ 7,268,092	$ 5,828,654

1) Rendering of services

Revenue from the rendering of services includes revenue from services rendered for the usage of the MyCard online platform and sale of points, fee income from electronic and third-party payment and other revenue from the rendering of services.

a) The exclusive card (MyCard) issued by the Corporation provides game operators an online platform and services to sell game points directly to the consumers through the MyCard network or other distributors (e.g. convenience stores, supermarkets and telecommunication companies). Sales of MyCard is recognized as "Other financial liabilities - noncurrent". When the consumers use MyCard in exchange for specified goods or service via the online platform, the Corporation recognizes service revenue for the net amount after deducting receipts needed to be transferred to the related game operators.

b) Fee income of electronic and third-party payments result from providing online cash flow platform services. The Group will transfer the payments which are collected from consumers through its cash flow platform to the retailers after deducting the agreed fee.

c) Other service revenue results from providing the advertising design services and exhibition marketing, etc.

2) Sale of goods

The game points and magazines are sold at the contract price through the online platform or different retailers (e.g. brick-and-mortar stores and convenience stores etc.).

The Group’s customary business practices allow customers to return certain goods. The refund liability (classified under other current liabilities) is estimated based on the historical average return rate and the related right to recover a product (classified under other current assets) is recorded accordingly.

3) Revenue from games operated by the Group

Revenue from games operated by the Group is recognized over the period in which virtual goods are consumed or over the estimated usable period of the virtual goods based on consumers’ redemption of the virtual goods of games operated by the Group on the online platform.

4) Licensing revenue

The Group authorizes some intellectual property rights of the self-developed games to other game developers for cooperation and development. In addition to the non-refundable premiums collected at the time of signing of contracts, subsequent follow-up fees are stipulated by the customers’ sales

agreed in the contract.

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable, accounts receivable, and other receivables (receivables under custody) (including related parties) (Note 7)	$ 2,121,883	$ 2,141,066	$ 2,406,583
Contract liabilities			
Advance receipts of services	$ 20,358	$ 97,692	$ 145,157
Royalty fee for games	114,847	119,304	114,317
Others	67,088	131,264	68,218
	$ 202,293	$ 348,260	$ 327,692

The changes in the contract liability balances primarily result from the timing difference between the Group's fulfilment of its performance obligations and the customer's payment.

c. Disaggregation of revenue

Refer to Note 36 for information about the disaggregation of revenue.

24. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 39,256	$ 42,106
Others	28	26
	$ 39,284	$ 42,132

b. Other income

	For the Year Ended December 31	
	2020	2019
Rental income	$ 24,034	$ 28,626
Others	31,259	23,309
	$ 55,293	$ 51,935

c. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Net foreign exchange gains (loss)	$ (1,523)	$ 3,562
Gain on disposal of property, plant and equipment	583	514
Gain (loss) on disposal of investments	15,781	(197)
Financial assets designated as at FVTPL	44,190	-
Loss on miscellaneous disbursements	(10,851)	(9,621)
	$ 48,180	$ (5,742)

d. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loan	$ 543	$ 1,045
Interest on lease liabilities	1,357	1,134
Others	-	376
	$ 1,900	$ 2,555

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 27,769	$ 27,712
Right-of-use assets	38,737	34,404
Investment properties	3,386	3,514
Other intangible assets	48,061	61,436
	$ 117,953	$ 127,066
An analysis of depreciation by function		
Operating costs	$ 385	$ 330
Operating expenses	66,121	61,786
Non-operating expenses	3,386	3,514
	$ 69,892	$ 65,630
An analysis of amortization by function		
Operating costs	$ 23,026	$ 24,784
Operating expenses	25,035	36,652
	$ 48,061	$ 61,436

f. Employee benefits

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	$ 1,054,080	$ 1,005,497
Post-employment benefits		
Defined contribution plans	40,022	39,414
Defined benefit plans (Note 21)	1,544	908
	41,566	40,322
Employee benefits expense	$ 1,095,646	$ 1,045,819
An analysis by function		
Operating costs	$ 10,280	$ 27,614
Operating expenses	1,085,366	1,018,205
	$ 1,095,646	$ 1,045,819

g. Employees' compensation and remuneration of directors and supervisors

According to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and the remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which were approved by the Corporation's board of directors on March 17, 2021 and March 25, 2020, respectively, are as follows:

	For the Year Ended December 31	
	2020	2019
Accrual rate		
Employees' compensation (%)	5	5
Remuneration of directors and supervisors (%)	1	1
Amount		
Employees' compensation	$ 59,461	$ 39,778
Remuneration of directors and supervisors	11,892	7,956

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

For the years ended December 31, 2019 and 2018, there is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains (losses) on foreign currency exchange

	For the Year Ended December 31	
	2020	2019
Foreign exchange gains	$ 14,682	$ 16,755
Foreign exchange losses	(16,205)	(13,193)
Net gain (loss)	$ (1,523)	$ 3,562

25. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ 131,936	$ 132,673
Income tax on unappropriated earnings	7,055	1,866
Adjustments for prior years	15,808	4,726
	154,799	139,265
Deferred tax		
In respect of the current year	93,152	27,514
Income tax expense recognized in profit or loss	$ 247,951	$ 166,779

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2020	2019
Profit before income tax	$1,245,218	$ 832,722
Income tax expense calculated at the statutory rate	$ 303,699	$ 185,555
Nondeductible (deductible) expenses (gain) in determining taxable income	(46,829)	110
Tax-exempt income	(13,520)	(14,184)
Realized investment losses	(14,836)	-
Income tax on unappropriated earnings	7,055	1,866
Unrecognized loss carryforwards	6,136	(14,895)
Unrecognized temporary differences	(12,283)	(2,241)
Adjustments for prior years' tax	15,808	4,726
Others	2,721	5,842
Income tax expense recognized in profit or loss	$ 247,951	$ 166,779

The applicable tax rate used by the Group in accordance with the Income Tax Act of the ROC is 20% The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax benefit (expense) recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2020	2019
In respect of the current period		
Remeasurement of defined benefit plans	$ 473	$ (31)
Translation of foreign operations	4,386	3,237
	$ 4,859	$ 3,206

c. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable	$ 6,747	$ 7,441
Current tax liabilities		
Income tax payable	$ 68,098	$ 64,771

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2020

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 17,581	$ (260)	$ 581	$ 17,902
Loss on inventories	11,454	(2,202)	-	9,252
Bad debts over limits	18,732	(18,712)	-	20
Exchange differences on translating the financial statements of foreign operations	-	-	231	231
Others	8,767	(132)	-	8,635
	$ 56,534	$ (21,306)	$ 812	$ 36,040
Deferred tax liabilities				
Temporary differences				
Unrealized gain from foreign investments accounted for using the equity method	$ 35,351	$ 58,696	$ -	$ 94,047
Exchange differences on translating the financial statements of foreign operations	4,155	-	(4,155)	-

(Continued)

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Defined benefit obligation	$ 5,337	$ 88	$ 108	$ 5,533
Financial assets at fair value through profit/loss	-	8,838	-	8,838
Others	11,178	4,224	-	15,402
	$ 56,021	$ 71,846	$ (4,047)	$ 123,820

(Concluded)

For the year ended December 31, 2019

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 19,729	$ (2,194)	$ 46	$ 17,581
Loss on inventories	11,522	(68)	-	11,454
Bad debts over limits	11,605	7,127	-	18,732
Others	9,314	(547)	-	8,767
	$ 52,170	$ 4,318	$ 46	$ 56,534
Deferred tax liabilities				
Temporary differences				
Unrealized gain from foreign investments accounted for using the equity method	$ 14,315	$ 21,036	$ -	$ 35,351
Exchange differences on translating the financial statements of foreign operations	7,392	-	(3,237)	4,155
Defined benefit obligation	4,969	291	77	5,337
Others	673	10,505	-	11,178
	$ 27,349	$ 31,832	$ (3,160)	$ 56,021

e. Deferred tax assets that have not been recognized in the consolidated balance sheets

	December 31	
	2020	2019
Loss carryforwards		
Expiry in 2020	$ -	$ 107,936
Expiry in 2021	98,882	98,882
Expiry in 2022	103,224	103,224
Expiry in 2023	234,530	234,812
Expiry in 2024	171,771	176,496
Expiry in 2025	293,145	315,432

(Continued)

	December 31	
	2020	2019
Expiry in 2026	$ 232,344	$ 231,457
Expiry in 2027	249,937	234,992
Expiry in 2028	236,063	281,089
Expiry in 2029	117,314	104,870
Expiry in 2030	150,842	-
Without deduction time limit	10,042	430,524
	$ 1,898,094	$ 2,319,714
Deductible temporary differences	$ 342,932	$ 434,015

(Concluded)

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
$ 98,882	2021
103,224	2022
234,530	2023
171,771	2024
293,145	2025
232,344	2026
249,937	2027
236,063	2028
117,314	2029
150,842	2030
10,042	Without deduction time limit
$ 1,898,094	

g. Income tax assessments

The income tax returns of the Corporation through 2018 and of its domestic subsidiaries from 2018-2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

a. Net profit for the year

	For the Year Ended December 31	
	2020	2019
Net profit attributable to owners of the Corporation	$ 943,767	$ 610,580

b. Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	121,610	122,145
Add: Employees' compensation issued	697	572
Weighted average number of ordinary shares used in the computation of diluted earnings per share	122,307	122,717

Since the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
We Can Financial Technology Co., Ltd.	Development of financial system and equipment, etc.	March 26, 2020	52

In order to integrate resources and expand business scale, the Corporation acquired We Can Financial Technology Co., Ltd. of $1,710 thousand and 14% ownership and obtained the control of its operation.

b. Assets acquired and liabilities assumed at the date of acquisition

	Amount
Current assets	
Cash	$ 4,893
Accounts receivable	1,474
Others	1,967
Noncurrent assets	
Property, plant and equipment	1,691
Current liabilities	
Accounts payable and other payables	(1,873)
Others	(142)
Noncurrent liabilities	
Guarantee deposits received	(699)
	$ 7,311

c. Goodwill recognized on acquisition

	Amount
Consideration transferred	$ 1,710
Add: Shareholding acquired	5,680
Non-controlling interests	3,505
Less: Fair value of identifiable net assets acquired	(7,311)
Goodwill recognized on acquisition	$ 3,584

d. Net cash inflow on acquisition of subsidiaries

	Amount
Balance of cash acquired	$ 4,893
Less: Consideration paid in cash	(1,710)
	$ 3,183

e. Impact of acquisition on the results of the Group

The results of the acquiree since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	April 1 to December 31, 2020
Revenue	$ 6,352
Loss	$ (339)

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from continuing operations would have been $7,270,206 thousand, and the profit from continuing operations would have been $997,934 thousand for the year ended December 31, 2020. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2020, nor is it intended to be a projection of future results.

28. DISPOSAL OF SUBSIDIARIES

In December 2020, the Group disposed of 100% of its shareholding in its subsidiary, Soft-World (Guangzhou), and lost control over it.

a. Consideration received from disposal

	Amount
Consideration received in cash and cash equivalents	$ 11,080
Sales proceeds receivable (classified under other receivables)	25,853
Total consideration received	$ 36,933

b. Analysis of assets and liabilities on the date control was lost

	Amount
Current assets	
Cash and cash equivalents	$ 8,567
Non-current assets	
Property, plant and equipment	2,036
Current liabilities	
Other payables	(346)
Net assets disposed of	$ 10,257

c. Gain on disposal of subsidiary

	Amount
Consideration received	$ 36,933
Costs of disposal	(10,036)
Net assets disposed of	(10,257)
Exchange differences on translation of foreign currency	89
Gain on disposal	$ 16,729

d. Net cash inflow on disposal of subsidiary

	Amount
Consideration received	$ 36,933
Less: Sales proceeds receivable as of December 31, 2020	(25,853)
Less: Cash and cash equivalent balances disposed of	(8,567)
	$ 2,513

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the last 2 years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Group's management considers that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign listed shares	$ 103,050	$ -	$ -	$ 103,050
Financial assets at FVTOCI				
Domestic and foreign listed marketable securities - investments in equity instruments	$ 127,962	$ -	$ -	$ 127,962
Domestic emerging securities investment in equity instruments	-	28,156	-	28,156
Private - placement shares of domestic listed companies	-	230,540	-	230,540
Domestic unlisted shares	-	-	16,116	16,116
	$ 127,962	$ 258,696	$ 16,116	$ 402,774

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic and foreign listed marketable securities - investments in equity instruments	$ 130,995	$ -	$ -	$ 130,995
Domestic emerging securities investment in equity instruments	-	34,554	-	34,554
Private - placement shares of domestic listed companies	-	261,189	-	261,189
Domestic unlisted shares	-	-	17,920	17,920
	$ 130,995	$ 295,743	$ 17,920	$ 444,658

There were no transfers between Levels 1 and 2 for the years ended December 31, 2020 and 2019.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 17,920	$ 62,842
Recognized in other comprehensive income (loss)	(386)	(46,510)
Purchases	-	1,588
Transfers out of Level 3	(1,418)	-
Balance at December 31	$ 16,116	$ 17,920

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic marketable securities (emerging market) - investments in equity instruments	If the emerging market shares are not traded in an active market, the management adopts valuation techniques to establish the fair value of the emerging market shares.
Private - placement shares of domestic listed companies	Fair value is the determined by the management with reference to the price with observable market evidence

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic and foreign unlisted shares were assessed and determined by the management with reference to observable market prices.

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
Financial assets at amortized cost (1)	$ 11,894,456	$ 10,870,642
Financial assets at FVTPL	103,050	-
Financial assets at FVTOCI	402,774	444,658
Financial liabilities		
Amortized cost (2)	5,691,613	5,029,086

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise notes and accounts payable, other payables, other financial liabilities, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include time deposits, equity investments, accounts receivable and accounts payable. The Group's corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk

(including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's risk management committee.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below), and other price risk (see (c) below).

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 34. There is no material impacts on the Group's financial statements.

b) Interest rate risk

The carrying amounts of the Group's financial assets with exposure to interest rates at the end of the reporting period are as follows:

	December 31	
	2020	**2019**
Cash flow interest rate risk		
Financial assets	$ 5,302,433	$ 5,707,839

In addition, the Group assessed that the fixed-rate time deposits and lease liabilities did not have material fair value risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would increase/decrease by $53,024 thousand and $57,078 thousand, respectively, which was mainly attributable to the Group's variable-rate bank deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign marketable security investments in equity instruments. The equity investments are held for strategic rather than trading purposes.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax profit for the year ended December 31, 2020 would have increased/decreased by $1,031 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2020 and 2019 would have increased/decreased by $4,028 thousand and $4,447 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

For the financial risk management policies adopted by the Group, refer to Note 7.

The Group's credit risk is mainly concentrated in the following groups' accounts receivable and other receivables (receivables for receipts under custody):

	December 31	
	2020	**2019**
Group A	$ 513,999	$ 621,052
Group B	222,111	273,605
	$ 736,110	$ 894,657

The Group's concentration of credit risk accounted for 34% and 40% of total accounts receivable and other receivables (receivables for receipts under custody) from the above-mentioned groups as of December 31, 2020 and 2019, respectively.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Within 4 Months	**At least 5 Months**	**More than 1 year**	**Total**
December 31, 2020				
Non-interest bearing liabilities	$ 5,487,939	$ 119,531	$ 84,143	$ 5,691,613
Lease liabilities	12,990	23,809	18,679	55,478
	$ 5,500,929	$ 143,340	$ 102,822	$ 5,747,091

(Continued)

	Within 4 Months	At least 5 Months	More than 1 year	Total
December 31, 2019				
Non-interest bearing liabilities	$ 4,877,975	$ 77,127	$ 73,984	$ 5,029,086
Lease liabilities	11,574	15,829	23,522	50,925
	$ 4,889,549	$ 92,956	$ 97,506	$ 5,080,011

(Concluded)

31. TRANSACTIONS WITH RELATED PARTIES

Details of transactions, balances of accounts, gains and losses between the Corporation and its subsidiaries (the Corporation's related parties) have been eliminated at the time of consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are as follows:

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Taomee Co., Ltd. (Taiwan Taomee)	Associates
We Can Financial Technology Co., Ltd. (We can)	Associates (Before March 31, 2020)
Fun Yours Technology Co., Ltd. (Fun Yours)	Related party in substance (The Corporation as legal directors of investee companies)
Asure Corporation (Asure)	Related party in substance (The person in charge is the second-degree relative of the Corporation's chairman)
Ko, Hsiu-Yen	Related party in substance (Spouse of the Corporation's chairman)
Wang, Li-Chuan	Related party in substance (Second-degree relative of the Corporation's chairman)
Wang, Chun-Hsiung	Related party in substance (Second-degree relative of the Corporation's chairman)

b. Operating Revenue

Line Item	Related Party Category	For the Year Ended December 31 2020	2019
Sale of goods	Related party in substance	$ 61,292	$ 14,712
Rendering of services	Associates	$ 8,822	$ 12,663
	Related party in substance	926	298
		$ 9,748	$ 12,961

Except for the revenue from the rendering of advertising design services where similar transactions with unrelated parties are not available for comparison, the selling price for the sale of goods and licences to related parties was not significantly different from that of normal customers. MyCard service revenue was recognized according to the terms in each agreement. The payment terms (bimestrial commercial

note) to related parties was similar to that for third parties.

c. Purchase of goods

Related party type	For the Year Ended December 31 2020	2019
Associates	$ 69	$ 621
Related party in substance	6,436	18,152
	$ 6,505	$ 18,773

The Group purchases goods from the aforementioned related parties based on franchise agreements, and its prices and payment terms are handled in accordance with the agreements. As the Group did not purchase similar types of game software with non-related parties, the purchase prices cannot be compared. The payment terms are not significantly different from that for general suppliers.

d. Receivables from related parties

Line Item	Related Party Category	December 31 2020	2019
Accounts receivable	Associates	$ 1,314	$ 2,716
	Related party in substance	57	12
		$ 1,371	$ 2,728
Other receivables	Associates	$ -	$ 178
	Related party in substance	32,238	28,822
		$ 32,238	$ 29,000

Other receivables are mainly the Corporation's sale of its exclusive MyCard through its related parties.

The outstanding receivables were unsecured, and there was no allowance for impairment loss under the item of receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category	December 31 2020	2019
Notes payable	Associates	$ -	$ 1,826
	Related party in substance	600	689
		$ 600	$ 2,515
Accounts payable	Associates	$ -	$ 164
	Related party in substance	3	795
		$ 3	$ 959

(Continued)

Line Item	Related Party Category	December 31 2020	December 31 2019
Other payables	Associates	$ 6,263	$ 2,709
	Related party in substance	44	-
		$ 6,307	$ 2,709

(Concluded)

The outstanding payables to related parties were unsecured.

f. Others

Fees such as commission and miscellaneous fees which the Group paid to related parties were recognized under operating expenses based on their nature:

Related Party Category	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Associates	$ -	$ 180
Related party in substance	162,742	117,074
	$ 162,742	$ 117,254

g. Remuneration of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 54,432	$ 42,212
Post-employment benefits	177	216
	$ 54,609	$ 42,428

32. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The following assets were provided as collateral for the letter of performance bonds for the electric cash flow company, the letter of performance bond for points and collateral for third-party payment providers:

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Other financial assets - current		
Pledged demand deposits	$ -	$ 352
Pledged time deposits	37,000	37,000
	37,000	37,352

(Continued)

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment		
Land	$ 109,463	$ 109,463
Buildings	82,258	84,620
	191,721	194,083
	$ 228,721	$ 231,435

(Concluded)

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As disclosed in Note 32, the Group provided demand deposits, time deposits and property, plant, and equipment as collateral for performance guarantees of unused MyCard points and the payment by third party payment service company. As of December 31, 2020 and 2019, the credit line committed by banks was $800,000 thousand and $806,000 thousand, respectively.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
December 31, 2020				
Financial assets				
Monetary items				
USD	$ 8,246	28.480	(USD:NTD)	$ 234,843
HKD	9,830	3.673	(HKD:NTD)	36,104
Non-monetary items				
Financial assets at fair value through profit or loss				
HKD	28,056	3.673	(HKD:NTD)	103,050
Financial assets at fair value through other comprehensive income				
HKD	354	3.673	(HKD:NTD)	1,300
Financial liabilities				
Monetary items				
USD	1,628	28.480	(USD:NTD)	46,370
HKD	2,778	3.673	(HKD:NTD)	10,203

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
December 31, 2019				
Financial assets				
Monetary items				
USD	$ 5,470	29.980	(USD:NTD)	$ 163,998
HKD	9,109	3.849	(HKD:NTD)	35,059
Non-monetary items				
Financial assets at fair value through other comprehensive income				
HKD	456	3.849	(HKD:NTD)	1,755
Financial liabilities				
Monetary items				
USD	1,582	29.980	(USD:NTD)	47,439
HKD	4,510	3.849	(HKD:NTD)	17,359

(Concluded)

For the years ended December 31, 2020 and 2019, realized and unrealized net foreign exchange gains and losses were a loss of $1,523 thousand and a gain of $3,562 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 6

11) Information on investees: Table 7

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on each operating entity and the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

- Soft-World International Corporation (the Corporation), Soft-World (Hong Kong) International Corporation and its subsidiaries (Soft Word (Hong Kong)) - Production and agents of computer game software and publishing of computer game magazines.

- Chinese Gamer International Corporation and its subsidiaries (Chinese Gamer) - Development of computer software and providing online game services.

- Game Flier International Corporation (Game Flier), Game First and its subsidiaries (Game First) - Agent of computer game and providing online game services.

- Neweb Technologies and its subsidiary (Neweb Technologies) - Data Processing, data software and third-party payment services.

- Efun Corporation and its subsidiary (Efun) – General advertising and advertisement data processing services.

- Others - operating segments are the subsidiaries in the Group, for related information, refer to Note 12 since the subsidiaries do not meet the threshold and thus are not recognized as reportable segments.

Segment revenues and operating results

a. The following is an analysis of the Group's revenues and results of operations by reportable segment.

For the year ended December 31, 2020

	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Game Flier and Game First	Neweb Technologies	Efun	Others	Adjustment and Elimination	Total
Revenue from external customers	$ 2,487,462	$ 458,038	$ 1,598,704	$ 937,187	$ 1,371,577	$ 415,124	$ -	$ 7,268,092
Inter-segment revenue	301,620	2	6,127	8,294	100,954	61,678	(478,675)	-
Total revenue	$ 2,789,082	$ 458,040	$ 1,604,831	$ 945,481	$ 1,472,531	$ 476,802	$ (478,675)	$ 7,268,092
Segment profit (loss)	$ 741,708	$ (9,977)	$ 168,690	$ 22,817	$ 126,453	$ 68,089	$ (10,263)	$ 1,107,517
Interest income								39,284
Other income								55,293
Other gain and loss								48,180
Finance costs								(1,900)
Share of loss of associates accounted for using the equity method								(3,156)
Segment profit before tax								$ 1,245,218
Segment assets	$ 7,384,589	$ 1,019,101	$ 1,498,473	$ 2,608,810	$ 813,148	$ 592,793	$ (203,148)	$ 13,713,766
Segment liabilities	$ 3,875,825	$ 114,954	$ 275,391	$ 1,712,996	$ 482,833	$ 82,671	$ (290,299)	$ 6,254,371

For the year ended December 31, 2019

	Soft-World and Soft-World (Hong Kong)	Chinese Gamer	Game Flier and Game First	Neweb Technologies	Efun	Others	Adjustment and Elimination	Total
Revenue from external customers	$ 2,240,773	$ 657,977	$ 775,259	$ 800,543	$ 999,345	$ 354,757	$ -	$ 5,828,654
Inter-segment revenue	181,305	4,951	8,999	2,404	16,191	61,375	(275,225)	-
Total revenue	$ 2,422,078	$ 662,928	$ 784,258	$ 802,947	$ 1,015,536	$ 416,132	$ (275,225)	$ 5,828,654
Segment profit (loss)	$ 598,164	$ 77,250	$ 12,568	$ (13,305)	$ 53,766	$ 30,126	$ (1,041)	$ 757,528
Interest income								42,132
Other income								51,935
Other gain and loss								(5,742)
Finance costs								(2,555)
Share of loss of associates accounted for using the equity method								(10,576)
Segment profit before tax								$ 832,722
Segment assets	$ 7,361,759	$ 1,112,236	$ 1,342,928	$ 2,145,345	$ 455,936	$ 567,281	$ (216,806)	$ 12,768,679
Segment liabilities	$ 3,955,637	$ 181,446	$ 238,051	$ 1,272,588	$ 277,942	$ 92,577	$ (303,956)	$ 5,664,285

The above reporting revenue is generated from the transactions with external customers.

Segment profit represents the profit before tax earned by each segment without non-operating income and loss. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Revenue from major products and services: Note 23

c. Geographical information

The Group operates in two principal geographical areas - Taiwan (ROC) and China.

The Group's revenue from external customers by location of operations and information about its noncurrent assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2020	2019	2020	2019
Taiwan (ROC)	$ 6,145,150	$ 4,640,260	$ 447,688	$ 462,737
China	717,930	820,077	52,396	58,495
Others	405,012	368,317	11,393	12,767
	$ 7,268,092	$ 5,828,654	$ 511,477	$ 533,999

Noncurrent assets exclude financial instruments, goodwill, deferred tax assets and net defined benefit assets, etc.

d. Information about major customers

There was no single customer contributing 10% or more to the Group's revenue in 2020 and 2019.

TABLE 1

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn	Interest Rate (%)	Nature for Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
1	Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Other receivables - related parties	Yes	$ 20,000	$ -	$ -	2.63	The need for short-term financing	$ -	Operating capital	$ -	None	$ -	$ 49,547	$ 132,126	Note
2	Game Flier International Corporation	Neweb Technologies Co., Ltd.	Other receivables - related parties - others	Yes	100,000	-	-	2.48	The need for short-term financing	-	Operating capital	-	None	-	132,546	353,457	Note

Note: The financing limit for each borrowing company shall not exceed 15% of the net worth of the financing company. The total financing limit shall not exceed 40% of the net worth of the financing company.

TABLE 2

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement /Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	The Corporation	Neweb Technologies Co., Ltd.	Subsidiary	$ 1,263,247	$ 460,000	$ 280,000	$ 135,000	$ 35,000	4.00	$ 3,158,118	Y	N	N	Note

Note: The ceilings on the amounts for any single entity shall not exceed 20% of the net worth of the Corporation. The ceilings on the amounts for the aggregate amounts to the entities shall not exceed 50% of the net worth of the Corporation.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2020				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Corporation	Stock							
	Userjoy Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	510,189	$ 51,784	1	$ 51,784	
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,560,285	146,192	4	146,192	
	China Communications Media Group Co.,Ltd	-	Financial assets at fair value through other comprehensive income - noncurrent	270,351	1,446	1	1,446	
	Fun Yours Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,045,366	50,930	12	50,930	
	Kuobrothers Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	531,289	20,189	2	20,189	
	Gameone Holdings Limited.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,200,000	1,300	1	1,300	
	Mobix Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	103,207	3,209	1	3,209	
	Archosaur Games Inc.		Financial assets at fair value through profit or loss - noncurrent	1,336,000	103,050	-	103,050	
					$ 378,100		$ 378,100	
Game Flier International Corporation	Stock							
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,472,164	$ 84,348	3	$ 84,348	
Jhih Long Venture Capital Corporation	Stock							
	9Splay Entertainment Technology Co., LTD	-	Financial assets at fair value through other comprehensive income - noncurrent	956,919	$ 24,947	3	$ 24,947	
	Soft-World International Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	8,913,000	746,408	7	746,408	Note
					$ 771,355		$ 771,355	

(Continued)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2020				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Neweb Technologies Co., Ltd.	Stock							
	Green World Hotels Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	258,625	$ 2,313	-	$ 2,313	
	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,140,671	16,116	20	16,116	
					$ 18,429		$ 18,429	

(Concluded)

Note: The Corporation's shares held by its subsidiaries were considered treasury shares. For related information, refer to Note 22.

TABLE 4

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Corporation	Game Flier International Corporation	Subsidiary	Rendering of services	$ 132,310	5	Net 2 months from the end of the month of when invoice is issued	$ -	-	$ 11,198	13	Note
	Game First International Corporation	Subsidiary	Rendering of services	132,877	5	Net 2 months from the end of the month of when invoice is issued	-	-	14,523	17	Note

Note: Eliminated when preparing the consolidated financial statements.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Game First International Corporation	Soft-World International Corporation	Parent company	$ 144,734	-	$ -	-	$ 55,117	$ -

Note: Eliminated when preparing the consolidated financial statements.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues (Assets)
0	The Corporation	Chinese Gamer International Corporation	Parent to subsidiary	Operating revenue	$ 30,955	No similar transactions with unrelated parties	-
0	The Corporation	Chinese Gamer International Corporation	Parent to subsidiary	Accounts receivable	3,920	None	-
0	The Corporation	Game Flier International Corporation	Parent to subsidiary	Operating revenue	132,310	No similar transactions with unrelated parties	2.00
0	The Corporation	Game Flier International Corporation	Parent to subsidiary	Accounts receivable	11,198	None	-
0	The Corporation	Game Flier International Corporation	Parent to subsidiary	Other receivables	3,105	Receipts under custody receivable and payables for receipts under custody, etc.	-
0	The Corporation	Game First International Corporation	Parent to subsidiary	Operating revenue	132,877	No similar transactions with unrelated parties	2.00
0	The Corporation	Game First International Corporation	Parent to subsidiary	Accounts receivable	14,523	None	-
0	The Corporation	Fast Distributed Cloud Computing Co., Ltd.	Parent to subsidiary	Other receivables	1,489	Receipts under custody receivable and payables for receipts under custody, etc.	-
0	The Corporation	Soft-World International (Hong Kong) Corporation	Parent to subsidiary	Other receivables	21,508	Receipts under custody receivable and payables for receipts under custody, etc.	-
0	The Corporation	Efun International Corporation	Parent to subsidiary	Operating revenue	4,935	No similar transactions with unrelated parties	-
1	Chinese Gamer International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	21,484	None	-
2	Game Flier International Corporation	The Corporation	Subsidiary to parent	Operating revenue	5,181	No similar transactions with unrelated parties	-
2	Game Flier International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	54,921	None	-
2	Game Flier International Corporation	Efun International Corporation	Subsidiary to subsidiary	Other receivables	2,100	Receipts under custody receivable and payables for receipts under custody, etc.	-
3	Game First International Corporation	The Corporation	Subsidiary to parent	Operating revenue	2,231	No similar transactions with unrelated parties	-
3	Game First International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	144,734	None	1.00
3	Game First International Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	2,702	No similar transactions with unrelated parties	-
4	Zealot Digital International Corporation	The Corporation	Subsidiary to parent	Operating revenue	11,307	No similar transactions with unrelated parties	-

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues (Assets)
4	Zealot Digital International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	$ 5,489	None	-
4	Zealot Digital International Corporation	Chinese Gamer International Corporation	Subsidiary to subsidiary	Operating revenue	4,073	No similar transactions with unrelated parties	-
5	Fast Distributed Cloud Computing Co.,Ltd.	The Corporation	Subsidiary to parent	Operating revenue	3,204	No similar transactions with unrelated parties	-
5	Fast Distributed Cloud Computing Co.,Ltd.	The Corporation	Subsidiary to parent	Accounts receivable	1,288	None	-
5	Fast Distributed Cloud Computing Co.,Ltd.	Chinese Gamer International Corporation	Subsidiary to subsidiary	Operating revenue	2,267	No similar transactions with unrelated parties	-
5	Fast Distributed Cloud Computing Co.,Ltd.	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	10,956	No similar transactions with unrelated parties	-
6	Efun International Corporation	The Corporation	Subsidiary to parent	Operating revenue	8,536	No similar transactions with unrelated parties	-
6	Efun International Corporation	The Corporation	Subsidiary to parent	Accounts receivable	3,325	None	-
6	Efun International Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	50,308	No similar transactions with unrelated parties	1.00
6	Efun International Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Accounts receivable	9,345	None	-
6	Efun International Corporation	Game First International Corporation	Subsidiary to subsidiary	Operating revenue	1,213	No similar transactions with unrelated parties	-
6	Efun International Corporation	Game First International Corporation	Subsidiary to subsidiary	Accounts receivable	1,766	None	-
7	Re:Ad Media (Taiwan) Corporation	The Corporation	Subsidiary to parent	Operating revenue	7,216	No similar transactions with unrelated parties	-
7	Re:Ad Media (Taiwan) Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	33,219	No similar transactions with unrelated parties	-
7	Re:Ad Media (Taiwan) Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Accounts receivable	2,118	None	-
7	Re:Ad Media (Taiwan) Corporation	Game First International Corporation	Subsidiary to subsidiary	Accounts receivable	1,343	None	-
8	Interactive Entertainment Technologies Corporation	Game Flier International Corporation	Subsidiary to subsidiary	Operating revenue	3,654	No similar transactions with unrelated parties	-
9	Neweb Technologies Co., Ltd.	The Corporation	Subsidiary to parent	Operating revenue	4,081	No similar transactions with unrelated parties	-
9	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Subsidiary to subsidiary	Operating revenue	4,191	No similar transactions with unrelated parties	-
9	Neweb Technologies Co., Ltd.	We Can Financial Technology Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,388	Receipts under custody receivable and payables for receipts under custody, etc.	-
10	Dynasty International Information Corporation	The Corporation	Subsidiary to parent	Operating revenue	3,050	No similar transactions with unrelated parties	-

(Concluded)

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
The Corporation	Chinese Gamer International Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, and general advertising service, etc.	$ 371,319	$ 371,319	41,880,205	49.00	$ 522,559	$ 1,053	$ (5,447)	Subsidiary (Note 5)
The Corporation	Soft-World Technology Pte. Ltd.	Singapore	Manufacturing, processing, trading, , design and selling and also an agent of various computer software and accessories, etc.	8,959	8,959	390,000	100.00	8,215	2,750	2,750	Subsidiary (Note 5)
The Corporation	Game Flier International Corporation	Republic of China	Electronic data information providing service, etc.	218,017	217,945	28,332,800	98.00	870,565	167,233	164,757	Subsidiary (Note 5)
The Corporation	Global Concept Corporation	Samoa	Investment company	295,068	295,068	9,631,253	100.00	276,231	26,318	26,318	Subsidiary (Note 5)
The Corporation	Game First International Corporation	Republic of China	Online game service	27,813	27,813	16,684,063	70.00	237,608	(3,303)	(2,312)	Subsidiary (Note 5)
The Corporation	Zealot Digital International Corporation	Republic of China	Electronic data information providing service, etc.	50,874	50,874	8,904,162	99.00	69,999	(1,206)	(1,194)	Subsidiary (Note 5)
The Corporation	Zealot Digital Pte. Ltd.	Singapore	Development and sale of game software, etc.	-	261,882	-	-	-	(175)	(175)	Subsidiary (Note 2)
The Corporation	Soft-World International (Hong Kong) Corporation	Hong Kong	Trading of game software	88,858	88,858	3,883,558	100.00	544,769	33,896	33,896	Subsidiary (Note 5)
The Corporation	Dynasty International Information Corporation	Republic of China	Development, design, trading of computer software,	14,667	14,667	1,460,610	86.00	17,022	2,196	1,088	Subsidiary (Note 5)
The Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	100,000	100,000	10,182,500	13.00	7,895	35,258	20	Subsidiary (Note 5)
The Corporation	Sofaman Corporation	Republic of China	Development and sale of game software	9,366	9,366	936,600	60.00	462	(33)	(20)	Subsidiary (Note 5)
The Corporation	Interactive Entertainment Technology Co., Ltd.	Samoa	Investment company	15,485	15,485	480,000	80.00	17,344	2,105	1,684	Subsidiary (Note 5)
The Corporation	Fast Distributed Cloud Computing Co., Ltd.	Republic of China	Retail sale, wholesale and service for information software, etc.	13,812	17,583	2,135,628	90.00	38,988	10,373	10,030	Subsidiary (Note 5)
The Corporation	Neweb Technologies Co., Ltd.	Republic of China	Wholesale and retail sale of information software and electronic information providing service	510,567	510,567	38,104,043	50.00	451,849	24,715	12,466	Subsidiary (Note 5)
The Corporation	Efun International Corporation	Republic of China	Information software, data processing service and general advertising service, etc.	91,364	91,364	16,016,347	80.00	264,351	102,313	81,888	Subsidiary (Note 5)
The Corporation	Long Xiang Investment Corporation	Republic of China	Investment company	250,000	250,000	25,000,000	44.00	20,478	25,357	(259)	Subsidiary (Note 5)
The Corporation	CELAD Incorporated	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	17,500	17,500	1,750,000	32.00	345	3,552	1,130	Subsidiary (Note 5)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
The Corporation	We Can Financial Technology Co., Ltd.	Republic of China	Development of financial system and equipment, etc.	$ 27,824	$ 26,234	5,106,000	51.00	$ 3,561	$ (1,263)	$ (522)	Subsidiary (Note 3)
The Corporation	Joy Children Technology Co., Ltd.	Republic of China	Wholesale and retail sale of stationery articles, musical instruments and educational entertainment article, etc.	20,512	20,512	2,051,153	32.00	11,594	(1,425)	(673)	Note 1
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	96,942	96,942	3,041,698	100.00	222,287	30,266	30,266	Subsidiary (Note 5)
Chinese Gamer International Corporation	Walkfun International Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	15,000	15,000	1,500,000	100.00	19,492	3,108	3,108	Subsidiary (Note 5)
Chinese Gamer International Corporation	CELAD Incorporated	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	27,620	27,500	3,750,000	68.00	739	3,552	1,832	Subsidiary (Note 5)
Chinese Gamer International Corporation	Super Game Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	5,771	5,000	880,000	88.00	1,752	(61)	(36)	Subsidiary (Note 5)
Chinese Gamer International Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	100,000	100,000	10,182,500	13.00	131,188	35,258	4,601	Subsidiary (Note 5)
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Business related investee	82,772	82,772	52,000	100.00	73,627	(9,002)	(9,002)	Subsidiary (Note 5)
Chinese Gamer International Corporation	Fun Bear Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	16,552	8,000	1,600,000	100.00	18,011	6,802	3,653	Subsidiary (Note 5)
Chinese Gamer International Corporation	Game Topia Co.	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	30,994	20,000	3,784,063	65.00	43,138	7,952	4,601	Subsidiary (Note 5)
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	19,369	8,000	1,520,000	100.00	23,429	7,521	3,779	Subsidiary (Note 5)
Chinese Gamer International Corporation	Long Xiang Investment Corporation	Republic of China	Investment company	168,000	168,000	16,800,000	30.00	220,304	25,357	7,501	Subsidiary (Note 5)
Taichigamer (B.V.I.) Co., Ltd.	Transasiagamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	94,264	94,264	2,976,934	100.00	216,084	30,416	30,416	Subsidiary (Note 5)
Transasiagamer Co., Ltd.	You Long Online (Beijing) Technology Corporation	China Mainland - Beijing	Development, production of computer software and accessories; homemade products, installation of computer hardware, repair, technique consulting, technique training, and sale of homemade products	69,569	69,569	-	100.00	191,947	31,162	31,162	Subsidiary (Note 5)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
Star Diamond Universal Corporation	Dragon Gamer (Hong Kong) Co., Ltd.	Hong Kong	Online game service	$ 82,772	$ 82,772	260,000	100.00	$ 73,627	$ (9,002)	$ (9,002)	Subsidiary (Note 5)
Game Topia. Co. Ltd.	Game Topia (Hong Kong) Technology Corporation	Hong Kong	Information software service	987	987	3,300	100.00	32,150	13,234	13,234	Subsidiary (Note 5)
Game Flier International Corporation	Soft-Orient Corporation	Samoa	Business related investee	254,872	254,872	7,784,134	100.00	15,791	47	47	Subsidiary (Note 5)
Game Flier International Corporation	Game Flier (Malaysia) Sdn. Bhd.	Malaysia	Development, manufacture and sale of game software	-	100,595	-	-	-	(42)	(42)	Subsidiary (Note 2)
Game Flier International Corporation	Mobile Flier International Corporation	Republic of China	Agents and operation of smartphone games	-	28,000	-	-	-	(251)	(251)	Subsidiary (Note 2)
Global Concept Corporation	Value Central Corporation	Samoa	Investment company	45,452	45,452	1,450,000	100.00	18,568	(334)	(334)	Subsidiary (Note 5)
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Business related investee	179,788	179,788	6,453,621	100.00	190,627	19,439	19,439	Subsidiary (Note 5)
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investment company	56,074	56,074	30,250	30.00	25,400	(4,764)	(2,105)	Note 1
Value Central Corporation	Picked United Development	Hong Kong	Acquisition and royalty for game software	20,255	20,255	4,700,000	100.00	15,078	(129)	(129)	Subsidiary (Note 5)
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Republic of China	Agent and operation of sports games	21,342	21,342	2,941,520	100.00	8,393	(26)	(26)	Subsidiary (Note 5)
Jhih Long Venture Capital Corporation	SkyTouch Co., Ltd.	Republic of China	Manufacture of computers and accessories	20,002	20,002	673,915	31.00	1,647	(92)	(29)	Note 1
Interactive Entertainment Technology Co., Ltd.	Interactive Entertainment Technologies Corporation	Republic of China	Wholesale and service of information software	18,000	18,000	1,800,000	100.00	20,537	2,195	2,195	Subsidiary (Note 5)
Neweb Technologies Co., Ltd.	Newebpay Corporation	Republic of China	Electronic data providing services	28,369	28,369	1,484,733	100.00	239,281	8,378	8,378	Subsidiary (Note 5)
Neweb Technologies Co., Ltd.	ezPay Co., Ltd.	Republic of China	Third party payment service	966,748	966,748	61,400,000	100.00	502,319	(78,616)	(78,616)	Subsidiary (Note 5)
Neweb Technologies Co., Ltd.	CService Technology Co., Ltd.	Republic of China	Information software	5,000	5,000	500,000	100.00	4,823	21	21	Subsidiary (Note 5)
Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Republic of China	General advertising service	26,000	26,000	3,125,000	100.00	58,417	28,414	28,414	Subsidiary (Note 5)
Long Xiang Investment Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	566,000	566,000	57,632,950	74.00	596,301	35,258	26,055	Subsidiary (Note 5)

(Concluded)

Note 1: Investment accounted for using the equity method.

Note 2: The company had completed liquidation for the year ended December 31, 2020.

Note 3: Share of loss of associates accounted for using the equity method $349 thousand in the first quarter. Refer to Notes 12 and 27 in the consolidated financial statements, We Can Financial Technology Co., Ltd. had been included in the consolidated financial statements since March 31, 2020.

Note 4: For investees in mainland China, refer to Table 8.

Note 5: Eliminated when preparing the consolidated financial statements.

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outward	Inward							
Lingo Soft (Beijing) Technology Co., Ltd.	Data processing services	$ 13,386	2	$ 7,743	$ -	$ -	$ 7,743	$ -	33.00	$ -	$ -	$ -	
Soft-World International (Guangzhou) Corporation	Design, development, production, and sale of computer hardware and software	46,833	1	88,858	-	-	88,858	619	-	619	-	-	Notes 3 and 9
Game Flier International Corporation (Beijing) (Note 4)	Development of techniques, transferring, service, consulting, training; production and sale of computer software and related hardware; internet information service	214,678	2	186,300	-	-	186,300	19,652	100.00	19,652	190,222	-	Note 5
Huei You Cyuan Jia Business Management Consulting (Guangzhou) Co., Ltd.	Business management consulting, design of business operation and advertising, consulting about technique, development of APP, wholesale of computers and accessories	4,272	2	3,722	-	-	3,722	-	1.00	-	1,446	-	
World Inside (Beijing) Technology Co., Ltd.	Business management consulting, design of business operation and advertising, consulting about technique, development of APP, design of computer software, and other design service	54,713	2	45,500	-	-	45,500	-	2.00	-	-	-	
Ke Jiou Network Technology (Shanghai) Co., Ltd.	Technique for operating internet, development of hardware and software about computer, technique transferred, technique consulting, technique service, design of illusion, product, anime, business management consulting, business information consulting, computers, software and auxiliary equipment, wholesale of materials for advertising and agents for commission, etc.	2,847	2	75	-	-	75	-	-	-	-	-	Note 6

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation (Note 7)	$ 332,198	$ 332,198	$ 3,789,741
Game Flier International Corporation (Note 8)	102,636	102,636	530,185

(Continued)

Note 1: Calculated by the spot exchange rates of USD and CNY at the end of the period, which was 28.48 and 4.377, respectively.

Note 2: 1) The Corporation purchased Soft-World International (Hong Kong) Corporation for $88,858 thousand (USD 2,738 thousand), and indirectly acquired full ownership of Soft-World International (Guangzhou) Corporation in October 2007. The Corporation had been authorized by the Investment Commission, MOEA in September 2008.

2) Investments through a holding company were registered in a third region.

Note 3: Recognized gain/loss on investments based on the unaudited financial statements.

Note 4: Game Flier International Corporation had transferred investments in mainland China, Game Flier International Corporation (Beijing), to the Corporation's subsidiary a holding company registered in a third region, Global Concept Corporation, by its holding company registered in a third region, Soft-Orient Corporation, in August, 2012. Game Flier International Corporation had made remittance to Taiwan and obtained approval from Investment Commission, MOEA.

Note 5: Game Flier International Corporation (Beijing) distributed earnings that amounted to RMB 9,000 thousand, to Gamers Grande Corporation in August 2010. As of December 31, 2020, Game Flier International Corporation (Beijing), hasn't transferred to Taiwan.

Note 6: The Corporation indirectly holds investments in mainland China, Ke Jiou Network Technology (Shanghai) Co., Ltd., through a holding company registered in a third region, Global Concept Corporation. The Corporation had disposed all of its equity of Ke Jiou Network Technology (Shanghai) Co., Ltd. in December 2015. The related amount had not been remitted to Taiwan as of December 31, 2020.

Note 7: The amount of accumulated outward remittance for investments from Taiwan as of December 31, 2020 and investment amount authorized by the Investment Commission, MOEA are both USD10,935,900.

Note 8: The amount of accumulated outward remittance for investments from Taiwan as of December 31, 2020 and investment amount authorized by the Investment Commission, MOEA are both USD2,554,848.

Note 9: The Corporation indirectly holds investments in mainland China, Soft-World International (Guangzhou) Corporation, through Soft-World International (Hong Kong) Corporation. The Corporation had disposed all of its equity of Soft-World International (Guangzhou) Corporation in December 2020. The related amount had not been remitted to Taiwan as of December 31, 2020.

(Concluded)

TABLE 9

SOFT-WORLD INTERNATIONAL CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

Name of The Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Wang, Chun-Po	21,594,350	16.94
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	12,013,000	9.42
Jhih Long Venture Capital Corporation	8,913,000	6.99
Taiwan Branch, Belize Yiqiao Development Co., Ltd.	6,880,000	5.39

Note 1: Major shareholders in the Table above are shareholders owning 5% or more of the Corporation's common and preferred stocks (only ones that have completed dematerialized registration and delivery) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the consolidated financial statements may differ from the Corporation's actual number of stocks that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the stocks are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Corporation's stocks pursuant to the securities and exchange laws and regulations, the number of stocks owned shall be ones owned by the persons plus ones entrusted where the shareholders have the power to decide how to utilize the trust property. Please access the Market Observation Post System website for information on insiders' shareholding filings.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Soft-World International Corporation

Opinion

We have audited the accompanying parent company only financial statements of Soft-World International Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation's parent company only financial statements for the year ended December 31, 2020 is described as follows.

Revenue Recognition - MyCard transactions

The Corporation is an agent in its exclusive card (MyCard) transactions. Net service revenue is recognized at the time customers use MyCard in exchange for game points. Please refer to Notes 4 and 21 to the parent company only financial statements for more details. We considered the risk of material misstatement of the recognition of revenue as the risk of incorrect calculation of the aforementioned game points and the amount needed to be transferred to the related game operators. Therefore, we focused on the accuracy of revenue recognized from MyCard transactions.

The main audit procedures performed by us included the following:

1. We understood and tested the operating effectiveness of the internal controls of the MyCard internet platform and the interface control between MyCard and the ERP system;

2. We implemented computer-assisted audit techniques to test the process by which MyCard points which are deposited, exchanged and consumed. We also verified the amount from MyCard points exchanged and needed to be transferred to the related game operators, and confirmed that the net service revenue amounts had been recorded appropriately.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance, including the supervisors, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Li Chen and Jia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2021

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,817,516	18	$ 2,257,842	23
Notes receivable (Notes 4, 5 and 7)	1,125	-	1,751	-
Accounts receivable, net (Notes 4, 5 and 7)	50,669	1	58,935	1
Accounts receivable - related parties (Notes 4, 5, 7 and 27)	30,699	-	25,723	-
Other receivables (Notes 4 and 7)	1,460,047	15	1,653,658	17
Other receivables - related parties (Notes 4, 7 and 27)	60,349	1	67,295	1
Inventories (Notes 4 and 8)	41,619	-	22,569	-
Other financial assets - current (Notes 9 and 28)	2,355,640	23	1,691,230	17
Other current assets	91,767	1	149,875	2
Total current assets	5,909,431	59	5,928,878	61
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 10)	103,050	1	-	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 11)	275,050	3	295,413	3
Investments accounted for using the equity method (Notes 4 and 12)	3,363,835	34	3,121,887	32
Property, plant and equipment (Notes 4, 13 and 28)	342,987	3	347,497	4
Right-of-use assets (Notes 4 and 14)	11,125	-	14,713	-
Other intangible assets (Notes 4 and 15)	10,009	-	18,326	-
Deferred tax assets (Notes 4 and 23)	24,656	-	36,301	-
Refundable deposits	11,067	-	12,125	-
Other financial assets - noncurrent (Note 9)	3,644	-	10,095	-
Total noncurrent assets	4,145,423	41	3,856,357	39
TOTAL	$ 10,054,854	100	$ 9,785,235	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 21)	$ 38,376	-	$ 136,729	1
Notes payable (Note 16)	5,354	-	8,822	-
Notes payable - related parties (Notes 16 and 27)	600	-	44,886	-
Accounts payable (Note 16)	58,182	1	28,878	-
Accounts payable - related parties (Notes 16 and 27)	57,970	1	60,235	1
Other payables (Note 17)	2,430,712	24	2,565,383	26
Other payables - related parties (Notes 27)	179,975	2	143,287	2
Current tax liabilities (Notes 4 and 23)	33,533	-	51,893	1
Lease liabilities - current (Notes 4 and 14)	7,003	-	6,736	-
Other financial liabilities - current (Notes 4 and 18)	738,814	7	635,164	7
Other current liabilities	7,002	-	7,323	-
Total current liabilities	3,557,521	35	3,689,336	38
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 23)	102,923	1	39,561	-
Lease liabilities - noncurrent (Notes 4 and 14)	4,276	-	8,059	-
Net defined benefit liabilities (Notes 4 and 19)	73,619	1	73,381	1
Guarantee deposits received	280	-	350	-
Other noncurrent liabilities (Note 12)	-	-	785	-
Total noncurrent liabilities	181,098	2	122,136	1
Total liabilities	3,738,619	37	3,811,472	39
EQUITY (Note 20)				
Share capital	1,274,743	12	1,274,743	13
Capital surplus	1,781,028	18	1,753,876	18
Retained earnings				
Legal reserve	1,037,835	11	976,777	10
Special reserve	30,984	-	120,524	1
Unappropriated earnings	2,630,355	26	2,169,340	22
Total retained earnings	3,699,174	37	3,266,641	33
Other equity	71,683	1	127,806	1
Treasury shares	(510,393)	(5)	(449,303)	(4)
Total equity	6,316,235	63	5,973,763	61
TOTAL	$ 10,054,854	100	$ 9,785,235	100

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

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 21 and 27)	$ 2,719,262	100	$ 2,335,588	100
OPERATING COSTS (Notes 4, 22 and 27)	432,083	16	329,049	14
GROSS PROFIT	2,287,179	84	2,006,539	86
OPERATING EXPENSES (Notes 22 and 27)				
Selling and marketing expenses	1,341,824	49	1,216,673	52
General and administrative expenses	188,209	7	189,276	8
Research and development expenses	27,671	1	22,255	1
Expected credit loss (Note 7)	17,544	1	10,559	1
Total operating expenses	1,575,248	58	1,438,763	62
OPERATING INCOME	711,931	26	567,776	24
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	20,146	1	21,733	1
Other income (Note 22)	17,505	1	28,070	1
Other gains and losses (Note 22)	40,101	1	3,846	-
Finance costs (Note 22)	(310)	-	(204)	-
Share of profit of subsidiaries and associates accounted for using the equity method (Note 4)	325,425	12	125,496	6
Total non-operating income and expenses	402,867	15	178,941	8
PROFIT BEFORE INCOME TAX	1,114,798	41	746,717	32
INCOME TAX EXPENSE (Notes 4 and 23)	171,031	6	136,137	6
NET PROFIT FOR THE YEAR	943,767	35	610,580	26
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	(1,545)	-	(1,360)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Note 20)	(20,363)	(1)	(18,749)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(16,932)	-	1,990	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	309	-	272	-
	(38,531)	(1)	(17,847)	(1)

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 20)	$ (21,533)	(1)	$ (15,999)	-
Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method (Note 20)	(1,782)	-	(4,972)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 20 and 23)	4,386	-	3,237	-
	(18,929)	(1)	(17,734)	-
Other comprehensive loss for the year, net of income tax	(57,460)	(2)	(35,581)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 886,307	33	$ 574,999	25
EARNINGS PER SHARE (Note 24)				
Basic	$ 7.76		$ 5.00	
Diluted	$ 7.72		$ 4.98	

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

(Concluded)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2019	$ 1,274,743	$ 1,744,934	$ 930,645	$ 25,117	$ 1,981,052	$ (11,367)	$ 174,445	$ 163,078	$ (449,303)	$ 5,670,266
Appropriation of 2018 earnings (Note 20)										
Legal reserve	-	-	46,132	-	(46,132)	-	-	-	-	-
Special reserve	-	-	-	95,407	(95,407)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(280,444)	-	-	-	-	(280,444)
	-	-	46,132	95,407	(421,983)	-	-	-	-	(280,444)
Net profit in 2019	-	-	-	-	610,580	-	-	-	-	610,580
Other comprehensive loss in 2019, net of income tax	-	-	-	-	(309)	(17,734)	(17,538)	(35,272)	-	(35,581)
Total comprehensive income (loss) in 2019	-	-	-	-	610,271	(17,734)	(17,538)	(35,272)	-	574,999
Adjustments of capital surplus for Corporation's cash dividends received by subsidiaries	-	11,726	-	-	-	-	-	-	-	11,726
Changes in percentage of ownership interests in subsidiaries	-	(2,784)	-	-	-	-	-	-	-	(2,784)
BALANCE AT DECEMBER 31, 2019	1,274,743	1,753,876	976,777	120,524	2,169,340	(29,101)	156,907	127,806	(449,303)	5,973,763
Appropriation of 2019 earnings (Note 20)										
Legal reserve	-	-	61,058	-	(61,058)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(509,897)	-	-	-	-	(509,897)
Reversal of special reserve	-	-	-	(89,540)	89,540	-	-	-	-	-
	-	-	61,058	(89,540)	(481,415)	-	-	-	-	(509,897)
Net profit in 2020	-	-	-	-	943,767	-	-	-	-	943,767
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	(1,337)	(18,929)	(37,194)	(56,123)	-	(57,460)
Total comprehensive income (loss) in 2020	-	-	-	-	942,430	(18,929)	(37,194)	(56,123)	-	886,307
Purchase of treasury shares (Note 20)	-	-	-	-	-	-	-	-	(43,492)	(43,492)
Purchase of the Corporation's shares by subsidiaries (Note 20)	-	-	-	-	-	-	-	-	(17,598)	(17,598)
Adjustments of capital surplus for Corporation's cash dividends received by subsidiaries	-	21,960	-	-	-	-	-	-	-	21,960
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	(171)	-	-	-	-	-	-	-	(171)
Changes in percentage of ownership interests in subsidiaries	-	5,363	-	-	-	-	-	-	-	5,363
BALANCE AT DECEMBER 31, 2020	$ 1,274,743	$ 1,781,028	$ 1,037,835	$ 30,984	$ 2,630,355	$ (48,030)	$ 119,713	$ 71,683	$ (510,393)	$ 6,316,235

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

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,114,798	$ 746,717
Adjustments for:		
Income and expenses		
Depreciation expenses	13,935	10,172
Amortization expenses	12,830	14,117
Expected credit loss recognized on trade receivables	17,544	10,559
Gain on fair value changes of financial assets at fair value through profit or loss	(44,190)	-
Finance costs	310	204
Interest income	(20,146)	(21,733)
Dividend income	(2,747)	(2,934)
Share of profit of subsidiaries and associates accounted for using the equity method	(325,425)	(125,496)
Others	2,583	1,383
Changes in operating assets and liabilities		
Notes receivable	626	475
Accounts receivable	8,264	18,217
Accounts receivable - related parties	(4,976)	42,246
Other receivables	175,476	132,144
Other receivables - related parties	6,946	154,576
Inventories	(17,639)	1,625
Other current assets	58,108	(36,532)
Contract liabilities	(98,353)	50,391
Notes payable	(3,468)	(1,074)
Notes payable - related parties	(44,286)	(112,804)
Accounts payable	29,304	(14,599)
Accounts payable - related parties	(2,265)	91
Other payables	(134,671)	(106,504)
Other payables - related parties	36,688	(110,400)
Other financial liabilities	103,650	(52,247)
Other current liabilities	(321)	(5,102)
Net defined benefit liabilities	(1,307)	(9,321)
Cash generated from operations	881,268	584,171
Interest received	20,739	22,124
Dividends received	48,298	8,600
Interest paid	(310)	(204)
Income tax paid	(109,689)	(142,362)
Net cash generated from operating activities	840,306	472,329
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(1,588)
Purchase of financial assets at fair value through profit or loss	(58,860)	-

(Continued)

SOFT-WORLD INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Acquisition of investments accounted for using the equity method	$ (1,782)	$ (16,474)
Proceeds from sale of subsidiaries	345	12,785
Proceeds from shares return due to capital reduction of investments accounted for using the equity method	-	15,142
Payments for property, plant and equipment	(1,334)	(3,457)
Increase in refundable deposits	-	(9,286)
Decrease in refundable deposits	1,058	-
Payments for intangible assets	(4,513)	(5,292)
Increase in other financial assets	(657,959)	(399,378)
Net cash used in investing activities	(723,045)	(407,548)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	-	125
Decrease in guarantee deposits received	(70)	-
Repayment of the principal portion of lease liabilities	(8,019)	(4,487)
Cash dividends distributed	(509,897)	(280,444)
Payments to acquire treasury shares	(43,492)	-
Disposal of ownership interests in subsidiaries without losing control	3,891	-
Net cash used in financing activities	(557,587)	(284,806)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(440,326)	(220,025)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,257,842	2,477,867
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,817,516	$ 2,257,842

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

(Concluded)

1. GENERAL INFORMATION

Soft-World International Corporation (the Corporation) was incorporated in July 1983. The Corporation is mainly engaged in the production, sales and provides agency services of entertainment and commercial software; editing, printing and publishing of game magazines; commercial advertising services; and purchase and sale of entertainment products and accessories of game software.

The Corporation's shares have been trading on the Taipei Exchange since March 2001.

The parent company only financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation's board of directors on March 17, 2021.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation's accounting policies:

Amendments to IFRS 3 "Definition of a Business"

The Corporation applies the amendments to IFRS 3 to transactions that occur on or after January 1, 2020. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To determine whether an acquired process is substantive, different criteria apply, depending on whether there are outputs at the acquisition date. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether or not an acquired set of activities and assets is a business.

The initial application of the amendments to IFRS 3 did not have a material impact on the Corporation's financial statements in 2020.

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021

As of the date the parent financial statements were authorized for issue, the Corporation assessed the application of other standards and interpretations would not have a significant impact on the Corporation's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or

after January 1, 2023.

1) Amendments to IFRS 10 and IAS 28

The amendments stipulate that, when the Corporation sells or contributes assets that constitutes a business (as defined in IFRS 3) to an associate or a joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary or a joint venture that contains a business but retains significant influence, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Corporation sells or contributes assets that do not constitute a business to an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation's interest as an unrelated investor in the associate or a joint venture, i.e. the Corporation's share of the gain or loss is eliminated. Also, when the Corporation loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation's interest as an unrelated investor in the associate or a joint venture, i.e. the Corporation's share of the gain or loss is eliminated.

2) Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 "Levies" to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Corporation should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

a) accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

b) the Corporation may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

c) not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) the Corporation changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) the Corporation chose the accounting policy from options permitted by the standards;

c) the accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) the accounting policy relates to an area for which the Corporation is required to make significant judgements or assumptions in applying an accounting policy, and the Corporation discloses those judgements or assumptions; or

e) the accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Corporation accounted for subsidiaries and associates using the equity method. In order for the amount of net income, other comprehensive income and equity in the parent company only financial statements to be the same as that attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the account investments accounted for using the equity method, share of profit of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the parent company only financial statements, the investments of the Corporation's foreign operations (including subsidiaries and associates operating in other countries using currencies different from the Corporation's currency) are translated into the presentation currency - the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

f. Investments accounted for using the equity method

The Corporation uses the equity method to account for its investments in subsidiaries and associates.

1) Investments in subsidiaries

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of other equity of subsidiaries attributable to the Corporation.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the Corporation's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the Corporation's financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

2) Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of

the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Corporation's ownership interest is reduced due to non-subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Corporation transacts with its associate, profits or losses resulting from these transactions with the associate are recognized in the parent company only financial statements only to the extent of interests in the associate that are not related to the Corporation.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Land is not depreciated.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant component is depreciated separately. If the lease term of an item of property, plant and equipment is shorter than its useful life, the asset is depreciated over its lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Other intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category of financial assets

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, other financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable and other receivables).

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable and other receivables. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Corporation determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Corporation):

i Internal or external information show that the debtor is unlikely to pay its creditors.

ii When a financial asset is more than 365 days past due unless the Corporation has reasonable and corroborative information to support a more lagged default criterion.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or

cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The Corporation estimates sales returns and allowances based on historical experience and different contracts. To account for the transfer of products with a right of return, the Corporation recognizes revenue and in the meantime, the Corporation also recognizes refund liabilities (classified under other current liabilities) and right to recover a product (classified under other current assets).

1) Sale of goods

Revenue from the sale of goods comes from sales of game points and game magazines. Based on the contract, when game points and game magazines, etc. are transferred to the customer, the customer has full discretion in the determination of prices, has the right of use, has the primary responsibility for sales to future customers, and assumes significant risk of ownership of the goods. The Corporation recognizes the related revenue and accounts receivable at the point of time the goods were transferred. Advance receipts of selling merchandise are recognized as "Contract liabilities".

2) Rendering of services

a) Sales of the exclusive card (MyCard) points issued by the Corporation, are recognized as "Other financial liabilities" before the specified goods or services are transferred to the customers. The Corporation is the agent in the MyCard transaction because the Corporation has not obtained control of the specified goods or services. When the consumers use MyCard in exchange for specified goods or services via the online platform, the Corporation recognizes service revenue for the net amount after deducting receipts needed to be transferred to the related game operators.

b) Other revenue from the rendering of services

Other services refer to the services of advertising design and exhibition marketing projects, etc. and revenue is recognized when the project has been completed and transferred to the customer. Advance receipts of services are recognized as "Contract liabilities".

3) Licensing revenue

When the nature of the Corporation's promises in granting the licences meets all of the following criteria which means providing the Corporation with the right to access the intellectual property, the Corporation shall recognize revenue over time. Conversely, if that granting of the licence is the right to access the intellectual property existing at point in time at which the licence is granted, the

Corporation shall recognize revenue when the licence granted is transferred. Advance receipts of royalty is recognized as “Contract liabilities”.

a) The customer reasonably expects, that the Corporation will undertake activities that significantly affect the intellectual property to which the customer has rights.

b) The rights granted by the licence directly expose the customer to any positive or negative effects of the entity’s activities identified in the above the Corporation’s activity; and

c) Those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If those activities above are expected to significantly change the form or the functionality of customers’ intellectual property, or customers’ abilities to obtain benefit from the intellectual property is substantially derived from, or dependent upon, those activities, the Corporation’s activity will significantly influence customers’ rights.

Revenue is recognized when royalty is received based on customers’ sales.

l. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets, except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are

presented on a separate line in the parent company only balance sheets.

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as the current year's expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

n. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for investments in the subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Corporation considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty - Estimated impairment of financial assets

The provision for impairment of receivables is based on assumptions about risk of default and expected loss rates. The Corporation uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Corporation's past history and existing market conditions. If the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	**2019**
Cash on hand	$ 930	$ 909
Bank deposits	917,096	1,012,493
Cash equivalents		
Time deposits with original maturities of less than 3 months	899,490	1,244,440
	$ 1,817,516	$ 2,257,842

7. NOTES AND ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
Operating	$ 1,125	$ 1,751
Accounts receivable - unrelated parties		
Operating - at amortized cost		
Gross carrying amount	$ 50,728	$ 59,811
Less: Allowance for impairment loss	(59)	(876)
	$ 50,669	$ 58,935
Accounts receivable - related parties (Note 27)		
At amortized cost		
Gross carrying amount	$ 30,699	$ 25,723
Other receivables (including related parties)		
Receivables for receipts under custody	$ 1,574,168	$ 1,771,884
Less: Allowance for impairment loss - receivables for receipts under custody	(66,627)	(61,358)
	1,507,541	1,710,526
Other collection receivables	12,855	10,427
	$ 1,520,396	$ 1,720,953
Unrelated parties	$ 1,460,047	$ 1,653,658
Related parties (Note 27)	60,349	67,295
	$ 1,520,396	$ 1,720,953

a. Notes receivable

At the end of the reporting period, there were no past due notes receivable on which the Corporation did not recognize an allowance for impairment loss.

b. Accounts receivable

The Corporation's average credit period is 30 to 120 days. The Corporation adopted a policy of only dealing with entities that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Corporation uses other publicly available financial information or its own trading records to rate its major customers. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored. Also, credit exposure is controlled by counterparty limits that are reviewed and approved.

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished according to the Corporation's different customer segments.

The Corporation writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are overdue. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable:

For the year ended December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 81,159	$ 215	$ -	$ 53	$ 81,427
Loss allowance (Lifetime ECLs)	-	(6)	-	(53)	(59)
Amortized cost	$ 81,159	$ 209	$ -	$ -	$ 81,368

For the year ended December 31, 2019

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 84,658	$ -	$ -	$ 876	$ 85,534
Loss allowance (Lifetime ECLs)	-	-	-	(876)	(876)
Amortized cost	$ 84,658	$ -	$ -	$ -	$ 84,658

c. Other receivables

Receipts under custody receivables are from the sale of the Corporation's exclusive card (MyCard). The Corporation sold MyCard to customers through cooperative channels (see Note 21), and the average credit period of receivables for channels was 30 to 120 days.

The following table details the loss allowance of receipts under custody receivables for MyCard:

For the year ended December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 1,449,410	$ 45,018	$ 24,699	$ 55,041	$ 1,574,168
Loss allowance (Lifetime ECLs)	-	(1,384)	(10,202)	(55,041)	(66,627)
Amortized cost	$ 1,449,410	$ 43,634	$ 14,497	$ -	$ 1,507,541

For the year ended December 31, 2019

	Up to 90 Days	91 to 180 Days	181 to 365 Days	More than 1year	Total
Expected credit loss rate (%)	-	3	30	100	
Gross carrying amount	$ 1,646,528	$ 48,675	$ 26,150	$ 50,531	$ 1,771,884
Loss allowance (Lifetime ECLs)	-	(1,467)	(9,360)	(50,531)	(61,358)
Amortized cost	$ 1,646,528	$ 47,208	$ 16,790	$ -	$ 1,710,526

The movements of the loss allowance of accounts receivable and other receivables were as follows:

	For the Year Ended December 31, 2020		
	Accounts Receivable	Other Receivables	Total
Balance at January 1	$ 876	$ 61,358	$ 62,234
Add: Impairment losses recognized in accounts receivable and other receivables	2	17,542	17,544
Less: Amounts written off	(819)	(12,273)	(13,092)
Balance at December 31	$ 59	$ 66,627	$ 66,686

	For the Year Ended December 31, 2019		
	Accounts Receivable	Other Receivables	Total
Balance at January 1	$ 496	$ 67,643	$ 68,139
Add: Impairment losses recognized in accounts receivable and other receivables	380	10,179	10,559
Less: Amounts written off	-	(16,464)	(16,464)
Balance at December 31	$ 876	$ 61,358	$ 62,234

8. INVENTORIES

	December 31	
	2020	2019
Raw materials	$ -	$ 109
Finished goods	154	157
Merchandise	41,465	22,303
	$ 41,619	$ 22,569

9. OTHER FINANCIAL ASSETS

	December 31	
	2020	2019
Pledged demand deposits (Note 28)	$ 35,000	$ 35,000
Restricted deposits	3,644	10,095
Time deposits with original maturities of more than 3 months	2,320,640	1,656,230
	$ 2,359,284	$ 1,701,325
Current	$ 2,355,640	$ 1,691,230
Noncurrent	3,644	10,095
	$ 2,359,284	$ 1,701,325

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS - NONCURRENT - DECEMBER 31, 2020

	Amount
Mandatorily classified as at FVTPL	
Foreign listed shares	$ 103,050

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT

	December 31	
	2020	2019
Listed shares	$ 125,649	$ 130,995
Emerging market shares	3,209	-
Private - placement shares of listed companies	146,192	163,000
Domestic unlisted shares	-	1,418
	$ 275,050	$ 295,413

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in subsidiaries	$ 3,352,241	$ 3,103,590
Investments in associates	11,594	18,297
	$ 3,363,835	$ 3,121,887

a. Investments in subsidiaries

	December 31, 2020		December 31, 2019	
	Amount	Proportion of Ownership and Voting Rights (%)	Amount	Proportion of Ownership and Voting Rights (%)
Listed company				
Chinese Gamer International Corporation (Chinese Gamer)	$ 522,559	49	$ 524,750	49
Unlisted company				
Soft-World Technology Pte. Ltd.	8,215	100	5,620	100
Game Flier International Corporation (Game Flier)	870,565	98	750,778	98
Global Concept Corporation (Global Concept)	276,231	100	247,384	100
Game First International Corporation (Game First)	237,608	70	239,920	70
Zealot Digital International Corporation	69,999	99	71,193	99
Zealot Digital Pte. Ltd.	-	-	548	100
Soft-World International (Hong Kong) Corporation	544,769	100	535,164	100
Dynasty International Information Corporation	17,022	86	18,125	86
Jhih Long Venture Capital Corporation (Jhih Long)	7,895	13	8,521	13
Sofaman Corporation (Sofaman)	462	60	482	60
Interactive Entertainment Technology Co., Ltd. (Interactive Entertainment)	17,344	80	15,660	80
Fast Distributed Cloud Computing Co., Ltd.	38,988	90	40,857	100
Neweb Technologies Co., Ltd.	451,849	50	440,219	50
Efun International Corporation	264,351	80	182,463	80
Long Xiang Investment Corporation (Long Xiang)	20,478	44	21,906	44
CELAD Incorporated (CELAD)	345	32	(785)	32
We Can Financial Technology Co., Ltd. (We Can)	3,561	51	-	38
	3,352,241		3,102,805	
Credit balance of long-term investments reclassified to other liabilities	-		785	
	$ 3,352,241		$ 3,103,590	

Information on the market price of investments in listed companies accounted for using the equity method on the balance sheet date calculated based on the stock closing price is as follows:

	December 31	
	2020	2019
Chinese Gamer	$ 2,617,513	$ 3,714,774

For a brief description of each long-term investment, refer to Table 6. The related main changes are as follows:

1) The Corporation continuously increased its investments in Game Flier in 2020 and 2019 which amounted to $72 thousand and $99 thousand, respectively.

2) Sofaman increased capital in cash of 11,000 thousand in March 2019, and the Corporation subscribed for the shares for $6,600 thousand in accordance with the original shareholding percentage.

3) In May 2019, Efun International Corporation issued new shares for $26,000 thousand in exchange for the Corporation's 51% equity in the subsidiary, Re: Ad Media (Taiwan), and the remaining outstanding shares of Re: Ad Media (Taiwan). As a result, the ownership percentage of the Corporation decreased to 80%.

4) CELAD increased capital in cash in June 2019, and the Corporation subscribed for the shares for $7,500 thousand.

5) Efun International Co., Ltd. completed liquidation in June 2019, and refunded shares of $6,378 thousand.

6) Soft-World Technology Pte. Ltd. implemented a capital reduction in November 2019, and the Corporation decreased the amount of investments according to the percentage of capital reduction and received a refund of shares of $15,142 thousand.

7) Re: Ad Media completed liquidation in December 2019, and refunded shares of $6,407 thousand.

8) The Corporation acquired the shares of We Can for $1,710 thousand and $2,275 thousand in the first quarter of 2020 and 2019, respectively. The Corporation obtained control over the investee since March 2020, and the investee had been included in the consolidated financial statements since then. For related information, refer to Note 27: Business Combinations to the consolidated financial statements for the year ended December 31, 2020. In addition, the Corporation disposed of We Can’s shares in May 2020, resulting in the decrease of the shareholding ratio from 52% to 51%. The disposal price was $120 thousand, and the difference between the disposal price and book value was recognized as capital surplus - the difference between the consideration received and the carrying amount of the subsidiaries’ net assets during actual disposal of $47 thousand.

9) Fast Distributed Cloud’s shareholding of the Corporation decreased from 100% to 90% due to the sale of the shares by the Corporation in August 2020. The disposal price was $3,771 thousand, and the difference between the disposal price and book value was recognized as capital surplus - the difference between the consideration received and the carrying amount of the subsidiaries’ net assets during actual disposal of $218 thousand.

10) In September 2020, Neweb Technologies carried out a capital reduction for offsetting its accumulated deficits of $359,414 thousand.

11) Zealot completed liquidation procedures in December 2020, and refunded shares of $345 thousand.

b. Investments in associates

	December 31	
	2020	2019
Investments in associates - associates that are not individually material	$ 11,594	$ 18,297

Aggregate information of associates that are not individually material：

	For the Year Ended December 31	
	2020	2019
The Corporation's share of:		
Total loss and other comprehensive income (loss) for the year	$ (673)	$ (5,626)

13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2020

	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
Cost						
Balance at January 1, 2020	$ 215,321	$ 183,407	$ 3,845	$ 502	$ 180	$ 403,255
Additions	-	-	145	1,189	-	1,334
Disposals	-	-	(341)	-	-	(341)
Balance at December 31, 2020	$ 215,321	$ 183,407	$ 3,649	$ 1,691	$ 180	$ 404,248
Accumulated depreciation						
Balance at January 1, 2020	$ -	$ 54,068	$ 1,319	$ 286	$ 85	$ 55,758
Depreciation expenses	-	4,304	1,281	199	60	5,844
Disposals	-	-	(341)	-	-	(341)
Balance at December 31, 2020	$ -	$ 58,372	$ 2,259	$ 485	$ 145	$ 61,261
Carrying amounts at December 31, 2020	$ 215,321	$ 125,035	$ 1,390	$ 1,206	$ 35	$ 342,987

For the year ended December 31, 2019

	Land	Buildings	Equipment	Miscellaneous Equipment	Others	Total
Cost						
Balance at January 1, 2019	$ 215,321	$ 183,407	$ 5,615	$ 355	$ 180	$ 404,878
Additions	-	-	1,030	147	-	1,177
Disposals	-	-	(2,800)	-	-	(2,800)
Balance at December 31, 2019	$ 215,321	$ 183,407	$ 3,845	$ 502	$ 180	$ 403,255
Accumulated depreciation						
Balance at January 1, 2019	$ -	$ 49,763	$ 2,989	$ 178	$ 25	$ 52,955
Depreciation expenses	-	4,305	1,130	108	60	5,603
Disposals	-	-	(2,800)	-	-	(2,800)
Balance at December 31, 2019	$ -	$ 54,068	$ 1,319	$ 286	$ 85	$ 55,758
Carrying amounts at December 31, 2019	$ 215,321	$ 129,339	$ 2,526	$ 216	$ 95	$ 347,497

The following items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	25-55years
Equipment	3years
Miscellaneous Equipment	3-5years
Others	3years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

For the year ended December 31, 2020

	Buildings
Cost	
Balance at January 1, 2020	$ 19,282
Additions	4,503
Balance at December 31, 2020	$ 23,785
Accumulated depreciation	
Balance at January 1, 2020	$ 4,569
Depreciation expenses	8,091
Balance at December 31, 2020	$ 12,660
Carrying amount at December 31, 2020	$ 11,125

For the year ended December 31, 2019

	Buildings
Cost	
Balance at January 1, 2019	$ 9,122
Additions	10,160
Balance at December 31, 2019	$ 19,282
Accumulated depreciation	
Balance at January 1, 2019	$ -
Depreciation expenses	4,569
Balance at December 31, 2019	$ 4,569
Carrying amount at December 31, 2019	$ 14,713

b. Lease liabilities

	December 31	
	2020	2019
Carrying amounts		
Current	$ 7,003	$ 6,736
Noncurrent	$ 4,276	$ 8,059

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Buildings (%)	2.11-2.20	2.11-2.20

c. Material lease activities and terms

The Corporation's leases relate to buildings with lease terms successively expiring in May 2023. The Corporation is able to renew the leases when they expire.

d. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ 6,894	$ 6,953
Expenses relating to low-value asset leases	$ 465	$ 82
Total cash outflow for leases	$ 15,688	$ 11,726

The Corporation has elected to apply the recognition exemption for leases which qualify as short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2020

	Computer Software
Cost	
Balance at January 1, 2020	$ 30,890
Additions	4,513
Write-off	(4,785)
Balance at December 31, 2020	$ 30,618

(Continued)

	Computer Software
Accumulated amortization	
Balance at January 1, 2020	$ 12,564
Amortization expenses	12,830
Write-off	(4,785)
Balance at December 31, 2020	$ 20,609
Carrying amount at December 31, 2020	$ 10,009

(Concluded)

For the year ended December 31, 2019

	Computer Software
Cost	
Balance at January 1, 2019	$ 55,246
Additions	5,292
Write-off	(29,648)
Balance at December 31, 2019	$ 30,890
Accumulated amortization	
Balance at January 1, 2019	$ 28,095
Amortization expenses	14,117
Write-off	(29,648)
Balance at December 31, 2019	$ 12,564
Carrying amount at December 31, 2019	$ 18,326

The above intangible assets are depreciated on a straight-line basis over their estimated useful lives of 1 to 3 years.

16. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Corporation's notes payable and accounts payable are generated from operating activities. The average credit period on purchases of goods was 30 to 90 days. The Corporation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms, therefore there was no interest charged on the outstanding balance.

17. OTHER PAYABLES - UNRELATED PARTIES

	December 31	
	2020	2019
Payables for receipts under custody	$ 2,044,221	$ 2,201,931
Payables for circulation	144,179	157,526
Payables for salaries or bonuses	78,486	63,705
Payables for compensation of employees, board of director and supervisors	71,353	47,734
Payables for value-added taxes	49,083	47,503
Payables for annual leave	10,930	10,435
Others	32,460	36,549
	$ 2,430,712	$ 2,565,383

Payables for receipts under custody are receipts needed to be transferred to the game operators as the Corporation provides services for the usage of MyCard online platform and from the sale of points.

18. OTHER FINANCIAL LIABILITIES - CURRENT

	December 31	
	2020	2019
Other financial liabilities - current		
Temporary receipts from the sale of MyCard	$ 738,814	$ 635,164

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Law of the ROC, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation makes contributions equal to 2% of total monthly salaries to a pension fund, which are deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amount of defined benefit plans included in the parent company only balance sheets was as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	$ 100,769	$ 104,593
Fair value of plan assets	(27,042)	(31,096)
Deficit	73,727	73,497
Recognized in other payables	(108)	(116)
Net defined benefit liabilities	$ 73,619	$ 73,381

Movements of net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2019	$ 104,965	$ (23,486)	$ 81,479
Service cost			
Current service cost	1,013	-	1,013
Interest expense (income)	1,281	(271)	1,010
Recognized in profit or loss	2,294	(271)	2,023
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(877)	(877)
Actuarial loss (gain)			
changes in demographic assumptions	1,776	-	1,776
changes in financial assumptions	4,675	-	4,675
experience adjustments	(4,214)	-	(4,214)
Recognized in other comprehensive income	2,237	(877)	1,360
Contributions from the employer	-	(11,365)	(11,365)
Benefits paid	(4,903)	4,903	-
	(4,903)	(6,462)	(11,365)
Balance at December 31, 2019	104,593	(31,096)	73,497
Service cost			
Current service cost	1,045	-	1,045
Interest expense (income)	915	(282)	633
Recognized in profit or loss	1,960	(282)	1,678
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(849)	(849)
Actuarial loss (gain)			
changes in demographic assumptions	124	-	124
changes in financial assumptions	4,481	-	4,481
experience adjustments	(2,211)	-	(2,211)
Recognized in other comprehensive income	2,394	(849)	1,545

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Contributions from the employer	$ -	$ (1,259)	$ (1,259)
Benefits paid			
Paid from plan assets	(6,444)	6,444	-
Paid from company assets	(1,734)	-	(1,734)
	(8,178)	5,185	(2,993)
Balance at December 31, 2020	$ 100,769	$ (27,042)	$ 73,727

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity and debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

   The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligations were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rate (%)	0.500	0.875
Expected rate of salary increase (%)	2.500	2.500

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate		
0.25% increase	$ (3,018)	$ (3,171)
0.25% decrease	$ 3,143	$ 3,305
Expected rate of salary increase		
0.25% increase	$ 3,032	$ 3,200
0.25% decrease	$ (2,928)	$ (3,087)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
Expected contributions to the plan for the next year	$ 1,490	$ 2,320
Average duration of the defined benefit obligation (year)	12.3	12.6

20. EQUITY

a. Ordinary share capital

	December 31	
	2020	2019
Number of shares authorized (in thousands)	180,000	180,000
Shares authorized	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	$ 127,474	$ 127,474
Shares issued	$ 1,274,743	$ 1,274,743

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and the right to dividends.

b. Capital surplus

	December 31	
	2020	2019
May be used to offset deficits, distributed as cash dividends or transferred to share capital (see 1 below)		
Issuance of ordinary shares	$ 1,229,758	$ 1,229,758
Conversion of bonds	245,975	245,975
Treasury share transactions	81,770	59,810
Difference between the consideration and carrying amount of subsidiaries acquired or disposed	59,180	59,351

(Continued)

	December 31	
	2020	2019
May be used to offset deficits only (see 2 below)		
Changes in percentage of ownership interests in subsidiaries	$ 157,390	$ 152,027
Changes in percentage of ownership interests in associates	6,955	6,955
	$ 1,781,028	$ 1,753,876

(Concluded)

1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries/ associates resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries/associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, until the legal reserve equals the Corporation's paid-in capital. Besides, the profit shall be set aside or reversed as a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 22 (g) Employees' compensation and remuneration of directors and supervisors.

The dividends policy of the Corporation considers expanding the scale of operations and developing research plans, based on the overall environment and the features of industry in order to pursue sustainable operations and long-term benefits for the shareholders. The dividends to shareholders shall be not less than 15% of the distributable earnings each year, but if the accumulated distributable earnings is less than 25% of the Corporation's paid-in capital, the Corporation should not make an appropriation for dividends. The dividends to shareholders can be paid in cash or issued as shares, but cash dividends shall be not less than 10% of the total dividends.

The legal reserve may be used to offset a deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490, Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2019 and 2018 which were proposed and approved in the shareholders' meetings on June 18, 2020 and 2019, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018
Legal reserve	$ 61,058	$ 46,132		
(Reversal of) Special reserve	(89,540)	95,407		
Cash dividends	509,897	280,444	$ 4.00	$ 2.20
	$ 481,415	$ 421,983		

The appropriations of earnings for 2020 had been proposed by the board of directors on March 17, 2021 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 94,243	
Reversal of special reserve	(5,867)	
Cash dividends	761,480	$ 6.00
	$ 849,856	

The appropriations of earnings for 2020 are subject to the resolution of the shareholders in the shareholders' meeting to be held in June 2021.

d. Special reserve

Upon initial application of IFRSs, the amount of cumulative translation adjustments transferred to retained earnings was $25,117 thousand, and the Corporation had set aside an equal amount of special reserve. In June 2020 and 2019, the shareholders approved the recognition of the difference between the market price (lower than the carrying amount) and the carrying amount of the shares of the Corporation held by its subsidiaries at the end of 2019 of $89,540 thousand as reversal of special reserve and at the end of 2018 of $95,407 thousand as special reserve, respectively, which was calculated based on the Corporation's combined shareholding ratio. Should the market price increase in the future, the increase can be subsequently reversed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ (29,101)	$ (11,367)
Recognized for the year		
Exchange differences arising on translating the net investments in foreign operations	(21,533)	(15,999)
Related income tax arising from exchange differences	4,386	3,237
Share from subsidiaries and associates accounted for using the equity method	(1,782)	(4,972)
Balance, end of year	$ (48,030)	$ (29,101)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ 156,907	$ 174,445
Recognized for the year		
Unrealized loss - equity instruments	(20,363)	(18,749)
Share from subsidiaries accounted for using the equity method	(16,831)	1,211
Balance, end of year	$ 119,713	$ 156,907

f. Treasury shares

	Thousand Shares			December 31	
Purpose of Treasury Shares	Beginning of the Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2020					
The Corporation's shares held by its subsidiaries	5,330	245	-	5,575	$ 466,901
Transfer shares to employees	-	561	-	561	$ 43,492
For the year ended December 31, 2019					
The Corporation's shares held by its subsidiaries	5,330	-	-	5,330	$ 449,303

The Corporation's shares acquired and held by subsidiaries for the purpose of investment are accounted for as treasury shares.

As of December 31, 2020 and 2019, the market value of the treasury shares calculated by the combined shareholding percentage was $590,987 thousand and $443,436 thousand, respectively.

21. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2020	2019
Rendering of services	$ 2,396,766	$ 2,147,791
Sale of goods	285,637	179,682
Licensing revenue	36,859	8,115
	$ 2,719,262	$ 2,335,588

1) Rendering of services

Revenue from the rendering of services includes services for usage of the MyCard online platform and from the sale of points, and other revenue from the rendering of services.

a) The exclusive card (MyCard) issued by the Corporation provides game operators an online platform and services to sell game points directly to the consumers through the MyCard network or other distributors (e.g. convenience stores, supermarkets and telecommunication companies). Sales of MyCard is recognized as "Other financial liabilities - noncurrent". When the consumers use MyCard in exchange for specified goods or service via the online platform, the Corporation recognizes service revenue for the net amount after deducting receipts needed to be transferred to the related game operators.

b) Other service revenue results from providing the advertising design services and exhibition marketing, etc.

2) Sale of goods

The game points and magazines are sold at the contract price through the online platform or different retailers (e.g. brick-and-mortar stores and convenience stores etc.).

The Corporation's customary business practices allow customers to return certain goods. The refund liability (classified under other current liabilities) is estimated based on the historical average return rate and the related right to recover a product (classified under other current assets) is recorded accordingly.

3) Licensing revenue

The Corporation authorizes some intellectual property rights of the self-developed games to other game developers for cooperation and development. In addition to the non-refundable premiums collected at the time of signing of contracts, subsequent follow-up fees are stipulated by the customers' sales agreed in the contract.

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable, accounts receivable, and other receivables (receivables under custody) (including related parties) (Note 7)	$ 1,590,034	$ 1,796,935	$ 2,029,039
Contract liabilities			
Advance receipts of services	$ 26,279	$ 107,246	$ 49,253
Royalty fee for games	10,658	28,004	35,577
Others	1,439	1,479	1,508
	$ 38,376	$ 136,729	$ 86,338

The changes the contract liability balances primarily result from the timing difference between the Corporation's fulfilment of performance obligations and the customer's payment.

22. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 20,142	$ 21,519
Others	4	214
	$ 20,146	$ 21,733

b. Other income

	For the Year Ended December 31	
	2020	2019
Rental income	$ 3,364	$ 3,328
Dividend income	2,747	2,934
Others	11,394	21,808
	$ 17,505	$ 28,070

c. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Net foreign exchange gain	$ 2,792	$ 6,921
Financial assets designated as at FVTPL	44,190	-
Loss on miscellaneous disbursements	(6,881)	(3,075)
	$ 40,101	$ 3,846

d. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on lease liabilities	$ 310	$ 204

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 5,844	$ 5,603
Right-of-use assets	8,091	4,569
Other intangible assets	12,830	14,117
	$ 26,765	$ 24,289

(Continued)

	For the Year Ended December 31	
	2020	2019
An analysis of depreciation by function		
Operating costs	$ 384	$ 330
Operating expenses	13,551	9,842
	$ 13,935	$ 10,172
An analysis of amortization by function		
Operating costs	$ 14	$ -
Operating expenses	12,816	14,117
	$ 12,830	$ 14,117

(Concluded)

f. Employee benefits

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	$ 427,425	$ 389,880
Post-employment benefits		
Defined contribution plans	13,553	13,128
Defined benefit plans (Note 19)	1,678	2,023
	15,231	15,151
Employee benefits expense	$ 442,656	$ 405,031
An analysis by function		
Operating costs	$ 10,280	$ 27,613
Operating expenses	432,376	377,418
	$ 442,656	$ 405,031

g. Employees' compensation and remuneration of directors and supervisors

According to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employee's compensation and the remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which were approved by the Corporation's board of directors on March 17, 2021 and March 25, 2020, respectively, are as follows:

	For the Year Ended December 31	
	2020	2019
Accrual rate		
Employees' compensation (%)	5	5
Remuneration of directors and supervisors (%)	1	1

(Continued)

	For the Year Ended December 31	
	2020	2019
Amount		
Employees' compensation	$ 59,461	$ 39,778
Remuneration of directors and supervisors	11,892	7,956
		(Concluded)

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

For the years ended December 31, 2019 and 2018, there is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2020	2019
Foreign exchange gains	$ 5,994	$ 10,917
Foreign exchange losses	(3,202)	(3,996)
Net gain	$ 2,792	$ 6,921

23. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ 85,202	$ 109,482
Income tax on unappropriated earnings	6,443	1,729
Adjustments for prior years	(316)	5,151
	91,329	116,362
Deferred tax		
In respect of the current year	79,702	19,775
Income tax expense recognized in profit or loss	$ 171,031	$ 136,137

The reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2020	2019
Profit before income tax	$ 1,114,798	$ 746,717
Income tax expense calculated at the statutory rate	$ 222,960	$ 149,343
Deductible income in determining taxable income	(48,518)	(13,132)
Tax-exempt income	(549)	(587)
Realized investment losses	(14,836)	-
Income tax on unappropriated earnings	6,443	1,729
Unrecognized temporary differences	5,765	(6,406)
Others	82	39
Adjustments for prior years' tax	(316)	5,151
Income tax expense recognized in profit or loss	$ 171,031	$ 136,137

b. Income tax benefit recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
Recognized during the period		
Translation of foreign operations	$ 4,386	$ 3,237
Remeasurement of defined benefit plan	309	272
	$ 4,695	$ 3,509

c. Current tax liabilities

	December 31	
	2020	2019
Current tax liabilities		
Income tax payable	$ 33,533	$ 51,893

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2020

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 14,676	$ (261)	$ 309	$ 14,724
Bad debts over limits	12,272	(12,272)	-	-
Loss on inventories	2,827	(480)	-	2,347

(Continued)

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Exchange differences on translating the financial statements of foreign operations	$ -	$ -	$ 231	$ 231
Others	6,526	828	-	7,354
	$ 36,301	$ (12,185)	$ 540	$ 24,656
Deferred tax liabilities				
Temporary differences				
Gain from foreign investments accounted for using the equity method	$ 35,351	$ 58,696	$ -	$ 94,047
Exchange differences on translating the financial statements of foreign operations	4,155	-	(4,155)	-
Financial assets at fair value through profit/loss	-	8,838	-	8,838
Others	55	(17)	-	38
	$ 39,561	$ 67,517	$ (4,155)	$ 102,923

(Concluded)

For the year ended December 31, 2019

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 16,576	$ (2,172)	$ 272	$ 14,676
Bad debts over limits	9,438	2,834	-	12,272
Loss on inventories	2,744	83	-	2,827
Others	6,106	420	-	6,526
	$ 34,864	$ 1,165	$ 272	$ 36,301
Deferred tax liabilities				
Temporary differences				
Gain from foreign investments accounted for using the equity method	$ 14,316	$ 21,035	$ -	$ 35,351
Exchange differences on translating the financial statements of foreign operations	7,392	-	(3,237)	4,155
Others	150	(95)	-	55
	$ 21,858	$ 20,940	$ (3,237)	$ 39,561

e. Income tax assessments

The Corporation's income tax returns through 2018 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

a. Net profit for the year

	For the Year Ended December 31	
	2020	2019
Net profit for the year	$ 943,767	$ 610,580

b. Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	121,610	122,145
Add: Employees' compensation issued to employees	697	572
Weighted average number of ordinary shares used in the computation of diluted earnings per share	122,307	122,717

The Corporation offered to settle the compensation paid to employees in cash or shares, therefore, the Corporation assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Corporation's overall strategy remains unchanged from the last 2 years.

The capital structure of the Corporation consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

The Corporation is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Corporation's management considers the carrying amounts of financial instruments that are not measured at fair value to approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign listed shares	$ 103,050	$ -	$ -	$ 103,050
Financial assets at FVTOCI				
Domestic and foreign listed marketable security investments in equity instruments	$ 125,649	$ -	$ -	$ 125,649
Domestic emerging marketable security investments in equity instruments	-	3,209	-	3,209
Private - placement shares of domestic listed companies	-	146,192	-	146,192
	$ 125,649	$ 149,401	$ -	$ 275,050

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic and foreign listed marketable security investments in equity instruments	$ 130,995	$ -	$ -	$ 130,995
Private - placement shares of domestic listed companies	-	163,000	-	163,000
Domestic unlisted shares	-	-	1,418	1,418
	$ 130,995	$ 163,000	$ 1,418	$ 295,413

There were no transfers between Levels 1 and 2 for the year ended December 31, 2020 and 2019.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 1,418	$ 45,500
Recognized in other comprehensive income (loss)	-	(45,670)
Purchases	-	1,588
Transfers out of Level 3	(1,418)	-
Balance at December 31	$ -	$ 1,418

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic marketable securities (emerging market) - investments in equity instruments	If the emerging market shares are not traded in an active market, the management adopts valuation techniques to establish the fair value of the emerging market shares.
Private - placement shares of domestic listed companies	Fair value is the determined by the management with reference to the price with observable market evidence

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted shares were assessed and determined by the management based on observable market prices.

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
Financial assets at amortized cost (1)	$ 5,790,756	$ 5,778,654
Financial assets at FVTPL	103,050	-
Financial assets at FVTOCI	275,050	295,413
Financial liabilities		
Amortized cost (2)	3,471,887	3,487,005

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), other financial assets and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise notes and accounts payable (including related parties), other payables (including related parties), other financial liabilities - current, and guarantee deposits received.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include time deposits, equity investments, accounts receivable, accounts payable. The Corporation's corporate treasury function provides services to the

business, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Corporation's risk management committee.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below), and other price risk (see (c) below).

a) Foreign currency risk

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities are set out in Note 30. There is no material impacts on the Corporation's financial statements.

b) Interest rate risk

The carrying amounts of the Corporation's financial assets with exposure to interest rates at the end of the reporting period are as follows:

	December 31	
	2020	**2019**
Cash flow interest rate risk		
Financial assets	$ 1,892,640	$ 2,697,548

The Corporation assessed that their holdings of fixed-rate time deposits and lease liabilities did not have significant fair value risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2020 and 2019 would increase/decrease by $18,926 thousand and $26,975 thousand, respectively, which was mainly attributable to the Corporation's variable-rate bank deposits and borrowings.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in domestic and foreign marketable security investments in equity instruments. The equity investments are held for strategic rather than trading purposes.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax profit for the year ended December 31, 2020 would have increased/decreased by $1,031 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2020 and 2019 would have increased/decreased by $2,751 thousand and $2,954 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of the counterparty to discharge its obligation provided by the Corporation, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

For the financial risk management policies adopted by the Corporation, refer to Note 7.

The Corporation's credit risk is mainly concentrated in the following groups' accounts receivable and other receivables (receivables for receipts under custody):

	December 31	
	2020	**2019**
Group A	$ 513,999	$ 621,052
Group B	222,111	273,605
	$ 736,110	$ 894,657

The Corporation's concentration of credit risk accounted for 44% and 48% of total accounts receivable and other receivables (receivables for receipts under custody) from the above-mentioned groups as of December 31, 2020 and 2019, respectively.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity risk table for non-derivative financial liabilities

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay.

	Within 4 Months	**At least 5 Months**	**More than 1 year**	**Total**
December 31, 2020				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 3,392,506	$ 79,101	$ 280	$ 3,471,887

(Continued)

	Within 4 Months	At least 5 Months	More than 1 year	Total
Lease liabilities	$ 2,726	$ 4,433	$ 4,320	$ 11,479
Financial guarantee contracts	135,000	-	-	135,000
	$ 3,530,232	$ 83,534	$ 4,600	$ 3,618,366
December 31, 2019				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 3,431,556	$ 55,099	$ 350	$ 3,487,005
Lease liabilities	2,383	4,593	8,197	15,173
Financial guarantee contracts	135,000	-	-	135,000
	$ 3,568,939	$ 59,692	$ 8,547	$ 3,637,178

(Concluded)

The aforementioned amounts of the financial guarantee contracts are the maximum amounts that the Corporation may have to pay to fulfill the guarantee obligations if the holder of the financial guarantee contract seeks the full guarantee amount from the guarantor. However, based on the expectations as of the balance sheet date, the Corporation believes that it is unlikely to pay the contract amount.

27. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
Chinese Gamer International Corporation (Chinese Gamer)	Subsidiaries
Game Flier International Corporation (Game Flier)	Subsidiaries
Game First International Corporation (Game First)	Subsidiaries
Soft-World International (Hong Kong) Corporation	Subsidiaries
Zealot Digital International Corporation	Subsidiaries
Fast Distributed Cloud Computing Co., Ltd.	Subsidiaries
Neweb Technologies Co., Ltd. (Neweb Technologies)	Subsidiaries
Efun International Co., Ltd.	Subsidiaries
CELAD Incorporated	Subsidiaries
Dyansty International Information Corporation	Subsidiaries
We Can Financial Technology Co., Ltd.	Subsidiaries (Associate before March 31, 2020)
Game Topia. Co. Ltd. (Game Topia)	Subsidiaries of Chinese Gamer International Corporation
Dragon Gamer (Hong Kong) Co., Ltd. (Dragon Gamer)	Subsidiaries of Chinese Gamer International Corporation
ezPay Co., Ltd.	Subsidiaries of Neweb Technologies

(Continued)

Related Party Name	Related Party Category
Newebpay Corporation	Subsidiaries of Neweb Technologies
CService Technology Co., Ltd.	Subsidiaries of Neweb Technologies
Compete ! Games Interactive Entertainment Corporation	Subsidiaries of Game First International Corporation
Re: Ad Media (Taiwan) Corporation	Subsidiaries of Efun International Corporation
Taiwan Taomee Co., Ltd. (Taiwan Taomee)	Associates
Fun Yours Technology Co., Ltd. (Fun Yours)	Related party in substance (The Corporation as legal directors of investee companies)
Asure Corporation (Asure)	Related party in substance (The person in charge is the second-degree relative of the Corporation's chairman)
Ko, Hsiu-Yen	Related party in substance (Spouse of the Corporation's chairman)
Wang, Li-Chuan	Related party in substance (Second-degree relative of the Corporation's chairman)
Wang, Chun-Hsiung	Related party in substance (Second-degree relative of the Corporation's chairman)

(Concluded)

b. Operating Revenues

Line Item	Related Party Category	For the Year Ended December 31 2020	2019
Sale of goods	Related party in substance	$ 61,292	$ 14,712
Rendering of services	Subsidiaries	$ 301,500	$ 181,437
	Associates	6,519	9,274
	Related party in substance	31	-
		$ 308,050	$ 190,711
Licensing revenue	Subsidiaries	$ 120	$ 100

The selling price for the sale of goods and licences to related parties was not significantly different from that of normal customers. Except for the revenue from the rendering of advertising design services where similar transactions with unrelated parties are not available for comparison, MyCard service revenue was recognized according to the terms in each agreement. The payment terms (bimestrial commercial note) to related parties was similar to that for third parties.

c. Purchase (return) of goods

Related party type	For the Year Ended December 31 2020	2019
Subsidiaries	$ 3,834	$ 8,571
Associates	-	(267)
Related party in substance	6,422	18,152
	$ 10,256	$ 26,456

The Corporation purchases goods from the aforementioned related parties based on franchise agreements, and its prices and payment terms are handled in accordance with the agreements. As the Corporation did not purchase similar types of game software with non-related parties, the purchase prices cannot be compared. The payment terms are not significantly different from that for general suppliers.

d. Receivables from related parties

Line Item	Related Party Category	December 31 2020	2019
Accounts receivable	Subsidiaries		
	Game First	$ 14,523	$ 10,783
	Game Flier	11,198	8,414
	Chinese Gamer	3,920	5,428
	Others	65	632
		29,706	25,257
	Associates	993	466
		$ 30,699	$ 25,723
Other receivables	Subsidiaries	$ 28,111	$ 38,465
	Associates	-	8
	Related party in substance	32,238	28,822
		$ 60,349	$ 67,295

Other receivables are mainly the Corporation's sale of its exclusive MyCard through its related parties and prepayments made on behalf of its related parties.

The outstanding accounts receivable from related parties were unsecured. There was no bad debt expense under the item of accounts receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category	December 31 2020	2019
Notes payable	Subsidiaries		
	Game First	$ -	$ 42,371
	Associates	-	1,826

(Continued)

Line Item	Related Party Category	December 31 2020	December 31 2019
	Related party in substance	$ 600	$ 689
		$ 600	$ 44,886
Accounts payable	Subsidiaries		
	Game First	$ 50,171	$ 50,000
	Others	7,799	9,440
		57,970	59,440
	Related party in substance	-	795
		$ 57,970	$ 60,235
Other payables	Subsidiaries		
	Game First	$ 94,563	$ 59,317
	Game Flier	47,191	51,429
	Chinese Gamer	21,484	27,610
	Others	10,430	2,253
		173,668	140,609
	Associates	6,263	2,678
	Related party in substance	44	-
		$ 179,975	$ 143,287

(Concluded)

Other payables were mainly payables for the services the Corporation provided for the MyCard platform, services for the sale of game points, and payments remitted to games operators, etc.

The outstanding payables to related parties are unsecured.

f. Loans to related parties – December 31, 2019

Interest income

Related Party Category/Name	For the Year Ended December 31, 2019
Subsidiaries	
Neweb Technologies	$ 212

The loans to subsidiaries were unsecured, and the rates are fixed at 2.63%.

g. Endorsements and guarantees

Related Party Category/Name	December 31 2020 Amount Endorsed	2020 Amount Utilized	2019 Amount Endorsed	2019 Amount Utilized
Subsidiaries				
Neweb Technologies	$ 280,000	$ 135,000	$ 280,000	$ 135,000

h. Others

The circulation fees, royalties, internet services and advertising fees, etc. which the Corporation paid to its related parties were recognized under manufacturing expenses and operating expenses based on their nature:

Related Party Category	For the Year Ended December 31 2020	2019
Subsidiaries	$ 41,646	$ 22,440
Related party in substance	162,742	117,074
	$ 204,388	$ 139,514

i. Remuneration of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2020	2019
Short-term employee benefits	$ 24,433	$ 16,253
Post-employment benefits	69	108
	$ 24,502	$ 16,361

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The following assets have been provided as collateral for the issuance of performance guarantees, point performance guarantees and endorsements:

	December 31 2020	2019
Other financial assets - current		
Pledged time deposits	$ 35,000	$ 35,000

(Continued)

	December 31	
	2020	2019
Property, plant and equipment		
Land	$ 109,463	$ 109,463
Buildings	82,258	84,620
	191,721	194,083
	$ 226,721	$ 229,083

(Concluded)

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Apart from Note 27, as disclosed in Note 28, the Corporation provided demand deposits, time deposits and property, plant and equipment as collateral for performance guarantees of unused MyCard points. As of both December 31, 2020 and 2019, the credit line committed by banks was $800,000 thousand.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and the exchange rates between the foreign currencies and the respective functional currencies were disclosed.

The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
December 31, 2020				
Financial assets				
Monetary items				
USD	$ 349	28.480	(USD:NTD)	$ 9,943
HKD	5,938	3.673	(HKD:NTD)	21,809
Non-monetary items				
Subsidiaries accounted for using the equity method				
HKD	148,317	3.673	(HKD:NTD)	544,769
SGD	381	21.560	(SGD:NTD)	8,215
Financial assets at fair value through profit or loss				
HKD	28,056	3.673	(HKD:NTD)	103,050
Financial assets at fair value through other comprehensive income				
HKD	354	3.673	(HKD:NTD)	1,300

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Financial liabilities				
Monetary items				
USD	$ 96	28.480	(USD:NTD)	$ 2,729
December 31, 2019				
Financial assets				
Monetary items				
USD	454	29.980	(USD:NTD)	13,620
HKD	8,892	3.849	(HKD:NTD)	34,224
Non-monetary items				
Subsidiaries accounted for using the equity method				
HKD	139,040	3.849	(HKD:NTD)	535,164
SGD	252	22.280	(SGD:NTD)	5,620
Financial assets at fair value through other comprehensive income				
HKD	456	3.849	(HKD:NTD)	1,755
Financial liabilities				
Monetary items				
USD	100	29.980	(USD:NTD)	2,988

(Concluded)

For the years ended December 31, 2020 and 2019, realized and unrealized net foreign exchange gains were $2,792 thousand and $6,921 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies.

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5

9) Trading in derivative instruments: None

10) Information on investees: Table 6

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8

TABLE 1

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn	Interest Rate (%)	Nature for Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
1	Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Other receivables - related parties	Yes	$ 20,000	$ -	$ -	2.63	The need for short-term financing	$ -	Operating capital	$ -	None	-	$ 49,547	$ 132,126	Note
2	Game Flier International Corporation	Neweb Technologies Co., Ltd.	Other receivables - related parties - others	Yes	100,000	-	-	2.48	The need for short-term financing	-	Operating capital	-	None	-	132,546	353,457	Note

Note: The financing limit for each borrowing company shall not exceed 15% of the net worth of the financing company. The total financing limit shall not exceed 40% of the net worth of the financing company.

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement /Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	The Corporation	Neweb Technologies Co., Ltd.	Subsidiary	$ 1,263,247	$ 460,000	$ 280,000	$ 135,000	$ 35,000	4.00	$ 3,158,118	Y	N	N	Note

Note: The ceilings on the amounts for any single entity shall not exceed 20% of the net worth of the Corporation. The ceilings on the amounts for the aggregate amounts to the entities shall not exceed 50% of the net worth of the Corporation.

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2020				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Corporation	Stock							
	Userjoy Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	510,189	$ 51,784	1	$ 51,784	
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,560,285	146,192	4	146,192	
	China Communications Media Group Co.,Ltd	-	Financial assets at fair value through other comprehensive income - noncurrent	270,351	1,446	1	1,446	
	Fun Yours Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,045,366	50,930	12	50,930	
	Kuobrothers Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	531,289	20,189	2	20,189	
	Gameone Holdings Limited.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,200,000	1,300	1	1,300	
	Mobix Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	103,207	3,209	1	3,209	
	Archosaur Games Inc.		Financial assets at fair value through profit or loss - noncurrent	1,336,000	103,050	-	103,050	
					$ 378,100		$ 378,100	
Game Flier International Corporation	Stock							
	Softstar Entertainment Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	1,472,164	$ 84,348	3	$ 84,348	
Jhih Long Venture Capital Corporation	Stock							
	9Splay Entertainment Technology Co., LTD	-	Financial assets at fair value through other comprehensive income - noncurrent	956,919	$ 24,947	3	$ 24,947	
	Soft-World International Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	8,913,000	746,408	7	746,408	Note
					$ 771,355		$ 771,355	

(Continued)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	December 31, 2020				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Neweb Technologies Co., Ltd.	Stock							
	Green World Hotels Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	258,625	$ 2,313	-	$ 2,313	
	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,140,671	16,116	20	16,116	
					$ 18,429		$ 18,429	

(Concluded)

Note: The Corporation's shares held by its subsidiaries were considered treasury shares. For related information, refer to Note 20.

TABLE 4

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Corporation	Game Flier International Corporation	Subsidiary	Rendering of services	$ 132,310	5	Net 2 months from the end of the month of when invoice is issued	$ -	-	$ 11,198	13	
	Game First International Corporation	Subsidiary	Rendering of services	132,877	5	Net 2 months from the end of the month of when invoice is issued	-	-	14,523	17	

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Game First International Corporation	Soft-World International Corporation	Parent company	$ 144,734	-	$ -	-	$ 55,117	$ -

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
The Corporation	Chinese Gamer International Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, and general advertising service, etc.	$ 371,319	$ 371,319	41,880,205	49.00	$ 522,559	$ 1,053	$ (5,447)	Subsidiary
The Corporation	Soft-World Technology Pte. Ltd.	Singapore	Manufacturing, processing, trading, , design and selling and also an agent of various computer software and accessories, etc.	8,959	8,959	390,000	100.00	8,215	2,750	2,750	Subsidiary
The Corporation	Game Flier International Corporation	Republic of China	Electronic data information providing service, etc.	218,017	217,945	28,332,800	98.00	870,565	167,233	164,757	Subsidiary
The Corporation	Global Concept Corporation	Samoa	Investment company	295,068	295,068	9,631,253	100.00	276,231	26,318	26,318	Subsidiary
The Corporation	Game First International Corporation	Republic of China	Online game service	27,813	27,813	16,684,063	70.00	237,608	(3,303)	(2,312)	Subsidiary
The Corporation	Zealot Digital International Corporation	Republic of China	Electronic data information providing service, etc.	50,874	50,874	8,904,162	99.00	69,999	(1,206)	(1,194)	Subsidiary
The Corporation	Zealot Digital Pte. Ltd.	Singapore	Development and sale of game software, etc.	-	261,882	-	-	-	(175)	(175)	Subsidiary (Note 3)
The Corporation	Soft-World International (Hong Kong) Corporation	Hong Kong	Trading of game software	88,858	88,858	3,883,558	100.00	544,769	33,896	33,896	Subsidiary
The Corporation	Dynasty International Information Corporation	Republic of China	Development, design, trading of computer software,	14,667	14,667	1,460,610	86.00	17,022	2,196	1,088	Subsidiary
The Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	100,000	100,000	10,182,500	13.00	7,895	35,258	20	Subsidiary
The Corporation	Sofaman Corporation	Republic of China	Development and sale of game software	9,366	9,366	936,600	60.00	462	(33)	(20)	Subsidiary
The Corporation	Interactive Entertainment Technology Co., Ltd.	Samoa	Investment company	15,485	15,485	480,000	80.00	17,344	2,105	1,684	Subsidiary
The Corporation	Fast Distributed Cloud Computing Co., Ltd.	Republic of China	Retail sale, wholesale and service for information software, etc.	13,812	17,583	2,135,628	90.00	38,988	10,373	10,030	Subsidiary
The Corporation	Neweb Technologies Co., Ltd.	Republic of China	Wholesale and retail sale of information software and electronic information providing service	510,567	510,567	38,104,043	50.00	451,849	24,715	12,466	Subsidiary
The Corporation	Efun International Corporation	Republic of China	Information software, data processing service and general advertising service, etc.	91,364	91,364	16,016,347	80.00	264,351	102,313	81,888	Subsidiary
The Corporation	Long Xiang Investment Corporation	Republic of China	Investment company	250,000	250,000	25,000,000	44.00	20,478	25,357	(259)	Subsidiary
The Corporation	CELAD Incorporated	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	17,500	17,500	1,750,000	32.00	345	3,552	1,130	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
The Corporation	We Can Financial Technology Co., Ltd.	Republic of China	Development of financial system and equipment, etc.	$ 27,824	$ 26,234	5,106,000	51.00	$ 3,561	$ (1,263)	$ (522)	Subsidiary
The Corporation	Joy Children Technology Co., Ltd.	Republic of China	Wholesale and retail sale of stationery articles, musical instruments and educational entertainment article, etc.	20,512	20,512	2,051,153	32.00	11,594	(1,425)	(673)	Note 1
Chinese Gamer International Corporation	Taichigamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	96,942	96,942	3,041,698	100.00	222,287	30,266	30,266	Subsidiary
Chinese Gamer International Corporation	Walkfun International Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	15,000	15,000	1,500,000	100.00	19,492	3,108	3,108	Subsidiary
Chinese Gamer International Corporation	CELAD Incorporated	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	27,620	27,500	3,750,000	68.00	739	3,552	1,832	Subsidiary
Chinese Gamer International Corporation	Super Game Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	5,771	5,000	880,000	88.00	1,752	(61)	(36)	Subsidiary
Chinese Gamer International Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	100,000	100,000	10,182,500	13.00	131,188	35,258	4,601	Subsidiary
Chinese Gamer International Corporation	Star Diamond Universal Corporation	British Virgin Islands	Business related investee	82,772	82,772	52,000	100.00	73,627	(9,002)	(9,002)	Subsidiary
Chinese Gamer International Corporation	Fun Bear Corporation	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	16,552	8,000	1,600,000	100.00	18,011	6,802	3,653	Subsidiary
Chinese Gamer International Corporation	Game Topia Co.	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	30,994	20,000	3,784,063	65.00	43,138	7,952	4,601	Subsidiary
Chinese Gamer International Corporation	Oriental Dragon Digital Co., Ltd.	Republic of China	Network authentication, data storage, manufacture of equipment, data processing service, electronic information providing service, general advertising service, etc.	19,369	8,000	1,520,000	100.00	23,429	7,521	3,779	Subsidiary
Chinese Gamer International Corporation	Long Xiang Investment Corporation	Republic of China	Investment company	168,000	168,000	16,800,000	30.00	220,304	25,357	7,501	Subsidiary
Taichigamer (B.V.I.) Co., Ltd.	Transasiagamer (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	94,264	94,264	2,976,934	100.00	216,084	30,416	30,416	Subsidiary
Transasiagamer Co., Ltd.	You Long Online (Beijing) Technology Corporation	China Mainland - Beijing	Development, production of computer software and accessories; homemade products, installation of computer hardware, repair, technique consulting, technique training, and sale of homemade products	69,569	69,569	-	100.00	191,947	31,162	31,162	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
Star Diamond Universal Corporation	Dragon Gamer (Hong Kong) Co., Ltd.	Hong Kong	Online game service	$ 82,772	$ 82,772	260,000	100.00	$ 73,627	$ (9,002)	$ (9,002)	Subsidiary
Game Topia. Co. Ltd.	Game Topia (Hong Kong) Technology Corporation	Hong Kong	Information software service	987	987	3,300	100.00	32,150	13,234	13,234	Subsidiary
Game Flier International Corporation	Soft-Orient Corporation	Samoa	Business related investee	254,872	254,872	7,784,134	100.00	15,791	47	47	Subsidiary
Game Flier International Corporation	Game Flier (Malaysia) Sdn. Bhd.	Malaysia	Development, manufacture and sale of game software	-	100,595	-	-	-	(42)	(42)	Subsidiary (Note 3)
Game Flier International Corporation	Mobile Flier International Corporation	Republic of China	Agents and operation of smartphone games	-	28,000	-	-	-	(251)	(251)	Subsidiary (Note 3)
Global Concept Corporation	Value Central Corporation	Samoa	Investment company	45,452	45,452	1,450,000	100.00	18,568	(334)	(334)	Subsidiary
Global Concept Corporation	Gamers Grande Corporation	Malaysia	Business related investee	179,788	179,788	6,453,621	100.00	190,627	19,439	19,439	Subsidiary
Global Concept Corporation	Playgame Sdn. Bhd.	Malaysia	Investment company	56,074	56,074	30,250	30.00	25,400	(4,764)	(2,105)	Note 1
Value Central Corporation	Picked United Development	Hong Kong	Acquisition and royalty for game software	20,255	20,255	4,700,000	100.00	15,078	(129)	(129)	Subsidiary
Game First International Corporation	Compete ! Games Interactive Entertainment Corporation	Republic of China	Agent and operation of sports games	21,342	21,342	2,941,520	100.00	8,393	(26)	(26)	Subsidiary
Jhih Long Venture Capital Corporation	SkyTouch Co., Ltd.	Republic of China	Manufacture of computers and accessories	20,002	20,002	673,915	31.00	1,647	(92)	(29)	Note 1
Interactive Entertainment Technology Co., Ltd.	Interactive Entertainment Technologies Corporation	Republic of China	Wholesale and service of information software	18,000	18,000	1,800,000	100.00	20,537	2,195	2,195	Subsidiary
Neweb Technologies Co., Ltd.	Newebpay Corporation	Republic of China	Electronic data providing services	28,369	28,369	1,484,733	100.00	239,281	8,378	8,378	Subsidiary
Neweb Technologies Co., Ltd.	ezPay Co., Ltd.	Republic of China	Third party payment service	966,748	966,748	61,400,000	100.00	502,319	(78,616)	(78,616)	Subsidiary
Neweb Technologies Co., Ltd.	CService Technology Co., Ltd.	Republic of China	Information software	5,000	5,000	500,000	100.00	4,823	21	21	Subsidiary
Efun International Corporation	Re: Ad Media (Taiwan) Corporation	Republic of China	General advertising service	26,000	26,000	3,125,000	100.00	58,417	28,414	28,414	Subsidiary
Long Xiang Investment Corporation	Jhih Long Venture Capital Corporation	Republic of China	Investment company	566,000	566,000	57,632,950	74.00	596,301	35,258	26,055	Subsidiary

(Concluded)

Note 1: Investment accounted for using the equity method.

Note 2: For investees in mainland China, refer to Table 7.

Note 3: The company had completed liquidation for the year ended December 31, 2020.

SOFT-WORLD INTERNATIONAL CORPORATION AND INVESTEES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outward	Inward							
Lingo Soft (Beijing) Technology Co., Ltd.	Data processing services	$ 13,386	2	$ 7,743	$ -	$ -	$ 7,743	$ -	33.00	$ -	$ -	$ -	
Soft-World International (Guangzhou) Corporation	Design, development, production, and sale of computer hardware and software	46,833	1	88,858	-	-	88,858	619	-	619	-	-	Notes 3 and 9
Game Flier International Corporation (Beijing) (Note 4)	Development of techniques, transferring, service, consulting, training; production and sale of computer software and related hardware; internet information service	214,678	2	186,300	-	-	186,300	19,652	100.00	19,652	190,222	-	Note 5
Huei You Cyuan Jia Business Management Consulting (Guangzhou) Co., Ltd.	Business management consulting, design of business operation and advertising, consulting about technique, development of APP, wholesale of computers and accessories	4,272	2	3,722	-	-	3,722	-	1.00	-	1,446	-	
World Inside (Beijing) Technology Co., Ltd.	Business management consulting, design of business operation and advertising, consulting about technique, development of APP, design of computer software, and other design service	54,713	2	45,500	-	-	45,500	-	2.00	-	-	-	
Ke Jiou Network Technology (Shanghai) Co., Ltd.	Technique for operating internet, development of hardware and software about computer, technique transferred, technique consulting, technique service, design of illusion, product, anime, business management consulting, business information consulting, computers, software and auxiliary equipment, wholesale of materials for advertising and agents for commission, etc.	2,847	2	75	-	-	75	-	-	-	-	-	Note 6

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation (Note 7)	$ 332,198	$ 332,198	$ 3,789,741
Game Flier International Corporation (Note 8)	102,636	102,636	530,185

(Continued)

Note 1: Calculated by the spot exchange rates of USD and CNY at the end of the period, which was 28.48 and 4.377, respectively.

Note 2: 1) The Corporation purchased Soft-World International (Hong Kong) Corporation for $88,858 thousand (USD 2,738 thousand), and indirectly acquired full ownership of Soft-World International (Guangzhou) Corporation in October 2007. The Corporation had been authorized by the Investment Commission, MOEA in September 2008.

2) Investments through a holding company were registered in a third region.

Note 3: Recognized gain/loss on investments based on the unaudited financial statements.

Note 4: Game Flier International Corporation had transferred investments in mainland China, Game Flier International Corporation (Beijing), to the Corporation's subsidiary a holding company registered in a third region, Global Concept Corporation, by its holding company registered in a third region, Soft-Orient Corporation, in August, 2012. Game Flier International Corporation had made remittance to Taiwan and obtained approval from Investment Commission, MOEA.

Note 5: Game Flier International Corporation (Beijing) distributed earnings that amounted to RMB 9,000 thousand, to Gamers Grande Corporation in August 2010. As of December 31, 2020, Game Flier International Corporation (Beijing), hasn't transferred to Taiwan.

Note 6: The Corporation indirectly holds investments in mainland China, Ke Jiou Network Technology (Shanghai) Co., Ltd., through a holding company registered in a third region, Global Concept Corporation. The Corporation had disposed all of its equity of Ke Jiou Network Technology (Shanghai) Co., Ltd. in December 2015. The related amount had not been remitted to Taiwan as of December 31, 2020.

Note 7: The amount of accumulated outward remittance for investments from Taiwan as of December 31, 2020 and investment amount authorized by the Investment Commission, MOEA are both USD10,935,900.

Note 8: The amount of accumulated outward remittance for investments from Taiwan as of December 31, 2020 and investment amount authorized by the Investment Commission, MOEA are both USD2,554,848.

Note 9: The Corporation indirectly holds investments in mainland China, Soft-World International (Guangzhou) Corporation, through Soft-World International (Hong Kong) Corporation. The Corporation had disposed all of its equity of Soft-World International (Guangzhou) Corporation in December 2020. The related amount had not been remitted to Taiwan as of December 31, 2020.

(Concluded)

TABLE 8

SOFT-WORLD INTERNATIONAL CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

Name of The Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Wang, Chun-Po	21,594,350	16.94
Xingtian Technologies Corporation Investment Account in Custody of KGI Commercial Bank Co., Ltd.	12,013,000	9.42
Jhih Long Venture Capital Corporation	8,913,000	6.99
Taiwan Branch, Belize Yiqiao Development Co., Ltd.	6,880,000	5.39

Note 1: Major shareholders in the Table above are shareholders owning 5% or more of the Corporation's common and preferred stocks (only ones that have completed dematerialized registration and delivery) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the consolidated financial statements may differ from the Corporation's actual number of stocks that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the stocks are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Corporation's stocks pursuant to the securities and exchange laws and regulations, the number of stocks owned shall be ones owned by the persons plus ones entrusted where the shareholders have the power to decide how to utilize the trust property. Please access the Market Observation Post System website for information on insiders' shareholding filings

VI. If the company or any of its affiliated companies had, in the recent years up until the publishing of this annual report, experienced financial distress, the impacts to the company's financial status must be disclosed: None.

Seven. Review of financial status, business performance, and risk management issues

I. Financial status

Unit: NTD thousands

Item \ Year	2020	2019	Variation		Analysis of variance in increase/decrease
			Increase (decrease) in amount	Variation Ratio %	
Current assets	12,088,944	11,164,456	924,488	8	
Property, plant, and equipment	386,835	400,700	(13,865)	(3)	
Intangible assets	484,199	490,894	(6,695)	(1)	
Other assets	753,788	712,629	41,159	6	
Total assets	13,713,766	12,768,679	945,087	7	
Current liabilities	5,944,236	5,429,170	515,066	9	
Non-current liabilities	310,135	235,115	75,020	32	Note 1
Total liabilities	6,254,371	5,664,285	590,086	10	
Capital stock	1,274,743	1,274,743	-	-	
Capital surplus	1,781,028	1,753,876	27,152	2	
Retained earnings	3,699,174	3,266,641	432,533	13	
Other equity	71,683	127,806	(56,123)	(44)	Note 2
Treasury stock	(510,393)	(449,303)	(61,090)	14	
Equity of the parent company	6,316,235	5,973,763	342,472	6	
Non-controlling interest	1,143,160	1,130,631	12,529	1	
Total shareholders' equity	7,459,395	7,104,394	355,001	5	

Analyze and describe ratio changes over 20% and with an amount exceeding NT$10 million.

Note 1: The increase in non-current liabilities is mainly caused by the increased deferred income tax liabilities.

Note 2: Other equity decreased as the unrealized gains and losses of financial assets measured at FVTOCI decreased.

II. Financial Performance

Unit: NTD thousands

Item \ Year	2020	2019	Variation	
			Increase (decrease)	Variation (%)
Operating revenue	7,268,092	5,828,654	1,439,438	25
Operating cost	3,529,205	2,647,559	881,646	33
Gross profit	3,738,887	3,181,095	557,792	18
Operating expenses	2,631,370	2,423,567	207,803	9
Net income	1,107,517	757,528	349,989	46
Non-operating revenues and expenses	137,701	75,194	62,507	83
Net profit before taxation	1,245,218	832,722	412,496	50
Income tax	247,951	166,779	81,172	49
Net income	997,267	665,943	331,324	50
Other comprehensive income for the period (post-tax profit or loss)	(64,785)	(43,805)	(20,980)	48
Current period other comprehensive income (Gross)	932,482	622,138	310,344	50

(I) Description of ratio changes over 20% and with an amount exceeding NT$10 million.

1. Operating income: mainly due to the increase in distribution income from sales, advertising income, and income from game operations.
2. Operating costs: the increase is mainly due to the revenue growth.
3. Net operating profit: mainly due to the increased revenues.
4. Non-operating income and expenses: mainly due to the recognized benefits from the financial assets measured at fair value through gains and losses.
5. Net profit before tax increased as revenue increased.
6. Income tax: mainly due to the increased revenues and increased net profit.
7. Net income: It is primarily associated with the increase of operating profit.
8. Other comprehensive gains and losses of the current period (net after tax): mainly due to the decrease in unrealized gains and losses on equity instrument measured at fair value through other comprehensive gains and losses.
9. Total comprehensive income: It is primarily associated with the increase of profit in the current period.

(II) Expected sales and the basis of estimation, the likely impacts on The Company's future financial position, and responsive plans:

1. Expected sales in the next year and basis for this projection: Revenue of this company mainly comes from game software (including online games), software magazines, royalties and licensing fees, and advertising. As we do not make a financial forecast, no sales volume has been estimated.
2. Potential impacts on finance in the future and countermeasures: We will continue to expand sales channels and product ranges to increase the scale of operations.

III. Cash flow

(I) Changes of cash flow in current year analysis:

Unit: NTD thousands

Beginning of year cash balance	Expected net operating cash flow for the whole year	Annual net cash flow from investing and financing activities	Foreign exchange impact amount	Cash Balance	Plans to improve liquidity	
					Investment plans	Financing Plan
5,001,765	1,677,933	(1,585,977)	(19,385)	5,074,336	None	None

Unit: NTD thousands

Item \ Year	2020 Cash Inflow (outflow)	2019 Cash Inflow (outflow)	Variation (%)
Operating activities	1,677,933	1,050,661	60
Investing activities	(969,374)	(690,501)	40
finance activities	(616,603)	(386,240)	60
Foreign exchange impact amount	(19,385)	(26,556)	(27)
Net cash increase (reduction)	72,571	(52,636)	(238)

Analysis and description of ratio changes (changes below 20% were eliminated.)

1. The increase in net cash inflow from operations is mainly due to the increase in revenues and net profits.
2. Increase of net cash outflow in investment activities is mainly associated with increase of other financial assets.
3. The increase in net cash outflows from financing is mainly due to the increase in cash dividends.
3. Net cash increase increased as the operating net cash inflow increased.

(II) Plans to improve cash flow liquidity:

As the sum of cash and cash equivalents at the end of 2020 was NT$5,074,336 thousand, there was no liquidity shortfall.

Liquidity analysis:

Item \ Year	2020	2019	Variation (%)
Cash flow ratio %	28.23	19.35	45.89
Cash flow adequacy ratio %	280.03	206.43	35.65
Cash flow reinvestment ratio %	17.24	11.80	46.10

Analysis and description of ratio changes (changes below 20% were eliminated.)

1. The increase in cash flow ratio is mainly due to the increase in the current net profit and operating cash inflow.
2. The increase in the cash flow adequacy ratio is mainly due to the increase in current net profit and net operating cash inflow.

The increase in cash reinvestment ratio is mainly due to the increase in the current net profit and net operating cash inflow.

(III) Liquidity analysis for the next year:

Unit: NTD thousands

Cash balance – beginning (1)	Projected cash inflows from operation of the year (2)	Expected cash outflow for the year (3)	Cash surplus (deficit) (1)+(2)-(3)	Financing of cash deficits	
				Investment plans	Finance plans
5,074,336	1,680,000	660,000	6,094,336	-	-

Cash flow analysis for the next year

Operating: It is expected online game heat will continue in the next year. We will enhance market operations to increase profit contribution of the period.

Investing: To coordinate with the collaboration with game developers, introduction of new games, and incessant innovation and R&D of new games, we will increase investments in subsidiaries and related R&D areas.

Financing: Except for cash dividend, no significant change is expected in the next year.

As the estimated sum of cash and cash equivalent at the end of 2021 will be NT$6,094,336 thousand, there will be no liquidity shortfall.

IV. Material capital expenditures in the latest year and impacts on business performance: None.

V. The major causes for profits or losses incurred by investments during the most recent year; rectifications and investment plans for the next year

Reinvestment Analysis

Item \ Remark	Sum of initial investment (thousand)	Policies	Main causes of profit or loss	Remedy	Other future investment plans
CHINESE GAMER INTERNATIONAL CORPORATION	371,319	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$1,053 thousand, with an EPS of NT$0.01. The “Huang Yi M” was launched in 2020 to connect players’ memories, followed by brand new versions of classic terminal games such as “Wonderland Online: Legend of Rhode Island” and “Martial Art Heroes Online Healing Heart,” to reinforce the operations of existing games and solicit old players back for interaction.	The R&D resources are integrated in the workflow management to improve gaming quality and development efficiency, for higher market competitiveness of quality games.	Subject to the status of operations.
Gameflier International Corporation	218,017	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$167,233 thousand, with an EPS of NT$5.82. The “The Legend of Three Kingdoms M” jointly launched with UserJoy Technology in 2020 reproduces the classic nation war gameplay and is highly favored by players, while the Game Flier International exerts its years of experience operating “The Legend of Three Kingdoms Online” to intimately connect the players’ interaction, and uses diversified marketing activities to make the mobile game a best seller.	The operating experiences over the years are consolidated and coupled with diversified marketing events to operate the running games in a steady manner; meanwhile, a variety of featured products are introduced, along with the startup of the HTML5 game operations in the Southeast Asia market.	Subject to the status of operations.
Game First International Corporation	27,813	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$3,303 thousand. In 2020, the Company assisted Korean mobile games to enter the European, American and Southeast Asian markets, and hosted a number of gaming contests. To provide international gaming services, the customer service team will be expanded this year to cultivate multilingual service staff for full customer satisfaction.	Development of gaming customer service, integrated marketing, social media operations, and e-sports services.	Subject to the status of operations.
Soft-World (Hong Kong) International Corporation	88,858	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$33,896 thousand. GTC sales in Hong Kong and Macau are the main source of income.	Continue with market expansion.	Subject to the status of operations.
Zealot Digital International Corporation	50,874	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$1,206 thousand. The Art Center provides more comprehensive, professional and efficient filming and animation services for major game developers around the world.	Also persistently continued are the efforts to expand the market and provide game developers with game art production.	Subject to the status of operations.
Neweb Technologies Co., Ltd.	510,567	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$24,715 thousand. The scale of online transactions in 2020 has successfully created a stable profit base, and the deployment of physical stores is speeded up for higher diversified payment services and tools on an open	Continue with market expansion.	Subject to the status of operations.

Item \ Remark	Sum of initial investment (thousand)	Policies	Main causes of profit or loss	Remedy	Other future investment plans
			cash flow platform; meanwhile the integrated accounting transactions and terminal systems have greatly improved the store's payment collection capacity and management efficiency.		
Soft-World Technology Pte.Ltd.	8,959	Global deployment	The 2020 net profit of that company was NT$2,750 thousand. Enhance MyCard competitiveness in Southeast Asia and attract more upstream suppliers to achieve the vision of "No. 1 GTC in Asia." Therefore, that company will actively cultivate the Southeast Asia market and collaborate with worldwide platforms and channels to make MyCard more popular.	Continue with market expansion.	Subject to the status of operations.
Joy Children Technology Co., Ltd.	20,512	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$1,425 thousand. That company focuses on entertainment products for children and youth, including the R&D of edutaining software, design of edutaining products, and wholesale and trading of imported educational toys and products.	Continue with market expansion.	Implement through progressive planning.
Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	13,812	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$10,373 thousand. For the IDC Total Solution built to provide innovative ideas for industrial users, a full-range IDC brand "MyServer" was launched in 2014 to create customized IDC Solution for game developers interested in overseas engagement.	Continue with market expansion.	Subject to the status of operations.
Sofaman Technologies Co., Ltd.	9.366	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$33 thousand.	Continue with market expansion.	Subject to the status of operations.
EFUN International Co., Ltd.	91,364	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$102,313 thousand. This company mainly focuses on the development of online advertising marketing. It is good at the all kinds of digital ad serving and overall planning of media marketing strategy. This company successfully optimized the benefit of advertising marketing for over hundreds of cooperative enterprises.	Continue with market expansion.	Subject to the status of operations.
We Can Financial Technology Co., Ltd.	27,824	Diversify operations to synergize vertical integration	The 2020 net profit of that company was NT$1,263 thousand. The main business cope is to develop and maintain a diversified payment system for the PX Mart stores to keep a stable operation.	Continue with market expansion.	Subject to the status of operations.

VI. Risks and assessment in the previous year and by the date of publication of this report

(I) The impact of changes in interest rate, exchange rate, and inflation on the Company's profit or loss in recent years to the date this report was printed, and future response measures

1. Impacts of interest rate variations to The Company's profit and loss, and responsive measures in the future:
   While the volatility both the exchange rate and the interest rate (including deposits and loans) is mild, and the share of income from interest is low in both operating profit and net profit before tax, the influence on income of changes in the interest rate and exchange rate is low.
2. Impacts of exchange rate variations to The Company's profit and loss, and responsive measures in the future
   Hong Kong is our major exporting market, with a foreign exchange loss of NT$1,523 thousand in 2020, accounting for 0.02% of net revenue. Apart from keeping close contacts with trading banks, our financial unit keeps track of the trend of exchange rate changes by capturing information from financial news reports and economic research reports, in order to reduce the influence on revenue and profit of the risk of exchange rate volatility.
3. Impacts of inflation to The Company's profit and loss, and responsive measures in the future:
   Currently, although commodity prices rise due to inflation, entertainment remains part of daily life. As free-to-play games have become a recent trend, changing the focus from the game time to game props is more profitable. Therefore, the influence of inflation on income is limited.

(II) Policies on high risk and highly leveraged investments, loans to others, endorsements / guarantees, and the trading of derivative instruments; describe the main causes of profit or loss and responsive measures in the future:

1. We do not engage in high-risk and high-leverage investments, and derivatives investments.
2. Capital lending, endorsements, and guarantees are carefully assessed and must conform with the "Capital Lending Regulations" and "Endorsements and Guarantees Regulations" and be approved by BOD prior to implementation.
   By the end of December 31, 2020, the BOD has passed the endorsement for Neweb Technologies Co., Ltd. amounting to NT$280,000 thousand.

(III) Future research and development plans, and the projected expenses:

1. Future R&D:
   We built an engine tool-based structure of Development Process 2.0 satisfying the requirement of next-gen full 3D mobile game. We further planned for establishing the game development process integrating somatosensory technology (AR/VR/MR/XR), AI, block chain, big data analysis, VTuber and cloud computing. We can design the tool and process for arts, planning, marketing, and operation integration and execution based on efficient operation and cost reduction. By combining a new generation structure with integration of program and resource management, we put cross-platform, different types of game products with same underlying structure into mass production while keeping the cost down.
   Advantages of independent development of engine tools:
   (1) The specifications of the core engine can match processes with standard capacity and teams with standard habits to succeed existing practical experience to quickly develop game projects.
   (2) Tools built through engine extension can fully match the internal communication specifications of planning and art. Terms used in the forms are found in familiar process structure to ensure effortless practice, operation, and subsequent verification.
   (3) Independently developed engines are more innovative and have higher debug efficiency. They enable new module customization and quick response to adjustment and optimization based on the creative ideas of game products or the requirements of cross-platform processes.
   (4) Resource management in independently developed engines emphasis advantages including sustainability and module experience accumulation. These advantages can ease the worries about core technology discontinuity after a R&D personnel change. Apart from enabling process control and product risk monitoring among project

managers, tool standardization secures core technology continuity.

(5) Data transfer and conversion between game products with the same underlying structure are smooth. These game products are suitable for PC and mobile app. They blend with development, integration and maintenance of cross-platform game products, including the AR/VR/MR/XR, cloud gaming products. These products become more ready for the next intense platform competition.

Based on the geographic location, the business is deeply rooted in the southern region, meanwhile academic cooperation with universities in the central, southern and eastern regions are also heavily engaged for exchange of ideas about game development technology as well as marketing and operation information to cultivate local digital talents. As a result, the largest gaming industrial park in the south is built for the cultural and creative R&D covering game development, art design, multimedia production, game music creation and audio production, and the lower cost in the southern region gives a competitive edge to create innovative contents with higher competitiveness and better profitability.

2. Estimated amount of R&D investment

In 2021, all R&D projects of the group will continue, and the estimated amount of investments is NT$350 million.

(IV) The effect of major changes in policies and legal practices, whether domestic or foreign, to the company's financial and business performance, and the responsive actions:

Our management team keeps close track on any policies and laws and regulations at home and abroad that may potentially influence our finance and business. The team has also established related risk management procedures.

By the date of publication of this report, there was no significant negative influence caused by changes in policies and laws and regulations.

We operate finance and business by law. Therefore, it is expected that no significant changes in policies and laws at home or abroad will affect our finance and business in the coming year.

(V) Effects of technological and industrial changes to the company's financial and business performance, and the responsive actions:

1. With the launch of 5G, the use of wired and wireless broadband networks continues to expand, and the pervasion of the high-profile yet affordable desktop computers and notebooks, mobile devices (such as smart phones, tablets), wearable devices, and somatosensory devices will continue to be the major force to drive consumers to join online games, mobile games, AR/VR/MR/XR, and cloud games.
2. The constant pursuit of quality and content that is more diversified and entertaining has become a basic requirement for online games and mobile games. In addition, system service stability, game ecosystem balance, the developer's attitude and speed of service for gamers, and the protection of the personal information of consumers will be the keys to success in the online and mobile game markets.
3. Consumers have raised their demand for game effects from 2D to 3D, and even towards AR/VR/MR/XR and cloud gaming. We have a number of 2D and 3D engine tools and constantly improve engine functions to cope with the demand for game diversity and future trends.
4. To cope with constant technological changes, we keep upgrading our technical capacity and adjusting operational strategies to adapt to changes in the game industry.

   A shift from charge by game time to free-to-play games with item sales has become a trending consumption pattern. By making quick and appropriate responses to the changing consumption pattern, we have maintained continuous growth in recent years.
5. Thanks to the popularization of the application services of broadband and mobile communication, online games and mobile games have become the first entertainment choice for young people. Homebody entertainment driving the homebody economy makes more space for the growth of game industry. In 2020, the COVID-19 pandemic triggered the business opportunities of the so-called zero-contact economy or entertainment, which brought about substantial growth of home entertainment such as online games, mobile games, and online audio and video, and boosted the attached stay-at-home economy. Looking into the year 2021, the coronavirus vaccination will be getting more and more pervasive, but it is still a long way to herd immunity, and therefore it is expected that this wave of zero-touch entertainment will continue to surge till the middle of the year or

even longer, and the benefits are still expected. Given the global game market's rapid changes, Taiwan market's limited appetite, and the business' white-hot competition, overseas market cultivation will be the prime target of game developers. Therefore, to increase global visibility will be our future target.

6. With the advent of 5G, both the quantity and quality of bandwidth will be greatly improved. On the quantity side, the demand for ever more mobile game contents will explode. On the quality side, with the mobile lite games moving towards the red ocean market, heavyweight or large-scale high-quality mobile games will become the mainstream. Therefore, developing the next-generation high-speed battle, high-interaction and high-resolution mobile games to attract the players will be a serious challenge to be faced with for us, and for all the industrial peers.
7. In third-party payments, the annual growth rate of the global mobile payment market will be over 30%. In particular, Asia Pacific will be the world's largest market for mobile payment. The stay-at-home economy in Taiwan is rising. Third-party payment companies gradually launched their systems in 2017. Therefore, third-party payment businesses will definitely fight in the e-commerce market. COVID-19 outbreak is ongoing. To avoid infection risk incurred from physical contact, e-shopping, home delivery and corresponding virtual payment, become one of the main consumption habits or trends of the consumer. As the mobile payment service in Taiwan has entered the "warring period," following the principle that "the big ones get bigger" in business competition, and mergers and acquisitions will be the only options for survival and growing stronger in the competition.

(VI) Impacts of changes in corporate image to the company's crisis management, and the responsive measures:

In addition to professional quality and ethical management principles, we spare no effort to carry out CSR in business operations in order to develop a sound market presence. Our listing on Taipei Exchange (TPEx, formerly Gre Tai Securities Market) in 2001 also helps raise our market presence. In the future, we will continue to carry out CSR as a listed company and seek the biggest interest for shareholders and employees. Therefore, the foreseeable risks have not been seen so far.

(VII) The expected benefits from mergers and acquisitions, the potential risks associated, and the responsive measures:

By the date of publication of this report, no merger or acquisition activity has been implemented.

(VIII) The expected effect and possible risk of the plant expansion, and the response measures:

By the date of publication of this report, no factory expansion has been implemented.

(IX) The risk of concentrated purchase or sales and the response measures:

In response to the characteristics of the gaming industry, Soft-World has been dedicated to the expansion of marketing channels, connecting more than a thousand digital content products from home and abroad, including online games and digital content service products developed by various game manufacturers, and therefore the diversified sources of purchase and sales are free of the concentration risk.

(X) The risks and impacts of significant shareholding transfers by directors, supervisors, or major shareholders with more than 10% ownership interest, and the responsive measures to such risks:

By the date of publication of the annual report, neither of our directors, supervisors or large shareholders with more than 10% of the shares transferred equities

(XI) The effects, risks and responsive measures associated with changes in management:

Corporate management is the focus of our management team. With the assistance and support of directors and supervisors, there is no potential risk of any kind.

(XII) List out the legal proceedings or non-contentious matters, or administrative actions, involving the Company, the Directors, Supervisor, President, the deputy agent, or dominant shareholders holding more than 10% of the shares issued by the Company and its subsidiaries, concluded with rulings or still pending, the result of which may cause significant influence on the shareholders equity or stock price of the Company. Disclose the factual account of the contention, the starting date of the proceedings, the parties concerned, and the action taken by the Company to the date this report was printed:

1. Disclose the facts in dispute, the amount of the subject matter, the start and end dates of litigious events, the principal parties involved, and the current status of major litigious

events, non-litigious events, or administrative remedies with confirmed verdicts in the past two years and by the date of publication of this report or in progress by the date of publication of this report of directors, supervisors, presidents, actual responsible persons, the top ten shareholders with over 10% of the stakes, and affiliates, with results that may cause significant impact to the rights and interests of shareholders or the stock price.

2. Major parties involved, and the current status of major litigious events, non-litigious events, or administrative remedies with confirmed verdicts in the past two years and by the date of publication of this report or in progress by the date of publication of this report of directors, supervisors, presidents, actual responsible persons, the top ten shareholders with over 10% of stakes and affiliates with results that may cause significant impact to the rights and interests of shareholders or the stock price: NA.
3. Directors, supervisors, presidents, actual person-in-charge, and shareholders with over 10% of the stakes involved in the events specified in Article 157 of the Securities and Exchange Act in the previous year and by the date of publication of this report and the current status of handling: NA.

(XIII) Other significant risks and responsive measures:

Major risk assessment, including assessment and analysis of information security risks and countermeasures:

1. To enforce information security management, we have established the “Information Security Management Regulations” and their enforcement rules for implementing information security management, strictly managing data utilization and maintaining security. We have also established the firewall policy and application procedures to control the risk of information security.
2. We have established a database backup mechanism and store backup media offsite to reduce the risk of data loss. We simulate situations and test regularly to ensure the normal operation and data security of information systems to reduce unexpected system disruption caused by natural disasters and human negligence, in order to comply with the planned target system recovery time.

VII. Other important disclosures: None.

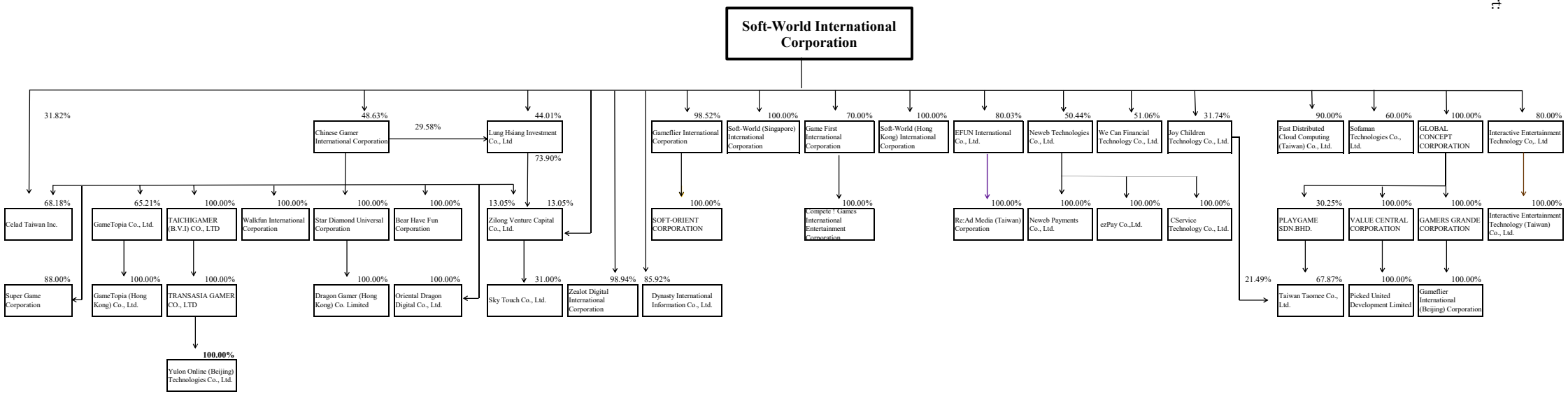
VIII. Special Notes

I. Affiliated companie

(I) Affiliates consolidated business report:

1.Organization chart for affiliates:

Organization chart for affiliates of Soft-World Group
2020



2. Stakes of affiliates

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Original Investment Amount (NT$ thousands)
1	CHINESE GAMER INTERNATIONAL CORPORATION	Shares of Chinesegamer International (subsidiary) held by Soft-World International	49%	41,880,205	371,319
		Shares of Soft-World International held by Chinesegamer International (subsidiary)	None	None	None
2	Gameflier International Corporation	Shares of Gameflier International (subsidiary) held by Soft-World International	98%	28,332,800	218,017
		Shares of Soft-World International held by Gameflier International (subsidiary)	None	None	None
3	Game First International Corporation	Shares of Game First International (subsidiary) held by Soft-World International	70%	16,684,063	27,813
		Shares of Soft-World International held by Game First International (subsidiary)	None	None	None
4	Global Concept Corporation	Shares of Global Concept Corporation (subsidiary) held by Soft-World International	100%	9,631,253	295,068
		Shares of Soft-World International held by Global Concept Corporation (subsidiary)	None	None	None
5	Soft-World (Hong Kong) International Corporation	Shares of Soft World (Hong Kong) International (subsidiary) held by Soft-World International	100%	3,883,558	88,858
		Shares of Soft-World International held by Soft World (Hong Kong) International (subsidiary)	None	None	None
6	Zealot Digital International Corporation	Shares of Zealot Digital International (subsidiary) held by Soft-World International	99%	8,904,162	50,874
		Shares of Soft-World International held by Zealot Digital International (subsidiary)	None	None	None
7	Soft-World Technology Pte. Ltd.	Shares of Soft-World (subsidiary) held by Soft-World International	100%	390,000	8,959
		Shares of Soft-World International held by Soft-World (subsidiary)	None	None	None
8	Dynasty International Information Co., Ltd.	Shares of Dynasty International (subsidiary) held by Soft-World International	86%	1,460,610	14,667
		Shares of Soft-World International held by Dynasty International (subsidiary)	None	None	None
9	Zilong Venture Capital Co., Ltd.	Shares of Zilong Venture Capital Co., Ltd. (subsidiary) held by Soft-World International	13%	10,182,500	100,000
		Shares of Soft-World International held by Zilong Venture Capital Co., Ltd. (subsidiary)	7%	8,913,000	746,408
10	Zealot Digital Ptd.Ltd.	Shares of Zealot (subsidiary) held by Soft-World International	Note 1	Note 1	Note 1
		Shares of Soft-World International held by Zealot (subsidiary)	None	None	None
11	Sofaman Technologies Co., Ltd.	Shares of Sofaman Technologies (subsidiary) held by Soft-World International	60%	936,600	9,366
		Shares of Soft-World International held by Sofaman Technologies (subsidiary)	None	None	None
12	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Shares of Fast Distributed Cloud Computing (subsidiary) held by Soft-World International	90%	2,135,628	13,812
		Shares of Soft-World International held by Fast Distributed Cloud Computing (subsidiary)	None	None	None
13	Interactive Entertainment Technology Co., Ltd.	Shares of Interactive (subsidiary) held by Soft-World International	80%	480,000	15,485
		Shares of Soft-World International held by Interactive (subsidiary)	None	None	None
14	Neweb Technologies Co., Ltd.	Shares of Neweb Technologies (subsidiary) held by Soft-World International	50%	38,104,043	510,567
		Shares of Soft-World International held by Neweb Technologies (subsidiary)	None	None	None
15	Lung Hsiang Investment Co., Ltd.	Shares of Longxiang Investment (subsidiary) held by Soft-World International	44%	25,000,000	250,000

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Original Investment Amount (NT$ thousands)
		Shares of Soft-World International held by Longxiang Investment (subsidiary)	None	None	None
16	EFUN International Co., Ltd.	Shares of EFUN International (subsidiary) held by Soft-World International	80%	16,016,347	91,364
		Shares of Soft-World International held by EFUN International (subsidiary)	None	None	None
17	Celad Taiwan Inc.	Shares of Celad Taiwan (subsidiary) held by Soft-World International	32%	1,750,000	17,500
		Shares of Soft-World International held by Celad Taiwan (subsidiary)	None	None	None
		Shares of Celad Taiwan (subsidiary) held by Chinesegamer International	68%	3,750,000	27,620
		Shares of Chinesegamer International held by Celad Taiwan (subsidiary)	None	None	None
18	We Can Financial Technology Co., Ltd.	We Can Financial Technology Co., Ltd. (subsidiary) held by Soft-World International	51%	5,106,000	27,824
		Soft-World International held by We Can Financial Technology Co., Ltd. (subsidiary)	None	None	None
19	Taichigamer (B.V.I) Co., Ltd.	Shares of Taichigamer (subsidiary) held by Chinesegamer International	100%	3,041,698	96,942
		Shares of Chinesegamer International held by Taichigamer (subsidiary)	None	None	None
20	Walkfun International Corporation	Shares of Walkfun International (subsidiary) held by Chinesegamer International	100%	1,500,000	15,000
		Shares of Chinesegamer International held by Walkfun International (subsidiary)	None	None	None
21	Super Game Corporation	Shares of Super Game (subsidiary) held by Chinesegamer International	88%	880,000	5,771
		Shares of Chinesegamer International held by Super Game (subsidiary)	None	None	None
22	Star Diamond (B.V.I)Co.,Ltd.	Shares of Star Diamond (subsidiary) held by Chinesegamer International	100%	52,000	82,772
		Shares of Chinesegamer International held by Star Diamond (subsidiary)	None	None	None
23	Bear Have Fun Corporation	Shares of Bear Have Fun (subsidiary) held by Chinesegamer International	100%	1,600,000	16,552
		Shares of Chinesegamer International held by Bear Have Fun (subsidiary)	None	None	None
24	GameTopia Co., Ltd.	Shares of GameTopia (subsidiary) held by Chinesegamer International	65%	3,784,063	30,994
		Shares of Chinesegamer International held by GameTopia (subsidiary)	None	None	None
25	Oriental Dragon Digital Co., Ltd.	Shares of Oriental Dragon Digital (subsidiary) held by Chinesegamer International	100%	1,520,000	19,369
		Shares of Chinesegamer International held by Oriental Dragon Digital (subsidiary)	None	None	None
26	TRANSASIAGAMER(B.V.I) CO., LTD.	Shares of Transasiagamer (subsidiary) held by Taichigamer (B.V.I)	100%	2,976,934	94,264
		Shares of Taichigamer (B.V.I) held by Transasiagamer (subsidiary)	None	None	None
27	Yulon Online (Beijing) Technologies Co., Ltd.	Shares of Yulon Online (Beijing) (subsidiary) held by Transasiagamer	100%	-	69,569
		Shares of Transasiagamer held by Yulon Online (Beijing) (subsidiary)	None	None	None
28	DRAGON GAMER (HONG KONG) CO., LTD	Shares of Dragon Gamer (Hong Kong) Co., Ltd. (subsidiary) held by Star Diamond (B.V.I) Co., Ltd.	100%	260,000	82,772
		Shares of Star Diamond (B.V.I) Co., Ltd. held by Dragon Gamer (Hong Kong) Co., Ltd. (subsidiary)	None	None	None
29	GameTopia (Hong Kong) Co., Ltd.	Shares of GameTopia (Hong Kong) Co., Ltd. (subsidiary) held by GameTopia	100%	3,300	987

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Original Investment Amount (NT$ thousands)
		Shares of GameTopia held by GameTopia (Hong Kong) (subsidiary)	None	None	None
30	Value Central Corporation	Shares of Value Central (subsidiary) held by Global Concept Corporation	100%	1,450,000	45,452
		Shares of Global Concept Corporation held by Value Central (subsidiary)	None	None	None
31	Gamers grande Corporation	Shares of Gamers Grande Corporation (subsidiary) held by Gamers grande Corporation	100%	6,453,621	179,788
		Gamers grande Corporation held by Gamers Grande Corporation (subsidiary)	None	None	None
32	Gameflier International (Beijing) Corporation	Shares of Gameflier International (Beijing) Corporation (subsidiary) held by Gamers	100%	-	214,678
		Shares of Gamers (subsidiary) held by Gameflier International (Beijing) Corporation	None	None	None
33	Picked United Development Limited	Shares of Picked United (subsidiary) held by Value Central	100%	4,700,000	20,255
		Shares of Value Central held by Picked United (subsidiary)	None	None	None
34	Soft-orient Corporation	Shares of Soft-orient (subsidiary) held by Gameflier International	100%	7,784,134	254,872
		Shares of Gameflier International held by Soft-orient (subsidiary)	None	None	None
35	Game Flier (Malaysia) Sdn.Bhd.	Shares of Game Flier (subsidiary) held by Gameflier International	Note 1	Note 1	Note 1
		Shares of Gameflier International held by Game Flier (subsidiary)	None	None	None
36	Mobile Flier International Corporation	Shares of Mobileflier (subsidiary) held by Gameflier International	Note 1	Note 1	Note 1
		Shares of Gameflier International held by Mobileflier (subsidiary)	None	None	None
37	Compete ! Games International Entertainment Corporation	Shares of Compete ! Games International (subsidiary) held by Gameflier International	100%	2,941,520	21,342
		Shares of Gameflier International held by Compete ! Games International (subsidiary)	None	None	None
38	Guangzhou Soft-World International Corporation	Shares of Guangzhou Soft-World International (subsidiary) held by HK Soft-World International	Note 2	Note 2	Note 2
		Shares of HK Soft-World International held by Guangzhou Soft-World International (subsidiary)	None	None	None
39	Interactive Entertainment Technology (Taiwan) Co., Ltd.	Interactive Entertainment Technology (subsidiary)	100%	1,800,000	18,000
		Shares of Interactive (subsidiary) held by Interactive Entertainment Technology	None	None	None
40	ezPay Co.,Ltd.	Shares of Interactive Entertainment Technology held by Interactive (subsidiary)	100%	61,400,000	966,748
		Shares of ezPay (subsidiary) held by Neweb Technologies Technology	None	None	None
41	Neweb Payments Co., Ltd.	Shares of Neweb Technologies held by Neweb Payments (subsidiary)	100%	1,395,426	28,369
		Shares of Neweb Payments (subsidiary) held by Neweb Technologies Technology	None	None	None

Serial No.	Name of affiliated enterprises	Intersect Holdings	Ratio of Shareholding	Invested Shares	Original Investment Amount (NT$ thousands)
42	CService Technology Co., Ltd.	Shares of CService Technology Co., Ltd. held by Neweb Technologies (subsidiary)	100%	500,000	5,000
		Shares of Neweb Technologies held by CService Technology Co., Ltd. (subsidiary)	None	None	None
43	Re:Ad Media (Taiwan) Corporation	Shares of Re:Ad Media (subsidiary) held by EFUN International Co., Ltd.	100%	3,125,000	26,000
		Shares of EFUN International Co., Ltd. held by Re:Ad Media (subsidiary)	None	None	None

Note 1: The liquidation process was completed in 2020.
Note 2: That company was already sold in 2020.

3. Profiles of the bank's subsidiaries

Unit: NT$ thousand; Foreign currency amount in dollars

Serial No.	Name of enterprise	Date of establishment	Address	Paid-in shares Capital	Major operations
1	CHINESE GAMER INTERNATIONAL CORPORATION	2000.03.28	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	861,164	Internet authentication service, data storage media and processing units manufacturing, data processing services, digital information supply services, general advertising services.
2	Gameflier International Corporation	2002.07.02	2F, No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	287,579	Internet authentication service, data processing services, digital information supply services, general advertising services, data storage media and processing unit manufacturing.
3	Game First International Corporation	2005.07.25	2F, No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	238,343	Online game software distribution Non-prohibited or non-restricted businesses, in addition to the permitted business
4	Global Concept Corporation	2002.10.28	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia Samoa	USD 9,631,253	General investment business
5	Soft-World (Hong Kong) International Corporation	2007.10.19	19 Cheung Shun Street, Unit B, 7/F, Yeung Yiu Chung (No.6) Industrial Building, Cheung Shan Wan, Kowloon, Hong Kong.	HKD 3,883,558	Wholesale of computer software and computer magazine sales
6	Zealot Digital International Corporation	2008.02.14	8F, No. 18, Zhongzheng 2nd Road, Lingya District, Kaohsiung	90,000	Art agency project entrusted by the customer
7	Soft-World Technology Pte.Ltd.	1998.03.25	133 NEW BRIDGE ROAD #08-03 CHINATOWN POINT SINGAPORE(059413)	SGD 390,000	Manufacturing, processing, trading, agency, and design of various computer equipment, computer software, and peripherals.
8	Dynasty International Information Co., Ltd.	1992.03.27	8F, No. 18, Zhongzheng 2nd Road, Lingya District, Kaohsiung	17,000	Design, development, and trading of computer software.
9	Zilong Venture Capital Co., Ltd.	2014.12.08	6F., No. 3,Minquan Rd., Banqiao Dist., New Taipei City	779,980	Investing Company
10	Zealot Digital Pte.Ltd. (Note 1)	2007.07.13	6 SHENTON WAY #33-00 OUE DOWNTOWN SINGAPORE(068809)	SGD 26,460,042	R&D of computer games
11	Sofaman Technologies Co., Ltd.	2015.04.10	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	15,610	Software design services and data processing services
12	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	2011.11.29	2F, No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	23,729	Retail sale of computer software, computers and computing peripherals manufacturing

Serial No.	Name of enterprise	Date of establishment	Address	Paid-in shares Capital	Major operations
13	Interactive Entertainment Technology Co., Ltd.	2015.09.07	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 600,000	General investment business
14	Neweb Technologies Co., Ltd.	2000.05.26	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	1,114,841	Retail sale of computer software, computers and digital information supply services
15	Lung Hsiang Investment Co., Ltd.	2018.05.18	1F, No. 37-2, Lainan Street, Yanceng District, Kaohsiung City	56,800	General investment business
16	EFUN International Co., Ltd.	2007.10.04	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	160,635	Digital media advertising services
17	Celad Taiwan Inc.	2014.12.17	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	55,000	Online gaming service
18	We Can Financial Technology Co., Ltd.	2016.05.31	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	100,000	Financial system and equipment development business
19	Taichigamer (B.V.I) Co., Ltd.	2002.01.10	30 DeCastro Street,P.O.Box 4519,Road Town,Tortola,British Virgin Islands	USD 3,041,698	General investment business
20	Walkfun International Corporation	2013.01.24	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	15,000	Online gaming service
21	Super Game Corporation	2015.09.01	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	10,000	Online gaming service
22	Star Diamond (BVI) Co.,Ltd	2015.09.23	Simmonds Building,Wickhams Cay 1,P.O. Box 4519,Road Town,Tortola,British Virgin Islands	USD 2,600,000	General investment business
23	Bear Have Fun Corporation	2016.09.08	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	16,000	Online gaming service
24	GameTopia Co., Ltd.	2016.10.07	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	58,030	Online gaming service
25	Oriental Dragon Digital Co., Ltd.	2016.12.16	4F, No. 2, Lane 47, Section 3, Nangang Road, Nangang District, Taipei City	15,200	Online gaming service
26	Transasiagamer (BVI)Co., Ltd.	2002.01.10	30 DeCastro Street,P.O.Box 4519, Road Town,Tortola,British Virgin Islands	USD 2,976,934	Re-investments Operations
27	Yulon Online (Beijing) Technologies Co., Ltd.	2002.03.18	Rm. 116, 1F., No. 36, Chuangyezhong Rd., Haidian Dist., Beijing	USD 2,200,000	Online gaming service
28	Dragon Gamer (Hong Kong) Co., Ltd	2015.10.16	19 Cheung Shun Street, Unit B, 7/F, Yeung Yiu Chung (No.6) Industrial Building, Cheung Shan Wan, Lai Chi Kok, Kowloon, Hong Kong.	USD 2,600,000	Online gaming service
29	GameTopia (Hong Kong) Co., Ltd.	2017.05.19	19 Cheung Shun Street, Unit B, 7/F, Yeung Yiu Chung (No.6) Industrial Building, Cheung Shan Wan, Lai Chi Kok, Kowloon, Hong Kong.	USD 33,000	Information software service
30	Value Central Corporation	2002.10.28	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia Samoa	USD 1,450,000	General investment business
31	Gamers grande Corporation	2002.10.16	2nd. Floor, lat 19, Lazenda Commercial Centre, Phasw 3, 8700 Federalterritory Of Labuan Malaysia	USD 6,212,066	General investment business
32	Gameflier International (Beijing) Corporation	2003.01.23	1F, No. 36, Chuangye Middle Road, Shangdi, Haidian District, Beijing City	USD 6,400,000	Production of computer software and hardware; development, service,

Serial No.	Name of enterprise	Date of establishment	Address	Paid-in shares Capital	Major operations
					consulting and training of software technology; and sales of our own brand's products.
33	Picked United Development Limited	2015.10.09	RMS 604-7 DOMINION CTR 43-59 QUEEN'S RD EAST HK	HKD 4,700,000	Acquisition and licensing of game software
34	Soft-orient Corporation	2002.10.02	OCRA Chambers, Suite 5, Global Travel House, Saleufi Street,Apia,Samoa	USD 7,784,134	General investment business
35	Game Flier(Malaysia) Sdn.Bhd. (Note 1)	2003.05.27	18-3， Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.	USD 3,025,521	R&D, manufacture, and sales of game software
36	Mobile Flier International Corporation (Note 1)	2014.10.30	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	28,000	Distribution and operation of smartphone games and platform connection and joint operation
37	Compete ! Games International Entertainment Corporation	2013.10.25	2F, No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	29,415	Distribution and operation of s-sports games.
38	Guangzhou Soft-World International Corporation (Note 2)	2007.10.19	Pacific Industrial Zone, Xintang Industrial Processing Zone, Zengcheng District, Guangzhou	USD 1,300,000	Design, development, production and sales of our own brand's computer hardware and software
39	Interactive Entertainment Technology (Taiwan) Co., Ltd.	2016.06.03	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	18,000	Wholesale and service of information software
40	ezPay Co.,Ltd.	2013.08.22	8F, No. 97, Section 2, Nangang Road, Nangang District, Taipei City	614,000	e-Payment
41	Neweb Payments Co., Ltd.	2010.03.24	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	13,954	Retail sale of computer software, computers and digital information supply services
42	CService Technology Co., Ltd.	2019.07.17	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	5,000	The customer service integrating the cash flow system
43	Re:Ad Media (Taiwan) Corporation	2015.11.13	No, 99-10, Section 2, Nangang Road, Nangang Road, Nangang District, Taipei City	31,250	Digital media advertising services

Note 1: The liquidation process was completed in 2020.
Note 2: That company was already sold in 2020.

4. Shareholders presumed to have control and affiliation: None.
5. The industries housed in the same business location of the whole Affiliated Enterprises:
   (1) Trades covered by the scope of business
   R&D, distribution, and sales of information software and investments.
   (2) Division of labor, if any, based on the scope of business
   Soft-World has been dedicated to the diversification of the online industry, focusing on the three core businesses: digital games, online advertising and marketing, and financial technology, and has established a complete network of conglomerate online services to exert the operational synergies with diversified business policies.

6. Profiles of directors, supervisors, and presidents

Unit: NT$ thousand; Shares; %

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Quantity	Ratio of Shareholding
1	CHINESE GAMER INTERNATIONAL CORPORATION	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	41,880,205	48.63%
		Director and Executive Vice President	Yu-Min Liu	1,454,478	1.69%
		Director / President	LEU, SHYUE-SEN	1,439,478	1.67%
		Director	Ssu-Chun Wang	24,382	0.03%
		Independent director	Shen-Yi Fang	0	0%
		Independent director	LIN, HSUAN-CHU	0	0%
		Director / Vice President	Chih-Min Chen	87,232	0.10%
		Supervisor	Jie Sheng Investment Co., Ltd. Representative: PAI, FON-TSAO	830,438	0.96%
		Supervisor	Ming-Lung Wang	0	0%
		Supervisor	CHIEN, CHIN-CHENG	28,237	0.03%
2	Gameflier International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	28,332,800	98.51%
		Director / President	Yi Min Chang	0	0%
		Director	WANG, HSUAN-TSE	9,246	0.03%
		Director	Chun Yao Hung	0	0%
		Director	Ming-Chuan Hsieh	0	0%
		Supervisor	Ssu-Chun Wang	19,418	0.07%
		Supervisor	Vacancy		
3	Game First International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	16,684,063	70%
		Director	Soft-World International Corporation Representative: Ssu-Chun Wang	16,684,063	70%
		Director	Soft-World International Corporation Representative: Hsuan Yuan Wang	16,684,063	70%
		Director	Star Diamond (B.V.I) Co., Ltd. Representative: Tun Ho Weng	7,150,312	30%
		Director	Star Diamond (B.V.I) Co., Ltd. Representative: Chiang Chia Yu	7,150,312	30%
		Supervisor	LEE, YIN-CHIANG	0	0%
4	Global Concept Corporation	Director	Ssu-Chun Wang	0	0%
5	Soft-World (Hong Kong) International Corporation	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	3,883,558	100%
		Director	Soft-World International Corporation Representative: Tung Yu Wu	3,883,558	100%
		Director	Soft-World International Corporation Representative: Ssu-Chun Wang	3,883,558	100%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Quantity	Ratio of Shareholding
6	Zealot Digital International Corporation	Chairman and President	Soft-World International Corporation Representative: WANG, CHIN-PO	8,904,162	98.94%
		Director	Ming-Fen Huang	0	0%
		Director	Vacancy		
		Director	WANG, HSUAN-TSE	1,287	0.01%
		Director	Yi Min Chang	0	0%
		Supervisor	Chien Hsiang Lin	0	0%
		Supervisor	Hengshang Construction Co., Ltd	45,264	0.5%
7	Soft-World Technology Pte.Ltd.	Director	Soft-World International Corporation Representative: WANG, CHIN-PO	390,000	100%
		Director	Soft-World International Corporation Representative: CUI TIEBING	390,000	100%
8	Dynasty International Information Co., Ltd.	Chairman	Hengshang Construction Co., Ltd Representative: CHEN, CHING-JUNG	191,640	11.27%
		Director	Hengshang Construction Co., Ltd Representative: Wen Chung Chen	191,640	11.27%
		Director	Soft-World International Corporation Representative: WANG, CHIN-PO	1,460,610	85.92%
		Director	Soft-World International Corporation Representative: Chien Hsiang Lin	1,460,610	85.92%
		Director	Soft-World International Corporation Representative: WANG, HSUAN-TSE	1,460,610	85.92%
		Supervisor	Ming-Fen Huang	43	0%
		Supervisor	Pei Ju Chen	0	0%
9	Zilong Venture Capital Co., Ltd.	Chairman	WANG, LEE-JUNG	0	0%
		Director	Ching Hung Wang	0	0%
		Director	Wen Hsiung Hsieh	0	0%
		Supervisor	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Tsai-Lin Chiang	10,182,500	13%
10	Zealot Digital Pte.Ltd. (Note 1)	Director	Soft-World International Corporation Representative: WAN KA KI IMEDLDA	26,460,042	100%
		Director	Soft-World International Corporation Representative: WENG HSUAN-TSE	26,460,042	100%
11	Sofaman Technologies Co., Ltd.	Chairman	Hsi Shun Yu	624,400	40%
		Director	Soft-World International Corporation Representative: WANG, HSUAN-TSE	936,600	60%
		Director	Soft-World International Corporation Representative: Wei Liu	936,600	60%
		Supervisor	Ssu-Chun Wang	0	0%
12	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	2,135,628	80%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	2,135,628	80%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Quantity	Ratio of Shareholding
		Director	Soft-World International Corporation Representative: Seo Heo Jeong	2,135,628	80%
		Supervisor	Ssu-Chun Wang	0	0%
13	Interactive Entertainment Technology Co., Ltd.	Director	WANG, CHIN-PO	0	0%
		Director	LEE, YIN-CHIANG	0	0%
		Director	WANG, HSUAN-TSE	0	0%
		Director	Ssu-Chun Wang	0	0%
		Director	Wei Liu	0	0%
		Director	CHEN, SHUYI	0	0%
14	Neweb Technologies Co., Ltd.	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	38,104,043	50.4%
		Director	Soft-World International Corporation Representative: CHUNG, HSING- PO	38,104,043	50.4%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	38,104,043	50.4%
		Director	Soft-World International Corporation Representative: Hsueh-Sen Lu	38,104,043	50.4%
		Director	Chander Electronics Corp. Representative: Yu-Ta Chang	24,649,139	32.6%
		Director	Chander Electronics Corp. Representative: Chih Cheng Wu	24,649,139	32.6%
		Director	Chander Electronics Corp. Representative: Chun Jung Tu	24,649,139	32.6%
		Supervisor	Ssu-Chun Wang	453,453	0.6%
		Supervisor	United Weimar Co., Ltd. Representative: Fang Shu Hsieh	6,776	0%
		Supervisor	Tsung Ju Chiang	0	0%
15	Lung Hsiang Investment Co., Ltd.	Chairman	Ching Hung Wang	0	0%
		Director	WANG, LEE-JUNG	0	0%
		Director	Chin Hsu Hung	5,000,000	9%
		Supervisor	Soft-World International Corporation Representative: WANG, HSUAN-TSE	25,000,000	44%
16	EFUN International Co., Ltd.	Chairman	Soft-World International Corporation Representative: WANG, CHIN-PO	16,016,347	80.03%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	16,016,347	80.03%
		Director	Soft-World International Corporation Representative: Chun Yao Hung	16,016,347	80.03%
		Supervisor	Ssu-Chun Wang	0	0
17	Celad Taiwan Inc.	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Hsueh-Sen Lu	3,750,000	68.18%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	3,750,000	68.18%
		Director	CHINESE GAMER INTERNATIONAL	3,750,000	68.18%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Quantity	Ratio of Shareholding
			CORPORATION Representative: Cheng Chuan Liu		
		Supervisor	Tsai-Lin Chiang	0	0%
18	We Can Financial Technology Co., Ltd.	Chairman	Soft-World International Corporation Representative: CHUNG, HSING- PO	5,106,000	51%
		Director	Soft-World International Corporation Representative: Su Mei Huang	5,106,000	51%
		Director	Soft-World International Corporation Representative: Shuo Tu Tsai	5,106,000	51%
		Director	Soft-World International Corporation Representative: LEE, YIN-CHIANG	5,106,000	51%
		Director	Soft-World International Corporation Representative: CHUNG, HSING- PO	5,106,000	51%
		Director	Mu Kun Chiang	3,300,000	33%
		Director	Mei Hui Chiang	37,500	0.38%
		Director	Shun Te Li	0	0
		Supervisor	Ssu-Chun Wang	0	0
		Supervisor	Vacancy	0	0
19	Taichigamer (B.V.I)Co., Ltd.	Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	3,041,698	100%
20	Walkfun International Corporation	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Hsueh-Sen Lu	1,500,000	100%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	1,500,000	100%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Tao-Jen Chang	1,500,000	100%
		Supervisor	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Tsai-Lin Chiang	1,500,000	100%
21	Super Game Corporation	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Hsueh-Sen Lu	880,000	88%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	880,000	88%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Cheng Chuan Liu	880,000	88%
		Supervisor	Tsai-Lin Chiang	0	0%
22	Star Diamond (BVI) Co.,Ltd	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	52,000	100%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Quantity	Ratio of Shareholding
23	Bear Have Fun Corporation	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: LEU, SHYUE-SEN	1,600,000	100%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	1,600,000	100%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Kai Hsiung Chuang	1,600,000	100%
		Supervisor	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Tsai-Lin Chiang	1,600,000	100%
24	GameTopia Co., Ltd.	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Chih-Min Chen	3,784,063	65.21%
		Director	LEU, SHYUE-SEN	0	0%
		Director	Yu-Min Liu	0	0%
		Supervisor	Tsai-Lin Chiang	0	0%
25	Oriental Dragon Digital Co., Ltd.	Chairman	CHINESE GAMER INTERNATIONAL CORPORATION Representative: LEU, SHYUE-SEN	1,520,000	100%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Yu-Min Liu	1,520,000	100%
		Director	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Hung Pin Tseng	1,520,000	100%
		Supervisor	CHINESE GAMER INTERNATIONAL CORPORATION Representative: Tsai-Lin Chiang	1,520,000	100%
26	Transasiagamer (BVI)Co., Ltd.	Director	Taichigamer (BVI) Co.,Ltd Representative: Yu-Min Liu	2,976,934	100%
27	Yulon Online (Beijing) Technologies Co., Ltd.	Director	Transasiagamer Co.,Ltd. Representative: Lan Ni She	0	100%
28	Dragon Gamer (Hong Kong) Co., Ltd	Chairman	STAR DIAMOND (B.V.I) Co.,LTD	260,000	100%
29	GameTopia (Hong Kong) Co., Ltd.	Director	GameTopia Co., Ltd.	3,300	100%
30	Value Central Corporation	Director	Ssu-Chun Wang	0	0%
31	Gamers grande Corporation	Director	Ssu-Chun Wang	0	0%
32	Gameflier International (Beijing) Corporation	Director	Gamers grande Corporation	0	100%
33	Picked United Development Limited	Director	Value Central Corporation Representative: Chun Yao Hung	0	0
		Director	Value Central Corporation Representative: Wei Liu	0	0
34	SOFT ORIENT Corporation	Director	WANG,SZU-CHUN	0	0%

Serial No.	Name of enterprise	Title	Company name or representative	Status of shareholding	
				Quantity	Ratio of Shareholding
35	Game Flier (MA- LAYSIA) Sdn.Bhd. (Note 1)	Director	YONG YIH FANG	0	0%
		Director	ONG EET PERNG	0	0%
36	Mobile Flier International Corporation (Note 1)	Chairman	Representative of Game Flier International Corporation: WANG, CHIN-PO	2,800,000	100%
37	Compete ! Games International Entertainment Corporation	Chairman	Game First International Corporation Representative: WANG, CHIN-PO	2,941,520	100%
		Director	Game First International Corporation Representative: Hsuan Yuan Wang	2,941,520	100%
		Director	Game First International Corporation Representative: LEE, YIN-CHIANG	2,941,520	100%
		Director	Game First International Corporation Representative: Tun Ho Weng	2,941,520	100%
		Director	Game First International Corporation Representative: Chiang Chia Yu	2,941,520	100%
		Supervisor	Game First International Corporation Representative: Ssu-Chun Wang	2,941,520	100%
38	Guangzhou Soft-World International Corporation (Note 2)	Director	Soft-World (Hong Kong) International Corporation Representative: Tung Yu Wu	0	100%
39	Interactive Entertainment Technology (Taiwan) Co., Ltd.	Chairman	Interactive Entertainment Technology Co., Ltd. Representative: WANG, CHIN-PO	18,000,000	100%
		Director	Interactive Entertainment Technology Co., Ltd. Representative: LEE, YIN-CHIANG	18,000,000	100%
		Director	Interactive Entertainment Technology Co., Ltd. Representative: WANG, HSUAN-TSE	18,000,000	100%
		Supervisor	Interactive Entertainment Technology Co., Ltd. Representative: Ssu-Chun Wang	18,000,000	100%
40	ezPay Co.,Ltd.	Chairman	Neweb Technologies Co., Ltd. Representative: WANG, CHIN-PO	61,400,000	100%
		Director	Neweb Technologies Co., Ltd. Representative: LEE, YIN-CHIANG	61,400,000	100%
		Director / President	Neweb Technologies Co., Ltd. Representative: CHUNG, HSING- PO	61,400,000	100%
		Supervisor	Neweb Technologies Co., Ltd. Representative: LEU, SHYUE-SEN	61,400,000	100%
47	Neweb Payments Co., Ltd.	Chairman	Neweb Technologies Co., Ltd. Representative: WANG, CHIN-PO	1,484,733	100%
		Director	Neweb Technologies Co., Ltd. Representative: LEE, YIN-CHIANG	1,484,733	100%
		Director	Neweb Technologies Co., Ltd. Representative: WANG, HSUAN-TSE	1,484,733	100%
		Supervisor	Neweb Technologies Co., Ltd. Representative: Ssu-Chun Wang	1,484,733	100%
42	CService Technology Co., Ltd.	Chairman	Neweb Technologies Co., Ltd. Representative: WANG, CHIN-PO	500,000	100%
43	Re:Ad Media (Taiwan) Corporation	Chairman	EFUN International Co., Ltd. Representative: WANG, CHIN-PO	3,125,000	100%

Note 1: The liquidation process was completed in 2020.
Note 2: That company was already sold in 2020.

7. Business Performance of Affiliated Enterprises

Expressed in NT$ thousands (NT$ for foreign currencies); E(L)PS

Serial No.	Name of enterprise	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating gains and losses	Current period profit (after tax)	Earnings (losses) per share (After tax)
1	CHINESE GAMER INTERNATIONAL CORPORATION	861,164	1,297,601	72,399	1,225,202	298,845	(46,133)	1,053	0.01
2	Gameflier International Corporation	287,579	1,086,657	203,015	883,642	694,945	174,501	167,233	5.82
3	Game First International Corporation	238,344	411,888	72,448	339,440	912,588	(5,907)	(3,303)	(0.14)
4	Global Concept Corporation	USD 9,631,253	276,231	-	276,231	42,705	10,960	26,318	2.73
5	Soft-World (Hong Kong) International Corporation	HKD 3,883,558	690,389	158,713	531,676	65,967	29,777	33,896	8.73
6	Zealot Digital International Corporation	90,000	85,825	15,076	70,749	50,397	(9,525)	(1,206)	(0.13)
7	Soft-World Technology PTE. LTD.	SGD 390,000	15,040	6,825	8,215	26,040	2,742	2,750	7.05
8	Dynasty International Information Co., Ltd.	17,000	20,337	526	19,811	3,050	2,666	2,196	1.29
9	Zilong Venture Capital Co., Ltd.	779,980	1,005,435	164	1,005,271	35,949	35,258	35,258	0.45
10	Zealot Digital Pte.Ltd.	Note 1	-	-	-	-	(175)	(175)	Note 1
11	Sofaman Technologies Co., Ltd.	15,610	771	-	771	-	(36)	(33)	(0.02)
12	Fast Distributed Cloud Computing (Taiwan) Co., Ltd.	23,729	83,448	40,127	43,321	248,435	12,897	10,373	4.37
13	Interactive Entertainment Technology Co., Ltd.	USD 600,000	21,683	3	21,680	-	(31)	2,105	3.51
14	Neweb Technologies Co., Ltd.	755,427	2,554,108	1,658,294	895,814	855,557	88,843	24,715	0.33
15	Lung Hsiang Investment Co., Ltd.	568,000	598,839	661	598,178	-	(148)	25,357	0.45
16	EFUN International Co., Ltd.	200,135	782,343	452,029	330,314	1,201,755	93,676	102,313	5.11
17	Celad Taiwan Inc.	55,000	1,144	60	1,084	11,360	3,535	3,552	0.65
18	We Can Financial Technology Co., Ltd.	100,000	10,031	3,058	6,973	8,535	(1,799)	(1,263)	(0.13)
19	Taichigamer (B.V.I) Co., Ltd.	USD 3,041,698	222,287	-	222,287	-	-	30,266	9.95

Serial No.	Name of enterprise	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating gains and losses	Current period profit (after tax)	Earnings (losses) per share (After tax)
20	Walkfun International Corporation	15,000	22,187	2,695	19,492	10,751	3,385	3,108	2.07
21	Super Game Corporation	10,000	1,990	-	1,990	-	(61)	(61)	(0.06)
22	Star Diamond (BVI) Co.,Ltd	USD 2,600,000	73,627	-	73,627	-	-	(9,002)	(173.12)
23	Bear Have Fun Corporation	16,000	19,518	1,507	18,011	14,743	6,034	6,802	4.25
24	GameTopia Co., Ltd.	58,030	92,618	19,626	72,992	53,628	(9,290)	7,952	1.37
25	Oriental Dragon Digital Co., Ltd.	15,200	36,752	13,323	23,429	43,463	9,349	7,521	4.95
26	Transasiagamer Co., Ltd.	USD 2,976,934	216,084	-	216,084	-	(1)	30,416	10.22
27	Yulon Online (Beijing) Technologies Co., Ltd.	USD 2,200,000	199,020	7,073	191,947	27,868	21,324	31,162	-
28	Dragon Gamer (Hong Kong) Co., Ltd	USD 2,600,000	80,763	7,136	73,627	28,402	(11,228)	(9,002)	(34.62)
29	GameTopia (Hong Kong) Co., Ltd.	USD 33,000	36,682	4,532	32,150	18,410	13,260	13,234	4,411.33
30	Value Central Corporation	USD 1,450,000	18,568	-	18,568	-	(318)	(26)	-
31	Gamers grande Corporation	USD 6,212,066	190,627	-	190,627	-	(10,238)	19,439	3.13
32	Gameflier International (Beijing) Corporation	USD 6,400,000	206,079	15,857	190,222	60,167	12,070	19,656	-
33	Picked United Development Limited	HKD 4,700,000	15,457	378	15,079	-	(292)	(129)	-
34	Soft-orient Corporation	USD 7,784,134	15,791	-	15,791	-	(30)	47	0.002
35	Game Flier (Malaysia) Sdn.Bhd.	Note 1	-	-	-	-	(42)	(42)	Note 1
36	Mobile Flier International Corporation	Note 1	-	-	-	-	(292)	(251)	Note 1
37	Compete ! Games International Entertainment Corporation	29,415	8,393	-	8,393	-	(61)	(26)	(0.01)
38	Guangzhou Soft-World International Corporation	Note 2	-	-	-	-	(397)	619	Note 2

39	Interactive Entertainment Technology (Taiwan) Co., Ltd.	18,000	21,100	562	20,538	3,784	2,696	2,195	1.22
40	ezPay Co.,Ltd.	614,000	504,613	28,004	476,609	18,589	(90,408)	(78,616)	(1.28)
Serial No.	Name of enterprise	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating gains and losses	Current period profit (after tax)	Earnings (losses) per share (After income tax)
41	Neweb Payments Co., Ltd.	14,847	51,945	27,908	24,037	86,009	7,781	8,378	5.64
42	CService Technology Co., Ltd.	5,000	51,945	27,908	4,823	5,556	68	21	0.04
43	Re:Ad Media (Taiwan) Corporation	31,250	91,117	32,699	58,418	270,777	32,778	28,414	9.09

Note 1: The liquidation process was completed in 2020.
Note 2: That company was already sold in 2020.

II. Private placement of securities during the latest year up till the publication date of this annual report: none.

III. Holding or disposal of the company's shares by its subsidiaries during the latest financial year, up to the publication date of this annual report: None.

IV. Other supplementary information: None.

Nine. Occurrences of events defined under Subparagraph 2, Paragraph 3 of Article 36 of the Securities and Exchange Act in the latest year up till the publishing date of this annual report that significantly impacted shareholders' equity or security prices: None